LIC HFL
LIC HOUSING FINANCE LTD

22nd August, 2023

The Manager, Listing Department, National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 Scrip ID: **LICHSGFIN EQ** Email: cmlist@nse.co.in	The General Manager, Department of Corporate Services-Listing Dept., BSE Limited, 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. Scrip Code : **500253** Email: corp.relations@bseindia.com

Sub: Corrigendum to the Annual Report for FY 2022-23

Re.: Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

This is further to our submission dated 4th August 2023 wherein the Company had submitted its Annual Report along with the Notice of the 34th Annual General Meeting to be held on Monday, 28th August 2023 at 3:30 p.m. (IST) through video conference / other audio-visual means.

This is to inform you that due to technical glitch while converting document into machine readable PDF the page no.365 of Annual Report was got deleted and the same had been uploaded on earlier submission. There is no change in Annual Report and shareholder have received the complete copy of Annual Report.

We are enclosing herewith the Annual Report of the Company of the 34th AGM after incorporating the above change and the same is also available on the website of the Company at https://www.lichousing.com/annual-report

This is for your information and records.

Thanking you,

Yours faithfully,
For LIC Housing Finance Limited

VARSHA CHANDAR HARDASANI
Digitally signed by VARSHA CHANDAR HARDASANI
Date: 2023.08.22 16:26:47 +05'30'

LIC HOUSING FINANCE LTD. CORPORATE OFFICE MUMBAI

Varsha Hardasani
Company Secretary and
Compliance Officer

C.C.:The Luxembourg Stock Exchange, **Address:** 35 Boulevard Joseph II, 1840 Luxembourg **Phone:**+352 47 79 36 1

LIC HFL
LIC HOUSING FINANCE LTD

LICHFL *next*

Learn | Change | Grow | Relearn

Annual Report
2022-23

INSIDE THE REPORT

Corporate Overview

Statutory Reports

Financial Statements

To view this report or to read online, please log on to
www.lichousing.com/annual-report

A Respected And Trusted Financial Services Company

Outstanding Portfolio of
₹2.75 lakh crore
up 9.5% YoY

Strengthened our distribution with more than
10,000 hands to guide through the loan process

Made our presence felt with **314 branches** across cities and towns in India

Enhancing operational excellence with Project RED

Built a cohesive family of
2,462 employees
relentlessly striving towards a collective vision

Served more than
35 lakh
Prudent Home Owners since inception

ENDURING A GROWTH MINDSET

₹22,656.95 Crore
Revenue from Operations

₹18,069.57 Crore
Market Capitalisation*

₹2,891.03 Crore
Profit After Tax

425%
Dividend for FY 2022-23

₹52.56
Earnings Per Share

*Market Capitalisation as on 31st March, 2023

WINNING RECOGNITION ACROSS PLATFORMS

2015
- Best Housing Finance Company by BFSI Awards
- Best data quality in HFC by CIBIL

2016
- Outlook Money-Best Housing Finance Company
- Best Housing Finance Company by ABP News
- Asia Pacific Entrepreneurship Award
- Power Brands Awards by Franchise India

2017
- Outlook Money-Best Housing Finance Company
- Business Today BFSI Best CEO
- NSE for highest Debt Issuance

2019
- Voted as the 'Brand of the Decade 2019' by BARC Asia
- NSE for Best Issuer on EBP

2022
- **"Best Organisation for Women 2022" Award by 'The Economic Times'**
- **"BEST CSR" Award in the 11th Edition of Global CSR Excellence & Leadership Awards**

LEARN. CHANGE. GROW. RELEARN.

At LIC Housing Finance Limited, we have built a strong platform to foster our market position. With a total loan book size exceeding ₹ 2.75 lakh crore, we made our presence felt in every city and town of India with our pan-India reach and 10,000 points of presence.

LICHFL NEXT is all about learning, changing, growing, relearning. This remains our credo, supported by our prudent strategies and agile execution to reinforce our systems and processes, deliver superior performance, sustain asset quality, maintain robust collection efficiency and decentralised credit underwriting, and build smarter platforms for enriched customer experience.

This is just a beginning. As we stand at the fulcrum of our growth curve, we are truly prepared for the next orbit of growth and to keep delivering consistent value to our stakeholders – Customers, Investors, Employees and the Society.

WHAT DOES LICHFL NEXT SIGNIFY?

TO OUR CUSTOMERS
A new experience and delight

TO OUR INVESTORS
More wealth creation

TO OUR EMPLOYEES
Creating leaders of tomorrow

TO THE SOCIETY
Embracing sustainability and green initiatives

With a focus this sharp, with a portfolio where we enjoy a distinctive position, and with a market that promises sustainable growth, we have the gravitas to make an indelible mark on India’s housing finance landscape.

“Learn. Change. Grow. Relearn.” is not just our annual report theme, it is our corporate strategy that has permeated every facet of our working today.

Fulfilling Deeply Cherished Ambitions Of Owning A Home

OUR PASSION AND COMMITMENT

We are one of the largest housing finance companies in India with a 34-year legacy, experience and expertise. Today, we have a proud group of over 35 lakh prudent home owners.

OUR KEY OBJECTIVE

We are among the pioneers in ensuring access to housing finance for home ownership. With a strong business foundation, extensive distribution network and proven industry expertise, our key objective is to provide:

- Long-term finance to individuals for purchase or construction of house or flat for residential purpose
- Finance on existing property for business or personal needs
- Finance to builders and developers engaged in construction of houses or flats for residential purpose
- Loans to professionals for purchase or construction of clinics, nursing homes, diagnostic centres, or office space and for purchase of equipment

AN EXTENSIVE DISTRIBUTION NETWORK

We have one of the widest networks of 314 Marketing Offices across the country and Representative Office in Dubai. We also distribute our products through the branches of our subsidiary LIC HFL Financial Services Limited.

Our Vision

To be the best housing finance company in India

Our Mission

To provide secured housing finance at affordable cost, maximising shareholder value with higher customer sensitivity

Our Values

- Fair and transparent business practices
- Transformation to a knowledge organisation
- Higher autonomy in operations
- Instilling a sense of ownership amongst employees

BEST-IN-CLASS CREDIT RATING

The Company has received the highest rating from CRISIL, ICRA and CARE, indicating the highest safety for our ability to repay the principal amount and service the interest.

YEAR FY 2022-23 IN NUMBERS

₹64,115 Crore
Total Disbursement

₹53,459 Crore
Disbursement under Individual Home Loans

₹2,697 Crore
Disbursement under Project Loans

2.41%
Net Interest Margin

18.23%
Capital Adequacy Ratio (Tier 1&2)

35 Lakh
Number of customers serviced

4.41%
Gross NPA

2.50%
Net NPA

11.72%
Return on Networth

EMBARKED ON A PURSUIT OF EXCELLENCE AND VALUE CREATION

End-to-end digitalisation
Focussed on tech adoption by fine-tuning robust systems and procedures to enable outreach and higher business volumes

Enhancing reach
An expansive reach to address the home loan needs of prospective borrowers; Introduced Cluster-driven Hub-and-Spoke Model for faster TAT in loan disbursements; To open new Marketing Offices

Sustained asset quality
Reputed for having the best asset quality and better asset liability mix in India's housing finance space

Stable profit growth
Recorded all-time high disbursement and contributed better to business; at the cusp of long-term secular growth due to revival in residential real estate, favourable macros and improved profitability

Driving efficiency
Maintained high collection efficiency and significant recoveries by controlling delinquencies

Three-and-a-half Decades of Understanding Emotions

OUR JOURNEY OF EVOLUTION

1989
- Year of incorporation
- Lending commences from first office in Delhi

1994
Launched IPO of ₹ 120 crore

2002
- Achieved credit rating of AAA
- Set up a representative office in Dubai, marking its first presence in the overseas market

2004
- Loan portfolio crossed ₹ 10,000 crore
- Emerged as the first Housing Finance to come out with a US$ 29 million GDR issue which was over-subscribed

2009
Launched a QIP of US$ 135 million, which was over-subscribed by six times

2012
- Received the award for being the best Housing Finance Company from CNBC-TV18
- Received the award "Best in Home Finance" from the construction industry

2014
Received an award for being the Best Housing Finance Company from ABP News

2015
- Loan portfolio cross ₹ 1 lakh crore
- Won award for Best HFC by BFSI Awards
- Won an award for Best Data Quality in HFC by CIBIL

2016
- Received the Outlook Money Award for Best HFC
- Won the award for Best HFC by ABP News
- Won the Asia Pacific Entrepreneurship Award
- Won the Power Brands Award by Franchise India

2017
- Crossed Loan Portfolio of ₹ 1.5 lakh crore
- Received the Outlook Money Award for Best HFC
- Won BFSI Best CEO Award from Business Today

2018
Profiled in India's leading BFSI Companies 2018 by Dun & Bradstreet

2019
- Crossed Loan Portfolio of ₹ 2 lakh crore
- Voted as Brand of the Decade 2019 by BARC Asia

2020
- Ranked as the Best Private Issuer 2019 on Electronic Bidding Platform by National Stock Exchange
- Received Data Quality Award by Transunion CIBIL in the Housing Finance Company category at the TU CIBIL Annual Conference 2019
- Awarded the 'Best Housing Finance Company' at the National Real Estate Congress Leadership & Awards, 2019
- Listed as 'The Outperforming Housing Finance Company 2019' by Outlook Business
- Featured amongst the Top 10 Most Consistent Wealth Creators according to the "Motilal Oswal 24th Annual Wealth Creation Study, 2019"

2022
- Won the Global CSR, Excellence & Leadership Award 2021-22
- Recognised as one of the "The Best Organisation for Women" by Economic Times
- Economic Times awarded LIC HFL as one of the "Best Brands for 2021"
- Recognised by Kendriya Sainik Board for valuable contribution in the past to Veer Naaris

2023
Introduced Cluster-driven Hub-and-Spoke Model for faster TAT in loan disbursements

Promoting Home Ownership in Every City and Town of India

Map not to scale. For illustrative purposes only.

9
Regional Offices

24
Back Offices

Dubai
Representative Office

Coverage of
450+
Centres

2,462
Total Employees

To address the changing market needs and as part of the reorganisation, we opened 44 Cluster Offices to speed up disbursements, besides adding 50 Area Offices to tap a wider customer base. This is aimed at achieving higher growth with less TAT. With an average ticket size of ₹ 26+ lakh, we are venturing into several Tier 2/3 cities to tap into promising cities of the future.

Change over Two Decades

Year	No. of Marketing Offices	No. of Back Offices	No. of Regional Offices	No. of Employees	Loan Portfolio (₹ Crore)
2008	125	14	6	985	21,936
2013	194	16	7	1,446	77,812
2020	282	24	9	2,392	2,10,578
2023	281	24	9	2,462	2,75,047

Chairman's Message to the Shareholders

Today, we are consolidating our position as the largest Housing Finance Company with a Loan Portfolio of ₹ 2.75 lakh crore.

Dear Shareholders,

As I sit down to write my letter to shareholders as the Chairman, I find myself even more optimistic by what lies ahead for LIC Housing Finance Limited today. I would like to start my letter with a famous quote of Eleanor Roosevelt: "The future belongs to those who believe in the beauty of their dreams." This truly epitomises the philosophy and culture of your Company.

With LICHFL NEXT, we brought innovations in the business, made some key changes in our strategies and decisions, while still preserving our values and strong foundation. Our key motive behind all this remains to deliver more and more value by automating every facet of customer interaction and delivering an elevated experience to all our customers. The organisational changes we have inculcated as part of LICHFL NEXT are set to increase the stakeholder value, expand geographies, and contribute to the economic growth of the country.

With our remarkable 34-year journey, we not only multiplied our footprint in each decade, we also endured a growth mindset. Today, we are consolidating our position as the largest Housing Finance Company with a Loan Portfolio of ₹ 2.75 lakh crore. Over the years, we also built huge and growing base of customers, strengthened our distribution with more than 10,000 hands, and leveraged our space using stability, growth and digital transformation.

KEY GROWTH DRIVERS

The increase in the outlay for PM Awas Yojana by 66% in Union Budget for the FY 2023-24 and the urban infrastructure development fund are all set to trigger acceleration in demand for home loans, benefiting the industry. After witnessing disruptions in business volumes, because of COVID-19 pandemic, the industry saw a continued improvement in disbursements. Further, despite home loan rates hardening this year, on the back of repo rate hike, demand for home loans did not witness a slowdown. India's real estate sector displayed resilience amidst escalating geopolitical situation and rising inflation.

The residential sector witnessed robust demand revival, gaining fast momentum and withstanding market volatility. Under PMAY's Housing for All, India proposes to build 5.73 million houses to realise its target of building 29.5 million houses by 2024, demonstrating projected growth in the near future. Demand for home loans grew owing to increasing urbanisation in smaller cities, growing importance of home ownership, a rising population and increasing income levels, signifying its prominence as one of India's fastest growing sectors. Government measures to support housing finance, additional funding for housing projects and interest rate subsidies for housing loans are set to further improve demand for housing finance. Millennials and young borrowers in need of urban accommodation are a potential consumer base for housing loans.

DRIVING A CONSUMER-CENTRIC SERVICE MODEL

We strengthened our core and made the infrastructure more robust by establishing a comprehensive monitoring and control framework. We also strengthened our capital adequacy and became better capitalised. Asset-Liabilities are conducive to manage high-rate environment. A better asset mix and improved asset quality is set to result in reduced credit cost. With an ability to source low-cost liability from strong fundamentals and liability management, we reduced cost of funds despite rising rates and monetary tightening. Our established treasury management processes and conservative liquidity policies are well recognised.

In a digitally-transforming Indian financial services sector, technology is a strategic enabler of business growth, cost optimisation and process innovation. At LIC Housing Finance Limited, we have been at the forefront of technology adoption, bringing out solutions that improve customer convenience and provide world-class experiences. We also established a comprehensive monitoring and control framework, and built on a large talent pool of a committed workforce.

We created a framework for sustainable growth with product and distribution strategies that fulfil the requirements of our customers. We are also better placed on liabilities versus other housing finance companies. Today, we have one of the lowest cost of funds, while our credit rating continues to be strong at AAA since 2001-02. Further, there is higher yield productivity with proper due diligence to mitigate risk. Today, our per branch business and per employee productivity has increased.

OUTLOOK IN FY 2023-24

Going forward, we are well-positioned to leverage our established and growing network, and are confident this will enable us to scale to new growth frontiers. We will also continue to invest in people with the right expertise, technology, and advanced analytics to keep pace with growth. Rapid pace of finance, affordable mortgages, increased urbanisation and changing lifestyles are set to spur growth of Indian Housing Finance Market, which is projected to grow by 20% CAGR between 2022-2027. Demand is visible across sectors and loan segments, with small towns and affordable loans taking a lead. The emerging concept of "Work from Home" and relocation to native towns (post-pandemic) continues to aid the growth momentum in Tier 2/3 cities.

We have been at the forefront of technology adoption, bringing out solutions that improve customer convenience and provide world-class experiences.

KEY STRATEGIC PRIORITIES

As we move forward, we are single-mindedly driven by our purpose of ethically fulfilling our responsibilities towards our customers. We are also seizing more and more opportunities to strengthen customer relationships. Today, being innovative in approach and laying emphasis on quality business, we have differentiated ourselves strategically aligning with customer needs. And to further improve our market share, we are consolidating our market position, providing better customer service, and delivering value to all our stakeholders with advance tech-enabled customer service. Further, we are using data and analytics for segment-driven customer acquisition and engaging in technology modernisation in line with the growing business needs and automation.

We shall keep focussing on increasing our share of high-margin products; tap into unpresented geographies by conducting camp offices; rationalising existing offices; making HomY even more effective and easing customer onboarding; exploring cross-selling of products; and enabling continuous training to intermediaries and marketing officials to increase productivity, among others. With these strategic initiatives, we are fortifying our market presence and improving asset quality in a competitive housing finance industry.

IN CONCLUSION

I am grateful to our esteemed customers, shareholders, business partners, wider community of stakeholders, and above all, our employees for their commitment to our vision. I look forward to working with each of them to move towards an even better and brighter future for LIC Housing Finance Limited.

Sincerely,

Siddhartha Mohanty

Chairman

From the Managing Director's Desk

Dear Shareholders,

We are delighted to communicate with you through the Annual Report. With a vintage of over 34 years, LIC Housing Finance Limited is consolidating its position as the largest housing finance company in India.

FY 2022-23 was also a year of great change. We started the year on the backdrop of optimism and anticipation in the real estate sector, triggered by positive macroeconomic developments. These developments augur well for India's housing finance industry, but more importantly, for greater home ownership. Our motto of Home Delivery of Home Loans drives us every single day to improve customer experience and delight them with doorstep services.

Also, after interest rates increased sharply this year, with the RBI hiking repo rate by 250 bps in the current rate hike cycle, interest rates appear to have peaked and stabilised. A steady interest rate regime further induces affordability and drives down the cost of owning a home.

INDUSTRY SCENARIO IN FY 2022-23

After the pandemic-induced spell, the real estate industry bounced back strongly due to government's focus on affordable housing and various policy initiatives. In fact, the real estate sector is expected to grow further to attain a market size of US$ 1 trillion by 2030 and account for 18-20% of India's GDP.

The residential real estate market picked up as well, and witnessed astounding progress in CY2022, aided by pent-up demand and demonstrating its prominence as one of India's fastest growing industries. All the real estate verticals (Residential, Commercial, Retail and Warehousing) are coming out of a prolonged downcycle. The government's huge push to infrastructure will continue to be a key positive for the Indian real estate market, resulting in more buoyancy for the housing finance sector.

Demand for housing and home finance is expected to sustain, aided by a positive interest rate trajectory. Rate hike is said to have had no material impact on demand for home loans. On the contrary, the policy initiatives have resulted a surge in the demand for affordable housing. Tier 2/3 cities witnessed tremendous growth in demand for home loans, in the post-Covid scenario and with the "Work from Home" trend, it supported in putting the sector back on the growth trajectory.

At LIC Housing Finance Limited, we are poised to leverage this growing opportunity of the rising demand for home finance. The industry is also upbeat on the back of an increasing desire for home ownership. Aspiration levels to own a home continue to be high and demand is picking up in the mid-segment too. In fact, with new projects getting launched in the real estate market, there is a gradual increase in demand for finance from project developers too.

A ROBUST BALANCE SHEET AND A STRONG CAPITAL BASE

In the fiscal year 2022-23, a steady growth was witnessed in the outstanding loan portfolio and disbursement. Asset quality also displayed stability with further improvement. Affordable Housing segment contributed the highest to our total book size – at 70% of total disbursement.

Total Disbursements stood at ₹ 64,115 crore, up 4% from ₹ 61,847 crore in the earlier fiscal year. Of this, the Individual Home Loan Segment registered disbursement of ₹ 53,459 crore from ₹ 53,662 crore, whereas total disbursements under Project Loans stood at ₹ 2,697 crore, a growth of 106% from ₹ 1,312 crore in the previous year.

Revenue from Operations stood at ₹ 22,656.95 crore, up nearly 14% from ₹ 19,919.07 crore. Profit After Tax was recorded at ₹ 2,891.03 crore, a growth of 26% from ₹ 2,287.28 crore. Net Interest Income (NII) for 12 months was up by 14.86% at ₹ 6,330.26 crore, while Net Interest Margin (NIM) stood at 2.41% vs 2.28% for the previous year. During the year 2022-23, the Board recommended a dividend of 425%.

LIC HFL NEXT

To address the changing needs of the market, a major reorganisation is underway in the way we operate, with a stringent focus on improving organisational capability and vitality and delivering sustained value to all our stakeholders – Customers, Investors, Employees and the Society. As part of our stated plan for this reorganisation and transformation and to make LIC Housing Finance Limited even ready for the future, we follow a motto of

"Learn, Change, Grow, Relearn", encompassing learning as we grow, and relearning more.

We are expanding the scope and scale of our business, strengthening business processes, gaining more efficiency and operational excellence, becoming even more tech-oriented, creating clusters for better turnaround time, and ensuring that our workforce is well aligned with our organisational growth.

As a key part of our overarching process of transformation is our determination to keep on improving asset quality and intensify credit recovery, and also to measure, manage and allocate risks appropriately. We will also increase our focus on the high-yielding Loan Against Property segment. Our improved asset quality and collection efficiency and the new vertical "Receivable Management" will oversee collections in the bracket of 0 to 60 days dpd to help turning the loans into NPA. We are also working on improving our product mix and delivering a better range of products to customers with an optimised rate of interest.

We are also improving our physical presence by increasing our number of branches to 314 from 281 in the previous year. Our plan is to expand presence in smaller towns, especially in Maharashtra and Madhya Pradesh, where home loan penetration is relatively low. Under our Hub-and-Spoke model, we have created 44 cluster offices which will further speed up our work and redundancy. This will help achieve much higher growth with less TAT in our processes.

In addition, we also opened 50 new Area Offices pan-India to reach out to a much wider customer base. With this, our physical reach has today expanded to 23 States and 4 Union Territories, along with a representative office in Dubai, UAE. We also ventured into several Tier 2/3 cities this financial year to expand our services and tap into the promising cities of future.

DIGITALISATION – A GAME CHANGER

Most importantly, as part of LICHFL NEXT, we will continue to bolster our digital initiatives to counter competition and push loan disbursement. Through Project Red, we are making significant investments in IT infrastructure to advance to the next-generation scalable and flexible tech landscape. The project is helping us reimagine excellence through digital transformation and deliver a totally differentiated loan journey to our borrowers right from onboarding to approvals and post-disbursement servicing. This will also help us improve productivity, customer convenience and sustain growth.

We are accelerating digital capabilities, re-skilling distribution to support remote onboarding, adopting tech-led processes, and collaborating our insights with that of customers to strengthen our asset quality. We are also enhancing our operational efficiency for acquisition, servicing and collection, and aim to further improve customer experience through our digital initiatives. Further, we are also working on making our HOMY app even more effective to ease the process of applying for loans and sanctions, and to simplify customer onboarding. With HOMY, we are organically unifying the work culture, strengthening our processes, and deepening customer engagement through best-in-class technology.

ACCELERATING GROWTH WITH KEY STRATEGIES

Our focus remains on increasing the share of high-margin products (Non-Core and Griha Suvidha). A key priority for LIC Housing Finance Limited is to also increase productivity by way of continuous training to our intermediaries and marketing officials. Further, we are aiming for strategic expansion of our distribution network and tapping into new markets and segments, and unpresented geographies through agents. In a strategic move, we are also assessing the risk-reward relationship in credit decision-making to increase the overall profitability.

OUTLOOK FOR FY 2023-24

We are entering the next financial year of FY 2023-24 on a buoyant note with interest rates stabilising and with big real estate projects nearing completion. We expect positive economic environment and stable growth, despite the recent monetary tightening and rising inflation. The positive outlook also continues on the back of the government's mission of "Housing for All" under the Pradhan Mantri Awas Yojana (PMAY) programme.

At LIC HFL, we maintain a deep sense of responsibility and optimism towards enabling home ownership. As we journey through 34 years of operations, we remain well-engrained in the middle-income end-user segment which is positioned to benefit from the changing demographic dividend due to increasing consumption and purchasing power of the customer in India.

Moving ahead, our emphasis will remain on improving customer retention and making increased disbursements. We hope to see further growth in our disbursement, with a special emphasis on Affordable Housing. We also project a further improvement in Net Interest Margins. We see our loan book growing by 10-12%, surpassing the earlier growth recorded in FY 2022-23. Apart from maintaining our position in the Individual Home Loan Segment, we believe the Project Finance will act as a major growth engine.

TOWARDS SUSTAINABLE GROWTH AND PROGRESS

Moving ahead, we have chalked out a robust roadmap ahead, driven by our strong technology platform, a wide range of products and a pan-India reach. We are also paving the way for sustainable future on the back of a rock-solid performance, as we remain confident of emerging further and growing ahead with even greater strength.

We are confident that with our strategic transformation and an experienced team, we will create significant value in the years ahead. I am also thankful to the shareholders for their overwhelming support in helping us build a stronger company.

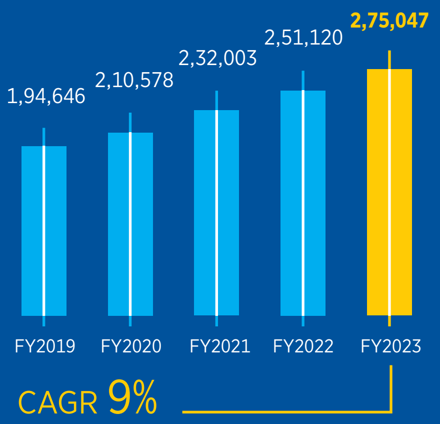
I look forward to the continued support of all our stakeholders in taking your Company forward on this journey of sustainable and profitable growth.

Warm Regards,

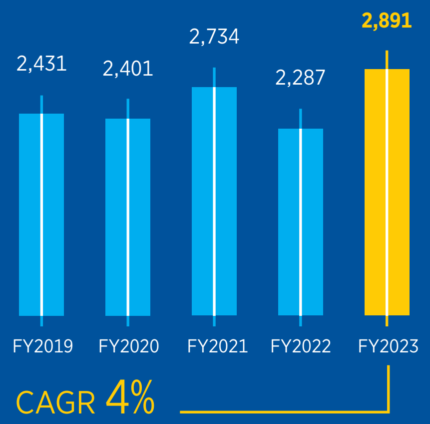
Y Viswanatha Gowd
Managing Director & CEO

A Record Year in Our 33-Year History

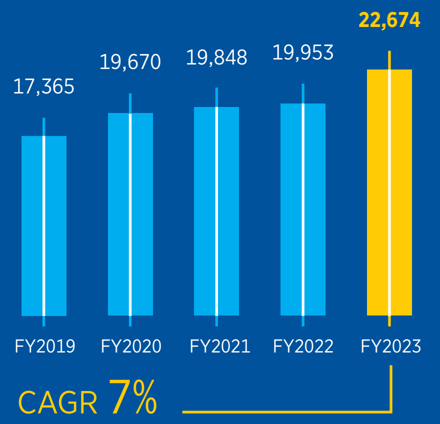
OUTSTANDING LOAN PORTFOLIO
(₹ Crore)



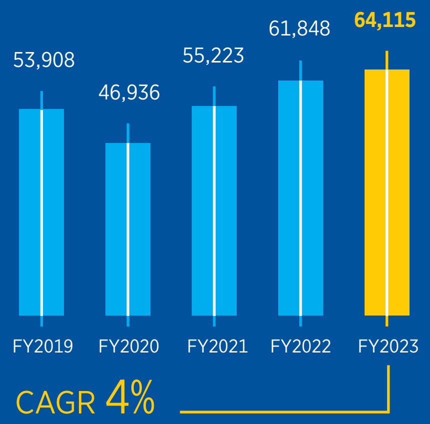
PROFIT AFTER TAX
(₹ Crore)



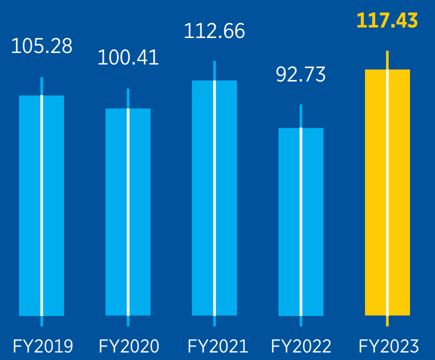
INCOME
(₹ Crore)



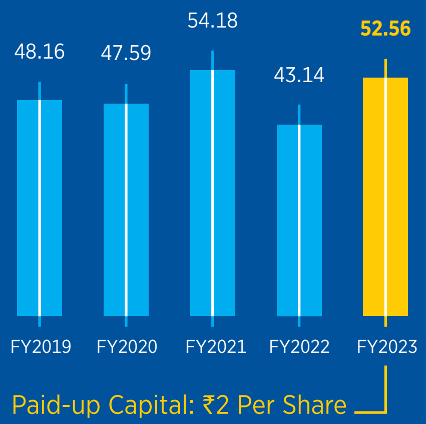
DISBURSEMENT
(₹ Crore)



PROFIT PER EMPLOYEE
(₹ Lakh)

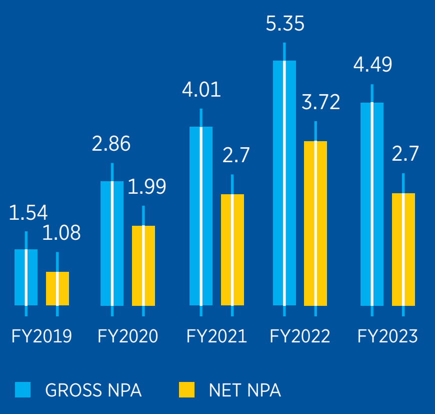


EARNINGS PER SHARE
(₹)



GROSS NPAs AND NET NPAs#

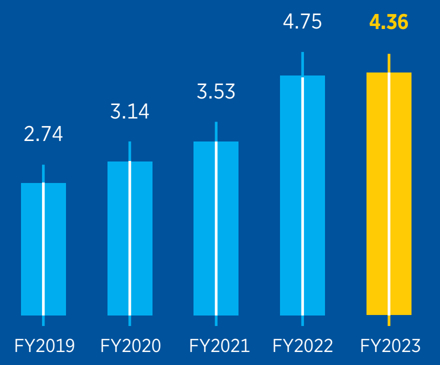
(%)



#As per IGAAP

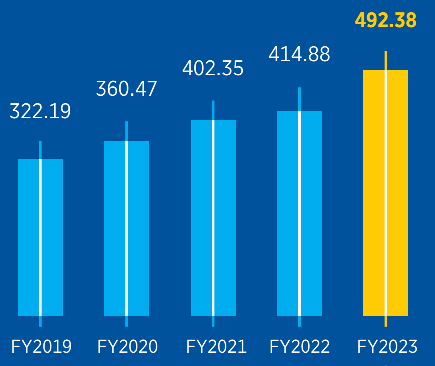
OPERATING EXPENSE TO TOTAL INCOME

(%)



BOOK VALUE PER SHARE

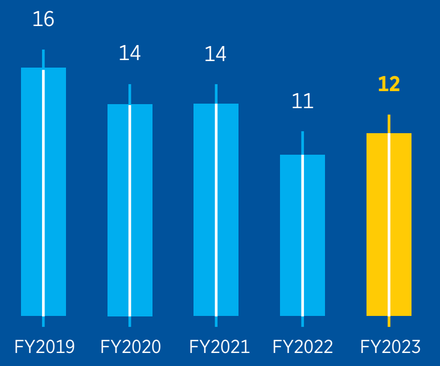
(₹)



Paid-up Capital: ₹2 Per Share

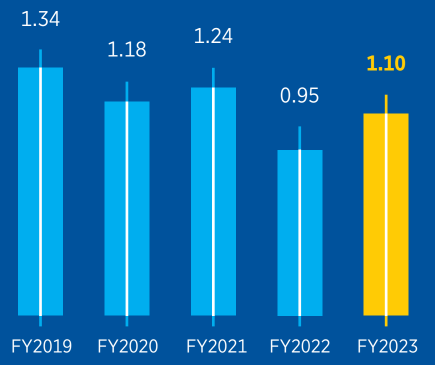
RETURN ON AVERAGE EQUITY

(%)



RETURN ON AVERAGE LOAN ASSETS

(%)



Leveraging Technology to Drive Business Strategy and Enhance Value

In the competitive retail lending business, digital plays a key role in supporting business growth, while also maintaining the portfolio's health. Our focus on technology has helped us accelerate our turnaround time, integrate processes, minimise process duplication and enhance productivity.

With our prudent investments and new initiatives in the technology space, we have created a strong foundation for growth to assist a seamless service delivery to our customers. We also focussed on optimising our processes and boosting our workforce productivity and business.

We are on a mission to realise nation's vision of Digital India. Our spend on technology is in line with our technological advancements, while the digital landscape for business and operations is expanding at a faster rate. Our IT spending has increased sequentially with a strong focus on spreading our digital footprint and reaching out to customers through various channels. Spending IT infrastructure and services to cater to the ever-increasing digital volume remains the prime focus of our annual IT spend. In addition, use of data analytics is another major area of IT spend, which we are planning to implement in a big way.

DIGITISING OUR OPERATIONS

Today, 50% of total IT spends by LIC Housing Finance Limited are on digitisation. Our customers are fast embracing digital technologies and processes such as customer acquisition, customer appraisal and KYC processes, which are already automated. Credit appraisal using STP is a key step to reduce manual intervention and objective loan appraisal has helped in reducing timelines for the entire appraisal process. Digitisation of documents to reduce paper trail and use of electronic documents for various operations such as subsequent disbursement is fast becoming a part of our operations and increasing the efficiency. The Company has also adopted digitisation for internal processes like procurement and internal servicing. Servicing our customers using our customer portal is another area in our operations where payment processing is digitised. Today, digital and auto debit payments form over 75% of our monthly collections.

BEST-IN-CLASS SERVICE WITH HOMY

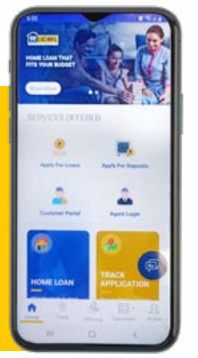
The HOMY App eases the process of applying for loans and sanctions and deepens customer engagement through best-in-class technology. HOMY has played a key role in strengthening our digital lending process. Depositors are also onboarded through HOMY. The share of HOMY has steadily increased in the last two years.

Business sourced through HOMY has increased to 31% in FY 2022-23, from 20% in FY 2021-22.

Facilitated home applications

1.44 Million
downloads

From 3% in 2021, today 35% of disbursements happen through the HOMY App



HOMY's usage in FY2023

1,33,172 customers applied for loans of ₹ 39,779.91 crore

1,01,937 customers sanctioned loans of ₹28,306.78 crore

93,957 disbursed valued at ₹22,486.33 crore

DIGITAL TRANSFORMATION WITH PROJECT RED

Initiatives under digital transformation have been taken up at LIC Housing Finance Limited to provide digital services to customers, with various integration done for digital lending and self-servicing modules. We are working on providing all services digitally, improve customer journeys, reduce TAT and physical movement, and improve productivity. The Deposits Module, one of the early implementations undertaken as part of Project RED, has started showing results with a reduction in overall deposit creation and settlement on maturity. Similarly, UPI and Bharat Bill Pay is helping in increasing collection efficiency for delinquent customers. With Early Warning Signals given, the focus remains on identifying risky customers and reducing default rates due to our focussed approach.

BENEFITING CUSTOMERS WITH DIGITALISATION

- Using various tools and integrating them with core lending system to leverage benefits
- Process of physical KYC greatly improved using VKYC
- Customer engagement largely increased using channels like chatbots and whatsApp integration
- Self-servicing for facilities like reschedulement, details on SOA and IT certificates can be accessed without office intervention

KEY INITIATIVES

Our ultimate objective is that of organising and automating every facet of customer interaction. We are fixated on improving efficiencies at every level of the organisation, bringing in transformational changes by organically linking the work culture, strengthening processes across verticals, deepening customer engagement, and adopting best-in-class technology to build further capacity.

We engaged with the Boston Consulting Group (BCG) for transformational changes. Through Video KYC and E-Nach, customers are served better, and deposit-holders also gain efficient service. We shall be setting up high-level project implementation group to approve and monitor capacity building plans of every constituent. We also propose to ensure a uniform approach to manage and regulate the entire gamut of operations by way of collaborations of all functional departments.

KEY BUSINESS STRATEGIES

- Aiming to maximise digital onboarding (over 50%)
- Using data and analytics for segment-driven customer acquisition
- Increasing use of cloud-based office automation and collaboration
- Moving workload to energy compliant data centre
- Tech modernisation in line with growing business needs

Maintaining Strong Asset Quality With Prudent Underwriting

With a strong reputation for best asset quality, robust inhouse credit appraisal and efficient risk management, we continue to solidify our competitive advantage with a system recovery vertical. We shaped up our Special Task Forces and ensured stringent monitoring to sustain our asset quality.

To further strengthen our underwriting procedures, and to improve operational flexibility, we are solidifying our digital outreach and focussing on customer contact. We continue to track and analyse performance of our loan portfolio to identify potential areas of concern and to take corrective actions.

We are venturing into several Tier 2&3 and Smart Cities this financial year to expand our reach and tap the potential. We also ensured a robust System Recovery vertical to shape up task forces and NPA warriors and imbibe a sense of accountability. As part of our NPA warrior team, a Special Task Force was set up for stringent monitoring and regular follow-ups from back office, corporate office and regional office, helping us maintain high collection efficiency.

MAINTAINING HIGH COLLECTION EFFICIENCY

Collection efficiency is being maintained at a high level. For this purpose, we have shaped up our teams at offices for stringent monitoring and regular follow-ups to sustain our asset quality. We remained empathetic to the needs of our customers and kept in touch with our customers on a regular basis. We also provide Early Warning signals to borrowers to make them aware of their pending dues, besides also helping them understand the importance of timely repayment. A dedicated team has been formed for regular monitoring of day-to-day collections.

STRENGTHENING ASSET QUALITY

A new vertical "Receivable Management" has been created at LIC Housing Finance Limited. This is aimed at overseeing collections in the bracket of 0-60 days DPD. Concerted efforts for soft bucket cases will help avoid loans turning into NPA. We are also taking adequate measures for improvement of our receivables.

An aggressive approach towards recovery activities is being carried out stringently. This follow-up starts immediately on the loan becoming delinquent, with various follow-up mechanisms such as tele-calling, contacting borrowers, SMS, e-mails and other communication modes are being utilised on a regular basis.

To further intensify recovery, time-bound implementation of SARFAESI activities, sale of properties through e-auction, resolution through NCLT and other legal remedies is adopted for exploring an unconventional approach for settlement of chronic and high-exposure cases for recovering the loans.

STRINGENT CREDIT APPRAISAL

We have a robust in-house Credit Appraisal team carrying out appraisal on the basis of Standard Operating Procedures (SOPs). These SOPs are updated in the form of guidelines issued from time to time. Various risk factors such as Credit Risks and Fraud Risks are addressed at the time of appraisal, which reduces the scope of default. During COVID-19, we extended this facility in the form of moratorium for borrowers under financial stress.

STRONG INTERNAL AUDIT SYSTEM

Our Internal Risk Management Department conducts regular meetings of the Risk Management Committee (RMC). The key agenda of these meetings includes points pertaining to Credit Risk, which formulates a well-rounded Risk Management process. As required, we initiate the process of formulation and modifications of credit guidelines and policies for the approval of the Board.

Furthermore, various digitisation and automation initiatives have been undertaken to strengthen standardisation of our process and reduce TAT.

Towards Faster and Improved Recovery

- Minimum 50% reduction over March 2023, including new NPAs created
- Focussing on Top NPA accounts with time-bound resolution plan
- Onboarding sufficient valuers and completing all pending valuations and disposing off properties under possession

Strengthening our back offices

- Hub-and-Spoke model followed with back offices and area units
- Opened Business Processing Centres – credit decisions on sanctions and disbursements taken here
- Employees sensitised on quick decision-making – without compromising on quality of underwriting; no dilution in operational activities – this also strengthens TAT
- Credit risk being the main risk, we conduct regular meetings of Risk Management Committee and all HODs

Corporate Information

BOARD OF DIRECTORS

Shri Siddhartha Mohanty	: Chairperson
Shri Jagannath Mukkavilli	: Non Executive Director (Nominee Director from LIC of India)
Shri Y Viswanatha Gowd	: MD & CEO
Dr Dharmendra Bhandari	: Independent Director
Shri V. K. Kukreja	: Independent Director
Shri Ameet N Patel	: Independent Director
Shri P Koteswara Rao	: Non-Independent Director
Shri Kashi Prasad Khandelwal	: Independent Director
Shri Sanjay Kumar Khemani	: Independent Director
Shri Akshay Rout	: Non-Independent Director
Smt Jagennath Jayanthi	: Independent Director
Shri Ravi Krishan Takkar	: Independent Director

CHIEF FINANCIAL OFFICER

Mr. Sudipto Sil

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Varsha Hardasani

SENIOR EXECUTIVES

Mr. T Mathews	: General Manager (OS, Estates & Subsidiary Monitoring)
Mr. A K Verma	: General Manager (Legal, Audit & Staff Discipline)
Mr. K K Ghoshal	: General Manager (Credit Management, Receivable Management and Credit Monitoring)
Mr. P P Kelkar	: General Manager (Marketing)
Dr. S C Sahoo	: General Manager (Recovery)
Ms. Meenakshi Kumar	: General Manager (CRM, Document Management & HR)
Ms. Angel Johnson	: General Manager (IT)
Mr. H J Panchariya	: General Manager (Accounts)
Mr. N Mahesh	: Joint General Manager (CART, PR & Publicity, New Initiatives)
Mr. D R Muralidharan	: Chief Compliance Officer & Joint General Manager (CSR)
Ms. Jayshri Waman Wartak	: Joint General Manager (Audit)
Mr. J Sangameswar	: Chief Risk Officer
Mr. Hitesh B Talreja	: Deputy General Manager (IT)
Mr. R Murali	: Deputy General Manager (Recovery - Legal)
Mr. Roby Joseph Valolickel	: Deputy General Manager (Taxation)

REGIONAL MANAGERS

Mr. Shubhashish Dasgupta	: Central Region
Mr. Ramesh Chandra Khora	: East Central Region
Mr. Suparno Chakrabarti	: Eastern Region
Mr. Alok Matiman	: North Central Region
Mr. Vidhya Ratan Shukla	: Northern Region
Mr. Siba Prasad Patnaik	: South Central Region
Mr. Jaya Prakash Babu D	: South Eastern Region
Mr. P V Saseendran	: Southern Region
Ms. Rashmi Singh	: Western Region, Mumbai

AUDITORS

Joint Statutory Auditors (JSAs)

M/s SGCO & Co. LLP
Chartered Accountants, Mumbai

M/s Khandelwal Jain & Co.
Chartered Accountants, Mumbai

BANKERS

Axis Bank
Bank of Baroda
Bank of India
Bank of Maharashtra
Canara Bank
DBS Bank
Federal Bank
HDFC Bank
HSBC
Indian Bank
Karnataka Bank Ltd
Kotak Mahindra Bank Ltd.
Punjab and Sind Bank
Punjab National Bank
Shinhan Bank
State Bank of India
The Jammu and Kashmir Bank
UCO Bank
Union Bank of India

REGISTERED OFFICE

Bombay Life Building, 2nd Floor,
45/47, Veer Nariman Road,
Mumbai - 400 001.
Phones: 022- 2204 0006,
2204 9682 & 2204 9919
Fax: (022) 2204 9839
CIN: L65922MH1989PLC052257

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt. Ltd.
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083
Phones : 022 - 2851 5606, 2851 5644
Fax : (022) 2264 1349
Email: mumbai@linkintime.co.in
Website: www.linkintime.co.in

CORPORATE OFFICE

131 Maker Tower, “F” Premises,
13th Floor, Cuffe Parade,
Mumbai – 400 005.
Phones: 022-2217 8600,
2217 8700 & 2217 8610
Fax: (022) 2217 8777
CIN: L65922MH1989PLC052257
Email: lichousing@lichousing.com/
secretarial@lichousing.com
Website: www.lichousing.com

DEBENTURE TRUSTEE

Vistra ITCL (India) Limited
Plot C-22, G-Block,
Bandra-Kurla Complex,
Bandra East, Mumbai – 400 051.
Phone : 022-2653 3333
Fax : 022-2659 3038
Email: info@ilfsindia.com
Website: www.ilfsindia.com

Axis Trustee Services Ltd.
Axis House, 2nd Floor,
Wadia International Centre,
Pandurang Budhkar Marg,
Worli, Mumbai – 400 025.
Phones: 022-2425 5215 / 2425 5216
Fax: 022-2425 4200
Email: debenturetrustee@axistrustee.com
Website: www.axistrustee.com

SBICAP Trustee Company Ltd.
Mistry Bhavan, 4th Floor,
122 Dinshaw Vachha Road,
Churchgate, Mumbai – 400 020.
Phone : 022 4302 5500/5566
Fax: 022-2204 0465
Email: nazer.kondkari@SBICAPTRUSTEE.COM

Catalyst Trusteeship Limited
GDA House, First Floor, Plot No. 85
S. No. 94 & 95, Bhusari Colony (Right),
Kothrud, Pune - 411 038
Phone: 022-249 220 555
Fax: 022-249 220 505
Website: www.catalysttrustee.com
Email: ComplianceCTL-Mumbai@ctltrustee.com

APPEAL TO MEMBERS

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies through electronic mode. The companies can now send various notices / documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register their e-mail addresses at enotices@linkintime.co.in, in respect of holdings in dematerialised mode with the Depository through their concerned Depository Participants. Those holding shares in physical forms are requested to send their e-mail address directly to the Company or to Registrar & Transfer Agent where various notices / documents can be sent through electronic mode.

Date of Annual General Meeting	: 28th August, 2023
Time	: 3.30 PM
Venue	: Through Video Conference ('VC') /other audio visual means ('OAVM') in compliance with the applicable provisions of the Companies Act, 2013 read with the MCA General Circular Nos. 02/2022 dated May 05, 2022, 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, No.02/2021 dated January 13, 2021, No. 19/2021 dated December 8, 2021, No. 21/2021 dated December 14, 2021 and No. 10/2022 dated December 28, 2022
Date of Remote E-Voting:	
Start Date	: 25th August, 2023 (09:00 AM IST Onwards)
End Date	: 27th August, 2023 (upto 05:00 PM IST)

Board of Directors

Shri Siddhartha Mohanty
Chairperson

Shri Siddhartha Mohanty, took charge as Chairperson, LIC of India in April 2023. Prior to that he held the post of Managing Director of LIC of India. A Post graduate with a Masters Degree in Arts in Political Science, he has also got his Bachelor's Degree in Law and a Post Graduate Certification in Business Management.

He joined LIC, as a Direct Recruit Officer in 1985. During this tenure of more than three and a half decades, he has worked in different capacities and various streams of LIC and has gained rich experience in life insurance Marketing, HR, Legal and Investments. Amongst the positions he held, most notable were Sr Divisional Manager In charge, Regional Manager of Marketing Vertical, Chief of Investment: Monitoring & Accounting, Managing Director and CEO of LIC Housing Finance Limited, a listed Associate Company of LIC of India and one of the largest Housing Finance Company in India.

His innovative style of working, strong analytical ability, strategic thinking and capability to arrive at simple solutions for complex problems have resulted in success in each of his assignments. He has broad understanding of the landscape of the industry which helps him design unique strategies for achieving desired goals. He firmly believes that continued digital transformation is the way ahead for any organisation.

He also Chairs the Boards of domestic associate/subsidiaries of LIC of India viz. LIC Housing Finance Limited, LIC Mutual Fund AMC, LIC Pension Fund Limited, LIC Cards Services Ltd, as well as the Joint ventures on foreign lands viz. LIC (International) B.S.C.(c), Bahrain, LIC Lanka Ltd, and LIC Nepal Limited.

He is also a Director on the Board of the Kenindia Assurance Ltd, which is a Life and Non life Insurance Company, based at Kenya.

Shri Jagannath Mukkavilli
Non Executive Director
(Nominee Director from LIC of India)

Shri M Jagannath, has taken charge as Managing Director of Life Insurance Corporation of India on 13th March, 2023.

Joining LIC in the year 1988 as a Direct Recruit Officer, Shri Jagannath brings with him rich experience of over three decades across various functions of the Corporation. Before taking charge of the current assignment, he was the Zonal Manager (In Charge) of South Central Zone, where he led the Zone's transformation by driving performance on vital metrics. Under his stewardship, the Zone scripted newer heights in New Business growth by nurturing a performance-oriented culture and driving a consumer-centric service model. Earlier, he was Head of Bancassurance for the South Central Zone and thereafter, the Regional Manager (Marketing) of the same Zone at Hyderabad and Bangalore locations. He also held the helm of Ernakulam, Dharwad and Bangalore-I Divisions in his earlier role as Senior Divisional Manager. Shri Jagannath's international experience comes from his tenure as Chief Executive Officer and Manager Director of LIC (Lanka) Ltd., Colombo, Sri Lanka between 2009 and 2013.

Shri Jagannath holds a Post-Graduate Diploma in Marketing, International Post-Graduate Diploma in Life Insurance, General Insurance & Risk Management from the Institute of Insurance and Risk Management (IIRM), Hyderabad. He is an Associate of the Insurance Institute of India, Mumbai.

Shri Y Viswanatha Gowd
MD & CEO

Shri Y. Viswanatha Gowd, MD & CEO of LIC Housing Finance Limited. (LIC HFL) has been elevated to the cadre of "Executive Director".

Shri Gowd, joined LIC of India as a direct recruit officer in 1988 and has risen through the ranks to this senior position. Prior to taking over as CEO of LIC Housing Finance Limited, Shri Gowd was appointed as Chief Operating Officer of LIC HFL. He also served as Regional Manager of LIC HFL's South Eastern Region since 2017. Under his leadership, South Eastern Region was the top performing Region of the Company and the loan book of the Region grew by 63%.

In a career spanning over three decades in LIC of India, Shri Gowd has made his mark in the areas of Marketing, Finance, and Pension & Group schemes. He holds the privilege of heading two divisions of LIC of India viz. Udipi and Dharwad as Senior Divisional Manager.

Shri Dharmendra Bhandari

Independent Director

Dr. Dharmendra Bhandari served as a member of the Faculty of Commerce in the University of Rajasthan, Jaipur. He has a PhD in Commerce and is also a qualified Chartered Accountant. He has more than 30 years of academic and professional experience in the financial sector.

Dr. Bhandari has served as the Sole Consultant to the Joint Parliamentary Committee (JPC) that was set up by the Government of India for Enquiry into Irregularities in Securities and Banking Transactions (1992-93), where he assisted in writing the report, strengthening the systems and fixing accountability. In 1994, he was appointed as Officer on Special Duty (1994-95) with the Reserve Bank of India, Mumbai. He was also a member of the Central Council of the Institute of Chartered Accountants of India.

Dr. Bhandari has served as Director of Dena Bank, Bank of Maharashtra and Bank of Baroda, JP Morgan Mutual Fund (India) Pvt Ltd, SBI Capital Markets, Barclays Investments & Loans (India) Ltd etc. He was also on the Board of several companies such as Tata Timken, Birla Corp, etc.

Apart from his academic pursuits in the fields of economics and finance, Dr. Bhandari has also authored several books, prominent among them being R K Laxman – The Uncommon Man, Mosaic of Faith – Places of Worship in India and Nani Palkhivala, God's Gift to India (Biography by a friend).

Shri V. K. Kukreja

Independent Director

Shri V.K. Kukreja, is a Chartered Accountant by profession with a vast experience in the area of accounts, finance, fund management, portfolio management, risk management and information technology. He has held various coveted and responsible positions throughout his career and has always added value to his erstwhile job role before moving on to the next position in order to continue to add value to his next job role.

He started his career as an Accounts Officer and worked for National Textile Corporation (DPR) Ltd Malout and Central Electronics Limited Sahibabad (A Unit of Ministry of Science and Technology) respectively in brief tenures. He joined Life Insurance Corporation of India (LICI) as Direct Recruit Officer (CA Batch) in Jan 1983. By 1996, he had been elevated to the post of Dy. General Manager in LIC Mutual Fund. He had been posted in three zones of LIC as Regional Manager (finance and accounts). In the year 2005, he was made Chief (Investment operations) in the Mumbai Head office of LIC where he managed Equity, Debt and G-Secs Portfolios and also managed the entire treasury operations. He also rose to become the Executive Director (Investment- RMR) in 2009 and established new Dept. Risk Management and Research.

Shri Kukreja appeared speaker on LIC programme 'Why Insurance My Insurance' on CNBC-TV18 in 2009, Convention on "Exploring investment opportunities in Orissa 2007" held in Delhi on Infrastructure Issues.

Shri V.K. Kukreja has also been Nominee Director on the boards of various companies in sectors such as Power Generation & Distributions, Commodity Exchange, Co-operative Housing Finance and Brokerage. He was also a committee member on committees of various companies/funds, in sectors such as Private Equity, Infrastructure, IRDA, etc. He retired from LIC of India in Sept 2012 as Executive Director (F&A).

Global exposure:
Shri Kukreja participated in various international conference like Deutsche Bank international credit market conference 2005 South Africa, 2nd Treasury offsite Macau, Hong Kong 2009 Birla Sunlife AMC.

Shri Kukreja visited Bahrain in 2008 and formulated investment policy for LIC Bahrain office.

Shri Kukreja was a keynote speaker at Indian Private Equity IQ Middle East Conference Dubai 2007.

Shri Kukreja visited Sri Lanka and Nepal in 2012 to review internal control systems in the area of finance and accounts in LIC (Lanka) Ltd and LIC (Nepal) Ltd respectively.

Shri Ameet N Patel

Independent DIrector

Shri Ameet Patel was appointed as Independent Director of LIC Housing Finance Limited on 19th August, 2015. Presently, he is serving the 2nd term as independent director of the company. He qualified as a Chartered Accountant in 1986 with a rank at the all India level and has been in private practice since then. He did his articleship with a reputed firm – S.V. Ghatalia & Associates. Currently, he is a partner at Manohar Chowdhry & Associates. He has spent a large part of his professional career dealing with taxation matters and in the past few years, he has focussed on tax matters of FIIs, Banks, Mutual Funds, AIFs, and FPIs as also on audit of portfolio management schemes and AIFs.

His core practice consists of tax planning, appeals and representations and Information Technology related issues. He has also advised several foreign companies who have set up subsidiaries in India. He has keen interest in technology and has a large network on social media. He is currently studying the concept of cryptos and virtual digital assets closely to understand its nuances.

He is a member of the Finance & Taxation Panels of CII's Maharashtra Region. He is also chairman of Technology Initiatives Committee and member of Taxation Committee of Bombay Chartered Accountants' Society (which is a voluntary body of CAs with about 8,500 members from across India). He headed this organisation as its President in the year 2009-10.

He is also an independent director of SBM Bank (India) Ltd. and Quantum Trustee Company Private Limited.

He has been a regular speaker at various seminars and conferences organised by the ICAI, BCAS, KSCAA, LCAS, Assocham, CII, private banks such as Kotak Mahindra Bank, income-tax department's Regional Training Institutes, Rotary Clubs and other bodies.

He is a co-author of following publications of the Bombay Chartered Accountants' Society:

- "Calculators to Computers – a Paradigm Shift"
- "Shares And Securities - Taxation & Accounting"
- "Tax Deduction at Source" "FAQs on e-TDS"
- "Reporting under the New Format in Form 3CD – A specimen"

His articles have appeared in various magazines and websites such as Money Outlook, MoneyLife, CNBC's moneycontrol.com, Taxsutra, Journals of the BCAS & ICAI. He has also appeared on several programmes on national television and his views are regularly quoted in newspapers and websites and is very active on various social and professional media networks. He has also travelled extensively across the world and has spoken at international forums too.

Shri P Koteswara Rao

Non-Independent Director

Shri P Koteswara Rao is a Fellow member of Institute of Chartered Accountants of India with Bachelor's Degree in Commerce from Sri Venkateswara University, Tirupati (AP). He has experience in the area of Accounts, Finance, Fund Management, Portfolio Management, Office Services, etc. He is also NSE Certified Market Professional. Shri P Koteswara Rao joined LIC of India as Direct Recruit Officer (CA Batch) in the year 1986. He has held various responsible positions in senior cadres throughout his career spanning 30 years in various capacities in LIC of India and always added value to his job role. He worked as Marketing Manager and Senior Divisional Manager of Machilipatnam Division of LIC of India in Andhra Pradesh. He also worked as Regional Manager (OS) in the Western Zonal Office, Mumbai, as Regional Manager (F&A) in Southern Zone, Chennai and also as Regional Manager (F&A) in Northern Zone, Delhi. For a brief period of one year, Shri P Koteswara Rao was General Manager in LIC Housing Finance Limited in charge of Credit Appraisal and Project Finance before moving to LIC of India as Chief (Investment/Operations), Central Office, Mumbai.

He had served in the Board of SKS Trust (Private) Ltd. as nominee Director for more than three years.

His hobbies include reading books.

He has attended a programme on Strategic leadership at Indian School of Business, Hyderabad.

Global exposure: Shri P Koteswara Rao participated in training programme on Fixed Income Instruments at Asian Institute of Management, Manila, Philippines.

He was one of the speakers in the seminar conducted by Insurance Institute of India on ERM in June 2019 on Risk Management. After retiring from the services of LIC of India as Chief (Investment) in 2016, he has joined Insurance Institute of India, Mumbai, as Faculty (life) and continues to be faculty member. He has given faculty support on Insurance subjects, including Insurance Regulatory matters, Investment, Risk Management, etc.

He has visited Bhutan and Armenia on academic assignments.

Shri Kashi Prasad Khandelwal
Independent Director

Shri Kashi Prasad Khandelwal is Chartered Accountant by profession for last 46 years. He was appointed as Financial Audit Consultant by World Bank, Washington, USA in August 2010 for the Emergency Monrovia Urban Sanitation (EMUS) Project, funded for Monrovia City Corporation, Govt. of Liberia.

Shri Kashi Prasad Khandelwal is associated as Independent Director with Kesoram Industries Ltd. and Birla Tyres Ltd – B.K. Birla Group of Companies, GPT Infraprojects Ltd. and GPT Healthcare Limited -Tantia Group of Companies, LIC Housing Finance Limited, and a Director with Cygnet Industries Ltd – wholly-owned subsidiary of Kesoram Industries Ltd.

Shri Kashi Prasad Khandelwal was Member of the Central Council of The Institute of Chartered Accountants of India during 1998-2001, 2004-2007 and 2007-2010. During the period he was Chairman, Vice-Chairman and member of various standing and non-standing Committees of ICAI. He was also member of 1st Quality Review Board. He was member of EIRC of the ICAI during 1985-88 and 1988-92. Honorary Secretary, Vice Chairman and Chairman for the year: 1986-87, 1987-88 and 1988-89 respectively. He was Member of SAFA Center of Excellence on Ethics and Independence of Auditors, SAFA Working Group on Best Corporate Governance Practices in South Asian Countries and Committee on Accounting and Auditing Standards of South Asian Federation of Accountants (SAFA) (2009).

He was President of the Association of Corporate Advisors and Executives during the year 1994-95. During the year 1995-96, he was President of the Institute of Internal Auditors, Kolkata Chapter. Also he was President of Direct Taxes Professionals Association and also Avantika for the year 2014-15 and 2015-16 respectively.

Shri Kashi Prasad Khandelwal has been Hony. Secretary of the Institute of Internal Auditors – India (an affiliated body with its Head Quarter at Florida, U.S.A.). He was associated with Public Sector Banks, Insurance Companies and Public Sector Undertaking like: UCO Bank, LIC of India., Indian Oil Corporation Ltd. etc. as a Central Statutory Auditors & Statutory Auditors. He has been Internal Auditors of Reliance General Insurance Company Limited, Bajaj Allianz Limited, ICICI Limited and DLF Limited etc.

Shri Kashi Prasad Khandelwal has been a faculty for training programmes organised by the Ministry of Textiles and Ministry of Company Affairs, Government of India. Also a prolific speaker on prime subjects such as Union Budget, Service Tax, Accounting, Auditing, Corporate Laws, Corporate Governance, Professional Ethics, Information Technology and Income Tax matters.

He is actively involved with various social organisations. He has to his credit recognition as a Past President and District Cabinet Secretary of Lions Club of Kolkata (Park Street), Dist. 322B and awarded certificate of appreciation from Lions Clubs International. He is Life member of Nagrik Swasthya Sangh, a social service organisation. He is also associated with Friends of Tribals Society (FTS), a leading organisation carrying out various social activities.

Shri Kashi Prasad Khandelwal awarded SAMAJ BHUSHAN by Khandelwal Vaisya Mahasabha.

Shri Sanjay Kumar Khemani
Independent Director

CA Sanjay Khemani, aged 55 years, is a Practicing Chartered Accountant. He stood first in the Western Region in CA intermediate exam and was all India first in CA final exam and was awarded gold medal and adjudged as the best student of the year. He is also a qualified Company Secretary. He has completed Diploma in System Audit from ICAI and also certification course from ICAI on Forensic Accounting & Fraud Prevention and on Valuation. He is IBBI registered valuer for Securities and Financial Assets class.

He is senior partner of M/s M M Nissim & Co LLP, Chartered Accountants. He is heading the BFSI practice of the Firm since last more than 22 years and have been involved in providing assurance, taxation, risk consultancy, management consultancy services to large public sector as well private sector entities in the BFSI sector. He also has rich experience of conducting forensic audits as well as special monitoring of large projects on behalf of lenders.

He is an independent director on the Board of YES Bank Limited and is the Chairman of their Audit Committee.

He has addressed various seminars on professional subjects and has contributed to ICAI on technical matters.

He was Chairman of Executive Committee of the ARCIL, a premier asset reconstruction company set up by SBI, ICICI, PNB and IDBI for about 4 years and was Audit Committee Chairman of the ARCIL for 6 years.

Shri Akshay Rout
Non-Independent Director

Akshay Rout is a leader in development management, social mobilisation, communication and public campaigns, institution building, training, academic and capacity development besides having senior level experience in programme and project implementation.

After 36 years in civil service (IIS), Akshay Rout is currently Senior Fellow, NITI Aayog, supporting newly incubating missions. He is also Senior Adviser, providing strategic support to urban water and sanitation missions in Government of India. Rout is a member of the National Focus Group on Adult and Lifelong Education and an Advisor with Union Public Service Commission. He contributes as a resource and Special Observer in elections. Akshay Rout is Director on the Board of LIC Housing Finance Limited, India's largest housing finance company.

Rout earlier served as Senior Adviser with UNICEF (covid response in schools) for Ministry of Education and as visiting Professor at the Central University of Odisha. During 2019-2020, he served UNICEF and UNOPS to assist India and other national governments in scaling up safe water and sanitation. He was Senior Adviser, Indian Renewable Energy Development Agency (IREDA) during 2019-21.

As Director General in Swachh Bharat Mission (deemed as world's largest), Akshay Rout contributed to its strategy, implementation, communication, and consolidation. He set out models of involving millions of Indians, particularly the weaker and marginalised sections, women, youth, and children, while also collating resources from corporate and non-government sectors, for a self-empowering sanitation movement, that culminated in an Open Defecation Free India and led to better health and livelihood and dignified living.

From 2009 to 2014, as Director General in Election Commission of India, Akshay Rout led initiatives that yielded significant increase in enrolment and record turnout of voters. He is associated with acclaimed interventions like SVEEP (Systematic Voters' Education and Electoral Participation) and National Voters' Day. Rout laid the foundation of India International Institute of Democracy and Election Management (IIIDEM), a global knowledge and resource centre for capacity development in elections; and was its first Director General. He observed national elections in Mexico, Tanzania, Russia, Australia, and South Korea.

Akshay Rout has made distinguished contribution to mass media development and broadcast practices. His tenures as I/C Director General and Addl. Director General in Doordarshan News were marked by a series of structural reforms and content interventions. He represented AIR and DD in Southeast Asia and Bangladesh from 2000 to 2003.

Akshay Rout is a triple Masters in English literature, in Economics and Management and in Public Policy and Sustainable Development. A regular columnist and broadcaster in national media and speaker at a range of national institutions, he mentors extensively on development and social sector; water, sanitation, and hygiene; elections and democracy, public participation, and communication.

Smt Jagennath Jayanthi
Independent Director

Smt. J Jayanthi is a Post Graduate in Commerce from University of Madras, ICWAI (Inter) and Fellow of Insurance Institute of India.

She started her career as direct recruit officer with The New India Assurance Co Ltd, in the year 1985. She has risen to the rank of General Manager and superannuated in November 2020. In her career spanning 35 years, she worked in various places across the country. She was heading a Division as Senior Divisional Manager & as Chief Regional Manager in charge of Large Corporate and Broker Office, Chennai she handled corporate as well as retail customers besides Brokers. As Deputy General Manager, she was in charge of Chennai Regional Office, one of the leading flagship offices of her organisation and on her promotion as General Manager she was posted to Head Office Mumbai and in charge of various technical departments like Fire, Engineering, Motor, Crop Insurance (PMFBY).

During her voyage of over three decades and a half in her career, she handled challenging scenarios and environments, associating with people within and outside the organisation in which she worked with diverse capabilities and culture. Her working style, people orientation, quick decision-making & sound technical knowledge has resulted in success in each of her assignments.

She has qualified for the post of Independent Director in the examination conducted by IICA. Smt. J Jayanthi is also an Independent Director in Policybazaar Insurance Brokers Private Ltd since June 2021.

Shri Ravi Krishan Takkar
Independent Director

Shri Ravi Krishan Takkar is a commerce graduate from Shri Ram College of Commerce, New Delhi and obtained law degree from Delhi University. He started his banking career with Oriental Bank of Commerce (now amalgamated with Punjab National Bank) in 1979. Worked in various capacities as branch head, Regional Manager and Administrative Head of various departments in Head Office. He has wide and varied experience in operations, credit, merchant banking. He was promoted as General Manager in November 2010. Shri Takkar was appointed as Executive Director of Dena Bank (now amalgamated with Bank of Baroda) by MOF, Govt of India on 1st February, 2014. He was elevated as MD & CEO of UCO Bank w.e.f. 2nd November, 2015 and superannuated from UCO Bank on 1st November, 2018.

Shri Takkar has attended various seminars and conferences in India and abroad including Advanced Leadership Programme of CAFRAL, Leadership Development for corporate excellence of Kellogg and NIBM, SIBOS, IMF & World Bank Spring meeting. He has frequently featured on financial channels and newspapers and been a panelist member/speaker in various conferences.

Shri Takkar during his tenure as MD & CEO of UCO Bank was also appointed as director on the board of National Insurance Company Limited, member of governing body of NIBM, IIBM, SIBSTC, INPS, IBA, Chairman of governing body of IBPS and Chairman of negotiating committee for wage revision and HR committee of IBA, member Apex RBI Committee on MSMEs.

He is presently independent director on the board of Nabsamruddhi Finance Limited. He is also working partner in M/s. R and R Associates, a firm providing advisory services on legal and corporate matters.

Awards and Accolades

Kendriya Sainik Board felicitated LIC HFL for CSR contribution towards education of Veer Naaris & Single Parent Children.

Hon. Ramesh Bais, Governor of Maharashtra, accorded Best Rural Development Project to Shri Y Viswanatha Gowd, MD & CEO of LIC HFL

Awarded the Best Housing Finance Company (Large) by Empowering India Awards 2022

Awarded winner in the Large NBFC category at the 17th ASSOCHAM Annual Summit & Awards

Indian Chamber of Commerce 5th Social Impact Awards 2022 bestowed to LIC HFL for Empowering the Rural Population across India.

MANAGEMENT DISCUSSION & ANALYSIS

MACROECONOMIC OUTLOOK

The global economy recovered further from geopolitical conflicts and the COVID-19 pandemic in 2022. Despite rising global uncertainty and weak growth, India has maintained its status as the world's fastest-growing major economy. Certain high-frequency indicators, such as steel production, cement production, cargo handled at major ports, production of commercial vehicles, railway freight traffic, non-oil imports, etc., have not only registered higher growth rates but also demonstrated continuous successive improvements, validating India's sustained growth momentum. The growth has been further fueled by robust private consumption in response to pent-up demand, a rapid recovery in contact-intensive service industries, and the government's sustained emphasis on capital expenditures. However, steadily increasing inflationary pressures and longer-term projections of higher interest rates could undermine India's economic growth. According to the National Statistical Office (NSO), India's GDP growth is expected to be 7.2% in FY 2022-23, compared to 9.1% in FY 2021-22.

Indian Economic Outlook (%)

Source: NSO's Second Advanced Estimates dated 28th February, 2023 RBI SPF report as on 6th April, 2023

According to the Economic Survey of India, the agriculture sector is estimated to have grown by 3.5% in FY 2022-23, compared to 3.9% in FY 2021-22, while the industrial sector is expected to have grown by 4.1%, compared to 10.3% in FY 2021-22. An increase in export demand, a revival in consumer spending, and public capital expenditures have contributed to a recovery in the investment/manufacturing activities of companies. Improving labour market conditions and consumer confidence have driven the expansion of private consumption in the country. Private consumption as a percentage of GDP reached 58.4% in the second quarter of FY 2022-23, the highest level since the second quarter of FY 2013-14, owing to a revival in contact-intensive services such as commerce, hotels, and transportation. The services industry has been estimated to have increased by 9.1% in FY 2022-23, up from 8.4% in FY 2021-22.

India's financial market is at par with global standards and has played a major role in the nation's growth and development. According to the CARE report, as of 31st December, 2022, the GNPA (Gross Non-Performing Asset) of SCBs (Schedule Commercial banks) decreased by 19.7% YoY to ₹ 6.1 lakhs crore from ₹ 7.5 lakhs crore a year earlier. PSBs (Public Sector banks) accounted for 75.9% of aggregate GNPAs compared to 61.9% of advances as of 31st December, 2022.

Despite global turmoil, India's foreign currency reserves were around USD 585 as of 7th April, 2023. The fiscal deficit (as a percentage of GDP) has improved by declining for three consecutive years, from 9.2% in FY 2020-21 to 6.4% in FY 2022-23, indicating an improved balance between the country's revenue and expenses. In FY 2023-24, the total revenue receipts and revenue expenditures of the government are estimated to be ₹ 26.32 lakhs crore and ₹ 35.02 lakhs crore, respectively. The proportion of revenue receipts to revenue expenditures is expected to increase to 75.2% in FY 2023-24 from 67.9% in FY 2022-23 and 67.8% in FY 2021-22, respectively.

The Reserve Bank of India (RBI) tightened its monetary policy in order to maintain a balance between inflation and growth as consumer inflation grew in FY 2022-23. Inflation had reached 7.4% in the second quarter of FY 2022-23, compelling the RBI to raise the repo rate from 4.0% in May 2022 to 6.5% in February 2023 in five separate sessions. Later in April 2023, the Monetary Policy Committee (MPC) of the RBI halted the rate increase cycle and maintained its "withdrawal of accommodation" stance. By the end of FY 2022-23, inflation level was recorded at 5.7% in March 2023, which was within the target range of 4-6%. The RBI expects consumer inflation to decline to 5.3% in FY 2023-24, and its SPF (Survey of Professional Forecasters) report forecasts real GDP growth of 6.0% for FY 2023-24.

Three megatrends are creating the foundation for the nation's robust economic growth: global offshoring, digitalisation, and the energy transition. According to the State of India's Digital Economy Report 2023 by ICRIER (Indian Council for Research on International Economic Relations), about 2,300 crore digital payment transactions have been recorded in India during FY 2022-23. India's rising global growth is supported by a number of achievements, such as the unique World Class Digital Public Infrastructure of Aadhaar, Co-Win, and UPI; unprecedented scale; and a proactive role in frontier areas, such as the achievement of climate-related objectives and the National Hydrogen Mission.

OUTLOOK

The Union Budget for FY 2023-24 includes a well-targeted strategy expected to stimulate cross-sectoral growth via capital investment, infrastructure development, technological advancement, and sustainability. The 33% increase in capital expenditures to ₹ 10 lakhs crore reflects the continued emphasis on infrastructure-led development and the resulting multiplier effect. This will significantly propel India's high growth in 2023 and beyond, with infrastructure development playing a crucial role in facilitating the economic progress. The combination of digitalisation and efficiency-enhancing measures, along with substantial capex expenditures, will eventually increase business productivity. Moreover, India's financial sector remains strong, supported by improvements in asset quality and robust private-sector credit expansion.

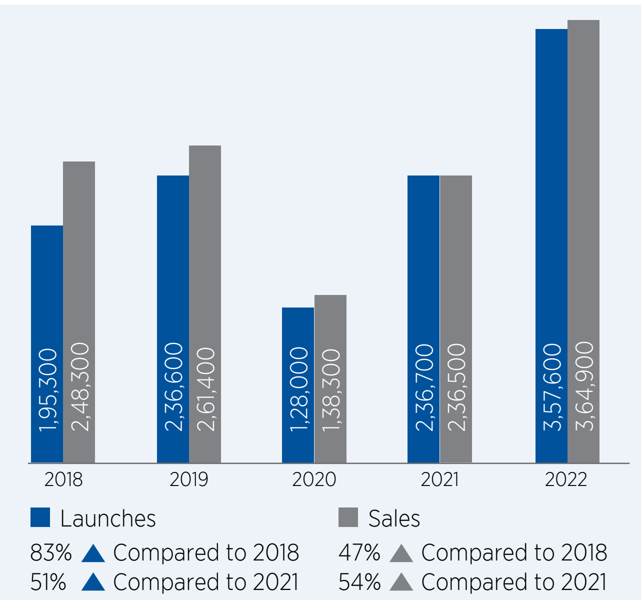
INDUSTRY OUTLOOK

REAL ESTATE AND HOUSING SECTOR

The Indian real estate sector has become the most preferred asset class, attracting investments from all over the world. In India, real estate has been the second largest employment generating sector. Growing institutional investment and the rising number of real estate investment trusts (REITs) have led to the growth of India's real estate market. This was further aided by improvement in real estate market transparency. According to property consultant JLL, India's ranking on the Global Real Estate Transparency Index has risen from 39 to 36 over the past eight years, from 2014 to 2022.

The growth in the real estate sector can be attributed to the rising demand for residential properties, led by rapid urbanisation and rising disposable incomes. Apart from this, various initiatives undertaken by the Indian government, such as investments in smart city projects and tax exemptions for interest on housing loans, have created attractive business opportunities for industry players in the country.

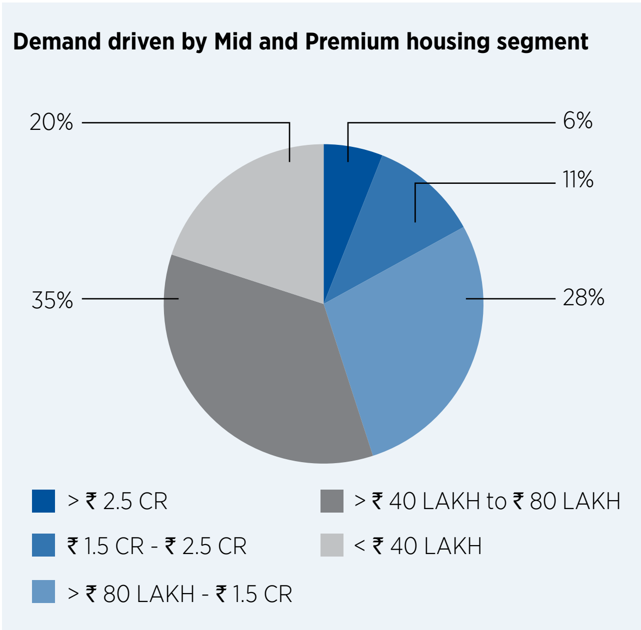
Early in 2022, relatively low mortgage interest rates and a steadily growing enthusiasm for homeownership fueled growth in the residential real estate market. As a result, by the end of 2022, housing sales surpassed the previous peak achieved in 2014, and have witnessed all-time highs across the number of housing units sold in the top seven cities. The residential housing unit sales increased by 54% YoY, from 2,36,500 units in 2021 to 3,64,900 units in 2022. NCR (National Capital Region), MMR (Mumbai Metropolitan Region), Bengaluru, Pune, and Hyderabad accounted for 90% of the total housing sales.



Source: Anarock Report 2022

Consumer demand has been supported by favourable market conditions such as a reduction in stamp duty, seasonal promotions, and flexible payment plans. Ready-to-move-in properties had gained more popularity than under-construction properties. The total number of new housing units launched in 2022 increased by 51% YoY, reaching 3,57,600 units, compared to 2,36,700 units introduced in 2021. MMR, Hyderabad, Pune, and Bengaluru were key cities contributing to new unit launches in 2022, accounting for 86% of the total addition of housing units.

Pan India housing sales in 2022 – By different price ranges



As per Anarock, the total housing sales increased by 14% YoY in 1Q CY2023 reaching 1,13,770 housing units as compared to 99,550 housing units recorded in 1Q CY2022. MMR, Pune, and NCR collectively accounted for 63% of the total housing transactions during the same period. Housing sales and launches continued their growth momentum in 2023 and also witnessed record numbers in early 2023. In 1Q CY2023, approximately 1.09 lakhs units were launched, compared to 89,100 units in 1Q CY2022, representing an increase of 23% on an annual basis. MMR, Hyderabad, Pune, NCR, and Bengaluru were key contributors to new launches in 1Q CY2023, accounting for 89% of the increase in new launches. In 1Q CY2023, MMR had the highest number of new housing launches, accounting for 34% of the total new supply across the top seven cities, while Kolkata had the lowest percentage of 5%. During 1Q CY2023, about 36% of the new launches consisted of properties priced between ₹ 40 lakhs and ₹ 80 lakhs, followed by premium segments priced between ₹ 80 lakhs and ₹ 1.5 crore contributing 24%, and affordable segments priced below ₹ 40 lakhs having about 18% share of the total housing launches.

Average property prices in the top seven cities have increased by 6-9% YoY in 1Q CY2023, owing to an increase in the price of raw materials and an overall increase in demand. In 1Q CY2023, MMR and Bangalore recorded the highest 9% YoY growth each in average property prices.

The discovery of new consumer trends and preferences provides additional information for future planning. Such trends are mentioned as follows:

- Real estate had been the most preferred asset class, comprising 61% of investments as against the other asset categories of stock markets, gold and fixed deposits.
- Millennials are fueling real estate demand by selecting real estate as their preferred investment vehicle.
- End-users continue to dominate the residential real estate market relative to those who choose real estate as an investment alternative.
- The majority of residential property sales comprised of 3 BHK flats, followed by 2 BHK flats.
- Ready to move-in flats to receive more traction in the future.
- Maximum housing sales to be within the premium price range of ₹ 45 lakhs and ₹ 1.5 crore

Key Emerging Growth Drivers

Several key emerging growth drivers that will likely to influence the future of the Indian residential real estate sector are as follows:

Government's Budgetary Push

The 66% increase in PMAY's (Pradhan Mantri Aawas Yojana) budgetary allocation to ₹ 79,000 crore in the budget for FY 2023-24 will help many Indians realise their dreams of home ownership, thereby assisting the government in achieving its 'housing for all' goal. About 119.70 lakhs houses had been sanctioned as on 29th May, 2023, out of which about 74.51 lakhs houses had been completed. In addition, the threshold for income tax rebates has been raised from ₹ 5 lakhs to ₹ 7 lakhs, resulting in increased purchasing power for the middle class. The Budget for FY 2023-24, also bolstered the infrastructure sector. To encourage cities to implement urban planning reforms, the government has established an Urban Infrastructure Development Fund with an annual allocation of ₹ 10,000 crore that will be used to build a balanced and sustainable infrastructure in tier-2 and tier-3 cities.

Premium and Luxurious Housing Taking Centre Stage

Affluent consumers are attracted to premium and luxurious residential developments with sophisticated amenities. The landscape of luxury residential real estate has undergone significant change in recent years. The primary impetus for the transformation has been a change in consumer behaviours prompted by shifting demographics and increased technology adoption. For example, Millennials are becoming increasingly interested in purchasing luxury residences as a result of their rising income and urban lifestyle. Millennials are known for being tech savvy and having high regard for quality of life, and they prefer opulent residences with modern amenities, exclusive experiences, safety, and well-being. The potential for a high return on investment and the possibility of generating substantial rental income are also significant growth drivers for the luxury housing market.

Rapid Urbanisation

It is anticipated that the population of Indian residing in urban areas will reach 54.27 crore by the year 2025 and 67.55 crore by the year 2035. Urban and semi-urban housing trends, as well as the rising demand for modern office space, are driving the real estate industry's growth.

Large addressable market beyond Tier I cities: India's housing (and home loans) demand remains fairly widespread beyond Tier I cities, with ~60% contribution coming from non-Tier I cities

HOUSING FINANCE INDUSTRY – STRUCTURE & DEVELOPMENT

In India, the development of housing and the liberalisation of home ownership have been two of the most important economic and social goals for individuals. Multiple nations' governments have devised intricate procedures for obtaining financing; however, to meet the goals of affordable housing in India, Housing Finance Company (HFCs) have been serving as an alternative financial channel to the real estate and housing sectors. They are an important part of the Non-Banking Finance Company (NBFC) group and are supervised under RBI and National Housing Bank (NHB) directions/guidelines. The RBI has been appointed as the regulatory authority for HFCs as of August 2019, while grouping HFCs with retail-NBFCs.

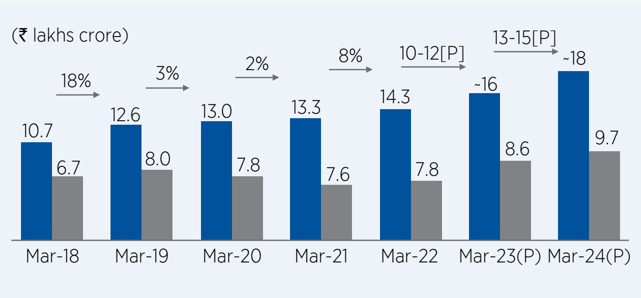
NBFCs play a crucial role in housing finance in India, providing funding to both individual consumers and developers. In recent years, they have been able to increase their market share due to their flexible lending products and competitive interest rates. Microfinance institutions (MFIs) also play a role in housing finance, aiding in the provision of financing for low-income households.

Apart from retail housing loans, HFCs also offers multiple other products including loan against property (LAP), real-estate construction finance, lease rental discounting (LRD) loans, etc. The HFCs have maintained robust liquidity on their balance sheets and have progressively decreased their reliance on short-term funding sources such as CP (Commercial Paper), which has helped improve asset-liability mismatches in the near-term categories.

As construction finance expanded, growth rates in LAP are expected to be resilient over the medium term. The effect of competition is also evident in the rising proportion of self-employed customers in the portfolio, a trend that is anticipated to continue for HFCs over the medium term. As a result, the AUM of HFCs is anticipated to have increased from 10% to 12% in FY 2022-23. The cost of borrowing for HFCs is projected to increase to a range of 7.4%-7.6% in FY 2023-24, up from 6.4% in FY 2021-22.

The housing finance market is expected to experience continued demand momentum aided by the entry of new players and sustained demand in the mid-to-luxury segment. According to the CRISIL ASSSOCHAM report, the housing finance market is anticipated to expand at 13%-15% growth rate in FY 2023-24, growing to a size of ₹ 18 lakhs crore from 14.3 lakhs crore recorded in FY 2022-23, as a result of growing penetration of affordable housing, attractive tax incentives, and a rise in household income. This is further aided by a rising demand in tier-II and tier-III cities, an increase in the number of nuclear families, a rise in disposable income.

Trend in AUM and AUM growth for HFCs



Source: CRISIL ASSOCHAM Report

Government Initiatives

The following initiatives have been proposed under the FY 2023-24 Budget:

- The government had proposed a budget allocation of ₹ 10 lakhs crore for stimulating infrastructure development, boosting economic growth, and creating job opportunities. This represents an increase of 33% over FY 2022-23 expenditures of ₹ 7.3 lakhs crore
- The government had proposed expenditures under the PM Awas Yojana which had been increased by 66% over last year's budgeted amount, to over ₹ 79,000 crore. This massive allocation will help boost the number of affordable housing units.
- Cities to be transformed into 'sustainable cities of tomorrow' by undertaking urban planning reforms.
- About 100 critical transport infrastructure projects are to be launched, for last- and first-mile connectivity for the ports, coal, steel, fertiliser, and food grain sectors. The projects will be taken up on priority with an investment of ₹ 75,000 crore, including about ₹ 15,000 crore from private resources.
- The newly established Infrastructure Finance Secretariat has proposed to assist all stakeholders in obtaining more private investment in infrastructure, including railways, roads, urban infrastructure and power, which mainly depend on public resources.
- In FY 2023-24, the government proposed to continue the 50-year interest-free loan to state governments for one more year to spur investment in infrastructure and to incentivise them for complementary policy actions. The outlay has been increased to ₹ 1.3 lakhs crore, from FY 2022-23 budgeted expenditure of ₹ 1.05 lakhs crore.
- An expert committee to review Harmonised Master List of infrastructure for recommending changes suitable for 'Amrit Kaal'.

Other government initiatives and macroeconomic factors like robust growth in fixed investment, revival in private consumption, strong credit growth in the banking system, better-than-expected government revenue and strong policy support to promote investment-led growth are expected to boost the housing finance industry.

Tax Incentives on Home Loans

An individual can claim a home loan tax exemption for the following principal repayments and interest payments made on a home loan:

- Upto ₹ 1.5 lakhs u/s 80C for principal repayments;
- ₹ 2 lakhs worth of housing loan tax benefit u/s 24(b) of the Income Tax Act; the actual interest amount paid in a financial year or ₹ 1.5 lakhs, whichever is lesser, under the Affordable Housing Scheme u/s 80EEA.

The Section 80EEA housing loan tax benefit is in addition to Section 24(b). Thus, an individual who meets the eligibility requirements of Sections 24(b) and 80EEA can claim a total tax rebate on a home loan up to the applicable tax rate on ₹ 3.5 lakhs for interest payments made on their home loan. The maximum possible tax refund for a taxpayer in the 30% tax bracket can exceed ₹ 1.05 lakhs. Section 24(b) of the Act allows individuals who own a residential property to claim a house loan tax exemption of up to ₹ 2 lakhs for the interest payments made on their home loan, regardless of whether the property is occupied by them or their family or is vacant. However, if the property has been let-out, the actual amount paid as interest towards the mortgage can be claimed, without any upper limit for a mortgage interest tax deduction.

To facilitate the efficient flow of credit, promote financial inclusion, and foster financial stability, the National Financial Information Registry is to be set up to serve as the central repository of financial and ancillary information. A new legislative framework is to govern this credit for public infrastructure and will be designed in consultation with the RBI. The deduction from capital gains on investment in residential houses under sections 54 and 54F to be capped at ₹ 10 crore for better targeting of tax concessions and exemptions.

Revised Regulatory Framework Issued by RBI to benefit HFCs

At present, non-systemically significant, non-deposit accepting NBFCs classify advances with a delinquency period of more than 180 days as non-performing assets (NPA). All other NBFCs have an NPA threshold of more than 90 days of delinquent advances. The RBI has now standardised the 90-day NPA classification requirement for all NBFCs. The new NPA classification norms could lead to an increase in the NPA on the accounts of NBFC-BL (non-systemically essential, non-deposit taking NBFCs) and, as a result, an increase in the provisions.

In accordance with the RBI Master Directions, every HFC is required to have ₹ 20 crore in net owned funds in order to commence housing finance as one of its principal businesses or continue housing finance as one of its principal businesses. An HFC holding a certificate of registration and having a net owned fund of less than ₹ 20 crore may continue to operate if it reaches ₹ 15 crore by 31st March, 2022, and ₹ 20 crore by 31st March, 2023. In addition, HFCs that have net owned fund below ₹ 20 crore are required to submit a statutory auditor's certificate to the RBI within one month demonstrating compliance with the prescribed levels as at the end of the relevant period, with failure to meet the minimum requirement resulting in cancellation of registration as an HFC with the option to convert to an NBFC- Investment and Credit Companies. Moreover, RBI had issued a framework for Compliance Function and Role of Chief Compliance Officer in NBFC-Upper layer and NBFC-Middle layer via circular dated 11th April, 2022.

Following this, on 19th April, 2022, the RBI issued circulars on the large exposure framework for NBFCs regarding the Upper layer, regulatory restrictions on loans and advances, and disclosures in the notes to accounts of NBFCs' financial statements. On 29th April, 2022, the RBI issued guidelines on the compensation policy of key managerial personnel and members of senior management of all NBFCs under the SBR framework, with the exception of those classified as 'Base Layer' and government-owned NBFCs, effective as of 01st April, 2023. The RBI had also issued guidelines on provisioning for standard assets on 6th June, 2022, which apply to Upper layer NBFCs.

On 11th April, 2023, the RBI issued the Framework for Acceptance of Green Deposits (the "Framework") for banks and deposit-taking NBFCs/HFCs to be effective from 1st June, 2023. Green deposits are raised with the intention of financing "green" initiatives or activities. The Framework defines green deposits as "an interest-bearing deposit for a fixed period, the proceeds of which are designated for use in green finance." Green deposits will only be used for "green finance"; a taxonomy for this will be developed in India. A catalogue of eligible green activities and/or initiatives has been released by the RBI, in accordance with Securities and Exchange Board of India's ('SEBI's') definition of green bonds under the NCS Regulations.

Private Equity ('PE') investments

Despite intensifying global economic recessionary concerns and inflationary pressures in 2022, PE investments in Indian real estate assets offered global and domestic institutional investors a favourable investment opportunity. According to Knight Frank's report 'Investments in Real Estate; Trends in Private Equity Investments in India – 2022', PE investments decreased by 17% YoY from USD 6,200 crore in 2021. In 2022, PE investments in the Indian real estate sector totaled USD 5,100 crore across 29 transactions in the office, warehousing, residential, and retail sectors. In 2022, residential and retail investment accounted for 12% and 6% of total investment, respectively.

From 2011 to 2022, private equity investments in the Indian real estate sector totaled USD 54,800 crore through 659 deals. Except for the decline in investments observed in 2020 due to the onset of COVID, private equity investments in Indian real estate have remained robust over the past decade, averaging USD 4,600 crore per year from 2011 to 2022. In terms of PE investments across India's top eight markets in 2022, Mumbai received the most investments across all sectors, accounting for 41% of the total, followed by the National Capital Region (NCR) with 15% and Bengaluru with 14%.

From 2011 to 2022, among the top eight Indian markets, Mumbai, Bengaluru, and the NCR collectively accounted for 86% of all exits. In 2022, exits from PE totaled USD 82 crore, down 41% from the peak of USD 139.2 crore in 2021. The average deal size of exits grew substantially quicker than the volume of exits, indicating higher valuations and a growing investor appetite for higher-value transactions. In 2021 and 2022, the average magnitude of an exit via sale on the public market was USD 15.5 crore and USD 16.4 crore, respectively.

COMPETITION

The Scheduled Commercial Banks (SCBs) and HFCs play a significant role in the home loan industry. The aggregate outstanding housing loan portfolio stood at ₹ 24.31 lakhs crore as of March 2022 as compared to ₹ 21.48 lakhs crore as of March 2021. The individual housing loan portfolio consists of one-third from HFCs and two-thirds from SCBs, with a share of 33% and 67%, respectively.

HFCs facing increasing Competition from Banks for home loans

Individual Housing Loan Portfolio	Outstanding (₹ in crore)		Growth (%)
	31st March 2021	31st March 2022	y-o-y
Housing finance Companies	7,14,264	8,05,367	12.75
Public Sector Banks	9,62,841	10,52,462	9.31
Private Sector Banks	4,71,217	5,72,926	21.58
Total Outstanding	21,48,322	24,30,775	13.15

Source: NHB Annual Report for FY 2021-22

HFCs are expected to prefer partnership options like co-lending or increased direct assignments with banks to augment Asset Under Managements (AUMs).

OPPORTUNITIES

The Indian real estate market is currently experiencing an evolutionary shift. The pandemic had sparked realisations of the importance of owning a home, and attractive pricing and discounts provided by the developers have aided in boosting sales momentum. With the increased use of AI (Artificial Intelligence), the real estate industry is also experiencing a technological transformation. The demand for real estate in Tier 2 and 3 has increased significantly. Since the implementation of demonetisation, the Real Estate (Regulation and Development) Act of 2016, and the Goods and Services Tax (GST), the country's real estate market has been relatively resilient even in the face of current rising uncertainties across the globe. Such factors present a great opportunity for the growth of the housing and housing finance industry as a whole.

The HFCs have maintained healthy liquidity on their balance sheets and have progressively decreased their reliance on short-term funding sources such as CP, which has helped improve asset-liability mismatches in the near-term buckets as of June 2022. The overall profitability of HFCs is estimated to have returned to pre-Covid levels in FY 2022-23.

Moreover, HFCs are expected to leverage their strong origination and collection expertise due to their presence in local markets and capitalise on the growing demand for the affordable housing finance segment. The lenders have optimally utilised other sources of funding, including public deposits, NHB funding, and securitisation, to manage their cost of funds in order to remain competitive and increase customer retention.

Affordable HFCs have substantial risk-adjusted pricing power because they operate in a higher risk segment than banks and traditional HFCs customer profile consists of informal salaried or self-employed borrowers with minimal formal documentation and properties being located outside municipal limits. Hence, the high processing fees, insurance cross-selling, and other penal charges contribute to the increase in effective yields and fee income.

BENEFITS OF BUYING PROPERTY

Various benefits of buying a property are being enlisted as below:

- **Alternate Savings method**

  Renting out a property can provide an additional source of income. The money generated from a monthly rental income can not only be used to make mortgage payments and pay off the loan, but it can also be used to pay one's own rent without having to tap into savings.

- **Tax Benefits**

  Buying real estate with a loan offers tax advantages that cannot be obtained when renting property or purchasing real estate with savings. Loans are a prudent and advantageous option for prospective purchasers seeking to buy real estate.

- **Government's Active Role**

  The government has undertaken a number of initiatives to promote the real estate industry, all with the aim of attracting investments and fostering economic expansion. Schemes such as Pradhan Mantri Awas Yojana (PMAY) and Credit Linked Subsidy Scheme (CLSS) offer financial assistance and incentives to purchasers, particularly in the segment of affordable housing.

- **Safety against Inflation**

  As inflation continues to increase, so do residential prices. Therefore, it is prudent to invest in a residence before prices rise even further. In fact, home ownership can provide long-term value appreciation and financial stability, thereby protecting an investor's capital.

THREATS (BOTTLENECKS)

The lenders are expected to diversify across non-housing to reduce margin pressures due to increasing competitive pressures among banks and HFCs in the housing finance sector. In the face of increased competition intensity, banks are gradually shifting their house loan (HL) origination models based on their target client segment – this strategy is advantageous not just from a risk-management perspective, but also provides levers for optimisation. The funding mix for both large-ticket and affordable housing financiers has become skewed towards the banking channel, as capital market borrowings have become more expensive and their availability has been restricted to a selected group of better-rated lenders, thereby creating a bottleneck for the HFCs.

According to the ratings agency, 'India ratings', the GNPAs are also expected to moderate to 2.5% in FY 2022-23, from 2.8% recorded in FY 2021-22, mainly due to an increase in the on-book portfolio and recovery in the non-housing segment of certain large HFCs. However, it is expected to increase marginally to 2.67% in FY 2023-24, due to the expected increase in credit costs.

Moreover, following the RBI's takeover as the regulatory authority for HFCs, a number of regulatory changes have resulted in rising regulatory costs, such as Liquidity Coverage Ratio (LCR) norms, NPA recognition norms, a floor for exposure to housing finance, etc., which have had a progressive impact on the profitability of the majority of HFCs. Certain HFCs whose non-home loan portfolios are already fully optimised to generate higher margins are likely to experience the impact of the RBI's new guidelines on minimum exposure to housing finance and housing finance for individuals. The current asset composition and regulatory restrictions may limit the growth of non-home loans (LAP/CF, etc.) for a number of HFCs, which could limit the growth of non-home loans to the same extent as the growth of the core HL portfolio.

OUTLOOK

The Indian residential sector reached a new high point in 1Q CY2023, as housing sales and new launches surpassed 1,00,000 units. However, while the first quarter remained positive, global headwinds currently pose short-term challenges to the housing market. In CY2023, it is expected that average property prices in the seven largest cities will increase by 8% to 12% over the course of the year, and the leading developers will continue to dominate new product launches. It has been predicted that 2023 will be a year of expansion and growth for the Indian real estate market, driven primarily by a stable economy and strong residential demand. The Indian real estate market is anticipated to reach USD 1.0 lakhs crore by 2030, and it will contribute 13% of the nation's GDP by 2025.

In 2022, the premium market was the primary driver of real estate growth, and this trend will also continue in 2023. The demand for larger, luxurious homes will increase due to the increasing prominence of WFH (Work from Home) and hybrid working models in the country. Despite growing property prices, homeownership will remain in high demand in 2023, as millennials and first-time purchasers are expected to dominate the real estate and housing markets. FY 2023-24 will likely see a 10% to 15% increase in total sales of housing units across the real estate sector according to the Anarock report.

The growth of the real estate industry would facilitate the expansion of the housing finance industry. According to the India Ratings report, the housing finance sector is expected to grow by 12.3% YoY in FY 2023-24, as compared to the 12.6% growth registered in FY 2022-23. The housing finance sector would be driven by growth in the affordable financing segment, which is expected to record growth of 16% in FY 2023-24.

While larger HFCs are anticipated to explore customer and asset diversification to increase profitability through partnerships, mid-sized HFCs with a focus on affordable housing finance will likely grow consistently. However, competition for emerging HFCs is likely to intensify due to the growth ambitions of a number of HFCs that are focusing on the affordable housing finance segment. While smaller players are expected to contemplate partnerships for effective credit cost management which would continue to be essential for sustaining profitability.

HFCs are anticipated to reduce their on-balance-sheet liquidity from the current high level, but the same is anticipated to remain comfortable as a result of the reduced uncertainty and rising interest rate scenario. Housing finance companies and institutions that lend retail home loans would also have an increased lending volume of an average of 12 to 15% in the future.

Affordable Housing and Affordable Housing Finance to drive long-term growth

Affordable housing was the third most popular category among developers in India, accounting for 20% of all new launches in 2022. The mid-range price segment continued to have the largest share of new launches in 2022 at 35%, and the high-end price segment came in second with a 28% share of the overall pie. In 2022, 11% and 6%, respectively, of the new supply was comprised of luxury and ultra-luxury ticket categories. This trend is supported by the rising aspirations of homebuyers seeking to upgrade their lifestyle and quality of life by investing in upscale residential properties.

To encourage Rural Housing and housing for EWS (Economically Weaker Section) in urban centres, the Affordable Housing Fund (AHF) provides full refinancing to EWS creditors (with annual incomes of up to 3 lakhs) in Rural and Urban Housing. In FY 2021-22, affordable housing fund of NHB comprised of 45.51% share among other modes of investment, followed by taxable Bonds at 21.64%. The Government of India annually allocates ₹ 10,000 crore to the AHF. Scheduled commercial banks with shortfalls in meeting their priority sector lending obligations, as determined by the RBI from time to time, also contribute to the fund's corpus. The fund's objective is to enhance NHB's refinancing operations for the affordable housing market. As of 30th June, 2022, the total amount received under the AHF is ₹ 29,873 crore.

The total loan book of Affordable Housing Finance Companies (AHFC) reached ₹ 83,052 crore as of 31st December 2022, a 25% year-on-year increase due to an improvement in the operating environment and high demand. AHFCs are one of the niche sectors of the overall house financing industry, with a market share of only 6%. However, the government's drive for "housing for all" initiatives may give the sector a lift in the future. The indicators of profitability for AHFCs improved in FY 2022-23 due to an increase in NIMs and low credit costs, resulting in an increase in the overall return indicator.

Growth Factors

Real estate owners and investors are increasing their demands for ESG (environmental, social, and governance) investing disclosure. In the post-pandemic era, consumers are more conscious of their carbon footprint and the health of the environment, and as a result, they seek homes that reflect their stance. The majority of real estate buyers are prepared to pay a premium for a green property.

In 2023, the demand for eco-friendly, nature-balanced housing will continue to exist. In addition, such homes also provide lower operational costs and a higher resale value. Given the numerous benefits that sustainable buildings provide, real estate players and consumers will continue to favour them even more in 2023.

While the pandemic is now history, the culture of remote work is here to stay. Many businesses continue to operate in a hybrid mode and permit employees to work from wherever they choose. The rise in popularity of vacation residences has been fueled in part by the remote working culture. As individuals continue to work in hybrid mode, they will continue to operate from unconventional locations, allowing them to be more adaptable and experience a better work-life balance.

HFCs' Core Strengths

HFCs have grown significantly in stature over the years and have gained systemic importance in the Indian financial system. HFCs have mastered the art of assessing the creditworthiness of niche customer segments, primarily those with informal income and the unbanked segments of society, which banks have avoided due to differences in their core target segment and credit risk management approach.

The report by India Ratings anticipates that affordable housing financiers will continue to experience robust loan growth, primarily as a result of increasing geographic penetration, an increase in ticket size (value), and customer base expansion due to a rising sense of home ownership. Since HFCs are among the primary sources of financing for the affordable housing sector, exceptional growth in AHFCs is much anticipated in the future.

The underlying demand for housing in India is expected to remain robust due to factors such as the government's emphasis on affordable housing, favourable demographics, urbanisation, and rising affordability. In addition, timely actions taken by the Government of India and the RBI are likely to alleviate the housing and housing finance sectors, thereby relieving pressure and making funds accessible to distressed areas.

COMPANY OVERVIEW

SEGMENT-WISE REPORTING

Segments have been identified in accordance with the Accounting Standard for segment reporting, taking organisational structure and the varying risks and returns of these segments into consideration. LIC Housing Finance Ltd. (hereafter referred to as "the Company" or "LICHFL") is solely engaged in the Housing Finance industry, from which it generates the majority of its revenue.

RISKS AND CONCERNS

Risk management is an integral part of the business. Risk management measures include risk assessment, a risk catalogue, a framework for risk appetite, risk planning, risk culture, internal controls, and good governance. The Company's risk appetite, functional policies, and key risk indicators (KRIs) explicitly define the degree and type of risk it is willing to assume. LICHFL has a risk management structure that proactively identifies risks, implements effective risk mitigation measures, and reviews them continuously. As a provider of housing finance, the Company's performance is contingent on adequate risk management.

The Board has delegated risk management responsibilities to its Risk Management Committee (RMC), which evaluates the effectiveness of the risk management framework, provides critical oversight, and determines whether it is commensurate with the established risk tolerance limits.

Credit risk, market and interest rate risk, liquidity risk, and operational risk are the primary risks associated with the HFC business. LICHFL has implemented tools such as time-bucket-wise liquidity statements, duration gap reports, and forex exposure reports to mitigate risks resulting from unfavorable liquidity conditions, interest rates, and currency fluctuations.

The Company continually optimises its asset liability management function in order to protect against and mitigate adverse fluctuations in liquidity, interest rates, and currency exchange rates. The prudent procedure ensures that Net Interest Income (NII) is not negatively impacted by adverse changes in the aforementioned risks to the greatest extent possible. The following are some of the most significant risks and mitigation strategies:

1. Credit Risk

Credit risk is the risk of debt default resulting from a borrower's failure to make principal or interest payments to the lender. Nearly all types of credit extensions expose lenders to the risk of default. If the customer is unable to pay within 90 days of the due date, the loan is classified as a NPA on the Company's balance sheet.

LICHFL has a standardised credit approval procedure in place, which includes a comprehensive credit risk assessment that includes an analysis of relevant quantitative and qualitative data to determine the creditworthiness of the borrower. The loans are disbursed in lump sums and repaid in Equated Monthly Installments (EMIs) based on the progress of the construction of the security, etc. On an ongoing basis, the Company conducts a dynamic and static analysis of its data and portfolio, identifies relevant trends and red flags, and takes corrective action based on the output of data analytics.

The Company has a Standard Operating Procedure (SOP) document that describes the due diligence guidelines in detail, including credit evaluation, legal appraisal, technical appraisal, verification, value, documentation, etc. The Company regularly evaluates the SOP and, if necessary, revises it based on lessons learned and industry trends.

2. Market Risk

Market risk is the risk of a decline in the value of a Company's trading assets or an increase in the value of its trading liabilities due to changes in interest rates, credit spreads, external variables, or market prices. Balance sheet items susceptible to market risk include floating-rate home loans, floating-rate developer loans, Non-Convertible Debentures (NCDs) with options, bank loans with options, foreign currency bank loans, and coupon swaps, among others. This risk can be divided into two categories:

i. **Interest Rate Risk:** Interest rate risk refers to fluctuations in a Company's net interest income and the value of its assets and liabilities resulting from unfavorable interest rate movements, such as hardening or softening due to market forces or RBI intervention. Higher interest rates on liabilities or lower yields on assets could be detrimental. In the lending industry, maturity mismatches and re-pricing of assets and liabilities are common and pose significant risks. Regular monitoring of the composition and pricing of the Company's assets and liabilities aids in mitigating this risk. In addition, the Asset Liability Committee (ALCO) of the Company actively reviews the interest rate scenario and monitors the ALM position in order to take necessary actions.

ii. **Liquidity Risk:** It is the risk of not having sufficient liquid assets or limited access to the financing market to satisfy contractual maturities of liabilities, regulatory requirements, or the Company's investment needs. In addition, the finance company must always have sufficient liquidity to manage redemptions, higher-than-anticipated disbursements, operational expenses, etc. External factors such as CRR hike, increased government borrowing programmes, and advance tax outflows, among others, may impact the Company's liquidity. Additionally, any excess liquidity is detrimental to the business. LICHFL prudently manages its fund flow activities, assets, and obligations based on a decades-long understanding of market conditions. The management establishes standards for maintaining liquid investments in order to meet immediate liquidity requirements. The Company's borrowing strategy is based on the fluctuation in liquidity market conditions and business needs. To mitigate these risks, the Company's well-diversified pool of resources aims to optimise its short- and long-term debt borrowings.

3. Operational Risk

Operational risk is the risk of loss resulting from inadequate or ineffective internal procedures, people, and systems or from external events. Any breach of people, procedures, or systems may result in capital, monetary, and reputational harm. LICHFL's operational and financial growth could be adversely affected if it cannot effectively implement its operational controls. The Company's dependable internal control systems and regular monitoring procedures guarantee efficient operations and adequate control. In addition, to mitigate these risks, the organisation has implemented stringent MIS reporting procedures. The operational risks can be classified into the following categories:

i. Compliance Risk

As a housing financing company, LICHFL is obligated to abide by a variety of governing bodies, government agencies, associations, etc. The Company's inability to comply with ever-changing rules and regulations could negatively impact its business operations and finances. As the Company is governed by NHB and RBI, registered with ROC, and its equity shares are listed on the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), and Luxembourg Stock Exchange, it is imperative that the Company abide by all applicable rules and regulations. In order to ensure compliance, the Company's Compliance Officer takes the utmost care of all obligations on an ongoing basis.

ii. Legal Risk

Legal risks refer to the cost of litigation resulting from cases caused by a lack of legal diligence. To protect their interests, the firm's lending nature necessitates the execution of numerous legal contracts. It may result from any omission, carelessness, deceit, or wrongdoing in legal due diligence or other legal processes. As lending money for/against home loans is the Company's primary activity, it too is susceptible to these legal issues. The Company's legal and technical teams are highly knowledgeable and have extensive sector experience. A competent legal team monitors stringent legal procedures and systems for title verification and legal review of all loan documents. In order to reduce customer complaints, the Company has also clearly established customer delivery criteria and the operational mechanisms to adhere to these standards.

4. Regulatory Risk

The Company's operations are governed by multiple regulatory and governing bodies. Business continuity may be impacted by the Company's inability to conform to ever-evolving regulations and standards. To mitigate these risks, LICHFL evaluates and controls all changes/directives/rules issued or anticipated to be issued by various such authorities, such as NHB, SEBI, RBI, etc., and modifies its operations and systems accordingly.

5. Competition Risk

The lucrative prospects of the highly fragmented housing finance market pose a threat from competitors, which may result in revenue loss or market share loss. Due to economic growth, greater urbanisation, government incentives, credit acceptance in society, and the rise of nuclear families, a large number of new players are anticipated to enter the housing finance industry. With a track record of positive ALM and declining NPA, the Company has established a strong reputation in its industry. To mitigate risk, the Company continues to prioritise customer-centricity, the use of cutting-edge infrastructure facilities, including IT interfaces, and efficient marketing strategies. Due to its long-standing position in the market and its nimble team across all industry verticals, the Company is always striving to stay ahead with improved product offerings, prices, and customer service.

ASSET LIABILITY MANAGEMENT

The Company adheres to "The Asset-Liability Management System for Housing Finance Companies – Guidelines" issued by the National Housing Bank. The Board has approved the Asset and Liability Management (ALM) policy of the Company. The policy specifies prudential gap limits, tolerance limits, and the reporting system. Periodically, the Asset Liability Management Policy is reviewed to incorporate regulatory changes or to realign the policy with the economic environment. The Asset Liability Management (ALM) reports are evaluated periodically by the Asset Liability Committee (ALCO), which then updates the Board periodically on ALM-related matters.

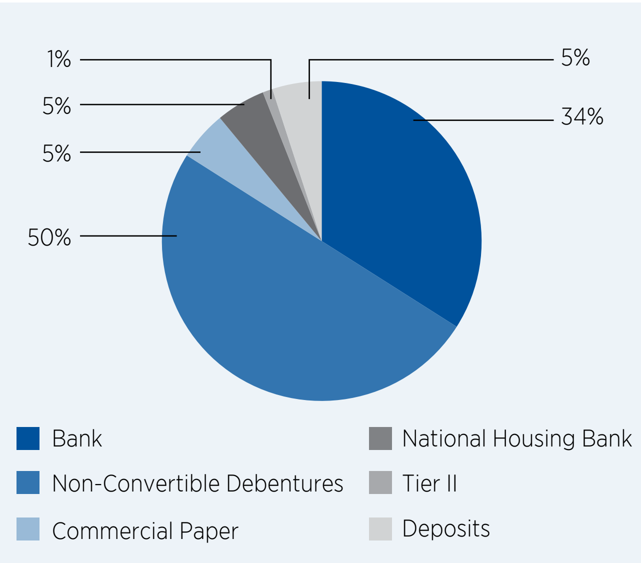
INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Internal controls enable the prompt recognition and correction of operational irregularities and provide a constant and accurate summary of the organisation's position. Internal controls that are adequate ensure that transactions are authorised, recorded, and reported accurately, and that assets are safeguarded against unauthorised use or disposition. LICHFL has implemented an internal control system commensurate with its size and operations. The organisation adheres to stringent procedures, systems, policies, and processes to ensure the accuracy of recording financial information, the protection of assets from unauthorised use, the prevention and detection of frauds and errors, the completeness of accounting records, the timely preparation of accurate financial information, and compliance with regulations and laws. Regular internal inspections and audits ensure that responsibilities are carried out effectively and in a timely manner. Management routinely reviews the internal auditors' reports and initiates corrective actions to strengthen controls and enhance the effectiveness of existing systems. The Board's Audit Committee receives summaries of all reports, and actions are taken accordingly.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE FINANCIAL / FUND MANAGEMENT

ALM gaps, interest rate inconsistencies, and the state of the market are all taken into consideration when planning the Company's borrowing. For bank borrowings, non-convertible debentures, CP, and public deposit plans, the Company has received the highest rating from CRISIL, CARE and ICRA rating agencies, enabling the Company to secure financing at incredibly favourable rates. The Company's prime lending rate is frequently reviewed and adjusted as a benchmark for asset pricing. The Company revalues the loan assets in response to changes in the Company's prime lending rate at predetermined intervals because approximately 97% of the asset portfolio has a floating rate. In an additional effort to reduce negative carry, the Company assesses the fund position every day and parks excess funds in fixed deposits and overnight/ liquid mutual fund schemes in accordance with board-approved policy. The Company carefully enters into derivative contracts to manage the risks associated with changes in interest rates and foreign exchange, as applicable. These contracts are periodically reviewed, and the Company dissolves such transactions as needed.

Outstanding Borrowing – ₹ 2,44,696 crore



STATEMENT OF COMPLIANCE

Standalone Financial Statements have been prepared in accordance with generally accepted accounting principles in India, including Indian Accounting Standards ("the Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the guidelines issued by the NHB and RBI, to the extent applicable. Division III of Schedule III to the Act's prescribed format is followed in the preparation and presentation of the balance sheet, statement of profit and loss, and statement of changes in equity. In accordance with the specifications of Ind AS 7, "Statement of Cash Flows," the Statement of Cash Flows has been prepared and presented. The balance sheet is presented by the Company in order of liquidity.

BASIS OF PREPARATION OF IND-AS FINANCIAL STATEMENTS

These Standalone Financial Statements were prepared by the Company using the historical cost method, with the exception of certain financial instruments. They include the Balance Sheet as of 31st March, 2023, the Statement of Profit and Loss, the Statement of Cash Flows, and the Statement of Changes in Equity for the year ended 31st March, 2023, as well as accounting policies and other explanatory information (collectively referred to as "Standalone Financial Statements" or "Financial Statements" below).

In an orderly transaction between market participants at the measurement date, fair value is the price that would be received upon the sale of an asset or paid to transfer a liability. This price does not need to be directly observable; it can also be estimated using another valuation technique. The Company considers an asset's or liability's characteristics when estimating an asset's or liability's fair value if market participants would consider those characteristics when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are classified into Level 1, Level 2, or Level 3, depending on how observable the inputs to the measurements are and how important those inputs are overall. These categories are described as follows:

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

Level 2 inputs are inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly, and

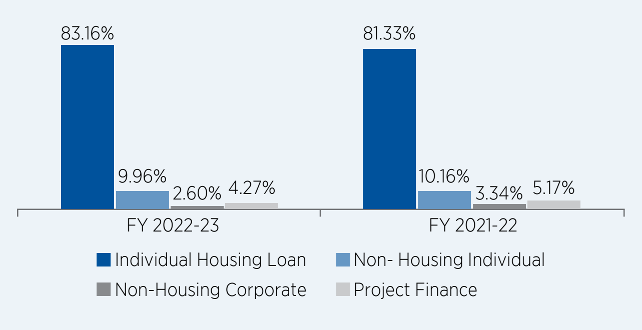
Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are only available in Indian Rupees (₹), and except when otherwise stated, all values are rounded to the nearest crore.

PERFORMANCE / OPERATION HIGHLIGHTS

Total disbursements for FY 2022-23 totaled ₹ 64,115 crore, which increased by 4% over the same period the year before. The total outstanding portfolio grew from ₹ 2.51 lakhs crore to ₹ 2.75 lakhs crore, registering a growth of 9.53%. The Individual Housing Loan grew by 12% YoY, from ₹ 2.04 lakhs crore in FY 2021-22 to ₹ 2.29 lakhs crore in FY 2022-23, comprising the largest portion of the total outstanding loan pie. The Non- Housing Individual loans grew by 7.4% YoY, from ₹ 25,519 crore in FY 2021-22 to ₹ 27,411 crore in FY 2022-23. While the Non-Housing Corporate loans and Project Finance loans experienced declines in annual growth of 14.6% and 9.6%, respectively, during FY 2022-23.

Percentage Share of Outstanding loans during the last two years



The revenue from operations was ₹ 22,656.95 crore for FY 2022-23, compared to ₹ 19,919.07 crore for FY 2021-22, which represents an increase of 13.75%. The FY 2022-23 recorded an increase in net profit after taxes to ₹ 2,891.03 crore from ₹ 2,287.28 crore during the same time last year. Net Interest Margin (NIM) for FY 2022-23 stood at 2.41 % as against 2.28% for the previous year. Taxes for the year amounted to ₹ 665.97 crore, up from ₹ 490.87 crore the year before. The Net Interest Income (NII) for FY 2022-23, increased by 14.86% to ₹ 6,330.26 crore from ₹ 5,511.21 crore recorded during the previous fiscal year. A dividend of 425% of about 8.50 per share, the same as the previous year, was declared for FY 2022-23.

During the year under review, both the outstanding loan portfolio and the number of disbursements increased steadily. In addition, the asset quality has demonstrated stability and improvement. Numerous initiatives, such as the opening of new branches, the formation of clusters to improve turnaround time, the implementation of SAP, etc., have been undertaken and proposed in FY 2022-23.

IMPAIRMENT ASSESSMENT

The Company's methodology for measuring and assessing impairment is described in the references below. This section should be read in conjunction with the Summary of key accounting policies. According to Ind AS 109, the Company recognises lifetime expected credit losses for financial instruments for which credit risk has increased significantly since initial recognition as well as 12-month expected credit losses when credit risk has not changed significantly since initial recognition. This is done while taking into account all reasonable and supportable information, including that which is forward-looking.

DEFINITION OF DEFAULT

When a borrower falls ninety days behind on his contractual responsibilities, the Company considers the financial instrument to be in default and hence Stage 3 (credit-impaired) for ECL calculations is being implemented. The three phases reflect the typical progression of a financial instrument's credit deterioration. The accounting differences between stages involve the recognition of anticipated credit losses and the calculation and presentation of interest income.

Stage-wise Categorisation of Loan Assets

The Company classifies loan assets according to their Days Past Due status:

Stage 1 [0-30 days Past Due]: It is comprised of exposures for which there has been no significant increase in credit risk since initial recognition and which were not credit impaired at origination. The Company employs the same criteria enumerated in the standard and assumes that when the number of past-due days exceeds '30', the probability of default has increased significantly. Therefore, the Company recognises as a collective provision, for loans with less than 30 days of delayed payment, the amount of the lifetime ECL associated with the probability of default events occurring within the next 12 months.

Stage 2 [31-90 days past due]: The Company evaluates ECL for exposures that have experienced a substantial increase in credit risk since initial recognition, but are not credit impaired. The organisation acknowledges a lifetime ECL as a collective provision for these exposures. (i.e., the remaining useful life of the financial asset).

Stage 3 [More than 90 days Past Due]: The Company identifies, both collectively and individually, the ECL for credit-impaired exposures based on whether or not one or more events that have a negative impact on the projected future cash flows of the asset have occurred. When the number of days past due exceeds 90, the Company relies on the same criteria stated in the Standard and assumes a default has occurred.

Legislation such as the SARFAESI Act encourages the Company to utilise one of the most efficient NPA recovery systems in its category. Depending on the structure of the financial instruments and the credit risk information available for specific categories of financial instruments, it may be impossible for an entity to detect significant changes in credit risk for individual financial instruments before they become overdue. In the case of individual housing loans, the underlying security provides a sufficient margin to support the financial instruments and absorb the associated risks. As a result, the Company has conducted a collective evaluation of the substantial increase in credit risk for individual housing loans by analysing data indicating major credit risk increases for categories of financial instruments. To determine credit risk increases and to collectively recognise loss allowance, LICHFL has grouped financial instruments based on shared credit risk characteristics in order to facilitate an analysis that will enable timely identification of significant rises in credit risk. The Company does not have a history of loans transitioning from one rating to another over a sufficient time frame to generate a valid transition matrix. For the purpose of determining the default rate, LICHFL utilised a transition matrix developed and published by a prominent rating agency in India.

INDIVIDUAL HOUSING LOANS:

As of 31st March, 2023, LICHFL's individual housing loan book represented 83.16% of the total retail portfolio. The individual home loan segment registered disbursements of ₹ 53,459 crore in FY 2022-23, as against ₹ 53,662 crore for the same period of the previous year.

NON- HOUSING INDIVIDUAL LOANS: During FY 2022-23, the Non-Housing Individual Loans accounted for 11.63% of total disbursed loans. In FY 2022-23, the Company disbursed approximately ₹ 7,458.91 crore in non-housing individual loans, compared to ₹ 6539.60 crore in FY 2021-22. The total number of Non-Housing Individual Loans stood at 31975 loans being disbursed in FY 2022-23, as compared to 28989 loans disbursed in FY 2021-22.

NON- HOUSING CORPORATE LOANS: During FY 2022-23, the Non-Housing Corporate Loans accounted for 0.8% of the total disbursed loans. The Company disbursed approximately ₹ 500.57 crore in Non-Housing Corporate Loans in FY 2022-23, as compared to ₹ 334.39 crore in FY 2021-22. The total number of Non-Housing Corporate Loans stood at 80 loans being disbursed in FY 2022-23, as compared to 71 loans disbursed in FY 2021-22.

PROJECT LOANS:

The loan book represented 4.27% of the project portfolio as of 31st March, 2023. The total Project Loan disbursements stood at ₹ 2,697 crore in FY 2022-23 as against ₹ 1,312 crore for the previous fiscal, a growth of 106%.

Credit Quality Analysis – Classification on the basis of risk pattern (Collective and Individual Basis)

Amount ₹ in Crore

Parameter	Stage 1		Stage 2		Stage 3		Total	
	Outstanding Balance	Impairment Loss	Outstanding Balance	Impairment Loss	Outstanding Balance	Impairment Loss	Outstanding Balance	Impairment Loss
As at 31st March, 2023	2,48,857.28	677.76	14,083.07	1,171.31	12,124.74	5,381.22	2,75,065.09	7,230.29
As at 31st March, 2022	2,31,853.54	579.32	7,665.50	240.11	11,616.40	5,019.68	2,51,135.45	5,839.12
As at 31st March, 2021	2,08,018.16	117.16	14,336.50	37.17	9,659.13	3,745.19	2,32,013.80	3,899.53

ECL MODEL AND ASSUMPTIONS CONSIDERED IN THE ECL MODEL

The Company has through its previous experience estimated the probability of default on loans. Thus, it is seen that receivable for an account moves through different delinquency stages every month. For example, an account in the "Regular" state this month will continue to be in the "Regular" state next month if a payment is made by the due date and will be in the "30 days past due" state if no payment is received during that month.

Further, focus is on maintaining the progression and timing of events in the path from "Regular" to "Defaulted". For example, an account in the "Regular" state doesn't suddenly become "Defaulted". Instead, an account must progress monthly from the "Regular" state to the "30 days past due" state to the "60 days past due" state and so on until foreclosure activities are completed and the collateral assets are sold to pay the outstanding debt.

The transition represents the period-by-period movement of receivables between delinquency classifications or states. The transition evaluates loan quality and loan collection practice. The loan portfolio for the past years is analysed to arrive at the transition matrix. Each loan is traced to find out how the loan has performed over such period. The occurrences of every loan over the past years are considered to arrive at the total transitions happening from different buckets in the previous month to different buckets in the current month.

Probability of Default

Stage 1 – [No significant increase in credit risk]: the monthly transition matrix is converted into a 12-month transition matrix for determining the probability of default for those loan accounts on which the risk has not increased significantly from the time the loan is originated. The Company use the same criteria mentioned in the standard and assume that when the days past due exceeds '30 days', the risk of default has increased significantly. Therefore, for those loans for which the days past due is less than 30 days, one-year default probability is considered.

Stage 2 – [Significant increase in credit risk]: The credit risk is presumed to have increased significantly for loans that are more than 30 days past due and less than 90 days past due. For such loans, lifetime default probability is considered. Based on the maturity date of the loan, the probability of default is arrived at to determine the quantum of the loan that is likely to move into the buckets '90 days past due' and greater. The monthly transition matrix is used to find out the transition matrix applicable for the loan considering the maturity date of such loan.

Stage 3 – [Defaulted loans]: As per the standard there is a rebuttable presumption that default does not occur later than when a financial asset is 90 days past due unless an entity has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The Company assumed that the default has occurred when a loan moves into '90 days past due' bucket.

When the loan moves from stage 3 to stage 2 / stage 1 or from stage 2 to stage 1, from an ECL computation perspective there is a curing period of one quarter on such loans.

Exposure at default

The borrower's ability to raise its exposure as it nears default as well as potential early repayments are both taken into account in the Exposure at Default (EAD), which represents the gross carrying value of the financial instruments subject to impairment calculation.

Probability of default of the loan that is likely to move into buckets 90 days past due and above over next 12 months. The PD is used to measure quantum of loan that is likely to move buckets 90 days past due and above over the remaining life of the loan.

Loss given default

The loans are secured by adequate collateral. The present value of such collateral property is considered while calculating the Expected Credit Loss. The Company initiates recovery process of Non-Performing accounts within the statutory time limit as per SARFAESI and other applicable laws and accordingly the realisable period has been considered for computing the Present Value of Collateral. The difference between present value of collateral and EAD is loss given default.

MARKETING

LICHFL has established itself as a market authority and possesses one of India's largest marketing networks. As of 31st March, 2023, the Company's network consists of 9 Regional Offices, 281 Marketing Offices, 24 Back Offices to manage credit evaluation and administrative duties, and a centralised Customer Service Point. In order to expand its global market presence, the Company has also opened a representative office in Dubai. To assure contact with end customers, the organisation has assembled a formidable team of Home Loan Agents, Direct Selling Agents, and Customer Relationship Associates.

Throughout the year, LICHFL publicised its products in various regions of the country through different types of media, which contributed to its marketing success.

RECOVERY MANAGEMENT

Gross NPAs as of 31st March, 2023 totaled ₹ 12,124.74 crore, or 4.41% of the Company's loan portfolio, compared to ₹ 11,616.40 crore, or 4.64% of the loan portfolio as of 31st March, 2022.

The net NPA as of 31st March, 2023 was ₹ 6,743.52 crore, or 2.50% of the loan portfolio, compared to ₹ 6,596.73 crore, or 2.69%, as of 31st March, 2022.

In accordance with Ind AS 109, asset categorisation and provisioning modifications for anticipated credit loss are reported on an Expected Credit Loss (ECL) basis. According to the same method, the provisions for ECL were ₹ 7,230.26 crore on 31st March, 2023, up from ₹ 5,839.12 crore on 31st March, 2022.

As of 31st March, 2023, Stage 3 Exposure at Default was 4.37%, down from 4.64% as of 31st March, 2022. The Company is constantly focused on accelerating the recovery by initiating all-out efforts and allocating more resources to its most vital business sector. The collection efficiency was 99% in March 2023.

HUMAN RESOURCES DEVELOPMENT

LICHFL believes that its human resources have the greatest impact on the expansion of the organisation. In all aspects, including efficient resource management and the rapid scaling of existing and new initiatives, the human resources division has been a pillar of the Company's strength. The Company maintains a safe, accommodating, and productive working environment throughout all of its activities. The Company guarantees the welfare and professional development of its personnel through different programmes such as performance and appraisal, learning management, talent management, internal and external training courses, and so on. The Company's human resource management procedures provide a work atmosphere that encourages employee satisfaction, constant motivation, and a high retention rate. The Company evaluates its business and personnel policies on a regular basis in order to improve working procedures. As of 31st March, 2023, there were 2,462 employees at the Company. As of 31st March, 2023, the loan asset per employee was ₹ 111.72 crore, while the net profit per employee was ₹ 1.17 crore.

DISCLAIMER

This report contains "forward-looking statements" within the meaning of relevant laws, rules, and regulations. These statements describe the Company's goals, plans, estimates, and expectations. The Company disclaims all liability in the event that actual results considerably differ from those projected due to changes in internal or external causes. These statements are based on various assumptions about anticipated future events.

BOARD'S REPORT

To the Members of LIC Housing Finance Limited

Your Directors are pleased to present the Thirty Fourth Annual Report together with the Audited Financial Statements (standalone and consolidated) for the year ended 31st March, 2023 of LIC Housing Finance Limited **('the Company').**

FINANCIAL HIGHLIGHTS

(₹ In crore)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit before Tax	3557.00	2778.15
Tax Expense	(665.97)	(490.87)
Profit after Tax	2891.03	2287.28
Other Comprehensive Income	5.03	(4.72)
Total Comprehensive Income	**2896.06**	**2282.56**
Appropriations		
Special Reserve u/s 36(1)(viii) of the Income Tax Act,1961	984.99	859.99
Statutory Reserve u/s 29C of NHB Act,1987	0.01	0.01
General Reserve	850.00	700.00
Impairment Reserve	-	92.72
Dividend	467.55	467.55
Balance carried forward to next year	593.51	162.29
	2896.06	**2282.56**

APPROPRIATION

Transfer to Reserves:

The Company has transferred ₹ 984.99 crore to Special Reserve u/s 36(1)(viii) of the Income-tax, Act., 1961 excluding ₹0.01 crore to the Statutory Reserve u/s 29C of NHB Act; and an amount of ₹850 crore to General Reserve.

Hence, the total amount transferred to special reserve is ₹ 985 crore (including ₹ 0.01 crore to Statutory Reserve u/s 29C of NHB Act) and ₹ 850 crore to General Reserves.

DIVIDEND:

The Company has in place a Dividend Distribution Policy formulated in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which intends to ensure that a rationale decision is taken, with regard to the amount to be distributed to the shareholders as dividend, after retaining sufficient funds for the Company's growth, to meet its long-term objective and other purposes. The Policy also lays down various parameters to be considered by the Board of Directors of the Company before recommendation of dividend to the Members of the Company.

Considering the performance of the Company during the financial year 2022-2023, the Board of Directors felt the need to strike a balance between being prudent and conserving capital in the Company, while at the same time catering to the expectations of shareholders, and also considering the Dividend Distribution Policy and in terms of RBI Circular No. DOR.ACC.REC.No.23/21.02.067/2021-22 dated 24th June, 2021 , have recommended payment of dividend for the financial year ended 31st March, 2023 of ₹ 8.50 per equity share of face value of ₹2/- per share i.e., @ 425 percent . The total dividend outgo, if declared by the shareholder at the 34th Annual General Meeting, for the current year would amount to ₹ 467.55 crore, same as for the previous year. The dividend payable shall be subject to the approval of the Members of the Company at the ensuing Annual General Meeting.

The dividend declared by the Company for the financial year ended 31st March, 2023 is in compliance with the Dividend Distribution Policy of the Company. The Dividend Distribution Policy is available on the website of the Company at https://www.lichousing.com/static-assets/pdf/DIVIDEND%20DISTRIBUTION%20POLICY%202021.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true and link of the same is provided in Annexure 5.

INDIAN ACCOUNTING STANDARDS

The Company has complied with the applicable Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013. The financial statements for the year have been prepared in accordance with Schedule III to the Companies Act, 2013.

PERFORMANCE

Income and profit

The Company earned total revenue of ₹ 22674.20 crore for the FY 2022-23 as compared to ₹ 19953.02 crore in the FY 2021-2022, registering an increase of 13.64 percent, as compared to previous year. The percentage of administrative expenses to the housing loans, which was 0.40 percent in the previous year, has reduced to 0.36 percent during the financial year 2022-2023, mainly due to arrears of wages given in the previous year which were included in employee benefits expenses.

Profit before tax and after tax for FY 2022-23 stood at ₹ 3557.00 crore and ₹ 2891.03 crore respectively as against ₹ 2778.15 crore and ₹ 2287.28 respectively, for the previous year. The variance was on account of increase in Interest income due to increase in LHPLR by 2.10% till December 2022 which has impacted the Interest Income during the Quarter. Most of the Loans given are at Floating rate.

LENDING OPERATIONS

The Company is a Housing Finance Company registered with National Housing Bank (NHB) and is mainly engaged in financing purchase / construction of residential flats / houses to individuals and project finance to developers, Loan against Property (LAP), Lease Rental Discounting (LRD) etc. All other activities revolve around the main business of the Company.

As at 31st March, 2023 the loan book consisted of 83.15 per cent of IHL, 2.61 per cent of NHC, 9.97 per cent of NHI & 4.27 per cent of project portfolio (As per IND-AS).

INDIVIDUAL HOUSING LOAN (IHL):

During the year the main thrust continued on individual housing loans. The Company has sanctioned 1,94,398 Individual Housing Loans (IHL) amounting to ₹ 53,140.33 crore and disbursed 2,00,459 loans aggregating to ₹ 53,458.5 crore during FY 2022-23. IHL constitute 82.92 percent of the total sanctions and 83.38 percent of the total disbursements for the FY 2022-23 as compared to 86.61 percent and 86.76 percent respectively during the FY 2021-22. The gross IHL portfolio grew by 12 percent from ₹ 2,04,230* crore as on 31st March, 2022 to ₹ 2,28,730* crore as on 31st March, 2023.

NON-HOUSING INDIVIDUAL (NHI)

The company has sanctioned 31,089 Non-Housing Individual Loan (NHI) amounting to ₹ 7,298.54 crore and disbursed 31,975 loans amounting to ₹ 7,458.91 crore during the FY 2022-23. NHI constitute 11.39 percent of the total sanctions and 11.63 percent of the total disbursement for the FY 2022-23 as compared to 9.93 percent and 10.57 percent respectively during FY 2021-22. The gross NHI portfolio grew by 7.41 percent from ₹ 25,519 crore as on 31st March, 2022 to ₹ 27,411 crore as on 31st March, 2023.

NON-HOUSING CORPORATE (NHC)

The company has sanctioned 75 Non-Housing Corporate Loan (NHC) amounting to ₹ 547.44 crore and disbursed 80 loans amounting to ₹ 500.57 crore during the FY 2022-23. NHC constitute 0.85 percent of the total sanctions and 0.78 percent of the total disbursement for the FY 2022-23 as compared to 1.01 percent and 0.54 percent respectively during FY 2021-22. The gross NHC portfolio decreased by 14.60 percent from ₹ 8,393 crore as on 31st March, 2022 to ₹ 7,168 crore as on 31st March, 2023.

The cumulative sanctions and disbursements since incorporation, in respect of IHL, NHI and NHC are:

Amount sanctioned: ₹ 5,74,305.18 crore

Amount disbursed: ₹ 5,52,270.11 crore

Since inception 35,07,395 customers have been serviced by the Company up to 31st March, 2023. The number of live customers on 31st March, 2023 were 15,19,771.

Project loans:

The project loans sanctioned and disbursed by the Company during the year were amounting to ₹ 3,097 crore and ₹ 2,697 crore respectively. Corresponding figures for the previous year were ₹ 1,563 crore and ₹ 1,311 crore. These loans are generally for short durations, giving better yields as compared to the individual housing loans.

AWARDS AND RECOGNITIONS:

- Winner of “Financial Inclusion & Future of Financial Services in India – Vision 2030” Award under Large NBFC class at the 17th Annual Summit & Awards Banking & Financial Sector Lending Companies by ASSOCHAM
- Winner of “Best Housing Finance Company (Large)” at PMAY Empowering India Awards 2022
- Kendriya Sainik Board felicitated the Company for CSR contribution towards education of Veer Naaris & Single Parent Children.
- Hon. Ramesh Bais, Governor of Maharashtra, accorded Best Rural Development Project to Shri Y Viswanatha Gowd, MD & CEO of the Company
- Indian Chamber of Commerce 5th Social Impact Awards 2022 bestowed to the Company for Empowering the Rural Population across India.

MARKETING AND DISTRIBUTION

During the year under review, efforts were taken to further strengthen the distribution network. The distribution network of the Company consists of 281 Marketing Offices and Customer Service Points. The distribution network also includes 48 offices of LICHFL Financial Services Ltd., wholly owned subsidiary company engaged in distribution of various financial products including housing loan. The Company has representative offices in Dubai.

REPAYMENTS

During the F.Y. 2022-2023, ₹ 38,778.33 crore was received by way of scheduled repayment of principal through monthly instalments as well as prepayment of principal ahead of schedule, as compared to ₹ 38,927.64 crore received in the previous year.

NON-PERFORMING ASSETS AND PROVISIONS

The amount of gross Non-Performing Assets (NPAs) as of 31st March, 2023 was ₹ 12,124.74 crore, which is 4.41 percent of the loan portfolio of the Company, as against ₹ 11,616.40 crore i.e., 4.64 percent of the loan portfolio as of 31st March, 2022. The net NPA as of 31st March, 2023 was ₹ 6,743.52 crore i.e. 2.50 percent of the loan portfolio vis-à-vis ₹ 6596.73 crore i.e. 2.69 percent of the loan portfolio as at 31st March, 2022. The total cumulative provision towards housing loan portfolio including provision for standard assets as at 31st March, 2023 is ₹ 7,230.29 crore as against ₹ 5,839.12 crore in the previous year.

Company has written off ₹ 544.71 crore during the FY 2022-23, in comparison to the amount of ₹ 23.03 crore which has been written off in the previous year.

RESOURCE MOBILISATION

During the year, the Company mobilised funds aggregating to ₹ 1,06,992.66 crore by way of the Non-Convertible Debentures (NCD), Term Loans / Line of Credit (LoC) / Working Capital Demand Loan (WCDL) from Banks, NHB refinance, Commercial Paper and Public Deposits. The Company has availed refinance of ₹ 2975 crore from NHB under affordable housing scheme at very low rate. The following is a brief about the various sources of fund mobilised during FY 2022-23:

NON-CONVERTIBLE DEBENTURES (NCD)

During the year, the Company issued NCD amounting to ₹ 29,555.50 crore on a private placement basis which have been listed on Wholesale Debt Segment of National Stock Exchange of India Ltd. The NCDs have been assigned highest rating of 'CRISIL AAA/Stable' by CRISIL & 'CARE AAA/Stable' by CARE. As at 31st March, 2023, NCDs amounting to ₹1,23,446.40 crore were outstanding. The Company has been regular in making repayment of principal and payment of interest on the NCDs.

As at 31st March, 2023, there were no NCDs which have not been claimed by the Investors or not paid by the Company after the date on which the said NCDs became due for redemption. Accordingly, the amount of NCD remaining unclaimed or unpaid beyond due date is Nil.

TIER II BONDS

As at 31st March, 2023, the outstanding Tier II Bonds stood at ₹1795.77 crore. Considering the balance term of maturity as at 31st March, 2023, ₹1795.77 crore of the book value of Tier II Bonds is considered as Tier II Capital as per the Guidelines issued by NHB for the purpose of Capital Adequacy.

TERM LOANS FROM BANK/ LOC / WCDL, REFINANCE FROM NHB / COMMERCIAL PAPER

The total Term / LOC outstanding from the Banks as at 31st March, 2023 were ₹ 83,089.07 crore as compared to ₹ 68,143.04 crore as at 31st March, 2022. The Refinance from NHB as at 31st March, 2023 stood at ₹11,303.18 crore as against ₹ 8,304.18 crore as at 31st March, 2022. During the year, the Company has availed ₹ 5,200 crore Refinance from NHB under various refinance schemes. As at 31st March, 2023, Commercial Paper amounting to ₹ 13,513.59 crore were outstanding as compared to ₹ 8,364.22 crore for corresponding previous year. During the year 2022-23, the Company issued Commercial Paper amounting to ₹ 17,668.89 crore from market as compared to ₹ 11,646.42 crore for the previous year.

The Company's long term loan facilities have been assigned the highest rating of 'CRISIL AAA/STABLE' and short-term debt has been assigned rating of 'CRISIL A1+ & ICRA A1+' signifying highest safety for timely servicing of debt obligations.

FIXED DEPOSITS (INCLUDING PUBLIC DEPOSIT)

As at 31st March, 2023, the outstanding amount on account of Public Deposits was ₹3505.27 crore as against ₹ 4595.48 crore in the previous year and outstanding amount on account of Corporate Deposits was ₹ 8120.94 crore as against ₹ 13478.02 crore in the previous year. During F.Y. 2022-23, the number of depositors has reduced for public deposit from 26156 to 21197 and for Corporate Deposit the same number reduced from 1831 to 1180.

₹957.85 crore has been collected as Public Deposits while ₹5243.83 crore was collected as Corporate Deposits. Total aggregate amount collected was ₹6201.68 crore.

CRISIL has, for the sixteenth consecutive year, re-affirmed a rating of "CRISIL AAA/Stable" for the Company's deposits which indicates highest degree of safety regarding timely servicing of financial obligations and carries the lowest credit risk.

The support of the agents and their commitment to the Company has been vital in mobilisation of deposits and making the product a preferred investment avenue for individual households and others.

TRANSFER OF UNCLAIMED DIVIDEND / DEPOSITS AND SHARES TO INVESTOR EDUCATION & PROTECTION FUND (IEPF)

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, rules made thereunder and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto, the amount of dividend / deposits remaining unclaimed for a period of seven years from the date of transfer to unpaid dividend account is required to be transferred to IEPF as constituted by the Central Government. Further, as per the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education & Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules 2016, the shares in respect of which the dividend has not been claimed for seven consecutive years are required to be transferred by the Company to the designated demat account of the IEPF Authority. The details of the unclaimed dividend/deposits and the shares transferred to the IEPF, are uploaded on the website of the Company, as per the requirements. Link for the same is https://www.lichousing.com/investors-education

UNPAID/UNCLAIMED DIVIDEND

During the financial year under review, after giving due notice to the members, your Company has transferred unclaimed dividend of ₹ 1.30 crore pertaining to the financial year 2014-15 to the IEPF, established by the Central Government, on expiry of seven years from the date of transfer to unpaid dividend account.

TRANSFER OF SHARES TO IEPF

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Rules made thereunder, the Company has transferred in aggregate 66,758 equity shares of ₹2/- each to

IEPF in respect of which the dividend remained unclaimed for a period of seven consecutive years i.e., from 2014-15 till the due date of 29th September, 2022 in respect of which, individual notice had also been sent to concerned Shareholders.

UNCLAIMED DEPOSITS

In total 610 Nos. of Fixed deposits amounting to ₹53.62 crore (out of which 589 are public deposits amounting to ₹ 18.51 crore) which were due for repayment on or before 31st March, 2023 were not claimed by the depositors. Since then, 110 depositors have claimed or renewed deposits of ₹19.21 crore (out of which 103 are public deposits amounting to ₹ 4.86 crore) as on 30th June, 2023. Depositors were appropriately intimated for renewal / claim of their deposits. Further, adequate follow-up is initiated in respect of those cases where Fixed deposits are lying unclaimed.

As per the provisions of Section 125 of the Companies Act, 2013, deposits and interest thereon remaining unclaimed for a period of seven years from the date they became due for payment have to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government, accordingly, as on 30th June,2023 ₹7.73 lakhs against unclaimed Principal and ₹12.78 lakhs against unclaimed interest on deposits has been transferred to IEPF. Concerned depositors can claim their refunds from the IEPF authority.

Being a housing finance company registered with the National Housing Bank established under the National Housing Bank Act, 1987, the disclosures as per Rule 8(5)(v) &(vi) of the Companies (Accounts) Rules, 2014 read with section 73 and 74 of the Companies Act, 2013 are not applicable to the Company.

Any person who is entitled to claim unclaimed dividend or deposits etc. that have been transferred to IEPF, can claim the same by making an application directly to IEPF in the prescribed form under the IEPF Rules which is available on the website of IEPF i.e., www.iepf.gov.in

REGULATORY COMPLIANCE

Following the amendment in the Finance Act, 2019 and the subsequent notification by the Reserve Bank of India (RBI) in August 2019, HFCs are being treated as one of the categories of Non-Banking Financial Companies (NBFCs) for regulatory purposes and accordingly come under RBI's direct oversight. The NHB, however, would continue to carry out supervision of HFCs. In this regard Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 was notified on 17th February, 2021 in supersession of the regulations/ directions as given in Chapter XVII of these directions.

The Company has been following guidelines, circulars and directions issued by the RBI/ NHB, from time to time. The Company has complied with the Master Direction-Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and other directions/guidelines prescribed by RBI regarding deposit acceptance, accounting standards, prudential norms, capital adequacy, credit rating, corporate governance, liquidity, information technology framework, fraud monitoring, concentration of investments, risk management, capital market exposure norms, Know Your Customer, Anti-Money Laundering and the Company also adopted the guidelines on maintenance of Liquidity Coverage Ratio with effect from 1st December, 2021, as per RBI master directions.

Your Company has been maintaining capital adequacy ratio as prescribed by the RBI. The capital adequacy ratio was **18.23** percent as at 31st March, 2023, as against 18.08 percent as at 31st March, 2021 (as against the regulatory minimum of 15 percent).

The Company also has been following Directions / Guidelines / Circulars issued by SEBI, MCA, NHB and RBI from time to time, as applicable to a Listed Company.

During the year, the SBR guidelines have come into effect on and from 1st October, 2022 and as per the RBI Circular DoR.FIN. S4252/03.10.001/2022-23 dated 4th October, 2022. The Board of the Company was required to ensure that the stipulations prescribed in the SBR framework are adhered to within a maximum time-period of 24 months from the date of the RBI Press Release. Since the press release wherein the RBI had released the list of NBFCs in the Upper Layer under the SBR Regulations was issued on 30th September, 2022, which includes the name of the Company, the maximum time period available to the Board is 30th September, 2024. Accordingly, the Board have already the year already adopted certain mandatory policies prescribed under the SBR framework. Going forward the Company under the SBR framework the Company is required to implement Internal Capital Adequacy Assessment Process (ICAAP) pursuant to which the Company is required to assess the economic capital in addition to the CRAR through an internal assessment which shall be on similar lines as ICAAP prescribed for commercial banks under Pillar 2 (Master Circular – Basel III Capital Regulations dated 01st July, 2015).

DISCLOSURE UNDER HOUSING FINANCE COMPANIES FOR ISSUANCE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS (NHB) DIRECTIONS, 2014 READ WITH MASTER DIRECTION – NON BANKING FINANCIAL COMPANY – HOUSING FINANCE COMPANY (RESERVE BANK) DIRECTIONS, 2021.

During the financial year under review, the Non-Convertible Debentures issued on private placement basis, were repaid / redeemed by the Company on their respective due dates and there were no instances of any Non-Convertible Debentures which have not been claimed by the investors or not paid by the Company after the date on which the Non-Convertible Debentures became due for redemption.

AUDITORS, AUDIT REPORTS AND OBSERVATIONS

Statutory Audit

As per the guidelines for appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by the RBI vide ref. no. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27th April, 2021, the Company is required to appoint the statutory auditors for a continuous period of three years, subject to the firms satisfying the eligibility norms (to be confirmed by the firms in Form B) each year and also to inform RBI (i.e. Central Office of RBI (Department of Supervision)) about the appointment of SCAs/SAs for each year by way of a certificate in Form A within one month of such appointment. Accordingly, the Company has appointed the statutory auditors namely M/s. SGCO & CO LLP, Chartered Accountants (Firm Registration No.: 112081W/W100184) and M/s. Khandelwal Jain & Co, Chartered Accountants (Firm Registration No.: 105049W) as Joint Statutory Auditors of the Company (Hereinafter collectively referred to as 'Joint Statutory Auditors' / JSAs) for a term of 3 consecutive years at Thirty Third AGM held on 29th September, 2022, to hold office until the conclusion of the Thirty Sixth Annual General Meeting to be held in the year 2025. The intimation regarding the same was also given to the NHB, RBI & MCA.

The Auditors' Report for FY 2022-23 does not contain any qualification, reservation or adverse remark on the financial statements for the year ended 31st March, 2023. The notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Joint Statutory Auditors' Report dated 16th May, 2023 for the financial year 2022-23 is enclosed with the financial statements in this Annual Report

INTERNAL AUDIT

Internal Audit

The RBI has vide Circular No. RBI/2021-22/53-DoS. CO. PPG.SEC/03/11.01.005/2021-22 dated 11th June, 2021 made the Risk Based Internal Audit (RBIA) Framework applicable to the Company and the Company is required to put in place a RBIA framework by 30th June, 2022, in accordance with the provisions of the aforesaid circular. Accordingly, company has put in place a RBIA policy and implemented RBIA.

Internal Audit of Back Offices

The Company has an in-house mechanism for Internal Audit of all its back offices which are the nodal offices looking after the accounting, sanction and disbursement functions. Such Audit is conducted by the team(s) of in-house officials of audit department. The Company maintains an exhaustive checklist/ questionnaire for the purpose of such Audit and the same is updated regularly. The in-house internal audit team(s) submit quarterly reports in respect of the Back offices assigned to them and such reports are periodically reviewed by the Internal Audit Committee at Corporate Office, which is a management level Committee at the Corporate Office. Detailed deliberations take place in respect of key points related to Internal Audit Reports and the same are also placed before the Audit Committee of the Board for their information and guidance.

Internal Audit of Corporate Office

M/s. Borkar & Muzumdar, Chartered Accountants, Mumbai are Internal Auditors for Internal Audit of the Corporate Office for financial year 2022-23.

Going forward, the Management has decided to develop capabilities internally for the RBIA Internal Audit of Corporate Office from financial year 2023-24.

Currently, The Company has developed an in-house mechanism for Internal Audit of Corporate Office. From FY 23-24 and onwards the audit will be conducted by in-house officials of audit department except certain specific areas which requires special domain expertise. The appointment of such experts shall be made with prior approval of audit committee.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. N. L. Bhatia & Associates, Practicing Company Secretaries, undertook the Secretarial Audit of the Company for the financial year 2022-23.

The Secretarial Auditor's Report for the financial year 2022-23 does not contain any qualification, reservation or adverse remark. Report of the Secretarial Auditor for the financial year 2022-23 in Form MR-3 is annexed to this report as **Annexure 6.**

A certificate from M/s. N. L. Bhatia & Associates, Practicing Company Secretaries, Mumbai (UIN: P1996MH055800), regarding compliance of the conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the Corporate Governance Report, which does not contain any qualification, reservation or adverse remark.

Cost Records and Cost Audit:

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 is not applicable for the business activities carried out by the Company.

Corporate Governance

Your Company has been complying with the principles of good Corporate Governance over the years. The Board of Directors supports the broad principles of Corporate Governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity. The report on Corporate Governance is appended as a separate section in this Annual Report. The said Report covers in detail the Company's philosophy on code of governance, board composition, its appointments, membership criteria, declaration by Independent Directors, Board evaluation, familiarisation programme, vigil mechanism, etc.

Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of the Annual Report.

Business Responsibility and Sustainability Reporting by listed entities

The Securities and Exchange Board of India (SEBI) introduced new requirements for sustainability reporting by listed entities. The new reporting called the Business Responsibility and Sustainability Report (BRSR) has replaced the earlier Business Responsibility Report (BRR). In terms of the aforesaid amendment, with effect from the financial year 2022 -2023, filing of BRSR is mandatory for the top 1000 listed companies (by market capitalisation) and has replaced the existing BRR.

The Company has designated the CSR-ESG Committee* of the Board to oversee the implementation of the Principles and Policies of Business Responsibility and Sustainability Report in the Company and delegated the powers to the CSR-ESG Committee to perform all the acts, deeds and things for implementation of the same. BRSR for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of the Annual Report.

*Note: Considering the enhanced regulatory provision for Environmental Social and Governance matters, a separate ESG Committee was constituted and CSR-ESG Committee was renamed as CSR Committee with effect from 07th June, 2023 on approval at 236th Meeting of Board of Directors.

Depository system

For transaction of the Company's shares in dematerialised form, the Company has entered into an agreement with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. (NSDL). The shareholders have a choice to select the Depository Participant. As at 31st March, 2023, 4300 members of the Company continue to hold shares in physical form. As per the SEBI circular, the Company's shares have to be transacted in dematerialised form and therefore, members are requested to convert their physical holdings to dematerialised form. Members may contact the R&T Agent for any assistance in the said process of converting physical shares into DEMAT. For the purpose of various compliances under the SEBI Regulations, NSDL is the designated depository of the Company.

OUTLOOK FOR FY 2023-2024

During the FY 2023-2024 the focus, resources and logistics of the Company would be directed towards the following activities:

- Growing portfolio and increasing the share of high-margin products – non-Core products and Griha Suvidha
- Tapping into newer markets not presently covered by recruiting marketing intermediaries/connectors and holding camp offices
- Solidifying the base of Direct Marketing Executive (DME) / Direct Marketing Intermediaries (DMIs) Channel by recruiting new market intermediaries and individuals and increasing the share of business from this channel
- Reach out to new customers not covered under regular norms with differentiated products backed by mortgage insurance cover to improve yields
- Customising products to tap into niche segments like HNI and Millennials/Gen Z segments of customers
- Implementing additional initiatives under Project RED to drive automation in processing leading to improvement in turn-around time
- Leveraging technology to ease customer onboarding, streamline processes and expand scope of business potential mapping
- Adopting digital transformation processes to bring personalisation in customer servicing and enhancing customer experience throughout loan journey
- Strengthening digital processes through e-appraisal and PLO
- Making HomY application more effective and further easing the customer onboarding process and endeavouring to maximise the customer outreach
- Digital onboarding by more than 50% (including through HomY)
- Making use of data and analytics for segment driven customer acquisition
- Increasing the use of cloud-based office automation and collaboration tool
- Modernising technology in line with growing business needs and automation
- Increasing the emphasis on marketing activities in smart cities to increase business share
- Implementing and stabilising Lending and Accounting solutions
- Imparting continuous training to intermediaries and marketing officials to increase productivity
- Cross-selling insurance products by exploring the role of corporate agency and earning fee-based income
- Assessing Risk-Reward relationship in credit decision making in view of the overall profitability
- Explore strategic tie-ups which may increase customer touchpoints and also enable LIC HFL to offer value-added services.
- Increasing presence in social media and augmenting about customer engagement programs to increase brand visibility.

THE MANAGEMENT PERSPECTIVE ABOUT FUTURE OF THE COMPANY

The improving macro-economic environment and the rapid pace of urbanisation and affordable mortgages spurred growth of the Indian housing finance market. Inspite of the peaking interest rates home loan industry showed its resilience, and due to various price discounts and aggressive marketing strategies adopted by the builder community as well as by the Banks and Financial Institutions, the demand for real estate increased and customers returned to the home loan market, the Company fortified its market presence, enhanced profitability and improved asset quality. The efforts of the Marketing Intermediaries was also crucial in increasing the demand of the home loans. The Company's 10,000 + strong active agency force is the best among the financial institutions in India with the widest reach to every nook and corner of the country.

During the year, the Company has always maintained its rate of interest in line with the market dynamics. Its motto of *Home Delivery of Home Loans* improved the customer experience and delighted them with doorstep services. It maintains focus on designing products that address the emerging needs of customers. During the year, 4 new products were launched to address the needs of customers in the non-core segment.

As it consolidated its position as the largest housing finance player, the Company ramped up its presence across Tier 2&3 and smart cities by expanding its reach and tap the increasing potential with the addition of areas offices. It also expanded presence in new geographies, increased focus on high-yielding loan against property and intensified the recovery efforts. It also plans to strengthen its distribution network with more Direct Marketing Executives (DMEs), and is working on enhancing the business through digital connectors and strategic tie-ups. It will continue with its journey of Home Distribution of Home Loan (HDHL).

Known for its strong asset quality, the Company is further strengthening its underwriting procedures and improving operational flexibility, strengthening digital outreach and focusing on customer contact. It continuously tracks and analyses the performance of its loan portfolio to identify potential areas of concern and takes corrective actions. The Company has adopted an aggressive approach towards recovery activities, with several follow-up mechanisms such as tele calling, contacting borrowers, SMS, e-mails and other communication on a regular basis. For chronic cases, action under SARFAESI / NCLT is initiated to recover the loan.

The Company bolstered its digital initiatives to counter competition and rolled out key business expansion strategies, and is making effective use of data and analytics for segment-driven customer acquisition. In recent past various new technology-based initiatives were launched internally as part of Project RED to enhance customer experience and to drive automation in processing leading to improvement in turn-around time. It also leverages technology to further ease customer onboarding, streamline processes and expand the scope of business potential mapping. Efforts are being taken to make the HomY app even more effective and maixmise digital onboarding go more than 50%. These efforts are helping the Company improve upon TAT considerably.

Moving ahead, the Company plans to continue growing in the individual home loan category. Further, it will also promote its flagship products like Griha Varishta and Griha Suvidha, serving the requirements of senior individuals covered under the Defined Pension Benefit Scheme (DPBS). It will also serve the segment with self-employed customers with less than 600 CIBIL score, with backing of the guarantee of Indian Mortgage Guarantee Corporation (IMGC).

The Company ensures judicious management of treasury and other aspects of operations to ensure co-ordinated and result-oriented efforts in its business and to increase market share. As far as borrowing is concerned, the Company would endeavor to churn its borrowings to maintain minimum cost of borrowing and have a better impact on the Net Interest Margin. The Company has also been working on reducing its delinquencies and bringing down non-performing assets as well as fast-tracking recovery and monitoring. Through constant review and upgradation of compliance initiatives, it endeavours to put in place the best corporate governance practices. To further expand its reach and deliver value to its shareholders, it ensures judicious management of treasury and other aspects of operations to ensure co-ordinated and result-oriented efforts in its business and to increase market share.

COMPLIANCE UNDER COMPANIES ACT, 2013

Pursuant to section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Company has complied with the compliance requirements and the details of compliances under Companies Act, 2013 are enumerated below:

ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on 31st March, 2023 is available on the website of the Company in the following link (Please download the document and then try to view):

https://www.lichousing.com/annual-report-companies-act

REPORTING OF FRAUDS BY AUDITORS:

Under Section 143(12) of the Companies Act, 2013, during the year under review, neither the Joint Statutory Auditors nor the Secretarial Auditor has reported to the Audit Committee, any instances of fraud committed against the Company by its officers or employees, outsiders, the details of which was required to be mentioned in the Board's report.

SECRETARIAL STANDARDS:

The Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

RATING RATIONALE:

CRISIL had reaffirmed its outstanding rating as 'CRISIL AAA/ Stable' rating to the non-convertible debentures issue of LIC Housing Finance Limited and has also reaffirmed its 'CRISIL AAA/Stable/CRISIL A1+' ratings on other debt instruments, bank facilities and fixed deposit programme of the company.

Total Bank Loan Facilities Rated	₹130085.88 crore (Enhanced from ₹99085.88 crore)
Long Term Rating	CRISIL AAA/Stable (Reaffirmed)
Short Term Rating	CRISIL A1+ (Reaffirmed)
₹30000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Assigned)
₹6929 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹11705 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹199 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹15000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹15000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹15000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹5000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹10000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹15000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹25000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹25000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹25000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹25000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹25000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹5000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹5976 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹20000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹4750 crore Tier II Bond	CRISIL AAA/Stable (Reaffirmed)
Fixed Deposits Programme	CRISIL AAA/Stable (Reaffirmed)
₹17500 crore Commercial Paper	CRISIL A1+ (Reaffirmed)

CARE had reaffirmed its outstanding rating as 'CARE AAA/ Stable' rating to the non-convertible debentures and Tier II Bond issue of LIC Housing Finance Limited.

₹41000 crore Non-Convertible Debentures	CARE AAA / Stable (Assigned)
₹212441 crore Non-Convertible Debentures	CARE AAA / Stable (Reaffirmed)
₹3000 crore Tier II Bond	CARE AAA / Stable (Reaffirmed)

ICRA Limited had reaffirmed ICRA A1+ rating to the ₹17,500 crore commercial paper issue of LIC Housing Finance Limited and has reaffirmed its ICRA A1+ which is one notch higher than [ICRA]A1.

BOARD MEETINGS HELD DURING THE YEAR:

During the year under review**, nine (9) Board meetings** were held. Detailed information on the meetings of the Board as well as Committee meetings, their composition and attendance record of the members of respective Committees of the Board are included in the Report on Corporate Governance which forms part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

The financial statements are prepared in accordance with Indian Accounting Standards (Ind As) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values, the provisions of the Companies Act, 2013 (to the extent modified), guidelines issued by the SEBI, guidelines issued by the NHB and the RBI (Collectively referred to as 'the Previous GAAP').

The Ind AS are prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in the accounting policy hitherto in use.

In accordance with the provisions of Section 134(3)(c) of the Companies Act, 2013, and based on the information provided by the management, your Directors state that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures;

(b) the Directors 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 as at 31st March, 2023 and of the profit of the Company for the year ended on that period;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared the annual accounts on a going concern basis;

(e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively. Note on internal financial control is attached as Annexure 1 to this Report and

(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATEMENT ON DECLARATION FROM INDEPENDENT DIRECTORS:

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA:

The Company endeavours to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. As of 31st March, 2023, the Board had Eleven (11) members, consisting of two (2) Executive Directors nominated by LIC of India ('The Promoter') which includes the Managing Director & CEO and Chief Operating Officer ('COO')*; two (2) Non-Executive and Non-Independent Directors, while the remaining seven (7) were Independent Directors including one Independent woman director.

The Nomination and Remuneration Committee had laid down Criteria for determining Director's Qualification, positive attributes and independence of a Director, remuneration of Directors, Key Managerial Personnel and also criteria for evaluation of Directors, Chairperson, Non-Executive Directors and Board as a whole and also the evaluation process of the same.

The performance of the members of the Board, and the Board as a whole were evaluated at the meeting of Independent Directors held on 9th February, 2023.

We affirm that except Nominee Director (Chairman, LIC Director, Managing Director & CEO and COO), sitting fees were paid to all the other Directors for Board and Committee Meetings attended by them. However, Managing Director & CEO and COO were paid remuneration as applicable to an Officer in the cadre of Zonal Manager (Selection Scale) of LIC of India and PLI as per the terms laid out in the Nomination and Remuneration Policy of the Company.

(*) Shri Ashwani Ghai ceased to be the Whole Time Director and COO of the Company on account of his resignation w.e.f 13th June, 2023 due to transfer as Additional Director to MDC Mumbai by LIC India.

QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY JOINT STATUTORY AUDITORS AND SECRETARIAL AUDITOR:

There has not been any observations, qualification, reservation or adverse remark in the Joint Statutory Auditors' Report dated 16th May, 2023 for the financial year 2022-23.

The management accepts responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of some internal control system of the Company which have been disclosed to the Auditors and the Audit Committee, the deficiencies, of which the management is aware of, in the design or operation of the internal control systems and have taken the steps to rectify these deficiencies.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Pursuant to Section 186(11) of the Companies Act, 2013, loans made, guarantee given or security provided by the HFC in the ordinary course of its business are exempted from disclosure in the Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO SECTION IN 188(1) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(2) OF COMPANIES (ACCOUNTS) RULES, 2014:

Considering the nature of the industry in which the Company operates, all Related Party Transactions that were entered during the financial year were in the ordinary course of the business of the Company and were on an arm's length basis. There were no materially significant related party transactions entered by the Company with Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company. All such Related Party Transactions are placed before the Audit committee and Board of Directors for approval, wherever applicable. Prior omnibus approval as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were obtained from Audit Committee for the Related Party Transactions of repetitive nature as well as in the ordinary course of business.

The Related Party Transactions Policy and Procedures, as amended from time to time, as reviewed by the Audit Committee and approved by Board of Directors is uploaded on the website of the Company and the link of the same is provided in **Annexure 5**.

The particulars of contracts or arrangements with the 'Related Parties' referred to in sub-section (1) of Section 188 of the Act, are furnished in Note No. 49 of the Notes forming part of the Standalone Financial Statements and Note No. 50 of the Notes forming part of the Consolidated Financial Statements for FY 2022-23, forming a part of the Annual Report. This apart the same is also referred in **Annexure 3** which forms part of the Board's Report.

Form AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed as **Annexure 2** to this report.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. 31st March, 2023 and the date of the Board's Report i.e. 24th July, 2023.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Since the Company is engaged in financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence information in terms of Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is not provided in this Board's Report.

A. Technology absorption –

(i) The efforts made towards technology absorption – Various initiatives under Project RED got implemented. Among them is the most crucial, core lending system. The new lending system will enable an integrated approach towards digital lending with many peripheral applications being part of it. Other implementations include:

- Treasury automation
- Customer servicing using digital channels like Bots, whatsapp etc.
- Deposits automation
- Compliance to regulatory framework like AML & KYC

(ii) The benefits derived like product improvement, efforts to reduce cost of fund, product development or import substitution – The benefits are mainly towards:

- Reduced TAT for customer onboarding
- Digital lending and STP process
- Phygital journey enables lesser paper consumption
- Online payment services

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Not applicable.

(a) The details of technology imported – Not applicable.

(b) The year of import – Not applicable.

(c) Whether the technology has been fully absorbed – Not applicable

(d) If not fully absorbed areas where absorption has not taken place and the reason thereof – Not applicable

(iv) The expenditure incurred on Research and Development – Not applicable

B. Foreign Exchange Earnings and Outgo-

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows.

During the year ended 31st March, 2023, the Company does not have any foreign exchange earnings and the foreign exchange outgo was ₹1.42 crore. This does not include foreign currency cash flows in derivatives and foreign currency exchange transactions.

RISK MANAGEMENT POLICY OF THE COMPANY:

The Board of Directors of the Company has constituted a Risk Management Committee to frame, implement, monitor, review risk management policy; review of the current status on the outer limits prescribed in the Risk Management policy and report to the Board; review the matters on risk management. Under risk management mechanism, risks faced by the Company are identified and assessed. For each of the risks identified, corresponding controls are assessed and policies and procedure are in place for monitoring, mitigating and reporting risk on a periodic basis. In the opinion of the Board, none of the risks faced by the Company threaten its existence. The Company has appointed Chief Risk Officer as per the relevant NHB Circular. With effect from 01st May, 2023 Company appointed Mr. J Sangameswar as the Chief Risk Officer in place of Mr. K Ramesh.

The Company has a Risk Management Policy in place. During the financial year under review, the Risk Management Policy of the Company was reviewed and put up to the Board of Directors. The same was approved in the Board Meeting dated 02nd March, 2023.

REMUNERATION POLICY

The Company framed the Remuneration Policy in order to align with various provisions under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI Circular DOR.GOV.REC.No.29/18.10.002/2022-23 dated 29th April, 2022.

The Remuneration policy relating to the remuneration of Directors, Key Managerial Personnel and other employees is as below:

REMUNERATION TO NON-EXECUTIVE DIRECTORS:

The Non-Executive Directors would be paid such amount of sitting fees as decided from time to time for every Board and Committee Meeting they attend. Apart from sitting fees no other remuneration / commission would be payable to them.

In future, if Company decides to pay any remuneration / commission to Non–Executive Independent Directors, then the same will be in compliance with Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

REMUNERATION TO NON-EXECUTIVE NOMINEE DIRECTORS:

The Non-Executive Nominee Directors would not be paid any sitting fees for the Board and Committee Meetings they attend. The Non-Executive Nominee Directors are not paid any salary and / or other benefits by the Company.

REMUNERATION TO EXECUTIVE NOMINEE DIRECTOR:

The Executive Nominee Directors who are designated as Managing Director & CEO and COO are paid remuneration as applicable to an Officer in the cadre of Executive Director of LIC of India. This apart, the Executive Nominee Directors are entitled for PLI as per criteria approved by the Nomination and Remuneration Committee of the Board.

As and when there is any revision in the pay scales of the Executive Nominee Director as per the charter decided by the LIC of India, then the same is made applicable to the Executive Nominee Director at par with those of the officials in the similar cadre. Further, tenure and terms and conditions of appointment of Executive Nominee Director are as decided by LIC of India from time to time and as approved by the Board of Directors of the Company.

However, the remuneration payable to Executive Nominee Director at any point of time shall be within the limits specified as per Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time , read with the applicable provisions of the Companies Act, 2013.

REMUNERATION TO KEY MANAGERIAL PERSONNEL (OTHER THAN MD & CEO) AND OTHER EMPLOYEES:

In the present set up of the Company, Key Managerial Personnel, other than Managing Director & CEO, are Company Secretary and Chief Financial Officer. Remuneration payable to Company Secretary, Chief Financial Officer and other employees is as decided by the Board of Directors as per Service Terms, Conduct Rules 1990 as amended from time to time.

Except Managing Director & CEO who is a whole time Executive Director, none of the Directors of the Company is paid any other remuneration or any elements of remuneration package under major groups, such as salary, benefits, bonuses, stock options, pension, performance linked incentive etc.

Corporate Social Responsibility (CSR) Policy:

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, the Company has established Corporate Social Responsibility Committee and the statutory disclosures with respect to the CSR Committee and an Annual Report on CSR activities is annexed as **Annexure 4** to this report.

COMPOSITION OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE IS AS FOLLOWS:

Shri Akshay Rout	Chairman	Non-executive Director
Shri Y.Viswanatha Gowd	Member	Managing Director & CEO
Ms J. Jayanthi	Member	Independent Director

(#) Shri Ashwani Ghai ceased to be the member of the committee on account of his resignation w.e.f 13th June, 2023 due to transfer as Additional Director to MDC Mumbai by LIC India.

ANNUAL EVALUATION MADE BY THE BOARD OF ITS OWN PERFORMANCE:

The Nomination and Remuneration Committee had recommended Criteria for evaluation of Directors, Chairperson, Non-Executive Directors, Board level committee and Board of Directors as a whole and the evaluation process of the same.

The Board of Directors, other than the independent directors, carried out an annual evaluation of its performance, board level committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and the Corporate Governance requirements as prescribed by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 through circulation. At the Independent Directors meeting held on 9th February 2023, the Independent directors carried out the evaluation of the performance of the rest of the Board Members.

The performance of the Board was evaluated after seeking inputs from all the Directors based on criteria such as the Board composition and structure, effectiveness of Board process, information and functioning, process of disclosure and communication, access to timely, accurate and relevant information etc.

The performance of the various Board Committee was evaluated by the Board after seeking inputs from the respective committee members, on the basis of criteria such as the composition of committee, effectiveness of committee meeting, functioning, etc.

The Board reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in Meetings, presented views convincingly, resolute in holding views etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman were evaluated.

REPORT ON THE PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT:

Pursuant to Section 129 of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company along with its subsidiaries and associates, in the same form and manner as that of the Company which shall be laid before the ensuing Thirty Fourth Annual General Meeting of the Company along with the Company's Financial Statement under sub-section (2) of Section 129 i.e. Standalone Financial Statement. Further, pursuant to the provisions of Indian Accounting Standard (Ind AS) 110, Consolidated Financial Statements notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, issued by the Ministry of Corporate Affairs, the Consolidated Financial Statements of the Company along with its subsidiaries and associates for the year ended 31st March, 2023 form part of this Annual Report.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the Annual Report of the Company, the Annual Financial Statements and the related documents of the Company's subsidiary and associate companies are hosted on the website of the Company.

THERE HAS BEEN NO CHANGE IN THE NATURE OF BUSINESS OF THE COMPANY DURING THE YEAR UNDER REVIEW.

Directors:

As on 31st March, 2023, the Board had Eleven members, consisting of two executive Directors nominated by the promoter, LIC of India which includes the Managing Director & CEO, Shri Y. Viswanatha Gowd, and the COO Shri Ashwani Ghai(#). Apart from these two (2) Nominee Directors, there are two (2) Non-Executive and Non-Independent Directors namely Shri P Koteswara Rao, and Shri Akshay Rout. Other seven (7) Board Members are Independent Directors including one Independent Woman Director namely Ms. Jagennath Jayanthi. The other Independent Directors are viz., Dr. Dharmendra Bhandari, Shri Ameet N Patel, Shri V. K. Kukreja , Shri Kashi Prasad Khandelwal, Shri Ravi Krishan Takkar and Shri Sanjay Kumar Khemani(*).

Shri M. R. Kumar, Chairman and Shri Raj Kumar, Non-Executive Nominee Director resigned from the Board of the Company on 13th March, 2023 and 09th February, 2023 respectively, consequent upon their superannuation from the services to LIC of India. The LIC of India nominated Shri Siddhartha Mohanty as Chairman and Shri M Jagannath as Non-Executive Director with effect from 05th April, 2023.

(#) Shri Ashwani Ghai resigned w.e.f 13th June, 2023 on account of his transfer as Additional director to MDC Mumbai by LIC India.

(*) The designation of Sri Sanjay Kumar Khemani was re-designated from Non- Executive Director to Independent Director on 06th February, 2023.

Succession Planning:

In order to ensure stability and effective implementation of long-term business strategies and for smooth transition at MD & CEO level, the Board decided that new MD & CEO should be posted in advance, say 4-6 months prior to his/her taking charge as MD&CEO, as (Chief Operating Officer (COO) who would subsequently take over as MD & CEO on retirement / elevation / transfer of the existing MD & CEO.

In terms of Article 138(b) of the Articles of Association of Company, LIC of India is entitled to nominate up to one third of the total number of Directors of the Company and therefore, the Board after consideration, approved posting of senior official from LIC of India as Nominee of LIC of India for the post of COO as part of succession plan for MD & CEO with a view to ensuring stability and effective implementation , within reasonable time (generally 4 to 6 months) prior to the exit of the serving MD&CEO, of long term business strategies. . LIC of India had posted Shri Ashwani Ghai as COO of the Company with effect from 5th September, 2022 (date of Joining LICHFL being 7th September, 2022) and subsequently was appointed as Whole Time Director on 1st November, 2022 whose appointment have been approved by the Members through Postal Ballot. Further on account of transfer of Shri Ashwani Ghai on 13th June, 2023, LIC of India had posted Shri T Adhikari as COO of the Company with effect from 22nd June, 2023 who will be appointed as the Managing Director & CEO of the company in place of Shri Yerur Viswanatha Gowd who will superannuate from the Company on 31st July, 2023

Further, in terms of the Regulation 17 (4) of the SEBI (LODR), 2015 the Company has adopted a succession planning policy for its Key Managerial and senior management personnel which has been hosted on the website of the Company on the below mentioned link:https://www.lichousing.com/static-assets/pdf/Policy_on_Succession_Planning.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true

APPOINTMENTS / RESIGNATIONS OF DIRECTORS:

Appointments:

Shri Siddhartha Mohanty (DIN 08058830)

On the resignation of Shri M. R. Kumar (DIN 03628755) from the Chairmanship of the Board of the Company, the Nomination and Remuneration Committee in terms of 'Fit and Proper' criteria adopted by the Board, after having undertaken process of due diligence, and after considering Shri Siddhartha Mohanty (DIN 08058830) suitable and eligible based on evaluation, qualification, expertise, track record, integrity and 'fit and proper' criteria, recommended his appointment to the Board and the Board appointed him as Chairman, Additional Director in the capacity of Non-Executive Nominee Director of the Company with effect from 05th April, 2023. Being appointed as an Additional Director under Articles 143 of the Articles of Association of the Company pursuant to the provisions of Section 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, SEBI Listing Regulations, Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank)

Directions, 2021 including any amendment, modification, variation or re-enactment thereof, for the time being in force and in terms of Articles 141, 143 of the Articles of Association of the Company, the appointment was put for approval of members for voting through postal ballot. On approval of shareholders through postal ballot, Shri Siddhartha Mohanty was appointed as Chairman, Director of the Company with effect from 28th June, 2023.

Shri Jagannath Mukkavilli (DIN 10090437)

On resignation of Shri Raj Kumar (DIN 06627311) as Non-Executive Nominee Director of the Board of the Company, The Nomination and Remuneration Committee in terms of 'Fit and Proper' criteria adopted by the Board after having undertaken process of due diligence, and after considering Shri Jagannath Mukkavilli (DIN 10090437) suitable and eligible based on evaluation, qualification, expertise, track record, integrity and 'fit and proper' criteria, recommended his appointment to the Board and the Board appointed him as Additional Director in the capacity of Non-Executive Nominee Director of the Company with effect from 05th April, 2023. Being appointed as an Additional Director under Articles 143 of the Articles of Association of the Company pursuant to the provisions of Section 152, 161 and other applicable provisions, if any of the Companies Act, 2013 and the Rules made thereunder, SEBI Listing Regulations, Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 including any amendment, modification, variation or re-enactment thereof, for the time being in force and in terms of Articles 141, 143 of the Articles of Association of the Company, the appointment as Director liable to retire by rotation, under the provisions of Articles of Association of the Company through a resolution to be passed through postal ballot was put for consideration. On approval of the shareholders through postal ballot, Shri Jagannath Mukkavilli (DIN 10090437) was appointed as Non-Executive Nominee Director of the Company with effect from 28th June, 2023.

Shri Ashwani Ghai (DIN 09733798)

Based on the evaluation, qualification, expertise, track record, integrity, due diligence and the satisfaction of the 'fit and proper criteria', Nomination and Remuneration committee recommended and thereby Board appointed Shri Ashwani Ghai as Chief Operating Officer of the Company with effect from 05th September, 2022. He was inducted on Board of Directors with effect from 01st November, 2022 as Additional Director in the capacity of Whole Time Director. Subsequently, the appointment was approved by the shareholders through postal ballot on 18th December, 2022.

Shri Ravi Krishan Takkar (DIN 07734571)

As per the recommendation of the Nomination & Remuneration Committee, which undertook process of due diligence, and considered the candidature to be suitable and eligible based on evaluation, qualification, expertise, track record, integrity and 'fit and proper' criteria, the Board at its meeting held on 25th July, 2022, approved the appointment of Shri Ravi Krishan Takkar (DIN 07734571), as an Additional Director (Non Executive-Independent) for a period of five consecutive years, not liable to retire by rotation. The Shareholders of the Company approved his appointment in the 33rd Annual General Meeting (AGM).

Resignation/ Superannuation/ Completion of term:

Shri M R Kumar

Shri M R Kumar (DIN 05190124) had tendered his resignation from Directorship of the Company with effect from 13th March, 2023 on attainment of superannuation from the services of LIC of India.

Shri Raj Kumar

Shri Raj (DIN 06627311) had tendered his resignation from Directorship of the Company with effect from 09th February, 2023 on attainment of superannuation from the services of LIC of India.

Shri Jagdish Capoor

The second term of Shri Jagdish Capoor (DIN 00002516) as Independent Director of the Company came to an end on 23rd May, 2022 in terms of terms of the provisions of Section 149 (10) and (11) of the Companies Act, 2013.

Resignation of Shri Ashwani Ghai (DIN 09733798)

Shri Ashwani Ghai resigned as the COO and Whole Time Director of the company with effect from 13th June, 2023 on account of his transfer and appointment as Additional Director to MDC Mumbai by LIC India.

DIRECTOR RETIRING BY ROTATION:

Shri Akshay Rout who have been longest in office would be retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

APPOINTMENTS / RESIGNATION OF THE KEY MANAGERIAL PERSONNEL:

Shri Yerur Viswanatha Gowd, Managing Director & CEO, Mr. Sudipto Sil, Chief Financial Officer and Ms. Varsha Hardasani, Company Secretary & Compliance Officer, are the Key Managerial Personnel (KMP) as per the provisions of the Companies Act, 2013.

During the financial year the following changes took place in the positions of the KMPs:

Superannuation of Shri Nitin K Jage

Shri Nitin K Jage, General Manager (Taxation) & Company Secretary (Membership no. FCS8084), superannuated on 31st May, 2022 after completing almost 27 years of service.

Appointment of Ms. Varsha Hardasani

Ms. Varsha Hardasani (Membership no. ACS50448), who possess around 12 years of experience in Secretarial Compliances, Legal Matters, Accountancy and Finance field across different sectors and who apart from being a Company Secretary is also a Law and Commerce Graduate and also possesses a Masters in Accountancy & Finance, took charge as Company Secretary & Compliance officer of the Company w.e.f. 1st June, 2022.

Resignation of Shri Ashwani Ghai (DIN 09733798)

Shri Ashwani Ghai resigned as the COO and Whole Time Director of the company with effect from 13th June, 2023 on account of his transfer and appointment as Additional Director to MDC Mumbai by LIC India.

COMMITTEES OF THE BOARD:

The Company has various Committees which have been constituted as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company has following Committees of the Board:

I) Audit Committee

II) Stakeholders Relationship Committee

III) Nomination and Remuneration Committee

IV) CSR Committee*

V) Risk Management Committee

VI) Executive Committee

VII) Debenture Allotment Committee

VIII) Strategic Investment Committee

IX) IT Strategy Committee

X) Preferential Allotment Committee**

XI) Investment Committee***

XII) Committee for approval of issuance of Duplicate Share Certificate(s)****

XIII) ESG Committee*

*Note: Considering the enhanced regulatory provision for Environmental Social and Governance matters, a separate ESG Committee which earlier was part of CSR-ESG Committee was formed and CSR-ESG Committee was renamed as CSR Committee with effect from 07th June, 2023 on approval at 236th Meeting of Board of Directors.

** Note: The Preferential Allotment Committee is an event based Committee which had been constituted for the limited purpose of allotment of the Equity Shares on private placement basis to the promotors on 8th September, 2021.

***Note: The Investment Committee is an event based Committee which has been constituted to meet only in case any investment proposals needs to be considered. During the year there were two meetings of the said Committee which were held.

****Note: Committee for approval of issuance of Duplicate Share Certificate(s) has only been constituted to sign and approve the request for issuance of Duplicate Share Certificate(s). The approval takes place through circulation of the relevant documents to the signing authorities based on their availability, no physical meeting of the said Committee is held.

Composition of Audit Committee is as follows:

• Shri Kashi Prasad Khandelwal	Chairman	Independent Director
• Shri Sanjay Kumar Khemani**	Member	Independent Director
• Smt Jagennath Jayanti	Member	Independent Director

** Shri Sanjay Kumar Khemani was inducted in the Committee w.e.f 15th September, 2021

There has not been any instance during the year when recommendations of Audit Committee were not accepted by the Board.

The details with respect to the compositions, powers, roles, terms of reference etc. of relevant committees are given in detail in the Report on Corporate Governance which forms part of this Report.

SUBSIDIARIES AND GROUP COMPANIES

As on 31st March, 2023, the Company has four Subsidiaries namely, LICHFL Care Homes Limited, LICHFL Asset Management Company Limited, LICHFL Trustee Company Private Limited and LICHFL Financial Services Limited. The Consolidated financial statements incorporating the results of all the subsidiaries of the Company for the year ended 31st March, 2023, are attached along with the statement pursuant to Section 129 of the Companies Act, 2013, with respect to the said subsidiaries. Brief write up including performance and financial position of each of the subsidiaries is provided as under:

1. LICHFL Care Homes Limited

LICHFL Care Homes Limited, a wholly owned subsidiary of LIC Housing Finance Limited, was incorporated on 11th September, 2001 with an authorised share capital of ₹75 crore. The basic purpose of incorporating the Company was to establish and operate 'assisted living community centres' for the senior citizens.

During the FY 2022-23, the Company reported Losses before Tax of ₹26.57 crore and Losses after Tax stood at ₹21.31 crore.

The Company has successfully completed a project at Bangalore in two Phases and Jeevan Anand Project at Bhubaneswar.

Further, the Company is in process to develop new Care homes project at Jaipur, Rajasthan and Aluva, Kerala. The Company is also in process to purchase land at various locations across the Country. Going forward, these projects are likely to further improve the overall operations and stability of the Company.

2. LICHFL Asset Management Company Limited

The Company was incorporated on 14th February 2008. The Company is in the business of managing, advising, administering Private Equity Funds including Venture Capital Fund (VCF) and Alternate Investment Fund (AIF)

The Company was appointed as Investment Manager in 2010 to raise and manage the LICHFL Sponsored, LICHFL Urban Development Fund (LUDF). The Company has raised total commitments of ₹529.35 crore from Banks, Financial Institutions, Corporates and HNIs as against the targeted size of ₹500 crore and announced financial closure on 30th March, 2013. The Company has deployed INR 461.30 crore in 9 Portfolio Companies, acquisition or operation of affordable / mid income housing, related infrastructure and Hospitals. With receipts from 7 exits, the Fund has so far achieved an IRR of 25.34%.

The Company also launched a new Alternative Investment Fund (AIF) namely LICHFL Housing & Infrastructure Fund (LHIF), with a total corpus of ₹1000 crore including Green Shoe Option (GSO) of ₹250 crore and the focus of the Fund is on Affordable Housing and Property backed Infrastructure in sectors which include Educational Institutions, Hospitals, Industrial Parks & Warehouses. As on 31st March 2022, the total Contribution Agreements signed in respect of LICHFL Housing & Infrastructure Fund is ₹812 crore of which the drawable amount is ₹765 crore.

The Company has recently registered a New Fund with SEBI - LICHFL Real Estate Debt Opportunities Fund – I on 30th March, 2021 under AIF Category II of SEBI Alternate Investment Fund Regulations 2012 (AIF). The Fund is having a target corpus of ₹3,000 Cr (Base corpus of ₹2,000 Cr plus ₹1,000 Cr as green shoe option). The Fund is envisaged to be raised from both Domestic and Overseas Investors. The focus sector of the Fund is Housing. The Fund has received commitment of 300 crore from LIC of India, 450 crore from LIC Housing Finance Limited, 65 crore from Indian Bank and IDBI Bank.

During the FY 2022-23, the Company earned a Profit before Tax (PBT) of ₹10 crore and Profit after Tax (PAT) stood at ₹7.55 crore. The Company has recommended dividend @ 30% for FY 2022-23 on its paid up share capital.

3. LICHFL Trustee Company Private Limited

The Company was incorporated on 5th March, 2008. The Company is undertaking the business of trusteeship services for Venture Capital Funds (VCFs) and Alternative Investment Funds (AIFs).

The Company was appointed as Trustee in 2010 for LICHFL Fund and further appointed LICHFL Asset Management Company Limited (LICHFL AMC) as Investment Manager for the Fund. In 2010 the Company had registered LICHFL Fund with SEBI as Venture Capital Fund (VCF) under the SEBI (Venture Capital Funds) Regulations, 1996. LICHFL Urban Development Fund achieved its financial closure with ₹529.35 crore on 30th March, 2013.

The Company was appointed as Trustee in 2017 for LICHFL Housing & Infrastructure Trust (LHIT) and further appointed LICHFL AMC Ltd. as Investment Manager for LICHFL Housing and Infrastructure Fund (LHIF). The Company had received registration for LHIF on October 2017 from SEBI under Alternative Investment Fund Regulations, 2012 as Category - I Infrastructure. LICHFL AMC launched LICHFL Housing & Infrastructure Fund (LHIF) in October 2017 and achieved initial closing on 31st March, 2018. The Fund announced its final closing on 31st March, 2021.

The Company is recently appointed as Trustee on 30th March, 2021 for a New Fund registered with SEBI - LICHFL Real Estate Debt Opportunities Fund – I on 30th March, 2021 and appointed LICHFL AMC Ltd. as Investment Manager for the Fund.

During the FY 2022-23, the Company earned a Profit before Tax (PBT) of ₹0.18 crore and Profit after Tax (PAT) stood at ₹0.16 crore.

4. LICHFL Financial Services Limited

LICHFL Financial Services Limited, a wholly owned subsidiary of LIC Housing Finance Limited, was incorporated on 31st October, 2007, for marketing of housing loan, insurance products (Life and General Insurance), mutual funds, fixed deposits, credit cards. It became operational in March, 2008 and at present has 48 offices spread across the country.

The vision of the Company is "SARVESHAM POORNAM BHAVATU" – to provide complete financial solutions" to secure not only the present but also the future of the customer and his family. In this endeavour, the marketing officials assist at every step – right from financial planning to manage every aspect of investment, both for the short & long term.

At present, the Company distributes Life Insurance products of LIC of India, Home Loans & Fixed Deposits of LIC Housing Finance Limited, Mutual Funds of various fund houses, General Insurance products of United India Insurance Company Limited, Tata AIG General Insurance Company Limited and HDFC ERGO General Insurance Company Ltd., Health Insurance products of Aditya Birla Health Insurance Co. Ltd. and Star Health and Allied Insurance Co. Ltd., Credit Cards of LIC Cards Services Limited and Point of Presence for National Pension System (NPS). More business verticals will be added depending on market opportunities and customer needs.

The Company has earned a Profit before Tax (PBT) of ₹22.23 crore and Profit after Tax (PAT) stood at ₹16.34 crore for the FY 2022-23 and recommended dividend @ 30% for FY 2022-23 on paid up share capital of ₹9.50 crore.

The Company is striving to improve its Performance across all Business verticals in the coming years.

Name/s of Company/ies which have ceased / become subsidiary/joint venture/associate: None

AS ON 31ST MARCH, 2023, THE COMPANY HAS TWO ASSOCIATE COMPANIES NAMELY LIC MUTUAL FUND ASSET MANAGEMENT COMPANY LIMITED AND LIC MUTUAL FUND TRUSTEE COMPANY PRIVATE LIMITED.

The Annual Report which consists of the financial statements of the Company on standalone as well as consolidated financial statements of the group for the year ended 31st March 2023, has been sent to all the members of the Company. It does not contain Annual Reports of Company's subsidiaries. The Company will provide Annual Report of all subsidiaries upon request by any member of the Company. These Annual Reports are also be available on Company's website viz www.lichousing.com.

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Subsidiary Company's operations in future.

1. **LIC Mutual Fund Asset Management Company Limited (LICMFAMC)**

   LIC Mutual Fund was established on 20th April 1989 by LIC of India. LIC Housing Finance Limited holds 39.30 % equity in this entity. Being an associate company of India's premier and most trusted brand, LIC Mutual Fund is one of the well-known players in the asset management sphere. With a systematic investment discipline coupled with a high standard of financial ethics and corporate governance, LIC Mutual Fund is emerging as a preferred Investment Manager amongst the investor fraternity.

   LIC Mutual Fund endeavours to create value for its investors by adopting innovative and robust investment strategies, catering to all segments of investors. LIC Mutual Fund believes in providing delight to its customers and partners by way of superior investment experience and unparalleled service thereby truly bring them Khushiyaan, Zindagi Ki.

   For the FY 2022-23 both the Profit before Tax (PBT) as well as Profit after Tax (PAT) of LICMFAMC stood at ₹1.08 crore, as there was no tax expense.

2. **LIC Mutual Fund Trustee Company Private Limited**

   LIC Mutual Fund Trustee Private Limited (Trustee Company) is the Trustee to the Mutual Fund, LICMFAMC. LIC Housing Finance Limited holds 35.30 % equity in this entity. LIC of India is the Sponsor of the Mutual Fund. The AMC either directly or through third party service providers engaged by the AMC (Service Providers) such as the Registrar and Transfer agents collects, receives, possesses, stores, deals or handles information received from investors/client/ customers whether existing or prospective.

   The Company has earned a Profit before Tax (PBT) of ₹1.59 lakhs and Profit after Tax (PAT) stood at ₹1 lakhs for the FY 2022-23.

FINANCIAL DETAILS OF SUBSIDIARIES

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ('the Act'), a statement containing salient features of the financial statements of subsidiaries, joint venture and associate companies in Form AOC-1 is attached to the financial statements. The separate financial statements of the subsidiaries are available on the website of the Company and can be accessed at https://www.lichousing.com/subsidiary-financials.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively. Note on Internal Financial Control as Annexure 1 is attached to this report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a Whistle Blower Policy in place which provides whistle blowers an opportunity to raise concerns relating to reportable matters as defined in the policy. The mechanism adopted by the Company encourages the whistle blower to report genuine concerns or grievances and provides for adequate safeguards against victimisation of whistle blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee. The Vigil Mechanism / Whistle Blower Policy is reviewed annually or as and when the regulators amendments are required to be incorporated therein, as the case may be.

During the period under review there was no concerns or grievances reported under Vigil Mechanism/ Whistle Blower Policy.

EMPLOYEE STOCK OPTION:

The company does not have any Employee stock option scheme.

EMPLOYEE REMUNERATION:

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

Non-Executive Directors (including Independent Directors)*	Ratio to median remuneration
Nil	N.A.

*Remuneration is not paid to Non-Executive Directors (including Independent Directors)

Executive Director	Ratio to median remuneration
Shri Yerur Viswanatha Gowd (MD&CEO)	5:1
Shri Ashwani Ghai (WTD&COO)	3:1

b. The percentage increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Non-Executive Directors (including Independent Directors)*	% increase in remuneration in the financial year
Nil	N.A.

*No remuneration is paid to Non-Executive Directors (including Independent Directors)

KMP	% Increase in remuneration in the financial year
MD&CEO	9.22%
WTD&COO	N.A.
Chief Financial Officer**	28.21%
Company Secretary***	N.A.

* Shri Ashwani Ghai (WTD&COO) was appointed 05/09/2022 hence no comparable figure is available for FY 2021-22

** the increase in remuneration of Chief Financial Officer was on account of promotion from Joint General Manager Cadre to General Manager Cadre

***As there was change in Company Secretary on account of superannuation of Shri Nitin Jage and appointment of Smt Varsha Hardasani the increase in remuneration is not applicable.

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

15.33%

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

2462

e. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	31st March, 2023	15th November 1994 (IPO)	% Change
Market Price (in ₹)	328.70**	12*	2639.17

*Adjusted Issue price on account of sub-division

**BSE-closing Price ₹328.70

f. Average percentile increase already made in the salaries of employees other than managerial personnel in the 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:

Increase in managerial remuneration for the year was 9.22%. The average annual Increase in the salaries of the employees other than managerial personnel during the year was 15.33%.

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

The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

During the year the Company has not engaged any employee drawing remuneration exceeding the limit specified under Section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

In terms of Section 136(1) of the Companies Act, 2013 read with the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board's Report is being sent to all the shareholders of the Company excluding the annexure containing names of the top ten employees in terms of remuneration drawn. Any shareholder interested in obtaining a copy of the said annexure may write to the Company at: The Company Secretary, LIC Housing Finance Limited, Corporate Office, 131 Maker Towers, 'F' Premises, 13th Floor, Cuffe Parade, Mumbai – 400 005.

Prevention, Prohibition & Redressal of Sexual Harassment of women at workplace:

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has in place a Policy on Prevention, Prohibition & Redressal of Sexual Harassment of Women at Workplace and has a robust mechanism to redress the complaints reported thereunder. An Internal Committee has been constituted, which comprises of internal members who have experience in the subject field.

Pursuant to the provisions of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the complaints received thereunder and the details relating thereto are as follows:

(a) Number of complaints received in the year: Nil

(b) Number of complaints disposed of during the year: Nil

(c) Number of cases pending more than ninety days: Nil

(d) Number of workshops or awareness programme against sexual harassment carried out: Nil

(e) Nature of action taken by the employer or district officer: Nil

Your Company on a regular basis sensitises its employees on prevention of sexual harassment through various workshops, awareness programmes.

It may be mentioned here that the Company has Zero tolerance towards any action on the part of any executive / staff which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every women working in the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS/ EXCHANGES

The Company has received the notice for delay of compliance under Regulation 57(1), 60(2), 17(1), 50(1) and 52(7)/(7A) of Listing Regulations from Stock Exchanges total amounting to ₹ 8,27,820/- against which waiver application has been filed as the deviations were beyond the control of the Company. The matter is presently under consideration of the Stock Exchange(s).

Pursuant to the letter from RBI dated 31/10/2022, in relation to non-compliance to provisions of relevant directions under Sub-sections (1) & (2) of section 29 B of the NHB Act. the Company was levied a penalty of ₹ 5,00,000/-. The Company has paid the penalty on 07th November ,2022.

The Company confirms that these are not significant or material in nature.

HUMAN RESOURCES

The Company aims to align HR practices with business goals, increase productivity of Human resources by enhancing knowledge, skills and to provide a conducive work environment to develop a sense of ownership amongst employees. Productive high performing employees are vital to the Company's success. The contribution and commitment of the employees towards the performance of the Company during the year were valued and appreciated. The Company recruited employees during the year for various positions and promoted employees to take up higher responsibilities. Apart from fixed salaries, perquisites and benefits, the Company also has in place performance-linked incentives which reward outstanding performers, who meet certain performance targets. In pursuance of the Company's commitment to develop and retain the best available talent, the Company had organised and sponsored various training programmes / seminars / conferences for upgrading skill and knowledge of its employees in different operational areas.

Employee relations remained cordial, and the work atmosphere remained congenial during the year.

ACKNOWLEDGMENTS

The Directors place on record their appreciation for the advice, guidance and support given by the Life Insurance Corporation of India, the National Housing Bank, the Reserve Bank of India and all the bankers of the Company. The Directors also place on record their sincere thanks to the Company's clientele, lenders, investors and members for their patronage. The Directors express their appreciation for the dedicated services of the employees and their contribution to the growth of the Company.

For and on behalf of the Board

Chairman

Place: Mumbai
Date: 24th July, 2023

ANNEXURE 1
TO THE BOARD'S REPORT

NOTE ON INTERNAL FINANCIAL CONTROL

1. **Background:** As per the Section 134(5)(e) of the Companies Act 2013, the Directors' Responsibility Statement referred to in sub-section (3)(c) shall state that "the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively."

   Explanation: For the purposes of this clause, the term "internal financial controls" means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

2. **Policies and Procedures:** The Company has laid down relevant policies and procedures. As part of the Internal Control Framework (ICF), the Company has in place standard operating procedures (SOP) covering the key activities / functions / processes (Retail Loans, Project Loans, Borrowings, Treasury, Accounting etc.)

3. **Compliance Reporting:** The Company has in place process to ensure compliance with the provisions of all applicable laws and the same is reported in the form of quarterly compliance reports by the process owners to the MD & CEO as well as to the Board.

4. **Risk Management System:** The Company has in place a Risk Management Policy which provides a framework to address the risk faced by the Company on a sustainable basis. The risk management function within the Company is responsible for review of existing risks and identifying potential risks and risk mitigation measures. There is a system of quarterly reporting to the Risk Management Committee, Audit Committee and the Board. Apart from the Risk Management Policy, the company also maintains IFC documentation in the form of Risk Control Matrix (RCM), Entity Level Controls (ELC) and Financial Closure and Reporting process (FCRP) which forms the basis of IFC Testing.

5. **Internal Audit System:** The Internal Audit process determines the existence, adequacy, effectiveness and adherence to the Company's internal controls, besides review of processes, adherence to SOP and compliance with statutory provisions/ regulatory guidelines. The internal audit of Back Offices is conducted by the Internal Audit Department and Internal audit of Corporate Office is conducted by an independent firm of Chartered Accountants.

6. **Adequacy and Effectiveness of Internal Financial Control:** The SOP, Compliance Reporting, Risk Management System and Internal Audit System adopted by the Company facilitate orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. All these ensure that Internal Financial Controls within the Company, are adequate and operating effectively.

   Further, the management accepts responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of some internal control system of the Company which have been disclosed to the auditors and the Audit Committee, the deficiencies, of which the management is aware of, in the design or operation of the internal control systems and have taken the steps to rectify these deficiencies.

ANNEXURE 2
TO THE BOARD'S REPORT

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 transaction under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
   a) Name(s) of the related party and nature of relationship: N.A.
   b) Nature of contracts/arrangements/transactions: N.A.
   c) Duration of the contracts / arrangements / transactions: N.A.
   d) Salient terms of the contracts or arrangements or transactions including the value if any: N.A
   e) Justification for entering into such contracts or arrangements or transactions: N.A
   f) Date(s) of approval by the Board: N.A
   g) Amount paid as advance, if any: N.A
   h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: N.A.
2. Details of material contracts or arrangements or transactions at arm's length basis:
   a) Name(s) of the related party and nature of relationship: Annexure 3 (e) to this report
   b) Nature of transactions: As per Annexure 3 (e) to this report.
   c) Duration of the transactions: On-going basis
   d) Salient terms of the contracts or arrangements or transactions including the value if any: For basis of Transactions please refer Annexure 3.
   e) Date of approval by the Board: 16th May 2023
   f) Amount paid as advance, if any: Nil

For and on behalf of the Board of Directors

Date: 16th May, 2023
Place: Mumbai

Shri Siddhartha Mohanty
Chairman

ANNEXURE 3
TO THE BOARD'S REPORT

RELATED PARTY DISCLOSURE

Following are the Related Parties and Related Party Transactions for the year ended 31st March, 2023.

a) Enterprise having Significant Influence on the Company:-

Name of the Related Party	% of shares held by LIC
Life Insurance Corporation of India	45.24%

b) Enterprises over which Control exists:-

Name of the Related Party	Nature of Relationship	% of shares held by LICHFL
LICHFL Care Homes Limited	Wholly Owned Subsidiary	100.00%
LICHFL Financial Services Limited	Wholly Owned Subsidiary	100.00%
LICHFL Asset Management Co. Ltd.	Subsidiary	94.62%
LICHFL Trustee Company Pvt. Ltd.	Wholly Owned Subsidiary	100.00%

c) Associates of the Company:-

Name of the Related Party	Nature of Relationship	% of shares held by LICHFL
LIC Mutual Fund Asset Management Co. Ltd	Associate	39.30%
LIC Mutual Fund Trustee Co. Ltd.	Associate	35.30%

d) Details of Key Management Personnel and Directors (Executive or Otherwise) :-

Name of the Related Party	Nature of Relationship	
	For year ended 31st March, 2023	For year ended 31st March, 2022
Key Management Personnel		
Shri Y. Viswanatha Gowd	MD & CEO	MD & CEO
Shri Ashwani Ghai	Chief Operating Officer (From 01.11.2022)	-
Shri Nitin K Jage	Company Secretary (Resigned on 31.05.2022)	Company Secretary
Smt. Varsha Hardasani	Company Secretary (From 01.06.2022)	-
Shri Sudipto Sil	Chief Financial Officer	Chief Financial Officer
Directors (Executive or Otherwise)		
Shri M R Kumar	Chairman (Resigned on 13.03.2023)	Chairman
Shri Vipin Anand	-	Non-Executive Nominee Director (Resigned on 30.07.2021)
Shri Raj Kumar	Non-Executive Nominee Director (Resigned on 09.02.2023)	Non-Executive Nominee Director (From13.08.2021)
Shri Jagdish Capoor	Independent Director (Resigned on 23.05.2022)	Independent Director
Shri Dharmendra Bhandari	Independent Director	Independent Director
Shri V. K. Kukreja	Independent Director	Independent Director
Shri Ameet Patel	Independent Director	Independent Director
Shri P Koteswara Rao	Non Independent Director	Non Independent Director
Shri Kashi Prasad Khandelwal	Independent Director	Independent Director
Shri Sanjay Kumar Khemani	Independent Director (Designation change w.e.f. 06.02.2023)	Non Independent Director
Shri Akshay Rout	Non Independent Director	Non Independent Director
Smt. Jagennath Jayanthi	Independent Director	Independent Director

e) Details of Material transactions with Related Party:

(₹ In crore)

Related Party	Nature of transaction	For year ended 31st March, 2023	For year ended 31st March, 2022	Basis Of Transaction
Life Insurance Corporation of India	Issue of Equity Shares	-	9.08	Further raising of Capital through allotment on a preferential basis of ₹4.54 crore Equity Shares having Face Value of ₹2 per share and premium of ₹ 512.43 per share .
Life Insurance Corporation of India	Securities Premium on Issue of Equity Shares	-	2,326.43	
	Repayment of Non-Convertible Debentures	1,500.00	1,500.00	-
	Interest expenses on Secured and Unsecured loans/Debt Securities	1,046.28	1,130.34	As per coupon of the instrument as on the date of the contract which was as per then prevailing market rate.
	Dividend Payment	211.52	211.52	Dividend paid based on the percentage of holding and the Dividend rate approved by the Shareholders
	Rent Paid	10.10	9.55	
	Payment of Electricity Expenses	0.78	0.55	
	Payment for Staff training, Conference, etc.	0.06	-	
	Reimbursement of Gratuity, Mediclaim, GSLI and Pension Fund for staff posted from LIC	1.84	1.85	
	Contribution to LIC of India, P & GS, for Gratuity premium for employees, renewal of group insurance.	9.05	18.25	
	Rewriting Fees Income	47.69	-	Change in ROI of LIC staff loan from 8.75% to 6.75%
	Balance as at year end towards Non Convertible Debentures (Credit)	11,550.00	13,050.00	-
	Balance as at year end towards Interest Accrued on Non Convertible Debentures (Credit)	243.03	291.32	-
	Balance as at year end-Others (Credit)	1.81	2.09	-

ANNEXURE 4
TO THE BOARD'S REPORT

ANNUAL CSR REPORT 2022-23

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

1. Brief outline on the CSR Policy of the Company:

The Company's primary objective is to foster self-reliant communities by implementing a range of social initiatives focused on Education, Skill Training, Sustainable Livelihood Enhancement, Health Care, Environmental Sustainability, and Rural Development. These initiatives are in accordance with the Company's approved CSR Policy, overseen by the Board of Directors, and aligned with the provisions of Section 135 of the Companies Act, 2013. The progress and impact of these CSR projects/ programs are closely monitored by a dedicated Board-level committee.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Jagdish Capoor*	Independent Director	7	1
2	Shri Akshay Rout	Non-Independent Director	7	7
3	Smt. J. Jayanthi	Independent Director	7	7
4	Shri Y. Viswanatha Gowd	MD & CEO (Nominee Director)	7	7
5	Shri Ashwani Ghai**	Whole Time Director (Nominee Director)	7	3

* Shri Jagdish Capoor, Independent director completed his term on 23rd May, 2022

** Shri Ashwani Ghai has taken charge of COO, LIC HFL on 01st November 2022

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy, and CSR projects approved by the Board are disclosed on the website of the Company:

- CSR Committee –

  https://www.lichousing.com/static-assets/pdf/Committees_Membership_Feb23.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true

- CSR Policy–

  https://www.lichousing.com/static-assets/pdf/Corporate_Social_Responsibility_Policy.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
- CSR Approved Projects – https://www.lichousing.com/static-assets/pdf/CSR_Projects_approved_FY_22_23.pdf?craftrSite=lichfl-corporate-website-cms

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

Kindly refer Annexure 4A for the executive summary of Impact Assessments undertaken during the year and embedded weblink for the same: https://www.lichousing.com/static-assets/pdf/Executive_Summary_of_Impact_Assessment_Report_of_CSR_projects.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true

a)	Average net profit of the Company as per sub-section (5) of section 135.	: ₹ 3152.61 crore
b)	Two percent of average net profit of the Company as per sub-section (5) of section 135.	: ₹ 63.04 crore
c)	Surplus arising out of the CSR projects or programs or activities of the previous financial years.	: NIL
d)	Amount required to be set off for the financial year, if any	: Not Applicable
e)	Total CSR obligation for the financial year [(b)+(c) -(d)]	: ₹ 63.04 crore

5. a) Amount spent on CSR Projects (both Ongoing Project and : ₹ 8.70 crore Other than Ongoing Project)

b) Amount spent in Administrative Overheads : ₹ 1.01 crore

c) Amount spent on Impact Assessment, if applicable : ₹ 0.23 crore

d) Total amount spent for the Financial Year [(a)+(b) +(c)] : ₹ 9.94 crore

e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹ crore)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 9.94	₹ 53.28	21st April 2023	NA	NIL	NA

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

Sl. No.	Particular	Amount (in ₹ crore)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹ 63.05
(ii)	Total amount spent for the Financial Year	₹ 9.94
(iii)	Excess amount spent for the Financial Year [(ii)-(I)]	Not Applicable
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

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

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹ crore)	Balance amount in Unspent CSR account under sub-section (6) of section 135 (in ₹ crore)	Amount spent in the Financial Year (in ₹ crore)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹ crore)	Deficiency, if any
					Amount (in ₹ crore)	Date of Transfer		
1	FY19-20	Nil*	Nil*	₹ 8.02	NA	NA	₹ 7.95	Nil
2	FY20-21	₹ 47.02	₹ 15.39	₹ 20.06	₹ 8.80	28-09-2021	₹ 15.53	Nil
3	FY21-22	₹ 45.72	₹ 11.38	₹ 34.34	₹ 2.30	26-07-2022	₹ 11.38	Nil

* During the financial year 2019-20 the Company has created a provision of ₹40.18 crore for ongoing CSR projects.

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

✓ Yes   O No

If yes, enter the number of Capital assets created/acquired:

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

(1) Sl. No.	(2) Short Particulars of the property or asset(s) [including complete address and location of the property]	(3) Pin code of the property or asset(s)	(4) Date of creation	(5) Amount of CSR amount spent (in ₹ crore)	(6) Details of entity/authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
1	Medical Equipment (Operation Theatre, ICU, Post-Operative Recovery, and Central Sterile Supply - CSSD) Address: Advanced Centre for Treatment, Research and Education in Cancer (ACTREC), Kharghar, Navi Mumbai, Maharashtra	410210	01st April, 2022, to 30th June, 2023	5.80	CSR00001287	Advanced Centre for Treatment, Research, & Education in Cancer (ACTREC)	ACTREC, Sector 22, Utsav Chowk - CISF Rd, Owe Camp, Kharghar, Navi Mumbai, Maharashtra - 410210
2	Construction of Start-up Incubator Institute Building Address: Baltikra, Baitalpur Road, Barpar, Araipar, Uttar Pradesh	274202	25th March, 2023	5.00	CSR00004047	Jagriti Sewa Sansthan	10/236, Raghav Nagar, Deoria, Uttar Pradesh - 274001
3	Construction of 75 Sanitation Complexes for schools Address: Kurnool, Ananthapur districts of Andhra Pradesh and Gadwal, Mahboob Nagar Districts of Telangana	NA	01st April, 2022 to 29th March, 2023	3.80	NA	Various Schools in Andhrapradesh and Telangana	Kurnoo, Ananthapur districts of Andhra Pradesh and Gadwal, Mahboob Nagar Districts of Telangana
4	Construction of 30 Sanitation Complexes for schools Address: Pondicherry	NA	1st December, 2022 to 31st March, 2023	3.42	NA	Various Beneficiaries (Govt Schools)	Pondicherry
5	102 Sanitation Unit Address: 6 Aspirational District in Odhisa and Chhattisgarh	NA	31st March,2022 to 30th June, 2023	3.21	CSR00000161	Wockhardt Foundation	Odhisa and Chhattisgarh
6	1 inter cultivator weeder, 2 mini tractor, 2 Rotavator,1 Printer, 1 UPS, 1 Generator, 3 school toilets, 2 Village Pond Outlets Address: Bettamugilalam Panchayat, Krishnagiri District, Tamil Nadu	635113	01st April, 2022 to 31st March, 2023	2.79	NA	Various benficiaries (Individual and Community)	Bettamugilalam Panchayat, Krishnagiri District, Tamil Nadu
7	75 school toilets Address: Kadapa and Kurnool in Andhra Pradesh	NA	01st April, 2022 to 29th March, 2023	2.50	NA	Various Beneficiaries (Govt Schools)	Kadapa and Kurnool in Andhra Pradesh
8	280 Rainwater Harvesting Tanks Address: Kuttanad Taluk, Alappuzha District, Kerala	NA	01st April, 2022 to 29th March, 2023	2.37	NA	Various Beneficiaries (Individual Households)	Kuttanad Taluk, Alappuzha District, Kerala
9	32 Micro-irrigation system, 2 Solar based grid system for PHC, 600 smokeless Chulha, 3 Bio-gas plant, 5 Stop Dam, 7 Water Filters and 80 Solar lights Address: Block-Dahanu, District-Palghat, Maharashtra	401602	01st April, 2022, to 15th February, 2023	2.00	CSR00001360	Krushi Vikas va Gramin Prashikashan Sanstha	Block-Dahanu, District-Palghar, Maharashtra

(1) Sl. No.	(2) Short Particulars of the property or asset(s) [including complete address and location of the property]	(3) Pin code of the property or asset(s)	(4) Date of creation	(5) Amount of CSR amount spent (in ₹ crore)	(6) Details of entity/authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
10	Office Setup, 5 RO Units, 1 School Sanitation Unit, 5 farm Ponds, 48 Solar Street Lights, Address: Thiruchili Block, Virudhunagar District, Tamil Nadu	NA	01st April, 2022, to 31st March, 2023	1.99	NA	Various beneficiaries (individuals, and community)	Thiruchili Block, Virudhunagar District, tamilnadu
11	10 micro sprinklers, 25 goatry units, 100 solar streetlights, 2 anagnwadi renovation Address: Nuh, Haryana	NA	01st April, 2022 to 30th November, 2022	1.89	NA	Various beneficiaries (individuals, anganwadi and community)	Nuh district, Haryana
12	5 Hand Washing facility in schools, 3 Water Drinking facilities in villages (LOCO model), 25 solar streetlights, 5 school libraries, 101 horticulture nursery units Address: Sonbhadra, Uttar Pradesh	NA	01st April, 2022 to 31st March, 2023	1.87	NA	Various beneficiaries (schools and community)	Sonbhadra district, Uttar Pradesh
13	75 Sanitation Units in 75 Schools Address: Ranchi and Khunti in Jharkhand	NA	1st September, 2022 to 1st March, 2023	1.83	NA	Various Beneficiaries (School and School Management Committees)	Ranchi and Khunti district of Jharkhand.
14	70 Street lights, 4 Jal Minars, 4 smart classrooms, 02 solar powered irrigation system, 03 Grain Bank, 03 Bee Keeping Unit, 01 Micro enterprise, 01 Skilling Centre for tailoring, 05 Community Toilet Construction. Address: Gaya, Bihar	NA	01st April, 2022, to 28th February, 2023	1.74	NA	Various Beneficiaries (Village Development Committees, Individuals, Community, Schools, Anganwadis, Farmers Group, SHGs)	Atri block of Gaya district of Bihar.
15	3 Jal Minar, 3 Sanitation Units, 2 Smart Classrooms, 7 Agri-Tool Bank, 175 Solar streetlights, 70 Vermi-compost unit Address: Block-Antah, District-Baran, Rajasthan	325205	01st April, 2022, to 31st October, 2022	1.72	CSR00000044	Aroh Foundation	Block-Antah, District-Baran, Rajasthan
16	Solar Insect Traps- 500, Solar Street Lights -42, Water on Wheels - 500, Cattle Trough -4, Bore well recharge -4, farm Ponds-11 Address: Raichur District, Karnataka	NA	01st April, 2022 to 31st March, 2023	1.60	NA	Various beneficiaries (individuals, and community)	Raichur District, Karnataka

(1) Sl. No.	(2) Short Particulars of the property or asset(s) [including complete address and location of the property]	(3) Pin code of the property or asset(s)	(4) Date of creation	(5) Amount of CSR amount spent (in ₹ crore)	(6) Details of entity/authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
17	100 solar lights to HH, Sports kit to 7 School, 42 Solar streetlight, 170 LBS, 2 Stop Dam, 6 Tank and Well renovation and 3 Agri-Tool Bank Address: Block-Chachaura Binaganj, District-Guna, M.P.	473118	01st April, 2022 to 29th March, 2023	1.58	CSR00000339	Centre for Advanced Research and Development	Block-Chachaura Binaganj, District-Guna, M.P.
18	03 Tailoring Unit, 30 sewing Machines, 70 solar streetlights, 03 Jalminar with 3 arsenic filters, 03 Smart Classroom with Power Backup, 03 renovation of toilets, 03 solar irrigation system, 03 fish tanks. Address: Malda, West Bengal	NA	01st April, 2022 to 31st March, 2023	1.52	NA	Various Beneficiaries (Village Development Committee, school, Anganwadi, SHGs)	Malda district of West Bengal
19	4 Hand washing unit at PHC, 21 hand Washing Unit at Schools, 152 Hand Washing units at HHs, Address: Durg, Chhattisgarh	491111	01st March, 2022 to 28th February, 2022	1.51	CSR00002830	SAMARTHAN-Centre for Development Support	Durg, Chhattisgarh
20	5 Mobile Health Units Address: Chittorgarh (Rajasthan), Haridwar (Uttarakhand), Savli (Gujarat), Guwahati (Assam) and Bangalore (Karnataka)	NA	30th March, 2022 to 29th March, 2023	1.28	CSR00001657	Jubilant Bhartia Foundation	Plot 1A, Sector 16A, Noida, Uttar Pradesh, 201301
21	30 individual toilets, 6 school libraries, 6 smart classrooms with LCD and content, 2 km fencing wall, 8 trenches for water conservation, 60 street solar lights, 40 goatry units, 16 cow rearing units Address: Tehri Gharwal, Uttarakhand	NA	01st April, 2022 to 31st March, 2023	1.28	NA	Various beneficiaries (individuals, schools and community)	Tehri Gharwal district, Uttarakhand
22	210 nutrition gardens, 70 household water soakpits, 70 solar street lights, 2 playground, 2 each computers, power back up system, almirah, tables and 6 chairs, 35 goatry units Address: Moga, Punjab	NA	01st April, 2022 to 31st March, 2023	1.20	NA	Various beneficiaries (individuals and community)	Moga district, Punjab
23	Office setup Address: MYRADA, Municipal Colony, Maniyur, Chitradurga, Karnataka	577501	01st April, 2022 to 31st March, 2023	1.20	CSR00001099	Mysore Resettlement and Development Agency (MYRADA)	MYRADA, Municipal Colony, Maniyur, Chitradurga, Karnataka

(1)	(2)	(3)	(4)	(5)	(6)		
Sl. No.	Short Particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent (in ₹ crore)	Details of entity/authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
24	14 Drying Yard, 10 Compost Pit, 14 Sports Kits, 06 Custom Hiring Centre, 50 Backyard Poultry Unit, 240 Smokeless Stoves, 10 Community Dugwell, 10 Community Ponds Address: Dhenkanal, Odisha	NA	1st September, 2022 to 1st March, 2023	1.18	NA	Various Beneficiaries (Village Development Committees, Individuals and Community)	Sadar block of Dhenkanal district of Odisha.
25	1 School Toilet, 40 household toilets, 1 community toilet, Open Drainage System Address: Mentada Mandal, Vizianagaram, Andhra Pradesh	NA	01st April, 2022 to 31st March, 2023	1.14	NA	Various benficiaries (Individual and Community)	Mentada Mandal, Vizianagaram, Andhra Pradesh
26	3 Sanitation Unit, 1 Solar based Jal Minar, Address: Block-Antah, District-Baran, Rajasthan	325205	01st October, 2022 to 30th September, 2023	1.01	CSR00000044	Aroh Foundation	Block-Antah, District-Baran, Rajasthan
27	10 Nursery raising units, 30 vermi compost units, 40 poultry units, 4 agri products centre, 46 vegetable crates Address: Lalitpur, Uttar Pradesh	NA	01st April, 2022 to 31st March, 2023	1.00	NA	Various beneficiaries (individuals, and community)	Lalitpur district, Uttar Pradesh
28	14 Processing machines, 3 solar driers, 3 collection centres, 3 market outlets, 39 bee keeping units, 44 poultry units, 13 goatry units, 17 home stay established, 3 knitting machines, 6 sewing machines Address: Nainital (Uttarakhand) and Solan (Himachal Pradesh)	NA	01st April, 2022 to 31st August, 2022	1.00	NA	Various beneficiaries (individuals and community)	Nainital (Uttarakhand) and Solan (Himachal Pradesh)
29	5 school renovation, 5 school library set up, 4 Anganwadi renovation, 5 seed bank, 5 agri tool bank, 60 goatry units, 60 poultry unit, 40 vending cart entrepreneurs, 10 hand pumps installation, 5 Jal Minars, 100 domestic solar lanterns, 20 vermi compost units, Address: Lucknow, Uttar Pradesh	NA	01st April, 2022 to 30th June, 2022	0.97	NA	Various beneficiaries (individuals, School and community)	Lucknow district, Uttar Pradesh
30	04 Pig Breeding Unit (Through Convergence) and 15 Poultry Unit Address: Jorhat, Assam	NA	01st April, 2022 to 31st July, 2022	0.92	NA	Various Beneficiaries (Individuals and Self Help Groups)	East Selenghat Block of Jorhat district of Assam.

(1) Sl. No.	(2) Short Particulars of the property or asset(s) [including complete address and location of the property]	(3) Pin code of the property or asset(s)	(4) Date of creation	(5) Amount of CSR amount spent (in ₹ crore)	(6) Details of entity/authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
31	05 Integrated Livestock Development Centre Address: Hazaribagh Jharkhand	NA	01st April, 2022 to 31st March 2023	0.89	NA	Various Beneficiaries (Self Help Groups and Members of SHGs)	Katkamsandi block of Hazaribagh district of Jharkhand.
32	25 Sanitation complexes Address: Bahraich and Balrampur, Uttar Pradesh	NA	01st December, 2022 to 31st March, 2023	0.78	NA	Various beneficiaries (school children)	Bahraich and Balrampur districts, Uttar Pradesh
33	40 Solar Street Light, 300 Solar Home Light for Children, 05 units of farm equipment support to farmers group, 09 Smart Classroom Setup, 09 sports kit for Bal Sansad, o1 Sanitary Pad Production Unit, 01 Paper Plate Manufacturing Unit, One Sattu Flour Making Unit, One cloth bag manufacturing unit, 04 sports kit to Youth Groups, 02 weighing machines for Pasu Sakhis. Address: Palamu district of Jharkhand.	NA	01st April, 2022 to 31st March 2023	0.77	NA	Various Beneficiaries (Village Development Committees, Individuals, Community, Schools, Anganwadis, Farmers Group, SHGs)	Palamu District of Jharkhand.
34	Paper plate making machine, Inverter Address: Regonda Mandal, jayashankar Bhupalpalle District, Telangana	506348	01st April, 2022 to 31st July, 2022	0.75	NA	Individual Beneficiary	Regonda Mandal, jayashankar Bhupalpalle District, Telangana
35	30 LED TV, 30 Smart TV Panel, and 30 Solar panel Address: Almora and Udham Singh Nagar, Uttarakhand	NA	01st December, 2022 to 31st March, 2023	0.58	NA	Various beneficiaries (schools)	Almora and Udham Singh Nagar Districts, Uttarakhand
36	35 dustbins, 1 Material Recovery Facility, 2075 waste collection bags, 2 Bailer Machine, 1 Laptop, 1 CCTV camera, 1 printer, 1 cabinet, 1 table, 4 chairs, 1 water filter-RO, 1 rickshaw Address: Sahastradhara, Dehradun, Uttarakhand	NA	30th March, 2022 to 31st March, 2023	0.55	NA	Various beneficiaires (Community)	Sahastradhar, Dehradun, Uttarakhand

(1) Sl. No.	(2) Short Particulars of the property or asset(s) [including complete address and location of the property]	(3) Pin code of the property or asset(s)	(4) Date of creation	(5) Amount of CSR amount spent (in ₹ crore)	(6) Details of entity/authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
37	Office Setup Address: Vizianagaram, Andhra Pradesh	535003	01st December, 2022 to 31st March, 2023	0.55	CSR00001053	Financial Inclusion Improves Sanitation & Health Society	FINISH Society,Near New WisdomProgressive Inter College, New Nandi Vihar Colony, Chinnat, Lucknow, Uttar Pradesh - 266028
38	17 Tubewell Address: South 24 Paragana, West Bengal	NA	01st December, 2022 to 28th February, 2023	0.48	NA	Various Beneficiaries (Community, Water User Groups)	South 24 Paraganas District of West Bengal.
39	30 Solar Powered Smart Classrooms Address: Uttar Karnataka District, karnataka	NA	01st December, 2022 to 31st March, 2023	0.45	NA	Various Beneficiaries (Govt Schools)	Uttar Karnataka District, karnataka
40	Water trough - 13, Solar Dryer-1 Address: Bettamugilalam Panchayat, Krishnagiri District, Tamil Nadu	635113	01st December, 2022 to 31st March, 2023	0.45	NA	Various beneficiaries (individuals, and community)	Bettamugilalam Panchayat, Krishnagiri District, Tamil Nadu
41	25 units of Solar Electrification Address: Nagaland, Manipur, Mizoram, Meghalaya and Tripura.	NA	1st January 2023 to 31st March 2023	0.42	NA	Various Beneficiaries (School and School Management Committees)	Nagaland, Manipur, Mizoram, Meghalaya and Tripura.
42	4 Sanitary Complexes in Govt Schools Address: North Tripura	NA	1st January 2023 to 31st March 2023	0.38	NA	Various Beneficiaries (School and School Management Committees)	North Tripura District of Tripura.
43	Solar power back up, 35 computers and 1 RO unit Address: A.P. Residential School (RCE-Boys), Tadikonda, Guntur, Andhra Pradesh	522236	29th December, 2022	0.32	NA	A.P. Residential School (RCE-Boys)	A.P. Residential School (RCE-Boys), Tadikonda, Guntur, Andhra Pradesh - 522236
44	Construction of 12 Water Bodies (Anicut, Check Dam) in Block-Rapar, Kutch, Gujarat Address: Block-Rapar, Kutch-Gujarat	NA	31st August, 2022	0.29	CSR00000832	Samerth Charitable Trust	Kutch, Gujarat
45	Ambulance and Dialysis unit Address: Taluk Hospital, Chavakkad, Thrissur, Kerala	NA	20th April, 2022	0.25	NA	Various Beneficiaries (Individual)	Directorate of Health Services, Palayam - Airport Road, near General Hospital Road, Junction, Thiruvananthapuram

(1) Sl. No.	(2) Short Particulars of the property or asset(s) [including complete address and location of the property]	(3) Pin code of the property or asset(s)	(4) Date of creation	(5) Amount of CSR amount spent (in ₹ crore)	(6) Details of entity/authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
46	High Frequency Oscillatory Ventilation (HFOV) for Neo-natal Intensive Care Unit (NICU) Address: A1/7, Purania Rd, Sector H, Sector-A, Aliganj, Lucknow, Uttar Pradesh	226024	12th January, 2023	0.25	CSR00021593	Late Shri S C Trivedi Memorial Mother and Child Care Trust	A1/7, Purania Rd, Sector H, Sector-A, Aliganj, Lucknow, Uttar Pradesh - 226024
47	Waste Collection Truck Address: Bangalore Urban	NA	08th November, 2022	0.25	CSR00000063	Samarthanam Trust for the Disabled	Samarthanam Trust for the Disabled CA:39, 15th Cross, 16th Main, Sector-4, HSR Layout, Bangalore
48	5 Rooftop Solar Power Plant for Govt Schools Address: Ramanagara District in Karnataka	NA	01st April, 2022 to 28th February, 2023	0.23	NA	Various Beneficiaries (Govt Schools)	Ramanagara District in Karnataka
49	40 solar street lights Address: Lucknow, Uttar Pradesh	NA	01st July, 2022 to 31st March 2023	0.22	NA	Various beneficiaries (Community)	Lucknow district, Uttar Pradesh
50	01 Health Awareness Vehicle Address: Patna, Bihar	800001	23rd March, 2023	0.19	CSR00001047	Bihar Voluntary Health Association	West of Ganga Apartment, LCT Ghat, Mainpura, Patna-800001.
51	19-Seater School Bus for Physically Disabled Students Address: Ajmer, Rajasthan	305023	20th May, 2022	0.19	CSR00007136	Rajasthan Mahila Kalyan Mandal	Vishwamitra Ashram, Sikar Road, Chachiyawas, Rajasthan 305023
52	01 Ambulance Address: Bhawanipatna, Odisha	766001	20th January, 2023	0.19	CSR00003476	Swasthya Swaraj Society	2/379, Ramnagar Pada, P.O. Bhawanipatna-766001, Kalahandi district of Odisha.
53	40 units of bee keeping/mud hives, 20 units of orchard and fruit plantation, Address: Sirmaur, Himachal Pradesh	NA	01st December, 2022 to 31st March, 2023	0.15	NA	Various beneficiaries (Community)	Sirmaur district, Himachal Pradesh
54	48 KW Solar Grid System at Eye Hospital Address: 236, Sector-6, Hiran Magri, Udaipur, Rajasthan 313002	313002	15th January, 2023	0.10	CSR00003030	Tara Sansthan	236, Sector-6, Hiran Magri, Udaipur, Rajasthan 313002
55	Distribution of 15 Sanitary Napkin Vending Machine Address: Jhabua, Madhya Pradesh	457661	06th August, 2022	0.01	NA	District Collector Office, Jhabua	District Collector Office, Basant Colony, Jhabua, Madhya Pradesh 457661

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

The Company is dedicated to supporting meaningful projects and collaborates exclusively with reputable implementation agencies that have a proven track record. CSR initiatives are implemented through a systematic disbursement process that involves monitoring and verification of the efficient utilisation of funds by the implementation partners. As a result of this tranche-based disbursement system, only part payments have been released to the implementation partners, and the remaining funds are scheduled to be released in accordance with the approved work plan. This approach ensures that the CSR projects sanctioned by LIC HFL CSR are effectively executed, contributing to the sustainable development of communities, and aligning with the organisation's core values. During the financial year 2022-23, the Company made diligent efforts to evaluate and process the received contribution requests. We remain committed to maximising the utilisation of our CSR funds.

Sd/-	Sd/-
[Managing Director & Chief Executive Officer]	[Chairman of CSR Committee]

ANNEXURE 4a
TO THE BOARD'S REPORT

EXECUTIVE SUMMARY REPORT
CSR PROJECT IMPACT ASSESSMENT

PROJECT 1: HOLISTIC RURAL INITIATIVES FOR DEVELOPMENT ACTION AND YIELD (HRIDAY)

Implementing Partner: Action for Food Production (AFPRO)

Alignment with UN Sustainability Goals: 1, 3, 5, 6, 10

RESEARCH METHODOLOGY

Year of Implementation	Type of Beneficiaries	Sample Covered	Project Location	Stakeholders Covered
FY 2021-22	Community-women	100	Gurla, Chintavalasa, Meesalapeta, Gurramavalsa & Rabanda in Vizianagaram district (Aspirational district) of Andhra Pradesh	

PROJECT BACKGROUND

Vizianagaram, located in the northeastern plains of Andhra Pradesh, has been identified as an economically disadvantaged district by the Government of India. The district has a predominantly rural population, with 82% residing in rural areas and relying on agriculture, dairy farming, and fisheries as their primary livelihood sources. Rainfed farming plays a significant role, with around 80% of cultivated land relying on rainfall for irrigation. In order to address inequality and improve living standards, authorities have prioritized the development of essential skills and capacity-building to foster inclusive growth in the district. A key component of this strategy involves promoting and establishing micro and medium-scale enterprises that contribute to the community development index. To ensure comprehensive progress, a holistic approach has been adopted, focusing on livelihood enhancement, agricultural development, and infrastructure improvement from the second year onwards. This approach also explores convergence options to maximize the impact of resources and initiatives in Vizianagaram.

FINDINGS OF THE STUDY

Key Outputs:

- Strong female representation: 97.0% of respondents are women, showcasing their active involvement.
- 58.0% come from families with 3-4 members.
- 44.0% of respondents work as daily wage laborers.
- 97.0% of households fall within ₹ 5000 to Rs 10,000 income range.
- 100% frequency ensures regular healthcare access.
- 98.0% of respondents received information on safe sanitary practices
- 75.0% of disease awareness focuses on Malaria and 71.0% on seasonal diseases.
- 84.2% of respondents part of SHGs for over 10 years.
- Prevalence of savings and loaning: 100.0% engage in loaning, 77.9% include savings.
- 100.0% rely on government supply for primary water supply.
- 98.0% aware of LIC HFL (LIC Housing Finance Limited).

IMPACT OF THE STUDY

- SHG benefited in increased income (76.9%), knowledge (66.7%) and teaching money-saving practices (66.7%).
- 98.0% of respondents face no challenges in water availability
- 78.6% of respondents have made soak pits in their houses.
- 100% have seen the drive and believe in awareness camps.

RATING BASED ON OECD FRAMEWORK

Relevance	●●●●●	**Effectiveness**	●●●●○	**Efficiency**	●●●●●
Coherence	●●●●●	**Efficiency**	●●●●○	**Sustainability**	●●●●●

Index : 5 Points - Very High ; 4 Points - High ; 3 Points - Moderate ; 2 Points - Low ; 1 Point - Very Low

PROJECT 2: HOLISTIC RURAL INITIATIVES FOR DEVELOPMENT ACTION AND YIELD (HRIDAY)

Implementing Partner: MYRADA- Mysore Resettlement and Development Agency

Alignment with UN Sustainability Goals:

RESEARCH METHODOLOGY

Year of Implementation	Type of Beneficiaries	Sample Covered	Project Location	Stakeholders Covered
FY 2021-22	Residents of Targeted Villages	100	Kambalam & Bettamugilalam in Krishnagiri District, Tamil Nadu	Community Leaders

PROJECT BACKGROUND

Villages in India face challenges such as limited access to basic amenities, quality education, healthcare, and economic opportunities. The rural communities of Kambalam and Bettamugilalam in Tamil Nadu's Krishnagiri District have historically lacked access to crucial government-led initiatives. To address this, LIC HFL launched the Holistic Rural Initiative for Development Action and Yield (HRIDAY) project in collaboration with MYRADA. The project focuses on livelihood development, education, health, natural resource management, and capacity building to uplift these communities. Limited access to education, healthcare, clean water, sanitation, and economic opportunities have hindered the well-being and progress of residents. The HRIDAY project follows a holistic approach aligned with the Sustainable Development Goals (SDGs) to cater to diverse community needs. By implementing various activities, the project aims to create a sustainable and inclusive environment, enhance income generation, promote holistic child development, and preserve traditional practices. Collaboration with Community-Based Organizations (CBOs) ensures community participation and ownership, while market linkages facilitate sustainable economic growth.

FINDINGS OF THE STUDY

Key Outputs:

- 66.7% of the respondents reported having a market for the sale of their agricultural products
- Livelihood development activities were reported as the sole activity undertaken by all respondents (100%) associated with Self-Help Groups (SHGs).
- All schools (100%) reported students drinking water from the newly installed water filter.

IMPACT OF THE STUDY

- The project has successfully raised awareness among all the respondents (100%) about the pond restoration activity.
- 100% of the beneficiaries now have access to sufficient water for irrigation, leading to improved agricultural productivity and sustainability.
- 100% of the schools have benefited from the construction of new toilets, improving sanitation and hygiene practices.

RATING BASED ON OECD FRAMEWORK

Relevance	●●●●●	**Effectiveness**	●●●●○	**Impact**	●●●●●
Coherence	●●●●●	**Efficiency**	●●●●○	**Sustainability**	●●●●●

Index : 5 Points - Very High ; 4 Points - High ; 3 Points - Moderate ; 2 Points - Low ; 1 Point - Very Low

PROJECT 3: HOLISTIC RURAL INITIATIVES FOR DEVELOPMENT ACTION AND YIELD (HRIDAY)

Implementing Partner: Sahbhagi Sikshan Kendra

Alignment with UN Sustainability Goals:

RESEARCH METHODOLOGY

Year of Implementation	Type of Beneficiaries	Sample Covered	Project Location	Stakeholders Covered
FY 2021-22	Unemployed individuals, underprivileged farmers and women	100	Mahuari, Lotaniya, Basari & Mangaldih in Palamu (Aspirational district) of Jharkhand	Farmer, Unemployed youth, Community-women

PROJECT BACKGROUND

The Holistic Rural Initiative for Development Action and Yield (HRIDAY) is an organization focused on intervening ins tribal communities in Japla, Jharkhand, India. Supported by LIC Housing Finance Limited (LIC HFL), Mumbai, HRIDAY aims to bring about integrated and inclusive village development by addressing key parameters such as quality education, good health, sustainable livelihood, youth employment, clean energy, and gender equality. The goal is to improve the living conditions of people in remote tribal communities and create a replicable model that can be implemented in other villages, accelerating development and transforming the backward regions.

FINDINGS OF THE STUDY

Skill Development Project

Key Outputs:

- 73.3% have a higher secondary education level.
- 50.0% of families have 4–6 members and 46.7% have more than 6 members.
- 46.7% are engaged in farming
- 43.3% have average monthly income between ₹10,000 and ₹15,000.
- 90.0% attended sewing machine operator training.
- 76.7% received a training completion certificate.
- 90.0% were unemployed before receiving training.

Impact of the Study:

- For 100.0%, LIC HFL–sponsored CSR program helped in work/market linkage.
- 96.7% secured work after undergoing training.
- 75.9% currently work as sewing machine operators.
- 86.2% have a present monthly income of ₹10,000–₹15,000.
- 93.1% are able to support their family financially.

SHG Village Development Project

Key Outputs:

- 78.0% received training covering various aspects beyond a specific category.
- 100% formed SHGs after training.
- 80% SHGs have 15 members.
- 58% associated with SHGs for 2 years.
- 22% SHGs offer individual loans.

Impact of the Study:

- For 68%, savings is a major activity.
- For 54%, monthly compulsory savings comes up to ₹750.
- 60% SHGs charge 2% interest on group loans.
- For 34%, individual savings are up to ₹10,000 or ₹10,001–20,000.
- 32% have individual savings of more than ₹20,000.
- 48% have taken loans from SHGs.
- 5.8% have loan amounts in the range of ₹2000–₹5000.
- 70.8% have taken loans for medical purposes.
- 89% repay loans on time.
- 38% are involved in group business activities.
- 57.9% earned money from group business but lesser amounts.
- 36% have access to small savings deposits as a benefit from the group.

SRI Cultivation Project:

Key Outputs:

- 80.0% used the "Chitta Ropan" method before training.
- 100.0% received handholding training on SRI rice cultivation in the field.
- 55.0% faced issues with low production issues.
- 100.0% received seeds for cultivation.
- 65.0% used seeds and techniques for two seasons.

Impact of the Study:

- 75.0% observed an increased quantity of rice production.
- 75.0% experienced a profit increase of 10%–20%.

RATING BASED ON OECD FRAMEWORK

Relevance	●●●●○	**Effectiveness**	●●●●○	**Impact**	●●●●◐
Coherence	●●●●◐	**Efficiency**	●●●●◐	**Sustainability**	●●●◐○

Index : 5 Points - Very High ; 4 Points - High ; 3 Points - Moderate ; 2 Points - Low ; 1 Point - Very Low

PROJECT 4: RAINWATER HARVESTING PROJECT

Implementing Partner: Ashoka Trust for Research in Ecology and the Environment

Alignment with UN Sustainability Goals:

RESEARCH METHODOLOGY

Year of Implementation	Type of Beneficiaries	NGO Partner	Project Location	Project Budget
FY 2022-23	Individuals from Village	Ashoka Trust for Research in Ecology and the Environment	Kuttanad (14 panchayats), Alappuzha, Kerala	₹ 2,36,57,000

PROJECT BACKGROUND

LIC HFL Partnered with Ashoka Trust for Research in Ecology and the Environment and constructed Rainwater Harvesting Tanks in Kuttanad Panchayat in Alappuzha, Kerala. In this project, the project activities include, Mobilization of funds for the construction of rainwater harvesting tanks, Collaboration with stakeholders, such as the local panchayat and community members, Awareness campaigns and training sessions on the importance of rainwater harvesting and its maintenance, given Behavioural change training for the beneficiaries for the wise use of the water resources, also encouraging them to play their roles in water conservation. Construction of rainwater harvesting tanks in the identified locations and Finally Testing the quality of harvested rainwater to ensure it is suitable for drinking.

FINDINGS OF THE STUDY

- Before the LIC HFL-sponsored CSR program implementation, 64% of respondents obtained drinking water from rivers, ponds, or community water bodies, indicating reliance on natural water sources.
- After the RWH implementation, 86% of respondents now obtain drinking water from household tap connections connected to RWH structures, significantly increasing access to drinking water.
- The majority of respondents experienced moderate scarcity of drinking water before RWH installation. However, after RWH, 91% reported no water scarcity at all, indicating improved water sufficiency.
- The majority of respondents spent between ₹ 300 to ₹ 500 on drinking water before RWH installation, highlighting cost savings after implementation.
- 97% of respondents contributed money towards RWH construction, demonstrating high financial involvement and support.
- The LIC HFL-sponsored CSR program conducted meetings to consult 100% of respondents regarding RWH construction, ensuring active engagement and involvement of the community.

IMPACT OF THE STUDY

- Significant improvement in overall health conditions, with 98% of respondents reporting no suffering from waterborne diseases after RWH implementation.
- 97% of respondents are part of a water user group formed by the LIC HFL sponsored CSR program, indicating high participation and community-led initiatives.
- 97% of respondents perceive the RWH structure as very beneficial, highlighting the positive impact and advantages of the implementation.
- 84% of respondents rate the RWH CSR intervention as excellent, demonstrating high satisfaction with the corporate social responsibility initiative.
- 98% of respondents reported no problems with the RWH structure, indicating a high level of satisfaction and minimal issues.

RATING BASED ON OECD FRAMEWORK

Relevance	●●●●○	**Effectiveness**	●●●●○	**Impact**	●●●●◐
Coherence	●●●●◐	**Efficiency**	●●●●○	**Sustainability**	●●●●○

Index : 5 Points - Very High ; 4 Points - High ; 3 Points - Moderate ; 2 Points - Low ; 1 Point - Very Low

PROJECT 5: SUPPORT FOR LASIK EYE CARE EQUIPMENT

Implementing Partner: Sri Shanmukhananda Fine Arts & Sangeetha Sabha

Alignment with UN Sustainability Goals:

RESEARCH METHODOLOGY				
Year of Implementation	**Type of Beneficiaries**	**NGO Partner**	**Project Location**	**Project Budget**
FY 2021-22	50	Sri Shanmukhananda Fine Arts & Sangeetha Sabha Project	Mumbai	₹ 15 crore

PROJECT BACKGROUND

LIC HFL had partnered with Sri Shanmukhananda Fine Arts & Sangeetha Sabha and donated LASIK Eye Surgery equipment and performed 50 free LASIK eye surgeries for the Mumbai Dabbawalla Association and their families. Additionally, Eye Screening camps were conducted to find eye-related problems for the less fortunate people. Further, LASIK treatment is given to students and those who are in need of surgery in the economically weaker sections of society Free of cost or at subsidized rates. Finally Created a new wing for LASIK surgery at the present location of the Centre.

FINDINGS OF THE STUDY

- 76% of respondents have an annual family income of less than ₹1,20,000/-.
- 76% of respondents availed of completely free Lasik surgery.
- 40% of respondents came to know of the CSR Intervention through a screening camp in their community conducted by the implementing partner.
- 55% of respondents approached a private hospital, but could not afford Lasik surgery.

IMPACT OF THE STUDY

- 100% of the beneficiaries reported better vision than before.
- 60% of the beneficiaries stated that they can now read newspapers/books, watch television, or pursue their favorite hobbies.
- 55% of the respondents stated that they are able to see the name boards of buses clearly now.
- 48% of the respondents reported that they now feel safe crossing the road because of clearer vision. 45% of the respondents are able to undertake domestic chores independently now.
- 40% can spend more time reading books without eye irritation or pain.
- 30% of the respondents said that they are now able to have a clear vision of distant objects and places as compared to before.

RATING BASED ON OECD FRAMEWORK					
Relevance	●●●●○	**Effectiveness**	●●●●○	**Impact**	●●●●●
Coherence	●●●●●	**Efficiency**	●●●●○	**Sustainability**	●●●◐○

Index : 5 Points - Very High ; 4 Points - High ; 3 Points - Moderate ; 2 Points - Low ; 1 Point - Very Low

PROJECT 6: MOBILE AMBULANCE SERVICE

Implementing Partner: Parivaar Education Society

Alignment with UN Sustainability Goals:

RESEARCH METHODOLOGY

Year of Implementation	Outreach of Project	NGO Partner	Project Location
FY 2021-22	12,629 Patients served	Parivaar Education Society	Barwani and Jhabua Districts of Madhya Pradesh

PROJECT BACKGROUND

LIC HFL Partnered with Parivaar Education Society and Donated the 24*7 Mobile Ambulance in Barwani and Jhabua Districts of Madhya Pradesh. This project has provided life-saving services to people by providing ambulances that can run in difficult-to-reach areas like forests and Hilly Areas and Supported in the recovery of patients suffering from Chronic Diseases over a long time and making hospital/Health care facilities accessible to them.

FINDINGS OF THE STUDY

- 75.4% of the Beneficiaries Have availed of Ambulance Service at least once.
- 96.9% of the Beneficiaries Had faced no Challenges in accessing the ambulance service
- 100% of the respondents knew about the ambulance service.

IMPACT OF THE STUDY

- Timely access to healthcare
- Enhanced support system
- High satisfaction levels

RATING BASED ON OECD FRAMEWORK

Relevance	●●●●●	**Effectiveness**	●●●●○	**Impact**	●●●●●
Coherence	●●●●●	**Efficiency**	●●●●○	**Sustainability**	●●●●●

Index : 5 Points - Very High ; 4 Points - High ; 3 Points - Moderate ; 2 Points - Low ; 1 Point - Very Low

ANNEXURE 5
TO THE BOARD'S REPORT

WEB LINKS

Pursuant to various provisions of the Companies Act, 2013, Housing Finance Companies-Corporate Governance (National Housing Bank) Directions, 2016 and Listing Regulations, the web link of some of the important policies / code placed on the website of the Company is provided below:

Sr. No.	Name of the policy / code / document	Brief Summary	Web link
1.	Dividend Distribution Policy	The policy details guidelines for dividend distribution for equity shareholders as per Listing Regulations	https://www.lichousing.com/static-assets/pdf/DIVIDEND%20DISTRIBUTION%20POLICY%202021.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
2.	Corporate Social Responsibility Policy	The Company recognises its obligation towards society and therefore the policy lays down its focus areas for contributions, mechanism for implementation, monitoring of the projects / activities towards social and economic development of the underprivileged / economically backward section of the society irrespective of gender, caste, creed and religion in areas around which Company operates.	https://www.lichousing.com/static-assets/pdf/Corporate_Social_Responsibility_Policy.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
3.	Policy For Determining Material Subsidiaries	The policy determines the guidelines for material subsidiaries of the Company and also provides governance framework for material subsidiaries.	https://www.lichousing.com/static-assets/pdf/Policy_for_Determining_material_Subsidiaries.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
4.	Policy For Determination of Materiality	The policy determines the requirements for disclosing material events including deemed material events for the Company.	https://www.lichousing.com/static-assets/pdf/Policy%20for%20determination%20of%20Materiality%20of%20an%20Event%20or%20information%202021.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
5.	Governance Guidelines	The Governance Guidelines has been prepared to keep abreast with regulatory changes, incorporate best professional practices and enhance board effectiveness.	https://www.lichousing.com/static-assets/pdf/Governance%20Guidelines.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
6.	Whistle Blower Policy	The Company adopted whistleblower mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud.	https://www.lichousing.com/static-assets/pdf/Whistle_Blower_Policy.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
7.	Related Party Transaction Policy and Procedures	The policy regulates all the transactions between the Company and its related parties	https://www.lichousing.com/static-assets/pdf/Related_Party_Transaction.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
8.	Code of conduct for Board of Directors and senior Management	The code details on uncompromising business ethics and compliance program.	https://www.lichousing.com/static-assets/pdf/Code%20of%20Conduct%20for%20Board%20Members%20and%20Senior%20management.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
9.	Familiarisation Programme For Independent Directors	The policy is aimed at familiarising Independent directors about their role, rights, responsibilities, business model, etc.	https://www.lichousing.com/static-assets/pdf/FAMILIARISATION_PROGRAMME_FOR_INDEPENDENT_DIRECTORS.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true

Sr. No.	Name of the policy / code / document	Brief Summary	Web link
10.	Nomination and Remuneration Policy	The policy details the compensation principles	https://www.lichousing.com/static-assets/pdf/Remuneration-Policy.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
11.	Policy On Archiving of Information or Content Hosted on Website	The policy lays the guidelines on archival and retention of records of the Company.	https://www.lichousing.com/static-assets/pdf/POLICY%20ON%20ARCHIVING%20OF%20INFORMATION%20OR%20CONTENT%20HOSTED%20ON%20WEBSITE%202021.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
12.	Corporate Disclosure Policy	The policy lays down procedure for disclosure / dissemination of Price Sensitive Information.	https://www.lichousing.com/static-assets/pdf/Corporate%20Disclosure%20Policy.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
13.	Policy On Preservation Of Documents	The policy is as per the Regulation 9 of the Listing Regulations, 2015 and it determines preservation period for records / documents based on their reference value and legal requirements.	https://www.lichousing.com/static-assets/pdf/Policy-on-Preservation-of-Documents-1.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
14.	Board Diversity Policy	The policy sets out the approach to e n s u r e diversity and committed to equality of opportunity in all aspects of its business.	https://www.lichousing.com/static-assets/pdf/Board-Diversity-Policy.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
15.	Business Responsibility and Sustainability Reporting (BRSR) Policy	**In accordance with Regulation 34(2) (f) of the SEBI Listing Regulations, notified on 5th May, 2021**	https://www.lichousing.com/static-assets/pdf/Principles-and-Policies-of-Business-Responsibility.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
16.	Code Of Internal Procedure and Conduct for Insider Trading-2015	The code is guideline to regulate, monitor and report trading in securities of the Company.	https://www.lichousing.com/static-assets/pdf/Prohibition%20of%20Insider%20Trading.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
17.	Policy on appointment of Joint Statutory Auditors	The policy contains procedures to be followed for the appointment of SAs and is in line with the RBI vide its circular Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27th April, 2021 , which provides for guidelines for Appointment of Statutory Auditors (SA's) of Commercial banks, (excluding RRBs), UCBs and NBFCs (including HFCs).	https://www.lichousing.com/static-assets/pdf/Policy_on_Appointment_of_Statutory_Auditors.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
18.	Policy on succession planning for appointment/ nomination / induction to the Board of Directors and senior management	The Policy has been formulated as per the requirement of Regulation 17(4) of SEBI (LODR), 2015 which requires that the board of directors of the listed entity shall satisfy itself that plans are in place for orderly succession for appointment to the board of directors and senior management.	https://www.lichousing.com/static-assets/pdf/Policy_on_Succession_Planning.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
19.	Terms and Condition of appointment of Managing Director	Contains the Terms and Condition of appointment of Managing Director	https://www.lichousing.com/static-assets/pdf/TermsAndConditions%20of%20appointment%20of%20Managing%20Director-2021.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
20.	Terms and Condition of appointment of Independent Directors	As per Regulation 46 (2) (b) which requires that the listed entity shall disseminate terms and conditions of appointment of independent directors .	https://www.lichousing.com/static-assets/pdf/TermsAndConditions%20of%20appointment%20of%20Independent%20Directors-2021.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true

Sr. No.	Name of the policy / code / document	Brief Summary	Web link
21.	Terms and Condition of appointment of Non-Independent Directors	Contains the terms and Condition of appointment of Non-Independent Directors	https://www.lichousing.com/static-assets/pdf/TermsAndConditions%20of%20appointment%20of%20Non%20Independent%20Director-2021.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
22.	Policy on 'Fit and Proper' Criteria for Directors	As per Direction 52 of the Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (Annex VII 'Fit and Proper' Criteria for Directors of HFCs)	https://www.lichousing.com/static-assets/pdf/Policy%20on%20Fit%20and%20Proper%20Criteria%20for%20Directors%20adopted%20by%20the%20Company.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
23.	PR Publicity Policy	To provide a framework for the Company for all future PR & Publicity strategies and to ensure uniformity in the Company's brand communication.	https://www.lichousing.com/static-assets/pdf/PR_Publicity_Policy.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
24.	Fair Practices Code	As per Direction 77.2 of the Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (Annex XIII , Fair Practice Code)	https://www.lichousing.com/static-assets/pdf/FAIR_PRACTICES_CODE.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
25.	Code of Conduct for Direct Recover Agents	As per Direction 85.5 of the Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (Annex XI, Guidelines for engaging Recovery Agents by Housing Finance Companies)	https://www.lichousing.com/static-assets/pdf/CODE_OF_CONDUCT_FOR_THE_RECOVERY_AGENTS.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
26.	Model Code Of Conduct For Marketing Intermediaries	As per Direction 82.7 of the Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (Annex X, Model Code of Conduct for Direct Selling Agents (DSAs)/ Direct Marketing Agents (DMAs) of Housing Finance Companies)	https://www.lichousing.com/static-assets/pdf/CODE%20OF%20CONDUCT%20FOR%20MARKETING%20INTERMEDIARIES.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
27.	Memorandum and Articles of Association	As per the requirements of Companies Act, 2013	https://www.lichousing.com/static-assets/pdf/Memorandum%20and%20Articles%20of%20Association.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
28.	Anti-Fraud Policy	Policy to minimise the incidents of Fraud and its impact.	https://www.lichousing.com/static-assets/pdf/Anti_Fraud_Policy.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
29.	List of CSR Projects Approved by Competent Authority FY 2022-23	As required by the Companies Act, 2013 and Rules Made Thereunder	https://www.lichousing.com/static-assets/pdf/CSR_Projects_approved_FY_22_23.pdf?crafterSite=lichfl-corporate-website-cms
30.	Annual Report	Annual Reports from FY 2009-2010 to FY 2021-2022	https://www.lichousing.com/annual-report
31.	Policy on Protection of Women against Sexual Harassment.	To ensure implementation of provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. 2. To provide protection against sexual harassment of women at workplace, for prevention and also for redressal of complaints of sexual harassment and matter connected therewith or incidental thereto.	https://www.lichousing.com/static-assets/pdf/Policy_for_Implementation_of_Preventation_of_Sexual_Harassment_of_Women_at_Workplace.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
32.	Corporate Announcement	Disclosures pursuant to SEBI Listing Regulations, 2015	https://www.lichousing.com/corporate-announcement

ANNEXURE 6
TO THE BOARD'S REPORT

To,
The Members,
LIC 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 Auditing Standards issued by the Institute of Company Secretaries of India (**"ICSI"**) and audit practices and processes 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 the Secretarial records. We believe that the processes and practices, we have followed are aligned with Auditing Standards issued by the Institute of Company Secretaries of India (**"ICSI"**) provide a reasonable basis for our opinion.

(3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

(4) Where ever required we have obtained the Management Representation about the Compliance of Laws, Rules and Regulations and happening of events etc.

(5) The compliance of the provisions of Corporate and Other Applicable Laws, Rules, Regulations, Standard is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.

(6) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

DATE: JULY 21, 2023
PLACE: MUMBAI

FOR M/S. N.L. BHATIA & ASSOCIATES
PRACTICING COMPANY SECRETARIES
UIN: P1996MH055800
PR NO.: 700/2020

BHARAT UPADHYAY
PARTNER
FCS: 5436
CP. NO.: 4457
UDIN: F005436E000658396

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FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[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,
LIC Housing Finance Limited

We have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good governance practices by **LIC Housing Finance Limited** having **Corporate Identification Number (CIN) L65922MH1989PLC052257 (hereinafter called "the Company").** Secretarial Audit was conducted in conformity with the auditing standards issued by the Institute of Company Secretaries of India (**"the Auditing Standards"**) and the processes and practices followed during the conduct of Audit are aligned with the Auditing Standards to provide 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 and also the information provided by the Company, its Officers, Agents and authorised representatives during the conduct of the Secretarial Audit, we hereby report that in our Opinion, the Company has, during the Audit period covering the **Financial Year ended on 31st March, 2023** 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 maintained by the Company for the Financial Year ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 **("the Act")** and the Rules made thereunder including statutory amendments made thereto and modifications thereof for the time being in force.

(ii) The Securities Contracts (Regulation) Act, 1956 **("SCRA")** and the Rules made thereunder.

(iii) The Depositories Act, 1996 and the Regulation 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 to the extent applicable.

(v) The National Housing Bank Act, 1987 and the Guidelines and Circulars issued thereunder from time to time.

(vi) The Housing Finance Companies (NHB) Directions, 2010 as amended from time to time.

(vii) Housing Finance Company Issuance of Non-Convertible Debentures on Private Placements (NHB) Directions, 2014.

(viii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 a. as amended from time to time.

b. Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996/Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time.

c. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

d. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

e. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time.

f. Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 as amended from time to time.

g. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 as amended from time to time.

h. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable to the Company during the Financial Year.**

i. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - **Not Applicable to the Company during the Financial Year.**

j. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not Applicable to the Company during the Financial Year.**

(ix) Other applicable Laws as per the list attached **'Annexure-A'.**

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

(a) Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

(b) MCA Notification holding Meetings through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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

Adequate Notice is given to all Directors to Schedule the Board and Committee Meetings. Agenda and detailed notes on agenda were sent adequately in advance, 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.

Decisions at the Board Meetings were **passed unanimously and with requisite majority in General Meeting**. The decisions at all Board level Committee Meetings were taken unanimously and reason / rational for the decision has also been recorded in the minutes.

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.

During the period under review, the Company **has paid a cumulative amount of ₹ 8,27,820/-** as fine under protest for the delay in compliance under **Regulation - 17 (1),50(1),52(7)/(7A),57(1) & 60 (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

At the **Annual General Meeting held on 29th September, 2022** the Shareholders approved the following by way of a **Special Resolution:**

i. Appointment of **Shri Ravi Krishan Takkar (DIN NO.: 07734571)** as an Independent Director of the Company to hold office for a term commencing **with effect from 25th July, 2022 to 24th July, 2027** not liable to retire by rotation.

ii. Issuance of **Redeemable Non-Convertible Debentures and /Or Other Hybrid Instruments on a Private Placement Basis** for cash at par, premium or discount up to **₹ 44,000/- crore.**

iii. Approval for **Proposed Material Related Party Transactions** to the tune of **₹ 3,183** crore with **Material Related Party** namely **Life Insurance Corporation of India.**

DATE: JULY 21, 2023 **FOR M/S. N.L. BHATIA & ASSOCIATES**
PLACE: MUMBAI. **PRACTICING COMPANY SECRETARIES**
UIN: P1996MH055800
PR NO.:700/2020

BHARAT UPADHYAY
PARTNER
FCS: 5436
CP. NO.: 4457
UDIN: F005436E000658396

ANNEXURE - A

LIST OF APPLICABLE LAWS.

1. Tax Laws.

2. Information Technology Act, 2000.

3. The Prevention of Money Laundering Act, 2002.

4. Compliance with Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI).

5. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

REPORT ON CORPORATE GOVERNANCE

The Company adheres to the highest level of governance, compliance as its highest priority ongoing basis in order to meet the expectations of all of its stakeholders, with highest sustainability growth. The Board of the Company acts as a trustee, safeguards the Shareholders' capital, maintains transparency and high level of integrity and builds simple and transparent processes driven by the business needs of all stakeholders.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's Corporate Governance is a large spectrum of systems and practices that ensures commitment to values - fairness, transparency, responsibility and ethical behaviour in doing business. The Company transforms these core values into business policies and practices with the aim of sustainable growth for all stakeholders.

The Company endeavours to achieve operational excellence and customer delight in every sphere of business operation through constant awareness about its responsibility in relation to stakeholders, customers, government, employees and society at large. Being a responsible organisation, your Company honestly and effectively discharges its obligations to government and strives to empower the employees.

Your Company has a strong legacy of transparency and ethical governance practices. The Company has adopted the Code of Conduct for its Directors and employees which is hosted on its website. The Company complies with all requirements stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, "SEBI Listing Regulations, 2015" and Uniform Listing Agreement entered into with the Stock Exchanges. The Company also complies with the applicable provisions of the Master Direction-Non Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 and RBI's Framework for Scale Based Regulation for Non-Banking Financial Companies.

BOARD OF DIRECTORS

Composition

It is our belief that the Board of Directors of the Company needs to have an appropriate mix of Executive, Non-Executive and Independent Directors to maintain its independence and clearly carve out functions of governance and management. The SEBI Listing Regulations, 2015 mandate that for a company with a regular non-executive chairman, who is related to a promoter, at least half of the Board should comprise of independent directors. As on 31st March, 2023, the Board of the Company comprised of Eleven members consisting of two Executive Nominee Directors, Shri Y.Viswanatha Gowd, Managing Director & CEO, and Shri Ashwani Ghai@, the Whole Time Director & Chief Operating Officer ('COO'), two Non-Executive Non-Independent Directors and Seven Independent Directors including one women Independent Director Ms. Jagennath Jayanthi, thereby fulfilling the requirement of the Companies Act, 2013 and the SEBI Listing Regulations, 2015.

@Shri Ashwani Ghai resigned as the Whole Time Director & COO of the Company with effect from 13th June, 2023 on account of his transfer to Life Insurance Corporation of India ("LIC of India").

The Executive and Non-Executive Directors are competent and eminent personalities in their respective fields. None of the Directors on the Board hold directorship in more than 7 equity listed entities or 10 public companies and none of them is a member of more than 10 committees or chairperson of more than 5 committees across all listed entities in which they are Directors, determined in the manner provided in SEBI Listing Regulations, 2015. Necessary disclosures in this regard as on 31st March, 2023 have been made by the Directors. The Directors are not related to each other.

The average tenure of the members on our Board is 2.99 years as of 31st March, 2023. The average tenure of Executive Director (Whole-Time Director) is 1.3 years, Independent Directors is 4.4 years and that of the Non-Executive Non-Independent Directors, including Chairman, is 3.28 years.

The average tenure of the members on the Board in years as on 31st March, 2023 is as follows:

Tenure on Board

Name of the Director	Original date of appointment	Tenure (in years) as on 31st March, 2023	Earlier of retirement date / term ending date	Average tenure (in years)
Non-Executive Non independent Directors including Chairman				3.28
Shri M. R. Kumar#	25.03.2019	4.0	13.03.2023	
Shri Raj Kumar#	13.08.2021	1.5	09.02.2023	
Shri P Koteswara Rao	11.06.2018	4.8	NA	
Shri Sanjay Kumar Khemani*	01.07.2019	3.6	05.02.2023	
Shri Akshay Rout	28.09.2020	2.5	NA	

Name of the Director	Original date of appointment	Tenure (in years) as on 31st March, 2023	Earlier of retirement date / term ending date	Average tenure (in years)
Executive – Whole-Time Director				
Shri Y. Viswanatha Gowd#	01.02.2021	2.2	NA	1.3
Shri Ashwani Ghai@#	01.11.2022	0.4	NA	
Independent Directors				
Dr. Dharmendra Bhandari**	19.08.2014	8.6	18.08.2024	4.4
Shri Ameet N Patel****	19.08.2015	7.6	18.08.2025	
Shri V. K. Kukreja***	30.06.2015	7.8	30.06.2025	
Ms. Jagennath Jayanthi	05.02.2021	2.1	04.02.2026	
Shri Kashi Prasad Khandelwal	01.07.2019	3.8	30.06.2024	
Shri Ravi Krishan Takkar	25.07.2022	0.7	24.07.2027	
Shri Sanjay Kumar Khemani^	06.02.2023	0.1	30.06.2024	

*Change of designation w.e.f. 06.02.2023.

** reappointed for a second term w.e.f 19.08.2019.

*** reappointed for a second term w.e.f 30.06.2020.

**** reappointed for a second term w.e.f 19.08.2020.

^ Non Independent director till 05.02.2023 from the date of appointment.

@ Shri Ashwani Ghai resigned as the Whole Time Director & COO of the company with effect from 13th June, 2023 on account of his transfer to LIC of India.

Nominee of LIC of India.

The Independent Directors actively take part in the proceedings of the Board and Committee meetings which enables qualitative decision-making. They receive sitting fees for attending the Board and Committee meetings, and do not have any other material or pecuniary relationship or transactions with the Company, its Promoters, its Directors, management, subsidiaries or associates. In F.Y. 2022-23, the composition of the Board was in conformity with SEBI Listing Regulations, 2015. Details of Board Meetings and the last Annual General Meeting attended by Directors, number of other Directorships / Committee membership and chairmanship (viz.) Audit Committee and Stakeholders Relationship Committee as per SEBI Listing Regulations, 2015, held by them as on 31st March, 2023 are tabulated below:

Sr. No.	Directors	Category of Directorship	Attendance at 33rd Annual General Meeting	Attendance at the Board meetings (No. of meetings held – 9)	No. of Directorships of other Companies (other than LIC Housing Finance Ltd.)	No. of Committees Membership / Chairmanship (other than LIC Housing Finance Ltd.) (Refer Notes below)		Directorships in other Listed entities and category
						Member	Chairman	
1.	Shri M. R. Kumar (DIN-03628755)*****	Non-Executive Nominee Director Chairman	Present	7	1	-	-	i. AMBUJA CEMENTS LIMITED - Non-Executive Director
2.	Shri Raj Kumar**** (DIN- 06627311)	Non-Executive Non Independent	Present	6	2	-	-	i. GRASIM INDUSTRIES LTD- Non-Executive Director ii. IDBI BANK LIMITED- Non-Executive Director
3.	Dr. Dharmendra Bhandari (DIN- 00041829)	Independent	Present	9	5	1	1	-
4.	Shri V. K. Kukreja (DIN- 01185834)	Independent	Present	9	1	-	-	-

Sr. No.	Directors	Category of Directorship	Attendance at 33rd Annual General Meeting	Attendance at the Board meetings (No. of meetings held – 9)	No. of Directorships of other Companies (other than LIC Housing Finance Ltd.)	No. of Committees Membership / Chairmanship (other than LIC Housing Finance Ltd.) (Refer Notes below)		Directorships in other Listed entities and category
						Member	Chairman	
5.	Shri Ameet N. Patel (DIN- 00726197)	Independent	Present	8	1	4	1	-
6	Shri P Koteswara Rao (DIN- 06389741)	Non-Executive Non Independent	Present	8	-	-	-	-
7.	Shri Kashi Prasad Khandelwal (DIN -00748523)	Independent	Present	9	5	1	5	i. Kesoram Industries Ltd- Independent Director. ii. GPT Infra projects Limited- Independent Director iii. Birla Tyres Limited- Independent Director
8.	Shri Sanjay Kumar Khemani*** (DIN -00072812)	Independent	Present	8	2	1	1	Yes Bank Limited- Independent Director
9.	Shri Akshay Rout (DIN- 08858134)	Non-Executive Non Independent	Present	9	-	-	-	-
10.	Shri Y Viswanatha Gowd (DIN-09048488)	Whole Time Director	Present	9	4	6	-	-
11	Ms. Jagennath Jayanthi (DIN-09053493)	Independent	Present	9	1	-	-	-
12	Shri Ravi Krishan Takkar* (DIN-07734571)	Independent	Present	7*	1	-	-	-
13	Shri Ashwani Ghai** (DIN- 09733798)	Whole Time Director	Not Applicable	3**	1	-	-	-

*Shri Ravi Krishan Takkar was appointed on 25th July, 2022 and hence, he was eligible to attend total 7 Board Meetings.

** Shri Ashwani Ghai was appointed on 1st November, 2022 and hence, he was eligible to attend total 3 Board meetings. He was appointed in the Board Meeting dated 1st November, 2022 as a Whole-Time Director & COO and subsequently, approved by the shareholders through postal ballot on 18th December, 2022. Shri Ashwani Ghai resigned as the Whole Time Director & COO of the Company with effect from 13th June, 2023 on account of his transfer to LIC of India.

*** Designation of Shri Sanjay Kumar Khemani changed from Non- Executive Director to Independent Director w.e.f. 6th February, 2023.

**** Shri Raj Kumar resigned on 9th February, 2023 due to attainment of superannuation from the services of LIC of India.

***** Shri M R Kumar resigned on 13th March, 2023 due to attainment of superannuation from the services of LIC of India.

Note:

1) Excludes Foreign Companies, Private Limited Companies, High Value Debt Listed Entities and Companies under Section 8 of Companies Act, 2013, Trusts and Alternate Directorships as per Regulation 26 of the SEBI Listing Regulations, 2015.

2) Includes only chairmanship / membership of Audit Committee and Stakeholders' Relationship Committee in public companies.

3) None of the Directors are related inter-se.

Role of the Board of Directors:

The primary role of the Board is that of trusteeship, to protect and enhance shareholders' value through strategic direction to the Company. The Board has fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth. The Board carries out its duties with care, skill and diligence and exercises independent judgement. It sets strategic goals and seeks accountability from the management and employees.

Board Appointments / Membership Criteria:

The Company inducts eminent personalities from diverse fields as Directors on its Board. The Nomination and Remuneration Committee (NRC) works with the entire Board to determine the appropriate characteristics, skills, expertise and experience required for the Board as a whole and for individual members. Board members are expected to possess required qualifications, integrity, expertise and experience for the position and relevant to the Company and also ability to contribute to its growth.

Based on the disclosures received from all the Independent Directors and based on due assessment of the veracity of the same undertaken by the Board, the Independent Directors fulfil the conditions specified in the Companies Act, 2013 and SEBI Listing Regulations, 2015 and are independent of the management, in the opinion of the Board,.

The table below summarises the key qualifications, skills and attributes which are taken into consideration while nominating individuals as Board members:

Nature of skill, expertise and competence required by the members of the Board	
Corporate Governance	Need to have the knowledge to steer the organisation towards achieving its objectives while operating effectively, responsibly, legally and sustainably, adopt best practices in corporate governance, including relevant governance codes, practices, roles, duties, responsibilities and accountability of individual directors and of the Board as a whole.
Leadership and Stakeholder Relations	Need to understand how to deliver effective leadership, build good stakeholder relations and develop a strategically aligned and value based organisational performance.
Strategy	Demonstrate an understanding of market dynamics including retail customer needs as well as the importance of customer centric service, good commercial judgement, understanding of the relationship between risk and reward, Company's relative position and challenges and understanding of alternative / disruptive business models.
Finance / Technical	Need to understand how to assess the organisation's financial position and steer its financial performance in order to stay solvent and develop sustainable plans, demonstrate an understanding of how to interpret financial statements and accounts in order to assess the financial health of an organisation, understanding of finance in all its facets including housing finance, knowledge of relevant products / schemes, housing, banking, funding through debt and equity, capital markets, regulatory framework and knowledge of relevant legislative issues.
Strategic thinking	Ability to identify opportunities and threats to the organisation, taking account of the internal and external business environment, propose alternative options, present creative and innovative solutions. Identify the potential impact of decisions and offer contingency plans and risk mitigation.
Analysis and use of information	Ability to actively seek reliable, sufficiently detailed and timely information from wide range of sources, assimilate and synthesise financial, technical and qualitative information, simplify complex information.
Decision making	Ability to evaluate proposals using a range of criteria, SOP, existing schemes, etc., identify their advantages and disadvantages, take decisions even in the face of uncertainty, take calculated risks in the context of the organisation's strategy and protecting its commercial interests.
Communication	Ability to communicate effectively, listen dispassionately, carefully, and attentively. Communicate articulately, clearly and concisely.
Leadership	Strong leadership skills enable Directors to solve problems, cope with crisis and change and inspire others to follow them in pursuit of the values and goals of the organisation, display confidence, self-assurance and conviction. Inspire, support and motivate others.

Nature of skill, expertise and competence required by the members of the Board	
Influencing	Ability to build good network and relationships within and beyond the organisation, persuade and influence others including those of equal, greater or subordinate status and power. Identify the needs, interests and influence of internal and external stakeholders and build appropriate and effective relationships as well as demonstrate shrewdness and political astuteness.
Ethical	Demonstrate behaviour which conforms to high standards of public conduct, place interest of the organisation above self in all business matters, identify and disclose conflicts of interest relating to self and others when these become apparent.
Professional	Need to have professional attitude and outlook towards their role, maintain high standards of skill, care and diligence in professional activities, take responsibility for one's performance and behaviour and that of the organisation, act as an advocate for the organisation, both internally and externally.
Performance Oriented	Focus on the goals of the organisation and the priorities agreed by the Board, identify and take opportunities to enhance the organisation's business advantage, set challenging but achievable goals and standards of performance for themselves and others. Encourage a culture of learning in the organisation.
Independent	Should be willing to disagree and take an independent stance in the face of dissenting views and to potential detriment, encourage rigorous discussion and diverse views, adopt an inquisitive approach and actively question assumptions and test propositions. Willing to challenge the status quo and historical ways of doing things.

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted.

Name of Director	Area of expertise													
	Corporate Governance	Leadership and stakeholder relations	Strategy	Finance / Technical	Strategic thinking	Analysis and use of information	Decision making	Communication	Leadership	Influencing	Ethical	Professional	Performance oriented	Independent
Shri M R Kumar, Chairman	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Shri Raj Kumar, Non-Executive Director	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Shri Y. Viswanatha Gowd, MD & CEO	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Shri Dr. Dharmendra Bhandari	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Shri Ameet N Patel	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Shri V. K Kukreja	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Shri P Koteswara Rao	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Shri Kashi Prasad Khandelwal	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Shri Sanjay Kumar Khemani	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Shri Akshay Rout	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Ms. J. Jayanthi	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Shri Ravi Krishan Takkar	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Shri Ashwani Ghai	√	√	√	√	√	√	√	√	√	√	√	√	√	√

EVENTS AFTER BALANCE SHEET DATE:

Appointment of Shri Siddhartha Mohanty and Shri Jagannath Mukkavilli

As per the recommendation of the Nomination & Remuneration Committee, which has after having undertaken process of due diligence, and after considering the candidature have found it suitable and eligible based on evaluation, qualification, expertise, track record, integrity and 'fit and proper' criteria, the Board has approved the appointment of Shri Siddhartha Mohanty (DIN 08058830), as a Chairman and Non-Executive Nominee Director with effect from 5th April, 2023.

As per the recommendation of the Nomination & Remuneration Committee, which has after having undertaken process of due diligence ,and after considering the candidature have found it suitable and eligible based on evaluation, qualification, expertise, track record, integrity and 'fit and proper' criteria, the Board has approved the appointment of Shri Jagannath Mukkavilli (DIN 10090437), as a Non-Executive Nominee Director with effect from 5th April, 2023.

Resignation of Shri Ashwani Ghai

Shri Ashwani Ghai, Whole Time Director and COO of the Company tendered his resignation from the office on 13th June, 2023 on account of his transfer to LIC of India. The resignation was noted and accepted by the Board effective from 13th June, 2023.

BOARD MEETINGS

The Meetings of the Board of Directors are scheduled in advance. The Company Secretary prepares the agenda for the meetings in consultation with the Managing Director & CEO. The detailed agenda and other relevant notes are circulated to the Directors well in advance. The Directors can suggest additional items for deliberation. Members of the Senior Management team are invited in the Meetings to provide additional information and clarification, if required. During FY 2022-23, Nine (9) Board Meetings were held, as listed below:

Sr. No.	Date on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
1	18th May, 2022	12	11
2	25th July, 2022	11	9
3	4th August, 2022	12	12
4	26th August, 2022	12	11
5	29th September, 2022	12	11
6	1st November, 2022	12	12
7	8th December, 2022	13	12
8	6th February, 2023	13	12
9	2nd March, 2023	12	11

Directorship Term:

The Board constantly evaluates the contribution of members and as and when reappointments are made, the same are updated on the Company's website. As per the Companies Act, 2013, the office of not less than two-third of the non-independent directors shall be liable to determination by retirement by rotation and one-third of them should mandatorily retire by rotation every year. Executive Directors are appointed by the shareholders for a maximum term of five years or up to the term of superannuation whichever is earlier. An Independent Directors are required to hold the office for five (5) consecutive years on the Board of the Company and are eligible for reappointment.

Shri Akshay Rout (DIN- 08858134) who has been longest in office would be retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

Succession Planning:

The NRC works with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and the Senior Management. The Company strives to maintain an appropriate balance of skills and experience on the Board with an endeavour to introduce new perspectives while maintaining experience and continuity.

By integrating workforce planning with strategic business planning, the Company puts the necessary financial and human resources in place so that its objectives can be met.

Our Board includes eleven directors with broad and diverse skills and viewpoints to aid the Company in advancing its strategy. In addition, promoting senior management within the organisation fuels the ambitions of the talent force to earn future leadership roles.

As part of succession planning and in order to ensure stability and effective implementation of long term business strategies and for smooth transition at MD & CEO level, the Board considered and approved that senior official from LIC of India may be deputed to the Company, at least 4 to 6 months in advance before the retirement / elevation / transfer of MD & CEO, by creating a new position of COO who would subsequently take over as MD & CEO on retirement / elevation / transfer of the existing MD & CEO with a view to ensuring stability and effective implementation of long term business strategies.

In terms of Article 138(b) of the Articles of Association of Company, LIC of India is entitled to nominate upto one third of the total number of directors on the Board of the Company. LIC of India had posted Shri Ashwani Ghai as COO of the Company with effect from 5th September, 2022 (date of joining the Company being 7th September, 2022) and was subsequently appointed as Whole Time Director on 1st November, 2022. The appointment was approved by the Members through Postal Ballot. Shri Ashwani Ghai resigned as the Whole Time Director & COO of the Company with effect from 13th June, 2023 on account of his transfer to LIC of India and subsequently, the Board on the recommendation of NRC appointed Mr. T Adhikari as the COO of the Company effective from 22nd June, 2023.

NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY DIRECTORS:

Except **Dr. Dharmendra Bhandari, who hold 500 Equity Shares**, none of the Directors of the Company are holding any Equity Shares of the Company. The Company has not issued any convertible instruments till date.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

During the year under review, the Company had provided suitable training to Independent Directors, familiarising them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates and business model of the Company. The details of such familiarisation programme are disclosed on the Company's website

https://www.lichousing.com/static-assets/pdf/FAMILIARISATION_PROGRAMME_FOR_INDEPENDENT_DIRECTORS.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true

SITTING FEE:

Sitting fee is paid to the Directors (other than Shri M. R. Kumar, Chairman, Shri Y. Viswanatha Gowd, Managing Director & CEO and Shri Ashwani Ghai, Whole Time Director), for every Board and Committee meeting; attended by them. Remuneration is paid to Shri Y. Viswanatha Gowd and Shri Ashwani Ghai, as applicable to an officer in the cadre of Executive Director of LIC of India and Productivity Linked Incentive as approved by the NRC.

BOARD COMMITTEES:

The Board has constituted various Committees to facilitate a more focused attention on important issues. The Committees deliberate and decide on the issues falling within their terms of reference and make recommendations to the Board wherever necessary.

AUDIT COMMITTEE:

The Committee comprises of three Independent Directors with expertise in finance, accounts, and treasury. During the year, Eleven (11) Audit Committee Meetings were held. The composition of Audit Committee, the dates on which the Audit Committee meetings were held and the attendance of the members at the said meetings are as under:

Composition :

Shri Kashi Prasad Khandelwal	Chairman	Independent Director
Shri Sanjay Kumar Khemani	Member	Independent Director
Smt Jagennath Jayanthi	Member	Independent Director

Dates of Audit Committee Meetings & Attendance of Members:

Sr no.	Date on which Audit Committee meetings were held	Shri Kashi Prasad Khandelwal	Shri Sanjay Kumar Khemani	Smt. Jagennath Jayanthi**	Dr.Dharmendra Bhandari**	Shri Jagdish Capoor*
1	17th May, 2022	Attended	Attended	Not Applicable	Attended	Attended
2	03rd August, 2022	Attended	Attended	Not Applicable	Attended	Not Applicable
3	04th August, 2022	Attended	Attended	Not Applicable	Attended	Not Applicable
4	24th August, 2022	Attended	Attended	Not Applicable	Attended	Not Applicable
5	31st October, 2022	Attended	Attended	Attended	Not Applicable	Not Applicable
6	01st November, 2022	Attended	Attended	Attended	Not Applicable	Not Applicable
7	04th January, 2023	Attended	Attended	Attended	Not Applicable	Not Applicable
8	03rd February, 2023	Attended	Attended	Attended	Not Applicable	Not Applicable
9	06th February, 2023	Attended	Attended	Attended	Not Applicable	Not Applicable
10	01st March, 2023	Attended	Attended	Attended	Not Applicable	Not Applicable
11	18th March, 2023	Attended	Attended	Attended	Not Applicable	Not Applicable

* Shri Jagdish Capoor, Independent Director superannuated from the Board on the completion of his second term on 23rd May, 2022.

**The Audit Committee was reconstituted on 2nd September, 2022 wherein Smt. Jagennath Jayanthi was inducted in place of Dr Dharmendra Bhandari.

Ms Varsha Hardasani, Company Secretary and Compliance Officer acts as Secretary to the Committee.

The Audit Committee possesses adequate powers and its terms of reference enable it to play an effective role as mentioned in "SEBI Listing Regulations, 2015".

Role and Powers of Audit Committee:

The terms of reference of the Audit Committee comprise:

Role:

i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, adequate and credible;

ii. Recommendation for appointment, remuneration, and terms of appointment of Auditors of the Company;

iii. Approval of payment to Statutory Auditors for any other services rendered by them;

iv. Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:

   a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause(c) of sub-section 3 of section 134 of the Companies Act, 2013;

   b. Changes, if any, in accounting policies and practices and reasons for the same;

   c. Major accounting entries involving estimates based on the exercise of judgement by management;

   d. Significant adjustments made in the financial statements arising out of audit findings;

   e. Compliance with listing and other legal requirements relating to financial statements;

   f. Disclosure of any Related Party Transactions;

   g. Modified opinion(s) in the draft Audit Report.

v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency on utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

vii. Reviewing and monitoring the Auditor's independence and performance and effectiveness of audit process;

viii. Approval or any subsequent modification of transactions of the Company with related parties;

ix. Scrutiny of inter-corporate loans and investments;

x. Valuations of undertakings or assets of the Company wherever it is necessary;

xi. Evaluation of Internal Financial Controls and Risk Management Systems;

xii. Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems;

xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xiv. Discussion with the Internal Auditors of any significant findings and follow up thereon;

xv. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

xvi. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

xviii. To review the functioning of the whistle blower mechanism;

xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc of the candidate;

xx. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

xxi. Reviewing the utilisation of loans and or advances from/ investment by the Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.

xxii. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

xxiii. Review of Anti Fraud Policy and taking note of the reporting requirements and noting requirement as may be prescribed.

Powers :

i. To investigate any activity within its terms of reference.

ii. To seek information from any employee.

iii. To obtain external legal or other professional advice.

iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee mandatorily reviews the following:

1. Management discussion and analysis of financial condition and results of operations;

2. Management letters / letters of internal control weakness issued by the Statutory Auditors;

3. Internal audit reports relating to internal control weakness;

4. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit committee.

5. Statement of deviations :

   a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable.

   b) Annual Statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice.

Meetings are scheduled well in advance. The Audit Committee considers and recommends quarterly and yearly financial results for approval by the Board. The Joint Statutory Auditors and Internal Auditor of the Corporate Office are invited to attend the meeting. The head of the Internal Audit function attends the Audit Committee meetings. The Committee also invites other Heads of the Departments (HODs) to be present as may be necessary.

EXECUTIVE COMMITTEE:

The Committee comprises of two Independent Directors, one Non-Independent Non-Executive Director and the Managing Director & CEO. The Executive Committee meets as and when required for considering and approving loan proposals / offers within the power delegated to it. **During the year, twenty seven (27) Executive Committee Meetings were held.** The composition of Executive Committee, the dates on which the Executive Committee meetings were held and the attendance of the members at the said meetings are as under:

Composition of the Executive Committee:

Shri Ameet N. Patel	Chairman	Independent Director
Shri P. Koteswara Rao	Member	Non-Independent Non-Executive Director
Shri Ravi Krishan Takkar	Member	Independent Director
Shri Y.Viswanatha Gowd	Member	Managing Director & CEO
Shri Ashwani Ghai*	Member	Whole Time Director & COO

Dates of Executive Committee Meetings & Attendance of Members:

Sr no.	Date on which Executive Committee meetings were held	Shri Ameet* Patel (Chairman)	Shri P Koteswara Rao	Shri Ravi Krishan Takkar*	Shri. Y Viswanatha Gowd	Shri. Ashwani Ghai**	VK Kukreja*
1	12th May, 2022	Attended	Attended	Not Applicable	Attended	Not Applicable	Attended
2	03rd June, 2022	Attended	Attended	Not Applicable	Attended	Not Applicable	Not Attended
3	17th June, 2022	Attended	Attended	Not Applicable	Attended	Not Applicable	Attended
4	28th June, 2022	Attended	Attended	Not Applicable	Attended	Not Applicable	Attended
5	03rd July, 2022	Attended	Attended	Not Applicable	Attended	Not Applicable	Attended
6	18th July, 2022	Attended	Not Attended	Not Applicable	Attended	Not Applicable	Attended
7	28th July, 2022	Attended	Attended	Not Applicable	Attended	Not Applicable	Attended
8	10th August, 2022	Attended	Attended	Not Applicable	Attended	Not Applicable	Attended
9	18th August, 2022	Attended	Attended	Not Applicable	Attended	Not Applicable	Attended
10	30th August, 2022	Attended	Attended	Not Applicable	Attended	Not Applicable	Attended
11	15th September, 2022	Attended	Attended	Attended	Attended	Not Applicable	Not Applicable
12	26th September, 2022	Attended	Not Attended	Attended	Attended	Not Applicable	Not Applicable
13	29th September, 2022	Attended	Attended	Attended	Attended	Not Applicable	Not Applicable
14	06th October, 2022	Attended	Attended	Attended	Attended	Not Applicable	Not Applicable
15	27th October, 2022	Attended	Attended	Attended	Attended	Not Applicable	Not Applicable
16	14th November, 2022	Attended	Attended	Attended	Attended	Not Applicable	Not Applicable
17	29th November, 2022	Attended	Not Attended	Attended	Attended	Not Applicable	Not Applicable
18	21st December, 2022	Attended	Attended	Attended	Attended	Not Applicable	Not Applicable
19	28th December, 2022	Attended	Attended	Attended	Attended	Not Applicable	Not Applicable
20	12th January, 2023	Attended	Attended	Attended	Attended	Not Applicable	Not Applicable
21	27th January, 2023	Attended	Attended	Attended	Attended	Not Applicable	Not Applicable
22	09th February, 2023	Attended	Attended	Attended	Attended	Attended	Not Applicable
23	27th February, 2023	Attended	Attended	Attended	Attended	Attended	Not Applicable
24	02nd March, 2023	Attended	Attended	Attended	Attended	Attended	Not Applicable
25	14th March, 2023	Attended	Attended	Attended	Attended	Attended	Not Applicable
26	24th March, 2023	Attended	Attended	Attended	Attended	Attended	Not Applicable
27	29th March, 2023	Attended	Attended	Attended	Attended	Attended	Not Applicable

*The Executive Committee was reconstituted on 2nd September, 2022 wherein Shri Ravi Krishan Takkar was inducted in place of Shri V. K. Kukreja.

** Shri Ashwani Ghai was inducted in the committee w.e.f. 6th February, 2023. Shri Ashwani Ghai resigned as the Whole Time Director & COO of the Company with effect from 13th June, 2023 on account of his transfer to LIC of India

The Executive Committee formed by the Board has been empowered with the following:

1) To frame the norms, policies, guidelines, conditions, parameters for all housing loan schemes including Project Finance schemes.

2) To relax / waive / alter the norms/ guidelines/ conditions of the housing loan schemes including Project Finance schemes on case to case basis.

3) To sanction loans to Builders and Developers under Project Loans beyond the limits delegated to GM's Committee as per Financial Power Standing Order, 1990 (as amended from time to time) on recommendation of the HODs Committee as constituted by the Managing Director & CEO from time to time.

4) To sanction loans under Rental Securitisation of the loan amount more than the amount delegated to General Managers' Committee as per FPSO.

5) To sanction loans under Individual loan schemes beyond the loan amount delegated to General Managers' Committee as per FPSO.

6) To approve any new loan scheme that the Company may launch.

7) To revise the interest rate in the existing schemes & new schemes of Individual/ Project loans/ Apna Hospital / Unsold Inventory.

8) To modify/ restructure existing and new schemes for Individual / Project loans.

9) To revise terms and conditions of the existing & new Individual/ Project loans.

10) To take over the portfolio of the Housing Loans, subject to the limits as specified by the Board from time to time.

11) To waive Interest, Additional Interest, and other charges beyond the limits delegated to Managing Director & CEO in respect of the One Time Settlement under FPSO.

12) To waive principal amount irrespective of the waiver amount involved in respect of One Time Settlement beyond the limits delegated to Managing Director & CEO under FPSO.

13) To approve the Reserve price under SARFAESI Act, 2002 beyond the limits delegated to Managing Director & CEO under FPSO.

14) To approve LICHFL- PLR and to review & revise the same from time to time.

15) To approve the purchase / construction of the property for office building / staff quarters beyond the limits delegated to Managing Director & CEO, generally on such terms and conditions as it may think fit and in any such purchase or other acquisition to accept such title, as it may believe or may advise to be reasonably satisfactory.

16) To borrow money for the purpose of the business of the Company subject to the limit specified by the Board from time to time.

17) To approve the payment to arrangers for fund mobilisation.

18) To approve the payment of processing or any other fees payable to Banks/FIs.

19) To approve the availing of re-finance from National Housing Bank.

20) To approve / ratify relaxation/ waiver/ refund of processing fees, administrative fee, prepayment charges in respect of project finance (including at the time of revalidation).

21) To approve / ratify restructuring / reschedulement of project loan.

22) To approve revision of rate of interest in respect of project loans on case to case basis.

23) To approve/ ratify issue of NOC, release of charge in respect of project loan.

24) To approve the cases under consortium/ Joint financing.

25) To approve takeover of existing project loan/ term loan of other institution/s.

26) To approve loan against unsold inventory.

27) To approve loan against Apna Hospital Scheme.

28) To modify existing schemes.

29) To delegate to Managing Director & CEO any or all of the powers listed above for a specific period.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee (SRC) looks into issues related to Shareholders, like transfer / transmission of shares, issue of duplicate share certificate/s, non-receipt of dividend, annual report and other related matters. The Committee also advises to improve investor services and to provide prompt and sufficient information.

Composition of the SRC is as follows:

Smt.Jagennath Jayanthi	Chairman	Independent Director
Dr Dharmendra Bhandari	Member	Independent Director
Shri Kashi Prasad Khandelwal	Member	Independent Director
Shri Y. Viswanatha Gowd	Member	Managing Director & CEO

Date of Stakeholder Relationship Committee Meeting & Attendance of Members:

Sr. No.	Date on which Stakeholder Relationship Committee meeting were held	Smt. Jagennath Jayanthi	Dr Dharmendra Bhandari	Shri Kashi Prasad Khandelwal	Shri Y. Viswanatha Gowd
1.	1st February, 2023	Attended	Attended	Attended	Attended

The Roles and Responsibilities of SRC includes the following:

i. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.

ii. Review of measures taken for effective exercise of voting rights by the shareholders

iii. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent

iv. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / Annual Reports / statutory notices by the shareholders of the Company.

The Chairman of the SRC was present at the 33rd AGM to answer shareholder queries.

The Board has delegated power to issue duplicate share certificate/s to the Committee of Directors so as to expedite the process of issuing duplicate share certificate/s from time to time to the shareholders in case original share certificate/s is/are lost, upon receipt of necessary documents required for the purpose.

DETAILS OF SHAREHOLDERS' COMPLAINTS:

Particulars	No. of Complaints
Number of Complaints at the beginning of the Year	2
Number of complaints / requests in respect of non-receipt of Annual Report, Address change, change in ECS details, non-receipt of Duplicate Share Certificate/s, Revalidation of Dividend Warrant etc. received during the year	12
Number of complaints / requests in respect of non-receipt of Annual Report, Address change, change in ECS details, non-receipt of Duplicate Share Certificate/s, Revalidation of Dividend Warrant etc. resolved during the year	14
Number of Complaints at the end of the Year	0

Request pertaining to Dematerialisation and Transfer of Shares:

Nature of request	Requests received	No. of Shares involved
Dematerialisation	670	414350
Transfer of shares	115	5900

The requests for Dematerialisation and Transfers were promptly attended and there were no requests pending for approval as on 31st March, 2023.

COMPLIANCE OFFICER:

As per the requirements of the RBI/2022-23/24 Ref.No.DoS.CO.PPG./SEC.01/11.01.005/2022-23 dated 11th April, 2022 the Company appointed Shri D R Muralidharan as the Chief Compliance Officer of the Company.

Ms. Varsha Hardasani acts as the Company Secretary & Compliance Officer w.e.f 1st June, 2022 after the superannuation of Shri Nitin K. Jage who was the General Manager (Taxation) and Company Secretary until 31st May, 2022.

OTHER COMMITTEES:

DEBENTURE ALLOTMENT COMMITTEE:

The Debenture Allotment Committee is empowered to raise funds by allotting Non-Convertible Debentures (NCDs), to the successful applicants from time to time in different tranches. All tranches are listed on National Stock Exchange (NSE) in whole sale debt segment. **During the year, Fourteen (14) Debenture Allotment Committee meetings were held**.

Composition of the Debenture Allotment Committee is as follows:

Shri Y. Viswanatha Gowd	Member	Managing Director & CEO
Dr. Dharmendra Bhandari	Alternate Member	Independent Director
Shri P. Koteswara Rao	Alternate Member	Non-Independent Non- Executive Director
Shri Ashwani Ghai	Member	Whole Time Director

Dates of Debenture Allotment Committee Meetings & Attendance of Members:

Sr. No.	Dates on which Debenture Allotment Committee Meetings were held	Shri Y Viswanatha Gowd	Dr. Dharmendra Bhandari (Alternate Member)	Shri P. Koteswara Rao (Alternate* Member)	Shri Ashwani Ghai**
1	23rd June, 2022	Attended	Attended	Not Applicable	Not Applicable
2	30th June, 2022	Attended	Attended	Not Applicable	Not Applicable
3	03rd August, 2022	Attended	Attended	Not Applicable	Not Applicable
4	18th August, 2022	Attended	Attended	Not Applicable	Not Applicable
5	25th August, 2022	Attended	Attended	Not Applicable	Not Applicable
6	06th December, 2022	Attended	Attended	Attended	Not Applicable
7	16th December, 2022	Attended	Attended	Attended	Not Applicable
8	22nd December, 2022	Attended	Attended	Attended	Not Applicable
9	28th December, 2022	Attended	Attended	Attended	Not Applicable
10	21st February, 2023	Not Attended	Attended	Attended	Attended
11	09th March, 2023	Attended	Attended	Attended	Not Attended
12	16th March, 2023	Not Attended	Attended	Attended	Attended
13	23rd March, 2023	Attended	Attended	Attended	Attended
14	31st March, 2023	Attended	Attended	Attended	Attended

* The Debenture Allotment Committee was reconstituted on 2nd September, 2022 wherein Shri P Koteswara Rao was inducted.

** Shri Ashwani Ghai was inducted in the Committee w.e.f. 6th February, 2023. Shri Ashwani Ghai resigned as the Whole Time Director & COO of the Company with effect from 13th June, 2023 on account of his transfer to LIC of India

NOMINATION & REMUNERATION COMMITTEE (NRC):

NRC comprises of four Non-Executive Directors and the Chairman of the Committee is an Independent Director as per the SEBI Listing Regulations, 2015. During the year, **Eight (8) NRC meetings were held**.

Composition of the NRC is as follows:

Shri Ravi Krishan Takkar	Chairman	Independent Director
Shri Ameet N Patel	Member	Independent Director
Shri Akshay Rout	Member	Non-Independent Non- Executive Director
Smt. Jagennath Jayanthi	Member	Independent Director

Dates of NRC Meetings and Attendance of Members:

Sr. No.	Date on which Nomination & Remuneration Committee meetings were held	Shri Ravi Krishan Takkar**	Shri Ameet N Patel**	Shri Akshay Rout	Smt. Jagennath Jayanthi**	Shri VK Kukreja**	Dr. Dharmendra Bhandari**	Shri Jagdish Capoor*
1	17th May, 2022	Not Applicable	Not Applicable	Attended	Not Applicable	Attended	Attended	Attended
2	19th July, 2022	Not Applicable	Not Applicable	Attended	Not Applicable	Attended	Attended	Not Applicable
3	02nd August, 2022	Not Applicable	Not Applicable	Attended	Not Applicable	Attended	Attended	Not Applicable
4	28th October, 2022	Attended	Attended	Attended	Attended	Not Applicable	Not Applicable	Not Applicable
5	29th November, 2022	Attended	Attended	Attended	Attended	Not Applicable	Not Applicable	Not Applicable
6	27th January, 2023	Attended	Attended	Attended	Attended	Not Applicable	Not Applicable	Not Applicable
7	06th February, 2023	Attended	Attended	Attended	Attended	Not Applicable	Not Applicable	Not Applicable
8	02nd March, 2023	Attended	Attended	Attended	Attended	Not Applicable	Not Applicable	Not Applicable

* Shri Jagdish Capoor, Independent Director superannuated from the Board on the completion of his second term on 23rd May, 2022.

**The Nomination and Remuneration Committee was reconstituted on 2nd September, 2022 wherein Shri Ravi Krishan Takkar, Shri Ameet N Patel and Smt. Jagennath Jayanthi was inducted in place of Shri Jagdish Capoor, Dr Dharmendra Bhandari and Shri V. K. Kukreja.

The terms of reference of the NRC are as follows:

(1) formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors, a policy relating to, the remuneration of the Directors, Key Managerial Personnel and Other Employees;

(2) For every appointment of an Independent Director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   a. use the services of an external agencies, if required;

   b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

   c. consider the time commitments of the candidates.

(3) formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

(4) devising a policy on diversity of Board of Directors;

(5) identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.

(6) whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

(7) recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

INVESTMENT COMMITTEE:

The Investment Committee has been formed for consideration of proposal of strategic investment in the equity capital as well as investment in subsidiary as well as associate companies and recommend the same to the Board for approval.

During the year, One (1) Investment Committee meeting was held

Composition of the Investment Committee is as follows:

Dr Dharmendra Bhandari	Chairman	Independent Director
Shri V K Kukreja	Member	Independent Director
Shri. P Koteswara Rao	Member	Non- Independent Non –Executive Director
Shri. Sanjay Kumar Khemani	Member	Independent Director

Dates of Investment Committee Meetings and Attendance of Members:

Sr. No.	Date on which Investment Committee Meetings were held	Dr Dharmendra Bhandari	Shri V K Kukreja	Shri P Koteswara Rao	Shri Sanjay Kumar Khemani
1	28th October, 2022	Attended	Attended	Attended	Attended

CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:

During the financial year ended 31st March, 2023, the Directors except nominee directors, namely Shri M R Kumar, Shri Raj Kumar**, Shri Y.Viswanatha Gowd and Shri Ashwani Ghai@ were paid sitting fees @ ₹50,000/- for attending every Board meeting, ₹35,000/- for attending every Executive Committee Meeting and Audit Committee Meeting, ₹25,000/- for attending every Debenture Allotment Committee / Corporate Social Responsibility Committee Meeting/ Risk Management Committee / Nomination & Remuneration Committee / Stakeholder Relationship Committee / Investment Committee Meetings / Independent Directors' Meeting.

The details of sitting fees paid to the Directors during the period from 1st April, 2022 to 31st March, 2023 is mentioned below:

Names of Non –Executive Directors	Sitting fees (In ₹)
Shri Raj Kumar **	50,000.00
Shri Jagdish Capoor*	1,35,000.00
Dr. Dharmendra Bhandari	11,40,000.00
Shri V. K. Kukreja	10,15,000.00
Shri Ameet N. Patel	17,45,000.00
Shri P Koteswara Rao	14,90,000.00
Shri Kashi Prasad Khandelwal	8,85,000.00
Shri Sanjay Kumar Khemani	9,35,000.00
Shri Akshay Rout	9,50,000.00
Smt. Jagennath Jayanthi	10,45,000.00
Shri Ravi Krishan Takkar	11,70,000.00

* Shri Jagdish Capoor, Independent Director superannuated from the Board on the completion of his second term on 23rd May, 2022.

** Sitting Fees paid to Shri Raj Kumar only for those Board Meeting wherein he has attended after attainment of superannuation from service of LIC of India.

@ Shri Ashwani Ghai resigned as the Whole Time Director & COO of the Company with effect from 13th June, 2023 on account of his transfer to LIC of India.

Remuneration to Non-Executive Directors:

The Non-Executive Directors would be paid such amount of Sitting Fees as decided from time to time for every Board and Committee Meeting they attend. Apart from Sitting Fees no other Remuneration / Commission would be payable to them.

In future if Company decides to pay any Remuneration / Commission to Non–Executive Independent Directors, then the same will be in compliance with Regulation 17(6) of the SEBI Listing Regulations, 2015 as amended from time to time.

The Non-Executive Directors of the Company do not have any pecuniary relationships or transactions with the Company or its directors, senior management, subsidiary or associate companies, other than in the normal course of business.

Remuneration to Non-Executive Nominee Directors:

The Non-Executive Nominee Directors are not paid any Sitting Fees for any Board and Committee Meetings they attend. The Non-Executive Nominee Directors are not paid any salary and / or other benefits by the Company.

Remuneration to Executive Nominee Director:

The Executive Nominee Director is paid remuneration as applicable to an Officer in the cadre of Zonal Manager (Selection Scale) of LIC of India. This apart, the Executive Nominee Director is entitled for PLI as per criteria approved by the Nomination and Remuneration Committee of the Board read with the applicable provisions of the Companies Act, 2013.

As and when there is any revision in the pay scales of the Executive Nominee Director as per the charter decided by the LIC of India, then the same is made applicable to the Executive Nominee Director at par with those of the officials in the similar cadre. Further, tenure and terms and conditions of appointment of Executive Nominee Director are as decided by LIC of India from time to time and as approved by the Board of Directors of the Company.

However, the remuneration payable to Executive Nominee Director at any point of time shall be within the limits specified as per Regulation 17(6) of the SEBI Listing Regulations, 2015 as amended from time to time and in terms of the relevant provisions of the Companies Act, 2013 read with applicable rules therewith.

The remuneration paid to Executive Nominee Directors of Company for Financial Year 2022-2023 is as under:

Particulars	Shri Y. Viswanatha Gowd April 2022 to March 2023* Amount In ₹	Shri Ashwani Ghai September 2022 to March 2023* Amount In ₹
Gross Salary, PLI, Sodexo and medical lumpsum	60,16,371/-	22,29,430/-
Contribution to pension and gratuity funds	4,24,345/-	2,45,338/-
Perquisites in cash or in kind	14,40,632/-	8,46,761/-
Total	**78,81,348/-**	**33,21,529/-**

* It may be mentioned here that Performance Linked Incentive (PLI) for F.Y. 2021-2022 was paid during the F.Y. 2022-2023 and calculated as per the performance criteria (like growth in portfolio, recovery ratio, NPA ratio and Profit After Tax) approved by the Board.

Remuneration to Key Managerial Personnel (other than MD & CEO) and Other Employees:

In the present set up of the Company, Key Managerial Personnel, other than Managing Director & CEO, are Company Secretary and Chief Financial Officer. Remuneration payable to Company Secretary, Chief Financial Officer and other employees is as decided by the Board of Directors as per Service Terms, Conduct Rules 1990 as amended from time to time.

During the financial year 2022-23, except Managing Director & CEO and COO who are Executive Directors, none of the Directors of the Company were paid any other remuneration or any elements of remuneration package under major groups, such as salary, benefits, bonuses, stock options, pension, and performance linked incentive etc.

The evaluation criteria for performance evaluation of Independent Directors as well as Remuneration Policy laid down by the NRC are hosted on our website and web link of the same is appended to **Annexure 5** of the Board's Report.

MEETING OF INDEPENDENT DIRECTORS:

Separate Meeting of the Independent Directors of the Company was held on 9th February, 2023 in which, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole. The Independent Directors reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties

ANNUAL EVALUATION MADE BY THE BOARD OF ITS OWN PERFORMANCE:

To improve the effectiveness of the Board and its committees, as well as that of each individual Director, and as per regulatory requirements a formal and rigorous Board review is undertaken on an annual basis.

The performance of the Board was evaluated after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of Board process, information and functioning, process of disclosure and communication, access to timely, accurate and relevant information etc.

The Committee evaluated its own performance after seeking inputs from the Committee Members on the basis of criteria such as the Composition of Committee, effectiveness of Committee Meetings, functioning, etc.

The Board and the NRC reviewed the performance of the Individual Directors on the basis of the criteria such as contribution of individual Director to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in Meetings, presenting views convincingly, being resolute in holding views etc. In addition, the performance of the Chairman was also evaluated on the key aspects of his role.

The performances of the Independent Directors were evaluated by circulation of the questionnaire, wherein the Non-Independent Directors assigned their comments on various attributes of skill, expertise and experience of the Independent Directors. In this manner the performance of the entire Board was evaluated during FY 2022-23.

The Board acknowledges the commitment of the Independent Directors towards ensuring to protect the interest of the Company and its stakeholders. They bring to the Company a wide range of experience, knowledge and judgment as they draw on their varied proficiencies. The Independent Directors bring in their external perspectives and past experiences by providing valuable insights which are unbiased and objective. They have committed and allocated sufficient time to perform their duties effectively.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility (CSR) Committee monitors implementation of the CSR Policy and apprises the Board accordingly. The CSR Budget of the Company for the F.Y.2022-23 was ₹63.05 crore out of which the Company spent ₹9.94 crore and a provision of ₹53.28 crore has been made for CSR proposals sanctioned by the Company during F.Y.2022-23. The projects undertaken under CSR expenditure are spread across following sectors viz. integrated rural development, livelihood development, women empowerment, health care, education, community development, solid waste management and environment.

Composition of the CSR Committee is as follows:

Shri Akshay Rout	Chairman	Non- Independent Non –Executive Director
Smt. Jagennath Jayanthi	Member	Independent Director
Shri Y. Viswanatha Gowd	Member	Managing Director & CEO
Shri Ashwani Ghai	Member	Whole Time Director

Dates of CSR Committee Meetings & Attendance of Members:

Sr. No.	Date on which CSR Committee Meetings were held	Shri Akshay Rout	Smt. Jagennath Jayanthi	Shri Y Viswanatha Gowd	Shri Ashwani Ghai**	Shri Jagdish Capoor*
1	30th April, 2022	Attended	Attended	Attended	Not Applicable	Attended
2	29th July, 2022	Attended	Attended	Attended	Not Applicable	Not Applicable
3	10th October, 2022	Attended	Attended	Attended	Not Applicable	Not Applicable

Sr. No.	Date on which CSR Committee Meetings were held	Shri Akshay Rout	Smt. Jagennath Jayanthi	Shri Y Viswanatha Gowd	Shri Ashwani Ghai**	Shri Jagdish Capoor*
4	09th November, 2022	Attended	Attended	Attended	Not Applicable	Not Applicable
5	30th January, 2023	Attended	Attended	Attended	Not Applicable	Not Applicable
6	23rd February, 2023	Attended	Attended	Attended	Attended	Not Applicable
7	24th March, 2023	Attended	Attended	Attended	Attended	Not Applicable

* Shri Jagdish Capoor, Independent Director superannuated from the Board on the completion of his second term on 23rd May, 2022.

** Shri Ashwani Ghai was inducted in the Committee w.e.f. 6th February, 2023. Shri Ashwani Ghai resigned as the Whole Time Director & COO of the Company with effect from 13th June, 2023 on account of his transfer to LIC of India.

RISK MANAGEMENT COMMITTEE :

The Company has Risk Management Committee (RMC) to identify the risks impacting the business of the Company and to take appropriate measures to mitigate the same. The terms of reference of RMC shall comprise of:

- review of Risk Management Policy,
- review of the current status of the Risk Management Policy and Report to the Board,
- review the matters on Risk Management and
- review and monitor types of risks the Company is exposed to.

Composition of the RMC is as follows:

Shri Ravi Krishan Takkar	Chairman	Independent Director
Shri V. K. Kukreja	Member	Independent Director
Shri Ameet N. Patel	Member	Independent Director
Shri Y. Viswanatha Gowd	Member	Managing Director & CEO
Shri Ashwani Ghai	Member	Whole Time Director

Dates of RMC Meetings and Attendance of Members:

Sr no.	Date on which Risk Management Committee Meetings were held	Shri Ravi Krishan Takkar*	Shri V K Kukreja	Shri Ameet Patel	Shri Y. Viswanatha Gowd	Shri Ashwani Ghai**	Dr. Dharmendra Bhandari
1	13th May, 2022	Not Applicable	Attended	Attended	Attended	Not Applicable	Attended
2	02nd August, 2022	Not Applicable	Attended	Attended	Attended	Not Applicable	Attended
3	28th October, 2022	Attended	Attended	Attended	Attended	Not Applicable	Not Applicable
4	31st January, 2023	Attended	Attended	Attended	Attended	Not Applicable	Not Applicable
5	28th February, 2023	Attended	Attended	Attended	Attended	Attended	Not Applicable

*The Risk Management Committee was reconstituted on 2nd September, 2022 wherein Shri Ravi Krishan Takkar was inducted in the Committee.

** Shri Ashwani Ghai was inducted in the Committee w.e.f. 6th February, 2023. Shri Ashwani Ghai resigned as the Whole Time Director & COO of the Company with effect from 13th June, 2023 on account of his transfer to LIC of India.

IT STRATEGY COMMITTEE:

As per NHB/ND/DRS/Policy Circular No. 90/2017-18 dated 15th June, 2018, all Housing Finance Companies are mandated to form IT Strategy Committee. Therefore the Board constituted the IT Strategy Committee and prescribed the role of the committee as below:-

(a) Formulating policies pertaining to IT strategies, cyber securities including Cyber Crisis Management Plan (CCMP), and other interrelated matters to IT governance.

(b) Providing inputs to Board and senior management for implementation.

(c) Review of Policies, strategies, cyber security arrangements, etc., and amendment thereto, as and when required.

(d) Ascertaining that the management has implemented processes and practices to ensure that the deliverables as per the Policies framed are achieved.

(e) Reviewing periodically on the value added to the business, by the IT strategies implemented.

(f) Ensuring that IT investments represent a balance of risk and benefits and conduct cost-benefit analysis by evaluating that the budgets are acceptable.

(g) Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.

(h) Ensuring proper balance of IT investments for sustaining Company's growth and becoming aware about exposure towards IT risks and controls.

(i) Carrying out any other function as may be required by other applicable laws and amendments thereto.

Composition of the IT Strategy Committee is as follows:

Shri Ameet Patel	Chairman	Independent Director
Shri Sanjay Kumar Khemani	Member	Independent Director
Shri Akshay Rout	Member	Non- Independent Non –Executive Director
Shri Y. Viswanatha Gowd	Member	Managing Director & CEO
Shri Ashwani Ghai*	Member	Whole Time Director
Ms Angel Johnson	Chief Information Officer	Senior Management Personnel
Shri Hitesh Talreja	Chief Technology Officer	Senior Management Personnel

Dates of IT Strategy Committee Meetings and Attendance of Directors / Senior Management Personnel:

Sr. no.	Date on which IT Strategy Committee meetings were held	Shri Ameet Patel	Shri Sanjay Kumar Khemani	Shri Akshay Rout	Shri Y Viswanatha Gowd	Smt Angel Johnson	Shri Hitesh Talreja
1	10th May, 2022	Attended	Not Attended	Attended	Attended	Attended	Attended
2	17th June, 2022	Attended	Attended	Attended	Attended	Attended	Attended
3	27th June, 2022	Attended	Attended	Attended	Attended	Attended	Attended
4	27th October, 2022	Attended	Attended	Attended	Attended	Attended	Attended
5	27th January, 2023	Attended	Attended	Attended	Attended	Attended	Attended

** Shri Ashwani Ghai was inducted in the Committee w.e.f. 6th February, 2023. Shri Ashwani Ghai resigned as the Whole Time Director & COO of the Company with effect from 13th June, 2023 on account of his transfer to LIC of India.

SUBSIDIARY COMPANIES

The Company has four subsidiaries, namely LICHFL Care Homes Limited, LICHFL Financial Services Limited, LICHFL Asset Management Company Limited and LICHFL Trustee Company Private Limited.

The Company does not have any 'unlisted material Indian subsidiary'. During the year, the Audit Committee reviewed the financial statements of all the unlisted subsidiary companies and in particular the investment made by them.

The minutes of the Board meetings of Subsidiary companies were placed before Audit Committee and the Board. The management of the unlisted subsidiaries also appraised the Board of the Company, the statement of significant transactions entered into by the unlisted subsidiaries.

GENERAL BODY MEETINGS:

Annual General Meeting:

The details of the location and time of the last three Annual General Meetings are given below:

Year	Location	Date	Time
2019-20	Through Video Conference ('VC') / Other Audio Visual Means ('OAVM') in compliance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular no. 14/2020, dated 8th April, 2020, MCA General Circular no. 17/2020, dated 13th April, 2020 and MCA General Circular no. 20/2020 dated 5th May, 2020.	28th September, 2020	3:00 P.M.

Year	Location	Date	Time
2020-21	In compliance with the applicable provisions of the Companies Act, 2013 read with MCA general circular no. 14/2020, dated 8th April, 2020, MCA general circular no. 17/2020, dated 13th April, 2020 and MCA general circular no. 20/2020 dated 5th may, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020 and 39/ 2020 dated 31st December, 2020 and circular no. 10/2021 dated 23rd June, 2021 issued by the Ministry of Corporate Affairs (referred to as the "MCA circulars") and SEBI circular no. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated 12th May, 2020 and SEBI circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021.	27th September, 2021	3:00 P.M.
2021-22	In compliance with the applicable provisions of the Companies Act, 2013 read with MCA general circular no. 14/2020, dated 8th April, 2020, MCA general circular no. 17/2020, dated 13th April, 2020 and MCA general circular no. 20/2020 dated 5th may, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020 and 39/ 2020 dated 31st December, 2020 and circular no. 10/2021 dated 23rd June, 2021 issued by the Ministry of Corporate Affairs (referred to as the "MCA circulars") and SEBI circular no. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated 12th May, 2020 and SEBI circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021.	29th September, 2022	3:30 P.M.

Special Resolutions passed at the three previous Annual General Meetings:

2020:

(i) Approval of Issuance of Redeemable Non-Convertible Debentures and /or other hybrid Instruments on a private placement basis.

(ii) Re-Appointment of Shri V K Kukreja (DIN-01185834) as an Independent Director of the Company for the second term.

(iii) Re-Appointment of Shri Ameet Patel (DIN-00726197) as an Independent Director of the Company for the second term.

2021:

(i) Approval for Issuance of Redeemable Non-Convertible Debentures and / or other Hybrid Instruments on a Private Placement Basis.

(ii) Approval for substituting the Clause 11 (A) (iii) Of the Articles of Association (AOA) the Company pertaining to 'Further Issue of Capital.

(iii) Approval for alteration in Clause iii (Objects) of the Memorandum of Association and adoption of new set of Memorandum of Association of the Company.

2022:

(i) Approval for appointment of Mr. Ravi Krishan Takkar as an Independent Director of the Company.

(ii) Approval for Issuance of Redeemable Non-Convertible Debentures and / or other Hybrid Instruments on a Private Placement Basis.

(iii) Approval to amend material related party transaction limits with LIC of India.

Details of Postal Ballot conducted by the Company

During the year 2022-23, the Company conducted two Postal Ballot –

1) **Approval for the appointment of Shri Ashwani Ghai (DIN 09733798) as Whole Time Director being Key Managerial Personnel (KMP) designated as Chief Operating Officer (COO) on the board of LIC Housing Finance Limited**

Pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 ("Act") read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) and enactment(s) thereof for the time being in force, the consent of the members be and is hereby accorded for the appointment of Ashwani Ghai (DIN 09733798) as a Whole Time Director designated as Chief Operating Officer of the Company, for such period until which he remains deputed in the Company as a nominee director of LIC of India, subject to a maximum period upto 5 years, with effect from 1st November, 2022 on payment of such remuneration as is applicable to the Cadre of Shri Ghai from time to time (presently in the cadre of an Executive Director) as per the service rules of LIC of India, as well as the applicable service rules of LIC Housing Finance Limited, whereas the Performance linked incentive (PLI) would be payable as per the grading system applicable for the MD&CEO and as recommended by Nomination and Remuneration Committee ("Committee") and approved by the Board, with liberty to the Board of Directors (including Committee) to determine the terms and conditions of said appointment /re-appointment and also alter and vary the terms and conditions of the said appointment /re-appointment and remuneration in such manner as deemed fit and necessary.

Shri P. S. Gupchup (ACS 4631; CP 9900) was appointed as the Scrutiniser for conducting the postal ballot through the e-voting process in a fair and transparent manner.

The resolution passed by way of postal ballot along with the voting pattern in respect of the Special Resolution passed is as mentioned below:

Details of voting pattern of the Special Resolutions passed:

Resolution No.	Particulars	% of votes polled on outstanding shares	% of votes in favour on votes polled	% of votes against on votes polled
01	Approval for the appointment of Shri Ashwani Ghai (DIN 0009733798) as Whole Time Director being Key Managerial Personnel (KMP) designated as Chief Operating Officer (COO) on the board of LIC Housing Finance Limited	77.89	95.29	4.70

2) **Approval for the change in the designation of Director, Shri Sanjay Kumar Khemani, (DIN 00072812) from Non-Executive Director to Independent Director**

Pursuant to the provisions of Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, (including any amendment, modification, variation or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Regulation 17(1)(b), Regulation 17(1C) and other applicable provisions of the SEBI Listing Regulation, 2015 thereof, as amended from time to time, and the appropriate article(s) of Articles of Association of the Company, the approval of Members/ Shareholders be and is hereby accorded for appointment of Shri Sanjay Kumar Khemani, (DIN 00072812) , who has been serving in the Board of the Company as a Non-Executive Director from 1st July, 2019 and who has been found to be fulfilling the criteria of Independence prescribed under Section 149(6) of the Companies Act, 2013, relevant provisions of the SEBI Listing Regulations, 2015 and whose candidature has been found by the Nomination and Remuneration Committee (NRC) to be suitable and eligible based on 'Fit and Proper' criteria adopted by the Board on 10th March, 2017, pursuant to NHB notification No.NHB.HFC.CG-DIR.1/ MD&CEO/2016 dated 9th February, 2017, read with the Annexure VII of the RBI Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, be and is hereby re-designated as an Independent Director not liable to retire by rotation until 30th June, 2024 with effect from 06th February, 2023 upon such remuneration as detailed in the explanatory statement hereto and as may be determined by the Board of Directors of the Company from time to time within the overall limits under the Act.

Shri P. S. Gupchup (ACS 4631; CP 9900) was appointed as the Scrutiniser for conducting the postal ballot through the e-voting process in a fair and transparent manner.

The resolution passed by way of postal ballot along with the voting pattern in respect of the Special Resolution passed is as mentioned below:

Resolution No.	Particulars	% of votes polled on outstanding shares	% of votes in favour on votes polled	% of votes against on votes polled
01	Approval for the change in the designation of Director, Shri Sanjay Kumar Khemani, (DIN 00072812) from Non-Executive Director to Independent Director	78.33	82.16	17.83

UNCLAIMED DIVIDENDS AND TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Pursuant to Section 124 of Companies Act 2013, the Company has transferred the unclaimed final dividend for the financial year 2014-15 on due date to the IEPF. The Company has uploaded the details of unclaimed dividends lying with the Company as on 29th September, 2022 (date of last Annual General Meeting) on the website of the Company namely www.lichousing.com and also on the website of the Ministry of Corporate Affairs. After completion of seven years, no claims shall lie against the said fund or against the Company for the amount of Dividend so transferred, nor shall any payment be made in respect of such claims under

Companies Act, 2013. The Companies Act, 2013 provides for claiming such dividends from the Central Government.

DISCLOSURES:

None of the transactions with any of the related parties were in conflict with the interests of the Company.

The details of all transactions with Related Parties, in the manner required, were tabled before the Audit Committee as per the SEBI Listing Regulations, 2015, on quarterly basis during Financial Year 2022-23. The policy on dealing with Related Party transactions and procedures is disclosed on the Company's website and Related Party Transactions are appended to the Directors' Report.

https://www.lichousing.com/consolidated-related

The Company and its subsidiaries have not given any loans or advances in the nature of loans to the firms/ companies in which directors of the Company are interested.

The Company has laid down the procedures to inform Board Members about the risk assessment and minimisation procedures and the Board reviews the Risk Management report on quarterly basis.

The Company has a Code of Conduct for prevention of insider trading known as "LICHFL Code of Conduct for Prevention of Insider Trading" in the shares and securities of the Company by its Directors and designated persons.

Consequent to the amendments to the SEBI (Prohibition of Insider Trading) Regulations, 2015 as well as issuance of certain clarifications by SEBI on Prohibition of Insider Trading, the Company's "LICHFL Code of Conduct for Prevention of Insider Trading" was revised during the year. It is applicable to designated persons, their immediate relatives and other connected persons. These identified persons are prohibited from trading in the securities of the Company during the restricted trading periods notified by the Company, from time to time and whilst in possession of any unpublished price sensitive information relating to the Company.

The Company has a Code of Conduct for its Directors and the Senior Management. The Code includes the duties of Independent Directors as laid down in the Companies Act, 2013.

The above Code is hosted on the Company's website –

https://www.lichousing.com/static-assets/pdf/Code%20of%20Conduct%20for%20Board%20Members%20and%20Senior%20management.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true

and has been circulated to all the members of the Board and Senior management and the compliance of the same has been affirmed by them. A declaration confirmed by Managing Director and CEO is given below:

Compliance with Code of Conduct for the Financial Year 2022-2023

I confirm that for the year under review, Directors and senior management have affirmed their adherence to the provisions of the Code of Conduct.

For LIC Housing Finance Limited

Y. Viswanatha Gowd

Managing Director & CEO

Mumbai, 31st March, 2023

The Company has a whistle blower policy – a Vigil Mechanism for employees to report to the management any concerns about unethical behaviour, actual or suspected fraud or violation of the rules and regulations. The Board confirms that no personnel were denied access to the Audit Committee.

The Company does not have an Employee Stock Option Scheme.

In the preparation of financial statements, no treatment materially different from that prescribed in the applicable Accounting Standards as amended from time to time, in respect of these financial statements has been followed.

Directors confirm that the Company has adequate resources to continue its business and, therefore, the financial statements are prepared on a going concern basis.

The Company has formulated policy for determining 'material' subsidiaries. The same has been hoisted on the website of the Company namely https://www.lichousing.com/static-assets/pdf/Policy_for_Determining_material_Subsidiaries.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true However, none of the Company's subsidiaries' income or net worth (i.e. paid up capital and free reserves) exceeds 10% of the consolidated income or net worth of the Company and its subsidiaries in the F.Y. 2022-2023.

The Company has also adopted Policy on archiving of information content, hosted on website (https://www.lichousing.com/static-assets/pdf/POLICY%20ON%20ARCHIVING%20OF%20INFORMATION%20OR%20CONTENT%20HOSTED%20ON%20WEBSITE%202021.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true) and Policy for Preservation of

Documents (https://www.lichousing.com/static-assets/pdf/Policy-on-Preservation-of-Documents-1.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true).

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. Number of complaints filed during the year: Nil

b. Number of complaints disposed of during the financial year: Nil

c. Number of complaints pending as on end of the financial year: Nil

POLICY ON FIT AND PROPER CRITERIA FOR THE DIRECTORS:

The Company has formulated and adopted a Policy on Fit and Proper Criteria for the Directors, in accordance with NHB CG Directions pursuant to Master Directions – Non - Banking Financial Company (Reserve Bank) Directions, 2021 which inter-alia, lay down the fit and proper criteria of the Directors at the time for their appointment/reappointment and on a continuing basis.

Payment to Statutory Auditors

As required under Regulation 34 of SEBI Listing Regulations, 2015, the details of fees paid to the Statutory Auditor and all entities in the network firm / network entity of which the Statutory Auditor is a part is presented below :

Particulars	For the year ended 31st March, 2023 Amount (₹ In crore)	For the year ended 31st March, 2022 Amount (₹ In crore)
As auditor	0.50	0.44
Tax Audit	0.11	0.07
For Quarterly Limited Reviews	0.22	0.19
In any other manner (Certification work)	0.21	0.23
Reimbursement of Expenses to Auditors	0.05	0.07
Total	**1.10**	**1.00***

* Including Ineligible GST

- The present Joint Statutory Auditors namely SGCO & Co. LLP, Chartered Accountants [Firm Registration No. 112081W / W100184] and Kandelwal Jain & Co., Chartered Accountant (FRN 105049W) were appointed in the 33rd Annual General Meeting held on 29/09/2022.

Total fees for all services paid by the Subsidiary Company and Associate Company on a consolidated basis, to the Statutory Auditors, is given below:

Sr. No.	Name Of Subsidiary and Associate Company	Total fees paid (₹ In lakhs)
Subsidiary		
1	LICHFL Care Homes Limited	1.9
2	LICHFL Financial Services Limited	1.9
3	LICHFL Asset Management Company Limited	6.6
4	LICHFL Trustee Company Private Limited	0.46
Associates		
1	LIC Mutual Fund Asset Management Company Limited	8.25#
2	LIC Mutual Fund Trustee Private Limited	1.00#

V. C. Shah & Co., Chartered Accountant (FRN 108918W) are the Statutory Auditors of this Associate Company.

INTERNAL GUIDELINES ON CORPORATE GOVERNANCE:

The Company has formulated and adopted the Internal Guidelines on Corporate Governance in accordance with Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 which lay down the Corporate Governance practices of the Company and the same is available on the website of the Company at the URL:

https://www.lichousing.com/downloads/Governance%20Guidelines.pdf

CEO / CFO CERTIFICATION:

As required by SEBI Listing Regulations, 2015, the Managing Director & CEO / CFO certificate is appended in the Annual Report.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE:

As required by SEBI Listing Regulations, 2015, Certificate from **M/s. N. L. Bhatia & Associates, Practicing Company Secretaries, Mumbai (UIN: P1996MH055800, FCS 5436 and Certificate of Practice No.:4457),** on compliance of the conditions of Corporate Governance is appended in the Annual Report.

MANDATORY / NON-MANDATORY REQUIREMENTS:

During Financial Year 2022-2023, the Company has duly complied with all mandatory requirements of SEBI Listing Regulations, 2015. The Company is in compliance with all the non – mandatory requirements listed in SEBI Listing Regulations, 2015 except that half-yearly financial results including summary of significant events are presently not being sent to the shareholders. However, the quarterly, half-yearly as well as the annual results are published in the newspapers.

FINANCIAL CALENDAR FOR 2023-24 (PROVISIONAL):

a.	Unaudited Financial Result for the first quarter ending 30th June, 2023	In the month of August, 2023
b.	Unaudited Financial Result for the second quarter ending 30th September, 2023	In the month of November, 2023
c.	Unaudited Financial Result for the third quarter ending 31st December, 2023	In the month of February, 2024
d.	Audited Financial Result for the fourth quarter & year ending 31st March, 2024	In the month of May, 2024
e.	Annual General Meeting for the year ending March, 2024	In the month of September 2024

MEANS OF COMMUNICATION:

Timely disclosure of relevant and reliable information on financial performance is at the core of good governance.

The channels of communication include informative Annual Report containing Directors' Report, Report on Corporate Governance, Management's Discussion and Analysis Report and the audited Financial Statements (standalone & consolidated).

The Company also communicates with the shareholders through its website, www.lichousing.com. The quarterly and annual financial results as well as shareholding pattern and Memorandum and Articles of Association of the Company, Code of Conduct for Board of Directors and Senior Management and Code of Conduct for Insider Trading are hosted on the Company's website for information of its shareholders.

Quarterly / Annual Financial Results: The quarterly unaudited financial results and audited yearly financial results of the Company are announced within stipulated period. The audited/ unaudited financial results were published in vernacular language newspaper and leading English newspapers namely Business Standard - English (all editions), Business Line (all editions), The Free Press Journal (all editions), Navshakti (all editions) and Business Standard-Hindi (all editions).

The audited financial statements viz., Balance Sheet, Profit and Loss Account, Cash-Flow Statement including schedules and notes thereon, press releases and presentations made to analysts were hosted on the Company's website.

NEAPS (NSE Electronic Application Processing System) and BSE Corporate Compliance & Listing Centre: NSE and BSE have developed web-based applications for corporates. Periodical compliances like financial results, shareholding pattern, corporate governance reports, etc. are filed electronically on NEAPS and BSE Listing Centre.

Press Release, Presentations etc.: The Company quarterly organises Investors' Meet to communicate with institutional investors and analysts, etc. Official news/press releases and presentations, transcripts of the ConCalls made to investors/ analysts are hosted on the Company's website from time to time and also informed to Stock Exchanges.

Website: The Company's website www.lichousing.com contains dedicated section 'INVESTORS' having updated relevant information for shareholders.

Annual Report: Annual Report containing inter-alia Standalone Audited Financial Statements, Audited Consolidated Financial Statements, Auditors' Report, Directors' Report, Management Discussion and Analysis, Corporate Governance Report, Business Responsibility and Sustainability Report is circulated to the members who are entitled. The same is also uploaded on the website of the Company which can be accessed at the following link- https://www.lichousing.com/annual-report

SCORES (SEBI Complaints Redressal System): SEBI processes investors' complaints in a centralised web-based complaints redressal system i.e. SCORES. Through this system, a shareholder can lodge complaint(s) against a Company for his grievance, The RTA under intimation to the Company uploads the action taken on the complaint which can be viewed by shareholder. The Company and shareholder can seek clarifications online through SEBI.

Letters to Investors: Regular reminders are being sent to the Shareholders for claiming unpaid/ unclaimed dividend/ shares every year.

Green Initiative: Sending important communication to shareholders through email - In terms of the Green initiative launched by the Ministry of Corporate Affairs, to allow service of documents to the members through electronic mode. The Company from the last few years has been sending various communications/ documents like Annual Report, Notice of AGM, NACH intimation etc. through e-mail to those shareholders who have registered their email id with the DP/ RTA.

In view of the prevailing COVID situation and in compliance of MCA/SEBI Circulars, Annual Report has been sent to all eligible shareholders through email only. Efforts have also been made to update / validate the registered email-IDs of shareholders, through CDSL and NSDL, prior to sending emails to eligible shareholders.

To comply with the newly enacted provisions of the Income Tax Act, 1961 and to give fair chance to all eligible shareholders with respect to exemption from deduction of TDS on dividend, communication was sent to shareholders giving them an opportunity to submit necessary documents (Form 15 G, Form 15 H, Form 10 F, declaration-NRI,FPI,FII).

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report forms part of the Directors' Report.

GENERAL SHAREHOLDER INFORMATION

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65922MH1989PLC052257.

(a) Annual General Meeting :

Date and time: 28th August, 2023 (Monday) at 3:30 P.M.

Venue: "Through Video Conference (VC)/ Other Audio Visual Means (OAVM)"

(b) Financial year: The financial year of the Company starts on 01st April and ends on 31st March of next year.

(c) Book closure : From, 19th August, 2023 to, 27th August, 2023 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend, if approved by the Members.

(d) Dividend payment date: On or after 05th September, 2023 but within 30 days from the date of declaration.

Pursuant to the changes introduced by the Finance Act, 2020, with effect from 1st April, 2020, the Company would be required to deduct tax at the prescribed rates on the dividend paid to its Shareholders. The TDS rate would vary depending on the residential status of the Shareholders and the documents submitted by them and accepted by the Company.

(e) The shares of the Company are listed on the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and the Luxembourg Stock Exchange.

(f) Stock Exchanges:

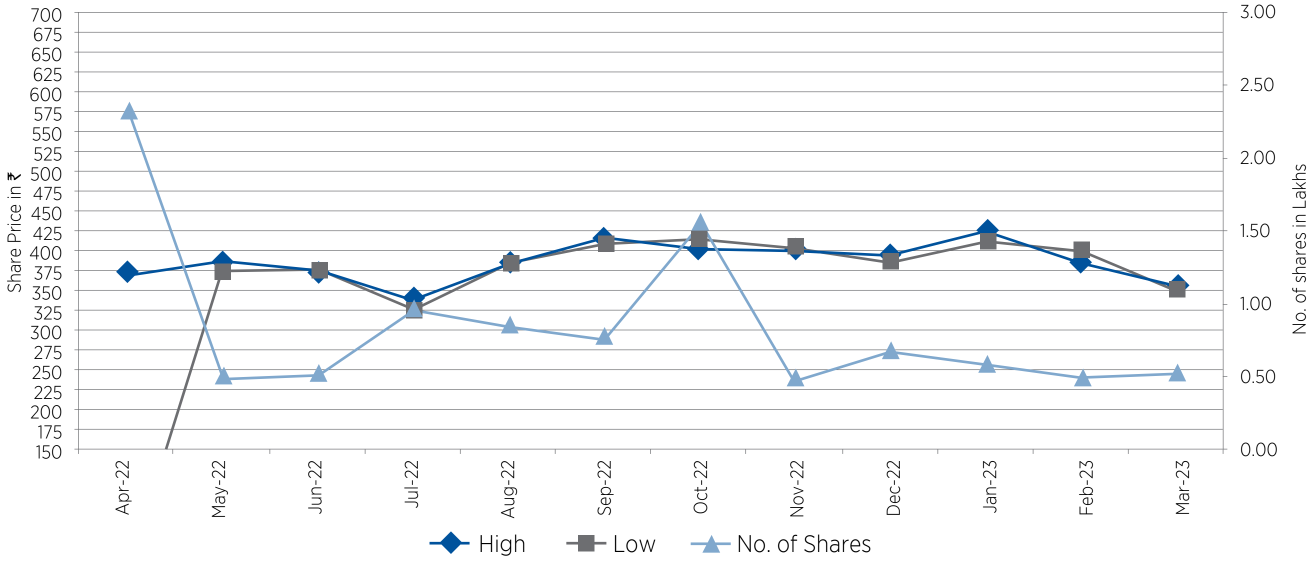
Name of Stock Exchanges	Address	Stock Code
Bombay Stock Exchange Ltd.	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001. Tel.Nos. :022-22721233 / 22721234 Fax Nos. : 022-22721919 Website : www.bseindia.com	500253
National Stock Exchange of India Ltd.	Exchange Plaza, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra – East, Mumbai – 400051. Tel Nos: 022-26598100-114 Fax Nos. : 022-26598120 Website : www.nseindia.com	LICHSGFIN EQ LICHSGFIN(Debt)
Luxembourg Stock Exchange	35A Boulevard Joseph II L-1840 Luxembourg. Tel: (352) 47 79 36 – 1 Fax: (352) 47 32 98 Website : www.bourse.lu	US50186U2033

(g) International Securities Identification Number (ISIN): INE115A01026

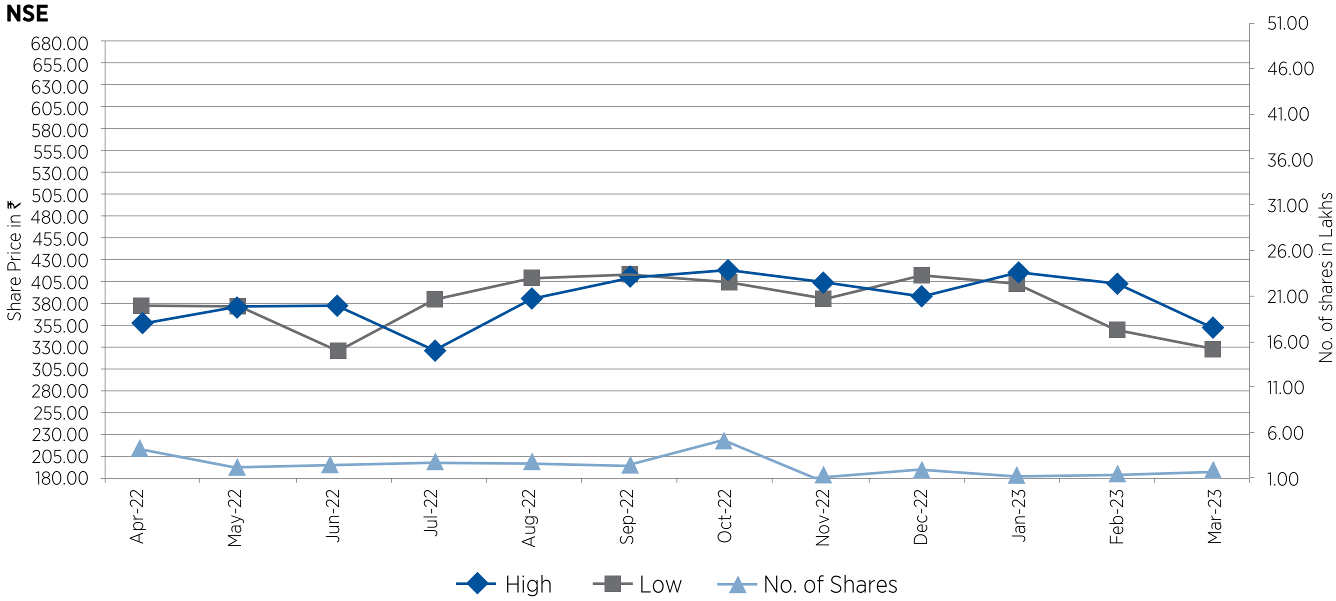
(h) Market price data: The monthly high and low stock quotations during financial year 2022-2023 on BSE and NSE were:

Month	BSE			BSE Sensex		NSE		
	Company's share price (₹)		Volume of shares (Nos.)			Company's share price (₹)		Volume of shares (Nos.)
	High	Low		High	Low	High	Low	
Apr-22	372.25	378.65	234212	59276.69	57060.87	358.95	378.7	4219320
May-22	389.25	378.1	49930	56975.99	55566.41	376	378	2210543
Jun-22	376.15	326.9	52599	55381.17	53018.94	379	327.35	2543212
Jul-22	337.8	386.15	96550	52907.93	57570.25	326.9	386.15	2757017
Aug-22	384.1	409.25	84586	58115.5	59537.07	385	409.2	2562898
Sep-22	416.5	415.25	76743	58766.59	57426.92	408.95	413.85	2433663
Oct-22	402.45	404.9	155566	56788.81	60746.59	419.6	405.3	5461150
Nov-22	400.4	386.45	48343	61121.35	63099.65	405.7	386.6	700138
Dec-22	394.05	414.25	68908	63284.19	60840.74	388.55	414.15	1896873
Jan-23	424.4	401	58942	61167.79	59549.9	416.5	401.2	1356899
Feb-23	385.8	350.55	49465	59708.08	58962.12	403.8	350.55	1286065
Mar-23	356.9	328.7	52803	59411.08	58991.52	352	328.75	1779112

BSE



NSE



(i) Details of Shareholders holding more than 1% of the share capital of the Company as at 31st March, 2023 are given below:

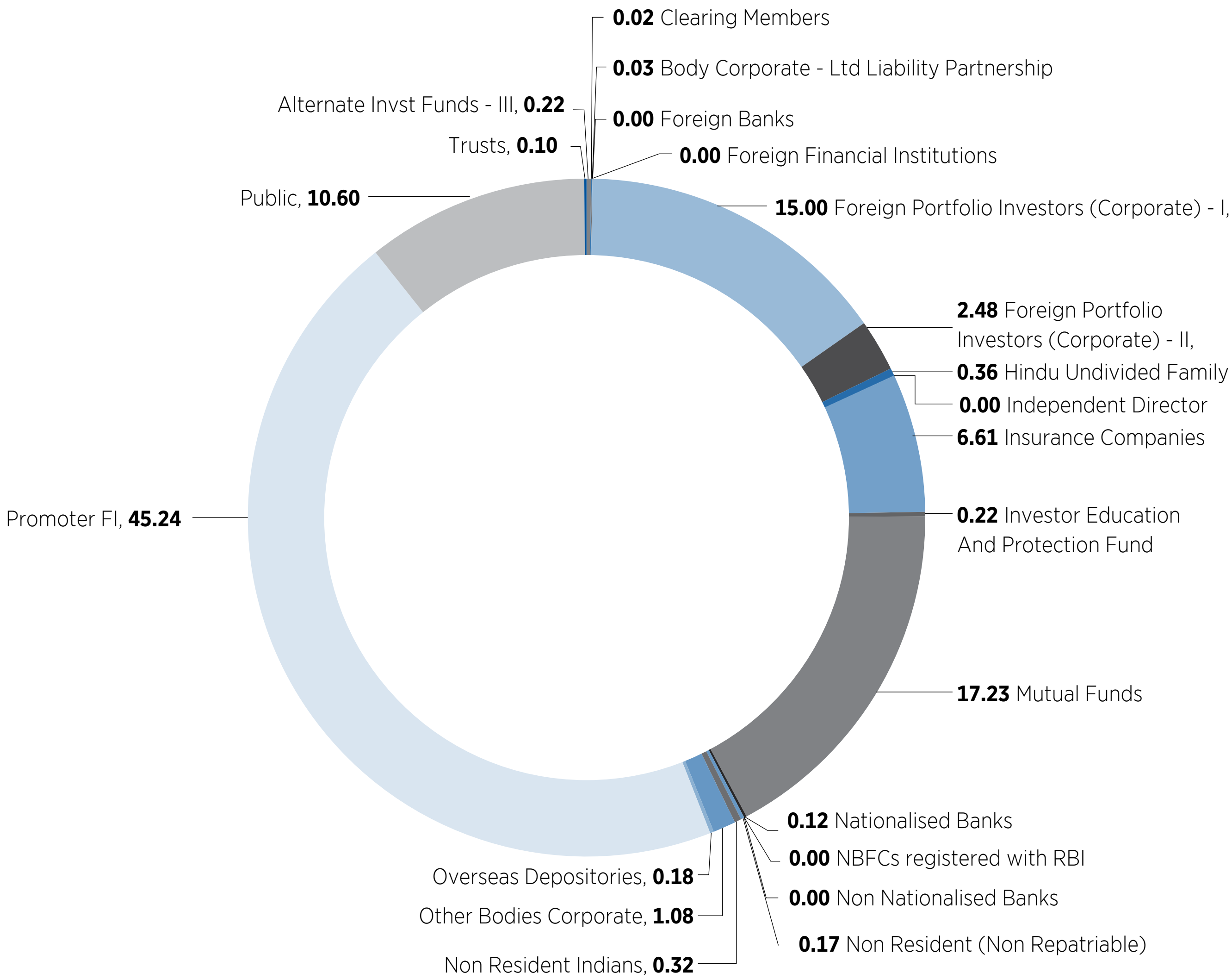
LIC Housing Finance Limited				
List of shareholders holding 1% or more shares as on 31st March, 2023				
Sr No.	**Folio No**	**ShareHolder's Name**	**Shares**	**Percentage**
1	'IN30134820176093	LIFE INSURANCE CORPORATION OF INDIA	248842495	45.2389
2	'IN30005410076881	GOVERNMENT PENSION FUND GLOBAL	14499679	2.636
3	'IN30378610004798	ICICI PRUDENTIAL VALUE DISCOVERY FUND	11710360	2.1289
4	'IN30014210645352	BANK MUSCAT INDIA FUND	11496000	2.0899
5	'IN30016710142910	HDFC LIFE INSURANCE COMPANY LIMITED	8508505	1.5468
6	'IN30378610001929	SBI SMALL CAP FUND	7700000	1.3998
7	'IN30005410100634	ICICI PRUDENTIAL INDIA OPPORTUNITIES FUND	5982340	1.0876
8	'IN30152430042994	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	5632962	1.0241
9	'IN30014210402331	THE PRUDENTIAL ASSURANCE COMPANY LIMITED	5613113	1.0204

Distribution of shareholding as at 31st March, 2023

LIC Housing Finance Limited					
Distribution of Shareholding (Rupees) as on 31st March, 2023					
Sr No	**Shareholding of Nominal Shares**	**Number of Shareholders**	**Percentage of Total Shareholers**	**Share Amount (₹)**	**Percentage of Total Share Amount**
1	1 to 1000	352855	95.031	60014704	5.4553
2	1001 to 2000	10476	2.8214	16147730	1.4678
3	2001 to 4000	4325	1.1648	12975392	1.1794
4	4001 to 6000	1329	0.3579	6732096	0.6119
5	6001 to 8000	614	0.1654	4423940	0.4021
6	8001 to 10000	435	0.1172	4107370	0.3734
7	10001 to 20000	570	0.1535	8291092	0.7536
8	20001 to 99999999999	701	0.1888	987433676	89.7564
	TOTAL :	**371305**	**100**	**1100126000**	**100**

Details of shareholding based on category as on 31st March, 2023:

LIC Housing Finance Limited								
Details of shareholding based on category as on 31st March, 2023								
Sr No	**Category**	**DEMAT Shares**	**DEMAT Holders**	**Physical Shares**	**Physical Holders**	**Total Shares**	**Total Value**	**Total Percentage**
1	Alternate Invst Funds - III	1193501	8	0	0	1193501	2387002	0.217
2	Body Corporate - Ltd Liability Partnership	190355	87	0	0	190355	380710	0.0346
3	Clearing Members	136367	90	0	0	136367	272734	0.0248
4	Foreign Banks	496	1	0	0	496	992	0.0001
5	Foreign Financial Institutions	0	0	4500	2	4500	9000	0.0008
6	Foreign Portfolio Investors (Corporate) - I	82491036	222	0	0	82491036	164982072	14.9967
7	Foreign Portfolio Investors (Corporate) - II	13650767	17	0	0	13650767	27301534	2.4817
8	Hindu Undivided Family	1982651	5237	3500	3	1986151	3972302	0.3611
9	Independent Director	800	2	0	0	800	1600	0.0001
10	Insurance Companies	36368751	34	5500	1	36374251	72748502	6.6127
11	Investor Education And Protection Fund	1185442	1	0	0	1185442	2370884	0.2155
12	Mutual Funds	94760431	88	0	0	94760431	189520862	17.2272
13	Nationalised Banks	677588	3	0	0	677588	1355176	0.1232
14	NBFCs registered with RBI	13905	4	0	0	13905	27810	0.0025
15	Non Nationalised Banks	5065	2	0	0	5065	10130	0.0009
16	Non Resident (Non Repatriable)	935788	2334	0	0	935788	1871576	0.1701
17	Non Resident Indians	1756496	3995	500	1	1756996	3513992	0.3194
18	Other Bodies Corporate	5937929	1110	21000	18	5958929	11917858	1.0833
19	Overseas Depositories	994230	1	0	0	994230	1988460	0.1807
20	Promoter FI	248842495	1	0	0	248842495	497684990	45.2389
21	Public	56071554	353744	2256586	4274	58328140	116656280	10.6039
22	Trusts	574767	24	1000	1	575767	1151534	0.1047
	TOTAL :	**547770414**	**367005**	**2292586**	**4300**	**550063000**	**1100126000**	**100**



(j) Global Depository Shares (GDS):

Global Depository Shares (GDS):

Of the total 5,00,000 GDS issued by the Company, 992 GDSs were outstanding as on 31st March, 2023.

(k) Plant location: The Company is mainly engaged in providing housing finance and as such does not have any manufacturing plant.

(l) Address for correspondence:

Investors and shareholders can correspond with the Company at following address:

A) The Company Secretary

LIC Housing Finance Limited
Corporate Office,
131 Maker Tower, “F” Premises, 13th Floor, Cuffe Parade,
Mumbai - 400 005.
Phones: (91-22) 22178600 / 22178700 / 22178610.
Fax: (91-22) 22178777.
CIN: L65922MH1989PLC052257.
and / or

B) The Registrar and Transfer Agent of the Company at its following address:

Link Intime India Pvt. Limited
C-101, 247 Park, L.B.S. Marg ,
Vikroli (West), Mumbai - 400 083 ,
Phones: (91-22)49186000.

(m) Share transfer system:

All the share transfers are processed by the Registrar and Transfer Agent, namely, Link Intime (India) Pvt. Limited and approved by the Committees of the Officers of the Company constituted for this purpose. The Committee meets as and when required to approve share transfers received in physical form.

(n) Dematerialisation of shares and liquidity:

The shares of the Company are compulsorily traded in dematerialised form and are available for trading under both the Depository Systems — National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2023, 54,77,70,414 equity shares i.e., 99.58% of the Company's share capital were dematerialised.

(o) Debt Securities:

The Secured Redeemable Non-Convertible Debentures and Un-secured Redeemable Non-Convertible Debentures issued by the Company are listed for trading on the Wholesale Debt Market Segment of the NSE. Further there has been no instance whereby at any time, the securities (both equity and / or debt) of the Company was suspended from trading.

Debenture Trustees:

Axis Trustee Services Ltd - Axis House, 2nd Floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400025. Phones:022-24255215 / 24255216, Email : debenturetrustee@axistrustee.com, Website : www.axistrustee.com.

Vistra ITCL (India) Limited - Plot C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai – 400051. Phones : 022-26533333 Email: info@ilfsindia.com, Website : www.ilfsindia.com

SBICAP Trustee Company Limited - 202, Maker Tower, 'E', Cuffe Parade, Mumbai- 4000 05

Phone:022-43026629 Email : corporate@ sbicaptrustee.com

Catalyst Trusteeship Limited- Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400098. Phone 022-49220555 Website:- www.catalysttrustee.com

(p) List of all credit ratings obtained by the entity along with any revisions thereto during the financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad.

CRISIL had reaffirmed its outstanding rating as 'CRISIL AAA/Stable' rating to the non-convertible debentures issue of LIC Housing Finance Limited and has also reaffirmed its 'CRISIL AAA/AAA/Stable/CRISIL A1+' ratings on other debt instruments, bank facilities, fixed deposit programme and commercial paper of the Company.

Total Bank Loan Facilities Rated	₹130085.88 crore (Enhanced from ₹99085.88 crore)
Long Term Rating	CRISIL AAA/Stable (Reaffirmed)
Short Term Rating	CRISIL A1+ (Reaffirmed)
₹30000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Assigned)
₹6929 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹11705 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹199 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹15000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹15000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹15000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹5000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹10000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹15000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹25000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹25000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹25000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹25000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹25000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹5000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹5976 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹20000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹4750 crore Tier II Bond	CRISIL AAA/Stable (Reaffirmed)
Fixed Deposits Programme	CRISIL AAA/Stable (Reaffirmed)
₹17500 crore Commercial Paper	CRISIL A1+ (Reaffirmed)

CARE had reaffirmed its outstanding rating as 'CARE AAA/ Stable' rating to the non-convertible debentures and Tier II Bond issue of LIC Housing Finance Limited.

₹41000 crore Non-Convertible Debentures	CARE AAA / Stable (Assigned)
₹212441 crore Non-Convertible Debentures	CARE AAA / Stable (Reaffirmed)
₹3000 crore Tier II Bond	CARE AAA / Stable (Reaffirmed)

ICRA Limited had reaffirmed ICRA A1+ rating to the ₹17,500 crore commercial paper issue of LIC Housing Finance Limited and has reaffirmed its ICRA A1+.

(q) Listing Fees:

The Company has paid listing fees to Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd., (NSE) for listing of equity shares on BSE and NSE for Financial Year 2022-23. The Company has also paid listing fees for listing of Non-Convertible Debenture on Wholesale Debt market segment on NSE for Financial Year 2022-23. In respect of GDS listed on' Luxembourg Stock Exchange, the Company has paid the listing fees to the Luxembourg Stock Exchange.

(r) Demat Suspense Account / Unclaimed Suspense Account:

There are no shares lying under Demat Suspense Account / Unclaimed Suspense Account and hence the Company does not have any Demat Suspense Account / Unclaimed Suspense Account.

(s) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

The Company has foreign exchange exposure and hedging is done for a significant portion of the same. The Company is not involved in commodity trading and its hedging activities.

(t) Details of non-compliance by listed entity, penalties, strictures imposed on the listed entity by Stock Exchange(S) or the Board or any statutory authority, on any matter related to capital markets, during the last three years;

The National Stock Exchange had levied fine on the Company in five instances, with a cumulative amount of ₹ 8,27,820/- for the violation under Regulation - 17 (1),50(1),52(7)/(7A),57(1) & 60 (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has paid the penalty and an application for waiver has been filed which is currently under the review of the Exchange, as the non-compliance was due to the circumstances beyond the control of the Company.

(u) Details of compliance with mandatory requirements:

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and all the applicable clauses of Regulation 46(2) (b) to (i) of the SEBI Listing Regulations, 2015. All applicable Secretarial Standards on Board Meeting and General Meeting were duly complied. The Company has complied with all the requirements of the Companies Act, 2013 read with applicable Rules therewith. Further, the Company has complied with all applicable Accounting Standards in preparation and presentation of Financial Statements.

This Corporate Governance Report of the Company for the FY 2022-23 is in compliance with the requirements of Corporate Governance under SEBI Listing Regulations, 2015.

(v) CEO/CFO Certificate:

The Compliance Certificate of the MD & Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) to the Board of Directors as specified in Part B of Schedule II of the SEBI Listing Regulations, 2015 has been annexed as **Annexure 1 and 2** to this Report.

(w) Certification from Company Secretary in Practice:

i) **Shri Bharat Upadhyay (FCS: 5436 and Certificate of Practice No.:4457), Partner of M/s. N. L. Bhatia & Associates, Practicing Company Secretaries, Mumbai (UIN: P1996MH055800) has conducted Secretarial Audit in respect of the FY 2022-23**, as per the provisions of Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and as per Regulation 24A of the SEBI SEBI Listing Regulations, 2015 and the Secretarial Audit Report in Form MR-3 provided by the PCS has been submitted to stock exchanges and annexed to the Board's Report ; and the same would be forwarded to the Ministry of Corporate Affairs at the time of submitting this Annual Report.

ii) The Company has also obtained the **Annual Secretarial Compliance Report from Shri Bharat Upadhyay (FCS: 5436 and Certificate of Practice No.:4457), Partner of M/s. N. L. Bhatia & Associates, Practicing Company Secretaries, Mumbai (UIN: P1996MH055800)** as required by SEBI as per Reg. 24A of the Listing Regulations and Circular No. CIR/ CFD/CMD1/27/2019 dated 08th February, 2019 and submitted to the stock exchange on 30th May, 2023.

iii) **Shri Bharat Upadhyay (FCS:5436 and Certificate of Practice No.:4457), Partner of M/s. N. L. Bhatia & Associates, Practicing Company Secretaries, Mumbai (UIN: P1996MH055800)** has also issued a certificate as required under Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI Listing Regulations, 2015, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority. The said certificate of non-disqualification of directors has been annexed herewith in Annexure-3.

The Certificates mentioned in (i) and (ii) above has been enclosed with the Report of Directors as **Annexure-6**.

(x) Recommendations of Committee(s) of the Board of Directors:

During the Financial Year 2022-23, there was no instance, where the Board had not accepted the recommendation(s) of any committee of the Board which is mandatorily required.

CERTIFICATE OF CORPORATE GOVERNANCE

To,
The Members of
LIC HOUSING FINANCE LIMITED

We have examined all the relevant records of **LIC HOUSING FINANCE LIMITED ("the Company")** for the purpose of certifying compliance with the conditions of the Corporate Governance under Chapter - IV to the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 **("Listing Regulations")** for the financial year from **01st April, 2022 to 31st March, 2023.**

The compliance with conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This Certificate is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in the Listing Regulations.

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

FOR M/S. N.L. BHATIA & ASSOCIATES
PRACTICING COMPANY SECRETARIES
UIN: P1996MH055800
P/R NO.: 700/2020

BHARAT UPADHYAY
PARTNER
FCS: 5436
C.P. NO.:4457
UDIN: F005436E000658154

PLACE: MUMBAI
DATE: 21ST JULY, 2023

Annexure-1

To,
The Board of Directors,
LIC Housing Finance Limited.,
Bombay Life Building, 2nd Floor,
45/47, Veer Nariman Road,
Mumbai – 400 001.

Date: 16th May, 2023

ANNUAL CERTIFICATION

We, the undersigned Viswanatha Gowd Y, Managing Director & CEO and Sudipto Sil, Chief Financial Officer hereby certify that for the financial year ended 31st March 2023, have reviewed annual accounts, financial statements and the cash flow statement and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;

4. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies, of which we are aware, in the design or operation of the internal control systems and we have taken the steps to rectify these deficiencies.

5. We further certify that:

   (a) there have been no significant changes in internal control over financial reporting during this year.

   (b) there have been no significant changes in accounting policies during this year.

   (c) there have been some instances of fraud though not significant. There were no involvement of management and there would not have been involvement of employees having a significant role in the Company's internal control system over financial reporting.

Managing Director & CEO **Chief Financial Officer**

Annexure-2

To,
The Board of Directors,
LIC Housing Finance Limited.,
Bombay Life Building, 2nd Floor,
45/47, Veer Nariman Road,
Mumbai – 400 001.

Date: 16th May, 2023

CERTIFICATION

We the undersigned Viswanatha Gowd Y, Managing Director & CEO and Sudipto Sil, Chief Financial Officer hereby certify that for the Quarter ended 31st March,2023 we have reviewed the financial results and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

Managing Director & CEO **Chief Financial Officer**

Annexure-3

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation - 34(3) and Schedule - V Para - C clause - (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
LIC Housing Finance Limited
Bombay Life Building, 2nd Floor,
45/47, Veer Nariman Road,
Mumbai- 400001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **LIC Housing Finance Limited** having **CIN: L65922MH1989PLC052257** and having its registered office at **Bombay Life Building, 2nd Floor, 45/47, Veer Nariman Road, Mumbai- 400 001 (hereinafter referred to as 'the Company')**, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation - 34(3) read with Schedule - V Para - C Clause - 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number **(DIN)** status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2023** have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Directors	DIN	Date of Appointment in Company
1.	Mr. Dharmendra Bhandari	00041829	19/08/2014
2.	Mr. Sanjay Kumar Khemani	00072812	01/07/2019
3.	Mr. Ameet Navinchandra Patel	00726197	19/08/2015
4.	Mr. Kashi Prasad Khandelwal	00748523	01/07/2019
5.	Mr. Vipan Kumar Kukreja	01185834	30/06/2015
6.	Mr. Pottimutyala Koteswara Rao	06389741	11/06/2018
7.	Mr. Ravi Krishan Takkar	07734571	25/07/2022
8.	Mr. Akshay Rout	08858134	28/09/2020
9.	Ms. Jagennath Jayanthi	09053493	05/02/2021
10.	Mr. Viswanatha Gowd Yerur	09048488	01/02/2021
11.	Mr. Ashwani Prem Kumar Ghai*	09733798	01/11/2022

*Mr. Ashwani Ghai (DIN NO.:09733798) resigned as the Whole Time Director & COO of the Company with effect from 13th June, 2023 on account of his transfer to LIC of India.

**Mr. Siddhartha Mohanty (DIN NO.: 08058830) & Mr. Mukkavilli Jagannath (DIN NO.: 10090437) appointed as an Additional Non - Executive Nominee Director of the Company with effect from 05th April, 2023.

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

FOR M/S. N.L. BHATIA & ASSOCIATES
PRACTICING COMPANY SECRETARIES
UIN: P1996MH055800
P/R NO.: 700/2020

BHARAT UPADHYAY
PARTNER
FCS: 5436
C.P. NO.:4457
UDIN: F005436E000658132

PLACE: MUMBAI
DATE: 21ST JULY, 2023

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity: **L65922MH1989PLC052257**
2. Name of the Listed Entity: **LIC Housing Finance Limited**
3. Year of incorporation: **1989**
4. Registered office address: **Bombay Life Building, 2nd Floor, 45/47, Veer Nariman Road, Fort, Mumbai 400001.**
5. Corporate office address: **131, Maker Tower "F" Premises, 13th Floor, Cuffe Parade, Mumbai 400005**
6. E-mail: **lichousing@lichousing.com**
7. Telephone: **(+91) 22 2217 8600**
8. Website: **www.lichousing.com**
9. Financial year for which reporting is being done: **2022-23**
10. Name of the Stock Exchange(s) where shares are listed: **Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and Luxembourg Stock Exchange.**
11. Paid-up Capital: **INR 110.08 Crore**
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report: **Ms. Varsha Hardasani, Company Secretary & Compliance Officer**
13. Reporting boundary: **Disclosures made in this report are on a standalone basis and pertain only to LIC Housing Finance Limited.**

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial and insurance Service (K)	Other financial activities (K8)	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
	Activities of housing finance companies. The Company's core business is financing by way of loans for the purchase or construction of residential houses, commercial real estate and certain other purposes in India. As on 31st March, 2023, in terms of the composition of loans on an Assets Under Management, 83% were loans to individuals, 13% towards Non-Housing Individual & Corporate Loans, 4% towards Project Finance.	65922	100%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated as on 31st March, 2023:

Location	Number of plants	Number of offices	Total
National	NA	281 offices spread across 175 cities/ towns located across 26 states	281
International	NA	1 Representative Office in Dubai	1

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	The Company has its footprints across 26 States in India
International (No. of Country/(ies))	1

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Not Applicable

c. A brief on types of customers

The Company is a Housing Finance Company registered with National Housing Bank (NHB) and is mainly engaged in financing purchase / construction of residential flats / houses to individuals and project finance to developers, Loan against Property (LAP), Lease Rental Discounting (LRD) etc. All other activities revolve around the main business of the Company.

The Company offers lending and deposit services to a mix of individuals, including salaried / self-employed /professionals/ SME customers, retired government employees, the large cross-section of the retail customers belongs to Tier 1/Tier 2 cities/towns.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	EMPLOYEES					
1	Permanent (D)	2353	1587	67%	766	33%
2	Other than Permanent* (E)	109	71	65%	38	35%
3	Total employees (D + E)	2462	1658	67%	804	33%
	WORKERS					
4	Permanent (F)	NA	NA	NA	NA	NA
5	Other than Permanent (G)	NA	NA	NA	NA	NA
6	Total workers (F + G)	NA	NA	NA	NA	NA

*Other than permanent consist of other than confirmed employees, i.e Management Trainees and Probationers.

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	DIFFERENTLY ABLED EMPLOYEES					
1	Permanent (D)	6	5	83%	1	17%
2	Other than Permanent* (E)	0	0	0	0	
3	Total differently abled employees (D + E)	6	5	83%	1	17%
	DIFFERENTLY ABLED WORKERS					
4	Permanent (F)	NA	NA	NA	NA	NA
5	Other than Permanent (G)	NA	NA	NA	NA	NA
6	Total differently abled employees (F + G)	NA	NA	NA	NA	NA

*Other than permanent consist of other than confirmed employees, i.e Management Trainees and Probationers.

19. Participation/Inclusion/Representation of women as on 31st March, 2023

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	11	1	9.00%
Key Management Personnel	4	1	25%

20. Turnover rate for permanent employees and workers

Financial Year	FY 2022-23 (Turnover rate (%))*			FY 2021-22 (Turnover rate (%))*			FY 2020-21 (Turnover rate (%))*		
Type	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	2.67	2.97	2.77	2.22	2.92	2.45	1.44	2.34	1.74
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

*Turnover percentage is calculated based on resignation and termination.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding /Subsidiary / associate companies /joint ventures (A)	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	LICHFL Care Homes Limited	Subsidiary	100%	No
2.	LICHFL Financial Services Limited	Subsidiary	100%	No
3.	LICHFL Asset Management Company Limited (Formerly known as LICHFL Asset Management Company Private Limited)	Subsidiary	94.62%	No
4.	LICHFL Trustee Company Private Limited.	Subsidiary	100%	No
5.	LIC Mutual Fund Asset Management Limited	Associate	39.30%	No
6.	LIC Mutual Fund Trustee Private Limited	Associate	35.30%	No

Note: The subsidiary/associate companies have their own business responsibility (BR) initiatives and generally do not participate in the BR initiatives of the Company.

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹): ₹22,674.2 crore

(iii) Net worth (in ₹): ₹27,100.34 crore

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes / No) If Yes, then provide web-link* for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending for resolution at close of the year	Remarks
Communities	NA	NA	NA	NA	NA	NA	NA
Investors other than Shareholders	-	-	-	-	-	-	-
Shareholders	Yes, the Company has various mechanisms in place for addressing the concerns of the shareholders and the investors. Even the RTA as well as the Debenture trustees are extended arms of the Company who may be reached out in case of any queries. All though there are no specific policies for the grievance redressal of the investors the Company does resolve the grievances by operation of law. Further, various informative material for the investors are available on the website of the company namely https://www.lichousing.com/ under the section 'Investors'.	12	0	Two complaints carried forward from FY 21-22.	28	2	One complaint carried forward from FY 20-21 which was subsequently resolved.
Employees and workers	Yes, the mechanism in this regard is in place. Also on public domain the Whistle Blower Policy is available https://www.lichousing.com/static-assets/pdf/Whistle_Blower_Policy.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true and other codes in this regard are also available on the intranet portal	NA	NA	NA	NA	NA	NA

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes / No) If Yes, then provide web-link* for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending for resolution at close of the year	Remarks
Customers for home loans	Yes, mechanism is in place. The Company has an informative portal where there are various initiatives for the customers. The customer can also write or call the Company through the website interface and the same gets captured in the Integrated Customer Relationship Module (ICRM) apart from the above the customer can also reach the Company through the interfaces mentioned in Principle 9 of this report.	11046	0	There were no complaints at the end of the previous year	7834		Two complaints carried forward from FY 2020-21
Value Chain Partners	Yes, they can reach out to the respective nodal office in charges and the fair practice codes pertaining to the Market Intermediaries and the Recovery agents are hosted on https://www.lichousing.com	NIL	NIL	No complaints were received/ captured during the year	NIL	NIL	No complaints were received/ captured during the year
Others (Depositors)	Yes, the Customers can reach out to the Company either through the website or through the Service Provider for Deposits namely Datamatics Global Services Limited (lichfldeposits@datamatics.com)	2059	19	63 complaints were carried forward from the previous year and were resolved during the year	1124	63	33 complaints were carried forward from the previous year and were resolved during the year

*Weblink of the Business Responsibility and Sustainability Policy adopted by the Board of the Company which covers all the 9 principles is https://www.lichousing.com/static-assets/pdf/BRSR%20Policy.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true

Some of the other policies which have direct or indirect relationship with one or more of the above principles and available in the public domain are accessible at https://www.lichousing.com/policy-codes

Apart from the above there are certain internal policies and codes which are available on the intranet portals which also have direct or indirect relationship with one or more of the above principles.

24. Overview of the entity's material responsible business conduct issues

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Digitization of processes	Opportunity (O)	The Company uses digital financial solutions and products to improve the customer experience, expand its operational reach, and enhance overall productivity.	The risks have been mitigated by implementing appropriate security checks in its applications and softwares to ensure data privacy and prevent any sort of breaches. Also, the frequency of IT Systems audit has been enhanced from two years to 1 year.	Easier business process automation, increased trust and credibility of stakeholders, improved data management and protected brand reputation. This can help financial service institutions automate processes, reduce costs, and enhance the customer experience, leading to increased profitability.
2.	Social initiatives	Opportunity (O)	The Company has been associated with a number of projects during the year as a part of its CSR initiatives for the purpose of promoting inclusive development across the nation. The major focus on CSR initiatives is to build self reliant communities by promoting sustainable livelihood.	The CSR department execute diverse initiatives that target the most underprivileged communities across India and ensure equitable opportunities for all.	These interventions would help uplift more citizens thereby promoting financial stability in their livelihoods which in turn would result into creating more demand for products and services within the country and ultimately boost the national income and the GDP of the nation.
3.	Environmental Risk Management	Opportunity (O)	Effective risk management, including climate risk, is critical for the long-term financial well-being of the business.	The Company has established a risk management framework to proactively identify and manage, potential risks to the business and to mitigate them effectively. It is evaluating measures to integrate environmental risks in its overall framework.	Positive Mitigation of potential losses and liabilities, enhancement of reputation and stakeholder trust, and identification of new opportunities in the transition to a low carbon economy.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Ethics & Transparency	**Product Responsibility**	**Human Resources**	**Respons iveness to Stakeholders**	**Respect for Human Rights**	**Responsible Lending**	**Public Policy Advocacy**	**Inclusive Growth**	**Customer Engagement**
Policy and management processes									
1 a Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes / No)	Yes. The Business Responsibility and Sustainability Policy covering the above-mentioned principles has been approved by the board.								
c. Web Link of the Policies, if available	https://www.lichousing.com/policy-codes Some policies may also include a combination of internal policies of the Company which are accessible to all internal stakeholders and policies placed on the Company's website.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes. The Company has translated the policies as applicable and absorbed the same into procedures and practices in all spheres of activities that the Company undertakes.								
3. Do the enlisted policies extend to your value chain partners? (Yes / No)	Yes. The Company's Code of Conduct largely imbibes the above-mentioned principles and the Company expects its stakeholders including Value Chain Partners to adhere to the same in all their dealings.								
4. Name of the national and international codes / certifications / labels / standards	No codes or standards are adopted. However, the formulation of all policies has been done by considering the standard practices in the industry, following the necessary regulatory guidelines, and engaging in proper discussions with relevant stakeholders.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	1) The Company is committed to support financial Inclusion by focusing on increasing the women borrowers, affordable housing loans, budget home loans to low-income group customers. 2) The Company aims to increase its affordable housing or redevelopment project portfolio in tier 2 or 3 cities or tier 1 outskirts in the long term. 3) The Company will attempt to increase diversity and inclusion in workforce. 4) Further, the Company will provide ESG training to all its employees by mid-term and strive to achieve 100% recycle value of its waste in the long term.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	1) Deployment of video conferencing technologies to cut air travel and the associated emissions. 2) Promoted public transport incentives and carpooling mechanism among empoyees for reducing carbon footprint, 3) Installed energy efficient lighting equipment, replacing CFL lighting with LED lights across our premises. 4) Installed sensor-based taps in washrooms in Corporate Offices and Regional Offices to optimize water consumption at all levels. 5) Monitoring emissions, energy consumption trends to identify energy-saving opportunities.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements: The Company at its core, believes that sustainable practices are essential to building a resilient and prosperous future for all. ESG Policy of the Company aligns with its goal of sustainable development and aims to minimise risks and impacts through robust and documented systems. ESG goals include ensuring profitability with ethical, environmental & social responsibility, mainstreaming ESG practices into business & operations and getting a head start on emerging ESG issues. The Company believes that going forward, with collective efforts , will make significant progress towards integrating ESG considerations into its decision-making processes, policies and practices.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Shri Y. Viswanatha Gowd Designation: MD & CEO Telephone number: 022-22178602/603 E-mail id: pa.mdceo@lichousing.com								
9. Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. During FY 2022-23 the CSR & ESG Committee was overseeing the implementation of the BRSR. However, from FY 2023-24 onwards a specific ESG Committee of the Board has been constituted for focus on the ESG aspects. The Board of directors and senior management of the Company to monitor various aspects of social, environmental & governance and economic responsibilities of the Company on a continuous basis. The Company's business responsibility and sustainability performance is reviewed by the Board of Directors on an annual basis. The Executive Director is responsible for the strategy and implementation of the Company's ESG framework and an Executive level ESG forum comprising of various functional heads to oversee the sustainability related issues.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee	Frequency (Annually / Half yearly / Quarterly / Any other – please specify)
	P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9	P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9
Performance against above policies and follow up action	As a practice, Business responsibility and sustainability policy of the Company is reviewed on an Annual Basis. Even the other supporting policies are framed such as various Codes of Conduct, Fair Practices Codes, Data/ IT Security Policies. Policies pertaining to Human Resources etc. are also reviewed either annually or as per the requirements of the business and/or the relevant stakeholders. The relevant departmental/ functional head is responsible for overseeing the implementation of the said Policies and they also percolate the same amongst the nodal offices.	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company is in compliance with the extant regulations, as applicable.	

11.	Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes / No). If yes, provide name of the agency.	P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9
		Since all the policies are also imbibed into practice through appropriate guidelines and SOPs, the same are reviewed as a part of the Audit Procedures of the Internal and/or the statutory auditors. Even the management teams also carry out periodic review of the processes and practices.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes / No)					NA				
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes / No)					NA				
The entity does not have the financial / human and technical resources available for the task (Yes / No)					NA				
It is planned to be done in the next financial year (Yes / No)					NA				
Any other reason (please specify)					NA				

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and accountable.

Essential indicators

1. Percentage coverage by training and awareness programmes in any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	The Company's Board of Directors are inducted to familiarisation programmes on an array of topics, including strategy, business operations, markets, performance, organisation structure, economy, risk management framework, regulatory updates, future outlook, ESG aspects, information technology including cyber security, their roles, rights and responsibilities and major developments and updates.	100%

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Key Managerial Personnel	1	Curated training programs covering wide range of topics such as Code of Conduct & Ethics, Fair Practices Code, Prevention of Sexual Harassment, Whistle Blower Policy, Data Privacy, Cyber Security, Anti-Money Laundering & KYC, Insider Trading, programmes on mental and physical well-being, amongst several others.	100%
Employees other than BoD and KMPs	53	Departmental / Functional and Specialized training on topics ranging from digitization, Labor codes, Integrated watershed management, ESG, Fraud reporting and related matters, Preventing Frauds during Appraisal Process, Risk Management Practices, CERSAI, Leadership skills, Lending Opportunities for Green Housing, Grievance Redressal Mechanism, Consumer Protection, Housing Finance for Young India, Basics of Bond Mathematics & Introduction to Indian Treasury Market, Purpose and Effect test for Related Party Transactions (RPTs).	50.78%
Workers	NA	NA	NA

Note: 1369 employees were covered in these trainings.

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures based on materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary				
	Name of regulatory / enforcement agencies / judicial institutions	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been preferred (Yes / No)**
Penalty	RBI	5,00,000	Non-compliance with provisions of relevant directions under Sub-sections (1) & (2) of section 29 B of the NHB Act which pertains to creation of floating Charge with the Registrar of Companies.	No
Fine	Stock Exchange(s)	8,27,820	The Company have received the notice for delay of compliance under Regulation 57(1), 60(2), 17(1), 50(1) and 52(7)/(7A) from Stock Exchange(s) against which waiver application has been filed as the deviations were beyond the control of the Company. The matter is presently under consideration of the Stock Exchange(s).	Yes. Waiver Request is under consideration of the Stock Exchange(s).
Settlement	-	-	-	-
Compounding fee	-	-	-	-

Non - Monetary				
	NGRBC Principle	**Name of regulatory / enforcement agencies / judicial institutions**	**Brief of the Case**	**Has an appeal been preferred (Yes / No)**
Imprisonment		NIL		
Punishment				

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case details	Name of regulatory / enforcement agencies / judicial institutions
Matters pertaining to the reporting of the record dates, reporting of fund utilisation report, change in designation of the directors and that the mitigation mechanism and controls for the same have already been put in place in respect of all these aspects. The deviations were beyond the control of the Company. The matter is presently under consideration of the Stock Exchange(s).	Stock Exchange (s)

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the Company has adopted the Code of Conduct & Ethics which lays out a zero-tolerance stance towards bribery and corrupt practices. It emphasises the commitment to conducting business affairs and relationships professionally, fairly, and with integrity. The Company has implemented and enforced effective systems to counter bribery, accompanied by explicit guidelines to discourage any misconduct. Stringent control measures are in place to prevent such activities, and actively encourages to report any malpractices.

The following policies and codes of the Company imbibes the matter pertaining to anti-corruption or anti-bribery:

Name of the Policy	Web link
Whistle Blower Policy & Vigil Mechanism	https://www.lichousing.com/static-assets/pdf/Whistle_Blower_Policy.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
Fair Practices Code	https://www.lichousing.com/static-assets/pdf/FAIR_PRACTICES_CODE.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
Code of Conduct for Direct recovery Agents	https://www.lichousing.com/static-assets/pdf/CODE_OF_CONDUCT_FOR_THE_RECOVERY_AGENTS.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
Code of Conduct for Marketing Intermediaries	https://www.lichousing.com/static-assets/pdf/CODE%20OF%20CONDUCT%20FOR%20MARKETING%20INTERMEDIARIES.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
Code of Internal Procedure and Conduct for Insider Trading	https://www.lichousing.com/static-assets/pdf/Prohibition%20of%20Insider%20Trading.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
Code Of Conduct for Board Members and Senior Management	https://www.lichousing.com/static-assets/pdf/Code%20of%20Conduct%20for%20Board%20Members%20and%20Senior%20management.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
Business Responsibility and Sustainability Policy	https://www.lichousing.com/static-assets/pdf/BRSR%20Policy.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
Anti-Fraud Policy	https://www.lichousing.com/static-assets/pdf/Anti_Fraud_Policy.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true

Further, the Company also runs a campaign every year whereby during the Vigilance Awareness Week, all the employees are mandated to undertake Integrity Pledge and update the same in the employee management portal.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NA	NA

6. **Details of complaints with regard to conflict of interest:**

	FY 2022-23		FY 2021-22	
	Number	**Remarks**	**Number**	**Remarks**
Number of complaints received in relation to issue of conflict of Interest of the Directors	NIL	NIL	NIL	NIL
Number of complaints received in relation to issue of conflict of Interest of the KMPs	NIL	NIL	NIL	NIL

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.**

NIL, there has not been any such instance during the Financial Year 2022-23. Although, the Company ensures that it discusses various issues with its regulators where there could be lapses in compliance and accordingly necessary policies, processes, systems and monitoring mechanism are put in place.

Leadership indicators

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Type of Value Chain Partner	Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Market Intermediaries (Home loan agents (HLAs), Direct selling agents (DSAs), connecters, Direct Marketing Executives (DMEs), Customer Relationship Agents (DMEs))	Each of the Back Office of the Company have to hold atleast one meeting with these Value Chain Partnars every year.The Company has 24 back offices which are required to conduct at least one such training program/ agent meetings every month. In addition to that, large area offices also conduct such training programs/ agent meetings on certain occasions. Tentatively about 300 such programs were conducted during the FY 2022-23.	Fair practices code and general mentorship and guidance on the manner to serve the customers.	90% (All agents are encouraged to attend such programs during the year)
Advocates, Valuers, FI Agencies, Direct Recovery Agents (DRAs)		With the shift to digital platform for doing valuations, Company has undertaken training programmes for Panel Valuers so as to enable them to effectively use the Company's digital platform. Shift in digital platform has been cost effective, efficient and also has helped reduce paper consumption by the Company. During the year, most of the third-party Panel Valuers underwent training by the Company. Training was conducted either through physical presence or online mode throughout the year on various occasions.	

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If yes, provide details of the same.**

Yes. The Company has adopted the following policies or terms of appointment which imbibes the matter pertaining to avoid/ manage conflict of interests involving members of the Board:

Name of the Policies/ Terms of appointment	Web link
Terms And Conditions of Appointment of Managing Director & CEO	https://www.lichousing.com/static-assets/pdf/TermsAndConditions%20of%20 appointment%20of% 20Managing%20Director-2021.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
Terms and conditions of appointment of independent director	https://www.lichousing.com/static-assets/pdf/TermsAndConditions%20of%20 appointment%20of% 20Independent%20Directors-2023.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
Terms And Conditions of Appointment of Non-Executive Director	https://www.lichousing.com/static-assets/pdf/TermsAndConditions%20 of%20appointment%20of% 20Non%20Independent%20Director-2023. pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
Code of conduct for Board members and senior management	https://www.lichousing.com/static-assets/pdf/Code%20of%20Conduct%20 for%20Board%20Members%20 and%20Senior%20management. pdf?crafterSite=lichfl-corporate-website-cms&embedded=true
Related Party Transaction Policy and Procedures	https://www.lichousing.com/static-assets/pdf/Related_Party_Transaction. pdf?crafterSite=lichfl-corporate-website-cms&embedded=true

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social aspects
R & D	NA	NA	NA
Capex	NA	NA	NA

Note: Since the Company is in the business of providing housing finance it did not engage in any R&D activities. However, the Company has made substantial CAPEX investments which are primarily in information technology and related processes and systems which help reduce the overall environmental footprint and bring in operational eco-efficiency.

a. **Does the entity have procedures in place for sustainable sourcing?**

Not Applicable

b. **If yes, what percentage of inputs were sourced sustainably?**

i) The Company has a dedicated application for customer onboarding. During FY 2022-23 almost 60% of the customer onboarding were routed through the HoMY application. Further, there are other mobile applications such as VyOm, Talisma which are used by various stakeholders for making the customer servicing, sanction, disbursement, grievance redressal processes seamless.

The sustainable Use of Natural Resources and Energy Finance "SUNREF" initiative of NHB launched in 2019-20, enabled refinancing at a competitive interest rate, as part of the Sunref - Affordable Green Housing India Programme. In line with its commitment to provide Green Finance for sustainable use of natural resources in future under Green housing scheme of NHB, under the Sustainable Use of Natural Resources and Energy Finance "SUNREF" initiative LIC Housing Finance Ltd, has availed Refinance from National Housing Bank (NHB) for ₹ 20.00 crore for refinancing 91 beneficiary accounts where loans aggregating to ₹ 29.55 crore were extended to these beneficiaries in 2021.

2. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The Company provides housing finance and services, and thus any reclamation of products for reuse, recycle and disposal is very minimal in the business operations. The Board of Directors approved policy for disposal of Electronic Wastes and the said wastes are handed over to the vendor for safe disposal in accordance with the said policy.

3. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   No, Not Applicable.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

   Not applicable

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

   Not applicable

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

   Not applicable

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

   Not applicable

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

   Not applicable

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential indicators

1. **Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance*		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1566	1554	99.23%	1566	1554	-	-	-	-	-	-
Female	756	734	97.09%	756	734	756	100%	-	-	-	-
Total	**2322**	**2288**	**98.54%**	**2322**	**2288**	**756**	**100%**				
Other than permanent employees											
Male	71	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	38	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**109**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

*Group Saving Linked Insurance Scheme for employees is available whereby, certain portion of the premium is allocated towards savings and certain portion is used to provide life cover including accidental death.

Note: The Company has the following allowances and/or perquisites for the wellbeing of the employees:

a) The Company recognizes the need for preventive health check-up for its mid-senior and senior employees beyond the age of 35 years. Accordingly, the Company allows reimbursement of Health checkup to its employees up to a certain range based on the employee category. During the year 125 employees have been reimbursed with such expenses.

b) Medical Lumpsum is paid to all the permanent employees to enable them to meet day to day medical.

2. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Other than permanent workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

3. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y / N / N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y / N / N.A.)
PF	99.15%*	NA	Y	98.46%*	NA	Y
Gratuity	99.15%*	NA	Y	98.46%*	NA	Y
ESI	NA	NA	NA	NA	NA	NA
Others – please specify	NA	NA	NA	NA	NA	NA

*The Management Trainees are not covered under PF and Gratuity.

4. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company requires each office of the Company to maintain a certain standard of maintenance. In the offices where there are disabled employees working, suitable arrangements for their comfort are made.

5. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company provides equal employment opportunities without any discrimination or harassment on the basis of race, color, religion, gender, age, disability, marital status, etc., This is embedded in the Code of Conduct & Ethics and BRSR Policy.

6. Return to work and Retention rates of permanent employees and workers who took parental leave.

	Permanent employees		Permanent workers	
Gender	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	100%	100%	NA	NA
Total	**100%**	**100%**	**NA**	**NA**

Note: In compliance with the Maternity Benefit Act, 1961 maternity leave of up to 6 months each for two children is allowed. There is no discrimination made amongst the female employees for availing such leave and after such employee joins back, their earlier position/ profile is restored. During FY 2022-23, forty (40) women employees completed the availing of the Maternity leave and all such employees have resumed office subsequently. In the previous financial year i.e., FY 2021-22, forty-five (45) women employees have resumed office after availing Maternity Leave. As on date the Company does not have any policy of granting paternity leave to male employees.

7. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Yes, the following are the details of the mechanism in brief:

Permanent workers	**Not Applicable**
Other than permanent workers	**Not Applicable**
Permanent employees	The employees may directly approach any employee of the HR team either directly or through the line officer based on the specifics of the case. In special cases the employee may directly approach the General Manager (HR) as well. Further, there is a feedback portal available on the intranet. Any technical, reimbursement related issue may be raised there and the same is resolved based on TAT.
Other than permanent employees	The management trainees and the employees who are under probation are under this category. In the matter of grievance redressal, the Company does not make any distinction between permanent and other than permanent employees and the mechanism is the same.

8. Membership of employees and worker in association(s) or Union(s) recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association (s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association (s) or Union (D)	% (D / C)
Total permanent employees						
- Male	NIL	NIL	NIL	NIL	NIL	NIL
- Female	NIL	NIL	NIL	NIL	NIL	NIL
Total permanent workers	NIL	NIL	NIL	NIL	NIL	NIL
- Male	NA	NA	NA	NA	NA	NA
- Female	NA	NA	NA	NA	NA	NA

Note: As on date the Company does not have any employees' association(s) or Union(s) which has been recognized by the Company. However, the management always encourages free speech and consultation with its employees.

9. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On health and safety measures		On skill upgradation		Total (A)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1637	92	5.62%	976	59.62%	1661	57	3.43%	604	36.36%
Female	794	19	2.39%	489	61.59%	806	13	1.61%	297	36.85%
Total	2431	111	4.56%	1465	60.26%	2467	70	2.84%	901	36.52%
Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

The Company encourages upskilling, professional training and upgradation for its employees and in line with this it provides the following facilities for its employees:

(a) Reimbursement of the membership fees of all the professionally qualified employees who are part of ICAI, ICSI etc.

(b) Interest free computer advance.

10. **Details of performance and career development reviews of employees and worker:**

Category	FY 2022-23			FY 2021-22		
	Total*(A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	682	320	46.92%	579	349	60.28%
Female	321	182	56.70%	292	183	62.67%
Total	**1003**	**502**	**50.05%**	**871**	**532**	**61.08%**
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

* The above totals include the total number of employees who were due for promotion and those in probation and due for confirmation during the year.

The Company has a robust process to evaluate eligible candidates each year where they are given the opportunity to apply for fast-track promotion. For FY 2021-22 and 2022-23 around 30% of eligible candidates, who applied for Fast Track promotion, were promoted.

11. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No) If yes, the coverage of such system?**

Yes. As the Company is in the business of extending housing loans this point has very limited applicability to the Company, however the employees are exposed to illnesses related to sedentary workstyle. To mitigate this risk the Company has the following facilities for its employees:

All the employees aged 35 years or more are allowed Preventive Health Checkup. The Company provides group Mediclaim facility to the employees and their family members. In case of prolonged treatment due to serious/ critical illness(es) wherever medical expenses exceed the Mediclaim coverage, there is the facility of ex-gratia reimbursement . There is a fixed amount per annum to each employee, as a medical lump sum. Employees can avail sick leave when required. First aid kits are available at each office.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Not applicable.

c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Not applicable.

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, the Company has tie-up with a renowned health insurance company, who provides mediclaim facility at a very reasonable premium where certain part of the premium amount is borne by the Company. This Insurance Company has tie-up with a Third-Party administrator (TPA), which in turn has tie-ups with the popular hospitals across the length and breadth of the Country. The medical insurance cover is allowed as family floater. The robust claim settlement process by TPA provides ease to the employees.

12. **Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	NA	NA
Total recordable work-related injuries	Employees	0	0
	Workers	NA	NA
No. of fatalities	Employees	0	0
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	NA	NA

13. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company ensuring a healthy and safe environment, is vital to the performance and impact the organisation creates on its people. It encourages employees to be vigilant about their health and maximize their potential by providing them with the best working conditions and services available. The Company's efforts go beyond compliance with legislation; it strives for excellence in minimising health hazards and offering a safe working environment through its in-depth occupational health evaluation programme. It has implemented the following:

I. Display board of important contact numbers at branches/ offices for contacting fire brigade, police station, ambulance etc.

II. Display of floor plans, exit paths in offices etc.

III. CCTV for detection /recording of all activities in major offices.

IV. Identification and training of rescue marshals.

V. Fire and burglar alarms with fire and smoke sensors in offices

VI. Fire extinguishers for fighting fires and First aid box.

VII. Auto fire suppressants in data/ server rooms in dedicated offices.

VIII. Periodic maintenance of fire safety equipment and measures.

IX. Conducting mock drills for training, fire drills, and physical verification of fire safety equipment, evacuation plans etc.

14. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working conditions	NIL			NIL		
Health & safety						

15. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Working conditions	The Company has a robust system of Internal Audit, whereby the Internal Audit team of the Company visits the various regions and offices on a quarterly basis. As per the existing policy at least 33% of the offices are visited each year for such assessment.
Health & safety	

16. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No such adverse findings were observed from the audit in these aspects during FY 2022-23.

Leadership indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)

Yes, the Company has provided the facility of Group Savings Linked Insurance Scheme(GSLI) to its employees, where a part of the GSLI premium is borne by the Company Such scheme gets triggered in the event of the death.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures that statutory dues as applicable to the transactions with respect to the Company are deducted and deposited in accordance with extant regulations. This activity is also reviewed as part of the internal and statutory audit processes. The Company expects its value chain partners to uphold business responsibilities and values of transparency and accountability.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Not Applicable.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No.

5. Details on assessment of value chain partners:

Given the nature of business the company is in, the assessment of the value chain partners in terms of Health and safety practices and Working Conditions are not applicable.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Presently no such assessments are being carried out.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

Essential indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Key stakeholders are identified, and priorities based on their significance, role, and influence in business operation and the impact of the business on them. Individual(s) /group(s) / institution(s) that add value to the business are priorities as key stakeholder which includes employees, shareholders and investors, customers, business partners, lenders, regulators, research analysts, communities and non-governmental organizations, vendors, industry bodies.

2. List stakeholder groups identified as key for the entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes / No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually / Half Yearly / Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders and Investors	No	Quarterly results, Investor presentations, Annual Report, Annual General Meeting, Investor/analysts calls and meet, Media releases, Website.	Ongoing engagement with at least one engagement on a quarterly basis	• To answer investor queries on financial performance • To present business performance highlights to investors • To discuss publicly available Company information to shareholders and investors
Employees	No	Direct contact, Email, Intranet portal, senior leadership connect programs, team engagements, surveys, and Calls.	Ongoing engagement on daily basis	• To ensure safe and inclusive workplace for employees and offer opportunities for their professional advancement. • To increase and encourage employee engagement in normal course of business. • Discuss feedback and redress any grievances.
Customers	No	Multiple channels – physical and digital	Frequent and Need based	• To maintain regular communication with customers throughout the lifecycle of the loan and address any issues that the customer may have.

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes / No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually / Half Yearly / Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government and Regulators	No	Letters, email, one-on-one meetings, Conference calls, video-conference.	Need based	• To seek clarifications and regulatory inspections and responding to queries and communicating challenges. • To provide recommendations, knowledge sharing.
Business Partners and Vendors	No	Business partner meets, conferences and forums, One-to-one meetings, Telephonic and email, business management portal and app.	Frequent and Need based	• Adherence with the fair practices code • Training and updation on latest developments to the Agents and intermediaries • Target and strategy meets
Communities	Yes	Through our on-ground CSR implementation partners and in-person visits by LIC HFL employees / CSR assessment agencies	Continuous / Need based	• Work towards building self- reliant communities in marginalized India, to mitigate the problems in the areas of Health, Education, livelihood and rural development. • LIC HFL CSR works in 26 states and 2 UTs by joining hands with government departments, Panchayati Raj Institutes, Nonprofit Organizations, and communities. • Currently LIC HFL has created footprints in 38 Aspirational Districts and driving core agenda of inclusive and sustainable growth for all.

Leadership indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The management interacts with key stakeholders on a regular basis, such as investors, customers, channel partners, analysts, etc., in order to communicate its strategies and performance. Such engagement is typically driven by responsible business functions, with senior executives also participating as needed. The key issues and feedback are then discussed with the respective committees of the Board.

2 **Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Stakeholder consultations play a crucial role in determining the material topics for the Company. As a part of the materiality assessment exercise, the Company engages with key stakeholders such as customers, analysts, and investors through a survey on identification of key ESG material topics. Insights gathered through stakeholder engagement are analyzed to develop the materiality matrix and based on which sustainability strategy was formulated.

3 **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

The concerns of vulnerable and marginalized stakeholder groups are addressed through the CSR projects. The details on CSR initiatives are outlined in Principle 8.

The Company's CSR is focused on mitigating the challenges of disadvantaged, vulnerable and marginalised segments of the society. The details on CSR initiatives are manifested in CSR Report and for further details kindly refer hyperlink https://www.lichousing.com/static-assets/pdf/CSR_Projects_approved_FY_22_23.pdf?crafterSite=lichfl-corporate-website-cms

PRINCIPLE 5 Businesses should respect and promote human rights

Essential indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers (B)	% (B/A)	Total (C)	No. of employees / workers (C)	% (D/C)
Employees						
Permanent	2346	300	12.79%	2315	218	9.42%
Other than permanent	116	-	-	152	-	-
Total employees	2462	300	-	2467	218	9.42
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total workers	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

Note: The Company upholds and respects human rights and strives to respect and promote human rights of all stakeholders impacted by its business operations, including the employees, customers, communities, etc. The BRSR Policy reaffirms commitment to protecting the human rights of employees.

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	1582	NA	NA	1582	100%	1567	NA	NA	1567	100%
Female	764	NA	NA	764	100%	748	NA	NA	748	100%
Other than permanent										
Male	76	NA	NA	76	100%	94	NA	NA	94	100%
Female	40	NA	NA	40	100%	37	NA	NA	37	100%
Workers										
Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Details of remuneration/salary/wages, in the following format

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of directors (BoD)	2 *	44,82,226.00	-	-
Key Managerial Personnel	1	48,44,984.00	1	17,55,146.00
Employees other than BoD and KMP	1713	15,23,268.09	822	14,20,425.94
Workers	Nil		Nil	

*Only executive directors are paid remuneration/salary.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, a Board approved Policy for Implementation of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (POSH Policy) is in place in the Company and Internal Committees have been functional at Corporate Office and 9 Regional Offices to address the complaints of sexual harassment.

5. Describe the internal mechanisms in place to redress grievances related to human rights iissues.

The Company being in the Banking and Financial Sector does not involve material or labor-intensive activities and there is limited scope of applicability of matter to the Company. However, the Company has a Whistle Blower Policy & Vigil Mechanism, Fair Practices Code and code of conduct for its various agents, codes of conduct for the Board and Senior management, Business Responsibility and Sustainability Policy, POSH Policy and Anti-Fraud Policy which provides adequate systems and mechanisms for redressal of grievances to its various stakeholders and propagates equality, fair play and justice which enable safeguard the human rights of its various stakeholders.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	NIL	NIL	NA	NIL	NIL	NA
Discrimination at workplace	NIL	NIL	NA	NIL	NIL	NA
Child labour	NA	NA	As the Company is in the business of extending housing loans	NA	NA	As the Company is in the business of extending housing loans
Forced labour / involuntary labour	NA	NA	As the Company is in the business of extending housing loans	NA	NA	As the Company is in the business of extending housing loans
Wages	NA	NA	The Company pays salaries to its employees which are all above the minimum wages.	NA	NA	The Company pays salaries to its employees which are all above the minimum wages.
Other human rights related issues	NIL	NIL	NA	NIL	NIL	NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

There has not been any incident which resulted into adverse consequences on account of discrimination and harassment at workplace.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**
Yes. The Most Important Terms & Conditions which are displayed on the comprehensive notice Board of every office are driven by the fair practices codes, which are based on the principles of justice and equity. Otherwise, given the line of business the company is in, this aspect has limited applicability for the Company.

9. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	NA
Forced labour / involuntary labour	NA
Sexual harassment	33%*
Discrimination at workplace	NA
Wages	NA
Other human rights related issues	NA

*Out of the 9 regional offices 3 were visited by the Corporate Offices officials during the year, in order to assess the preparedness pertaining to POSH.

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**
No adverse findings were reported from the above assessment. However, in order to increase awareness with regard to the concerned matters it is proposed to impart training amongst the employees for creating awareness with regard to these matters and more number of offices would be covered in future quality management visits.

Leadership indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints.**
Not applicable.

2. **Details of the scope and coverage of any Human rights due diligence conducted.**
Not applicable.

3. **Is the premise / office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**
The Company requires each of its offices to maintain a certain standard of maintenance. In the offices where there are disabled employees working, suitable arrangements for their comfort is made. Also, in case of the disability of any customer door to door services are extended to such customer. However, the data/ information pertaining to this aspect of the offices being disable friendly is not readily available as presently there is no uniform practice in this regard across all the offices of the Company. The Company will endeavor to capture similar data points henceforth.

4. **Details on assessment of value chain partners:**

Particulars	**% of value chain partners (by value of business done with such partners) that were assessed**
Sexual harassment	Most of the value chain partners are individuals who are agents, advocates, valuers and they are being paid commissions / fees from time to time based on the work performed thus there is limited applicability of this concern in its operations.
Discrimination at workplace	Most of the value chain partners are individuals who are agents, advocates, valuers and they are being paid commissions / fees from time to time based on the work performed thus there is limited applicability of this concern in its operations.
Child labour	Since the Company is in the business of providing housing loans there is limited applicability of this concern in its operations.
Forced labour / involuntary labour	Since the Company is in the business of providing housing loans there is limited applicability of this concern in its operations.
Wages	Most of the value chain partners are individuals who are agents, advocates, valuers and they are being paid commissions / fees from time to time based on the work performed thus there is limited applicability of this concern in its operations.
Other human rights related issues	On 27th April, 2022 an online assessment was conducted for the Recovery agents with regard to their knowledge on the code of conduct and all the recovery agents i.e. 100% cleared the assessment.

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**
   No, significant risks / concerns were observed w.r.t the above mattes with the Value Chain partners.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. **Details of total energy consumption (in MJ) and energy intensity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	18,025.2	15,368.4
Total fuel consumption (B)	68,635.27	56,803.96
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	**86,713.47**	**72,172.36**
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)	0.00000038	0.00000036
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. An independent assessment was carried out by Protiviti India Member Private Limited, (Protiviti Global Business Consulting Firm) at Umiya Business Bay Tower-1, Kaverappa Layout, Kadubeesanahalli, Kadabeesanahalli, Bengaluru, Karnataka 560103.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**
   Not Applicable

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kiloliters)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	30,245	30,797
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + IV + V)	30,245	30,797
Total volume of water consumption (in kiloliters)	30,245	30,797
Water intensity per rupee of turnover (Water consumed / turnover)	0.000000133	0.000000155
Water intensity (optional) –the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. The independent assessment was carried out. For FY 2021-22 and 2022-23, water consumption data is extrapolated based on the head count and number of working days across all the facilities as per the National Building code of India (NBC) 2016. Going ahead for FY 2023-24 LIC HFL will initiate the process of monitoring water consumption.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**
   Not Applicable

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**
   Not Applicable

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available)	Metric tonnes of CO2 equivalent	295	294
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available)	Metric tonnes of CO2 equivalent	4,506	3,842
Total Scope 1 and Scope 2 emissions per rupee of turnover	Tonnes of CO2 equivalent per unit income in rupee	0.0000000212	0.0000000208
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. The independent assessment was carried out by Protiviti, during FY 2021-22 and 2022-23 refrigeration consumption (charge) data and annual leakage rate % is assumed based on the IPCC good practice guidelines and the emissions are calculated. Going ahead for FY 2023-24, LIC HFL will initiate the process of monitoring refrigerant quantity.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.
No

8. Provide details related to waste management by the entity, in the following format:
The Corporate Facilities Non-Hazardous Waste (Municipal Waste) is extrapolated using the occupancy count as per the NBC, 2016.

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	NA	NA
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	0.3613	0.3679
Total (A+B + C + D + E + F + G + H)	**0.3613**	**0.3679**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

For FY 2021-22 and 2022-23 waste generation data is extrapolated based on the head count across all the facilities as per the National Building Code of India (NBC) 2016. Going ahead for FY 2023-24 LIC HFL will initiate the process of monitoring waste generation.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.
The waste is contracted to an agency that disposes of the garbage using the correct disposal techniques. The old papers and documents are also disposed of in a way that allows for recycling. The Company has a disposal process in place for its IT assets. IT assets are disposed of in accordance with the E-waste (Management and Handling) rule's provisions. E-waste is handled and managed by certified E-waste providers.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details:

Not Applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Not Applicable

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential indicators

1. a. **Number of affiliations with trade and industry chambers / associations:** NIL

   b. **List the top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of / affiliated to.** NIL

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
NA	NA	NA

Leadership indicators

1. **Details of public policy positions advocated by the entity.**

S. no.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes / No)	Frequency of review by Board (Annually / Half-yearly / Quarterly / Others – please specify)	Web link, if available
	NIL	NIL	NIL	NIL	NIL

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development.

Essential indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year: Not applicable.**

   (a) The Company is in the business of providing housing finance and hence this point is not applicable in respect of its operations. However, under the CSR initiatives of the Company the Company has been taking up several projects which are having considerable positive impact on the society and some of the initiatives of inclusive growth for which the Company was recognized are as given below:

   - One of the CSR projects of the Company was recognized as the Best Rural Development Project.
   - The Company was also felicitated for contribution towards education of Veer Naaris & Single Parent Children.
   - The Company also recognised for Empowering the Rural Population across India.

   (b) Also certain aspects of operations of the Company are such that the social impact can be perceived and those have been mentioned here below:

   (i) The Company was declared the BEST Housing Finance Company (Large) Category at the PMAY Empowering India Awards 2022. Since inception of PMAY-CLSS scheme, the Company could pass on CLSS subsidy to 1,76,971 beneficiaries amounting to ₹ 3943.85 crs as on 31st March,2023. For FY 2022-23 the number of cases where subsidy was passed were 22656 and the aggregate subsidy in respect of these accounts amounted to Rs. 595.85 crore.

(ii) During the FY 2022-23 the Company has extended ₹ 6075.57 crore worth loans under Griha Varishta Scheme where loans were extended to 23167 senior citizens which has helped such individuals to have a happy living experience post their retirement.

(iii) The Company makes concerted efforts to focus on loans to the affordable housing segment where the demand for home loans is immense and the focus is on inclusive growth, which is evident from the fact that a considerable part of the disbursements in FY 2022-23 i.e. the tune of almost 55 % in numbers and 47% in amount, were made to the fellow citizens from the Economically weaker sections (EWS) and the Low Income Group sections (LIG) .

(iv) During the year the Company has provided loan assistance to 8751 beneficiaries in the aspirational districts notified by NITI Aayog, aggregating to ₹ 1400 crore based on which under the Aspirational District Scheme, the Company could avail Refinance from National Housing Bank (NHB) for ₹ 1200 crore.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:** Not applicable.

3. **Describe the mechanisms to receive and redress grievances of the community.**
As a part of CSR initiatives, the Company engages with community through its employees on regular basis, Other than direct feedback, the Company's grievance redressal mechanism also incorporates grievances from the community. Details of such mechanisms and policies is detailed under transparency and disclosures compliances part of this report. The following steps are followed by the Company:

   a. Need Assessment: At the first stage, the proposal is reviewed to assess the need and the proposed outcome and impact. The CSR implementing agency is reviewed for the fulfilment of regulatory criteria and prior experience in working for a similar cause.

   b. Quarterly interactions with community: The CSR employees' carryout physical visits, meetings, feedbacks review of outcomes, secondary data analysis and obtains third part reports.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers.**
Not applicable, as we are not in manufacturing and sourcing of goods.

Leadership indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above): Not applicable.**

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

Sl. No.	State	Aspirational District	Amount Spent (in ₹)
1	Tamil Nadu	Ramanathapuram	₹ 25,50,000.00
2	Jharkhand	Palamu	₹ 2,08,19,347.00
3	Rajasthan	Baran	₹ 1,82,92,850.00
4	Assam	Hailakandi	₹ 1,92,74,100.00
5	Madhya Pradesh	Damoh	₹ 1,43,38,808.00
6	Andhra Pradesh	Vizianagaram	₹ 2,62,08,250.00
7	Tripura	Dhalai	₹ 97,73,000.00
8	Meghalaya	Ri Bhoi	₹ 24,95,250.00
9	Uttar Pradesh	Balrampur	₹ 1,23,22,600.00
10	Uttar Pradesh	Bahraich	₹ 1,23,22,600.00
11	Karnataka	Raichur	₹ 45,36,687.20
12	Karnataka	Yadgir	₹ 45,36,687.20
13	Uttarakhand	Udham Singh Nagar	₹ 34,20,600.00
14	Uttar Pradesh	Chitrakoot	₹ 59,96,000.00
15	Chhattisgarh	Korba	₹ 41,65,060.00
16	Rajasthan	Sirohi	₹ 2,54,54,120.00
17	Andhra Pradesh	Vizianagaram	₹ 1,61,91,375.00

Sl. No.	State	Aspirational District	Amount Spent (in ₹)
18	Madhya Pradesh	Guna	₹ 1,90,73,400.00
19	Gujarat	Narmada	₹ 1,59,86,700.00
20	Telangana	Jayashankar	₹ 1,60,42,360.00
21	Karnataka	Raichur	₹ 53,91,651.50
22	Telangana	Jayashankar	₹ 53,91,651.50
23	Bihar	Gaya	₹ 1,81,72,217.00
24	West Bengal	Malda	₹ 1,65,45,240.00
25	Jharkhand	Sahebganj	₹ 15,84,000.00
26	Jharkhand	Godda	₹ 15,84,000.00
	Total		**₹ 30,24,68,554.40**

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?**
No

(b) **From which marginalized /vulnerable groups do you procure?**
Not Applicable

(c) **What percentage of total procurement (by value) does it constitute?**
Not Applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**
Not applicable.

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**
Not applicable.

6. **Details of beneficiaries of CSR Projects:**

Sl. No.	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1	HRIDAY	75,864	97%
2	LIFE	5,638	98%
3	Charge for Change	1,64,941	93%
4	Special Project	850	100%
5	Swach Vidhyalaya	47,439	94%
6	UDHYAM	5,420	100%
7	CTH	1,500	100%
8	SATHI	22,606	98%
9	Green Tomorrow	3,02,324	93%
10	Vidyadhan	1,000	100%
11	Social Trailblazer	200	80%
12	Sujalam	4,800	100%
13	Sanjeevani	20,054	99%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner.

Essential indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   The various interfaces available with the customers to raise the Complaints and the various engagement initiatives with the customers have been enumerated below:

   a) **The customer has the following interfaces to raise the Complaints with the Company:**

      i) The ICRM module.

      ii) The regulator, NHB

      iii) Through the National Consumer Helpline (NCH)

      iv) Public Grievance Portal (CPGRAMS)

      v) Task Management

   b) The complaints received under ICRM module are handled by Area Offices directly whereas complaints received under all other portals are handled centrally by Customer Relationship Management (CRM) team. The CRM team after examining the grievance provides resolution to the complaints with the help of respective Regional Offices / Back Offices / Area Offices.

   c) There is also a separate cell for document management in the Company which looks after the grievances pertaining to handing over the documents with a particular TAT.

   e) The following are the various highlights and key initiatives by the Company during the year:

      i) The Corporate Office – Customer Relationship Management (CRM) department conducted a two-day residential training program for all the CRM officials posted at Back Offices and Regional Offices across the country, with 30 participants.

      ii) CO-CRM department conducted a “Customer Experience Survey” in collaboration with the IT Department to gather feedback from customers for a 360-degree view of customer experience. A total of 10823 customers responded to the survey, with 65.06% of them stating they would recommend LIC HFL to their family and friends. The report is shared with respective regions for further actions.

      iii) The regions have conducted several special initiatives in accordance with the directions from CO and NHB for the Azadi ka Amrit Mahotsav Celebrations.

      iv) Virar Area office organized a Blood Donation camp in association with Lion’s Club of Agashi and Nair hospital, collecting 34 bottles of blood, participants being customers, marketing intermediaries, valuers, advocates, and the general public.

      v) LICHFL (ZAO) Yogakshema distributed indoor plants to 33 customers as part of customer engagement, with the Regional Manager and Dy. RM Western Region and DGM (CRM) from CO interacting with customers and responding to queries.

      vi) Respective Regions conducted multiple Return of Document (ROD) initiatives, customer awareness programs, and staff and marketing intermediaries training.

      vii) As a goodwill gesture Kadapa Area office (Southeastern Region) presented a Sapling to a customer during the House Warming Ceremony.

      viii) Given the importance of the social media, all the complaints / service requests received through social media social media are handled centrally. Also, the enquiries and root cause are identified for the complaints and they are resolved with the help of concerned office and regional office on a priority basis.

   f) Other Customer centric initiatives by the Document Management Department

      As a measure of easy accessibility, storage and retrieval the scanning of legacy documents was underway since the past few years and as on 31st March, 2023, the scanning of legacy documents of 21 out of the 23 back offices has been completed. Further, the major portion of the scanning of legacy documents of 2 remaining back offices were also completed by 31st March, 2023.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	Since the Company is in the business of providing housing loans this aspect has limited applicability in respect of the Company.
Safe and responsible usage	
Recycling and / or safe disposal	

3. **Number of consumer complaints in respect of the following:**

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Data privacy	NIL	NIL	NA	NIL	NIL	NA
Advertising	NIL	NIL	NA	NIL	NIL	NA
Cyber-security	NIL	NIL	NA	NIL	NIL	NA
Delivery of essential services	NIL	NIL	NA	NIL	NIL	NA
Restrictive trade practices	NIL	NIL	NA	NIL	NIL	NA
Unfair trade practices	NIL	NIL	NA	NIL	NIL	NA
Other	NIL	NIL	NA	NIL	NIL	NA

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

The entity has adopted a set of various IT policies namely Anti-Virus Policy, Backup Policy, Email Security Policy, Internet Security Policy, IT Asset Inventory Policy, Mobile Computing Policy, Physical & Environmental Security Policy, User Accounts & Password Security Policy, Website security Policy, IT Asset Disposal Policy, Data Center Information Security Policy, Business Continuity Plan, IT Cyber Security Policy, Policy for IT Development & Change Management, Cyber Crisis Management Plan, Social Media Policy and Information Security Audit Policy. All these policies combined form the framework/ policy on cyber security and risks related to data privacy.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

As and when any security threat is identified, like Phishing e-mail etc., a security advisory is issued to all employees. During the year no such security threats were observed. Also, the Company earlier had the practice of conducting a 3rd party IT Security Audit every two years, which is now being conducted every year.

Leadership indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

The information pertaining to the products of the Company may be assessed on the website of the Company having the following web link: https://www.lichousing.com/. In addition to the above, the comprehensive notice board of the Company also contains information regarding the basket of products.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

The Most important terms and conditions (MITC) are hosted on the website of the Company as well as on the comprehensive notice board of the Company.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

E-mail alerts and SMSs are disseminated to the customers whenever any downtimes are perceived in service delivery.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.**
   Yes. LICHFL is a housing finance company and hence this question has limited applicability. However, all terms and conditions of housing loan schemes are disclosed to the applicant before financing. The Company also displays the information pertaining to the basket of products at a conspicuous location at each of its operating offices across India. Further, the Most Important Terms and Conditions (MITC) are part of the loan kit and the provisions relating thereto, are also explained to the Customer before disbursement. All the above-mentioned information, along with much more additional information is also displayed on the Company's website. The Company also has a Comprehensive notice board on its website as well as the office premises..

5. **Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**
   Yes, the Company conducted a "Customer Experience Survey" in collaboration with the IT Department to gather feedback from customers for a 360-degree view of customer experience. A total of 10823 customers responded to the survey, with 65.06% of them stating they would recommend LIC HFL to their family and friends. The report is shared with respective regions for further actions.

6. **Provide the following information relating to data breaches:**
   a. **Number of instances of data breaches along with impact**
      No such data breaches were reported during FY 2022-23

   b. **Percentage of data breaches involving personally identifiable information of customers**
      No such data breaches were reported during FY 2022-23

INDEPENDENT AUDITORS' REPORT

To,
The Members of
LIC Housing Finance Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying Standalone Financial Statements of LIC Housing Finance Limited (hereinafter referred to as "the Company"), which comprise the Standalone Balance Sheet as at March 31, 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and Standalone Cash Flow Statement for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended ("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 March 31, 2023 and its profit including other comprehensive income, changes in equity and its cash flows for the year then ended.

BASIS OF OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone financial statements

Key Audit Matters	How the matter was addressed in our audit
Expected Credit Loss – Impairment of carrying value of loans and advances Under Ind AS 109, Expected Credit Loss (ECL) is required to be determined for recognising impairment loss on financial assets which are stated at amortised cost i.e., the loan portfolio of the Company. The calculation of impairment loss or ECL is based on significant management judgement which includes estimation of probability-weighted loss on financial instruments over their life and considers the reasonable and supportable information about historical default and loss ratios, , current conditions and, to the extent possible, forward-looking analysis which could impact the credit quality of the Company's loans and advances. The significant areas in the calculation of ECL where management estimates and judgements are required as under:	**We performed audit procedures set out below** • We understood and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines. • We evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the management judgements and estimates, related assumptions including factors that affect the PD, LGD and EAD and the Company's process on timely recognition of impairment in the loan portfolios which included assessing the accuracy of the system generated reports on defaults and ageing.

Key Audit Matters	How the matter was addressed in our audit
1. Judgements about credit risk characteristics, taking into account class of borrowers, credit risk ratings, date of initial recognition, remaining term to maturity, property valuations, time taken for recovery of stressed loans, industry scenario and other relevant factors for collective evaluation of impairment under various stages of ECL. 2. Loan staging criteria. 3. Calculation of probability of default and loss given default. 4. Consideration of probability weighted scenarios and forward looking macro-economic factors impacting credit quality of receivables. 5. For Project loans, assessment based on a borrower's financial performance, solvency, liquidity, industry outlook etc.	• We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2023 by reconciling it with the balances as per loan balance register and loan commitment report as on that date. • We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage. Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages. • Tested samples to ascertain the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with underlying books of accounts and records. • We performed an overall assessment of the ECL provision levels at each stage including management's assessment and provision on account of Company's portfolio, risk profile, credit risk management practices. • Assessed disclosures included in the standalone financial statements in respect of expected credit losses.
IT Systems and controls The financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant voluminous transactions. Hence, we identified IT systems and controls over financial reporting as a key audit matter for the Company. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting. The Company has separate software applications for management of its loan portfolio from origination to servicing and closure and for the routine accounting. Adequate supervision over IT controls is required to ensure that these IT applications process data as expected, updates and changes are made in an appropriate manner and confidentiality, availability and integrity is maintained. Such controls mitigate the risk of incorrect financial reporting. Our audit outcome is dependent on the effective functioning of such IT controls.	We have carried out the following procedures to verify the effectiveness of IT controls: With the assistance of IT specialists, we obtained an understanding of the Company's IT applications. The aspects covered in the assessment of IT General Controls comprised: (i) User Access Management (ii) Program Change Management. (iii) Other related ITGCs – to understand the design and test the operating effectiveness of such controls. • Tested the changes that were made to the in-scope applications during the audit period to assess changes that have impact on financial reporting. • Tested the periodic review of access rights, inspected requests of changes to systems for appropriate approval and authorisation. • Performed tests of controls (including other compensatory controls, wherever applicable) on the IT application controls and IT dependent manual controls in the system.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the Standalone Financial Statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditors' report.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS.

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

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

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

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

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

The standalone financial statements of the Company for the year ended March 31, 2022 were audited by the predecessor Joint Auditors, M. P. Chitale and Co, and Gokhale & Sathe who had expressed an unmodified opinion on those statements vide their audit report dated May 18, 2022. The comparative financial information of the Company for the year ended 31 March 2022 are based on those standalone financial statements.

Our opinion is not modified in respect of the above matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

    i. 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;

    ii. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

    iii. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

    iv. In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

    v. On the basis of written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act;

    vi. With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";

    vii. 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, in our opinion and to the best of our information and according to the explanations given to us:

        a. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note No. 41(a) to the Standalone Financial Statements.

        b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        c. There has been no delay in transferring amounts, required to be transferred, to the Investor, Education and Protection Fund by the Company.

        d. In respect of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014,

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

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

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

d. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend. As stated in Note No. 47 to the Standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

3. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 01, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

4. In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid / provided by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act.

For SGCO & Co. LLP
Chartered Accountants
Firm Registration Number: 112081W/W100184

Suresh Murarka
Partner
Membership Number: 044739
UDIN: 23044739BGUNNM3153

Mumbai, May 16, 2023

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration Number: 105 049W

Bhupendra Karkhanis
Partner
Membership Number: 108336
UDIN: 23108336BGQZOE7888

Mumbai, May 16, 2023

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of LIC Housing Finance Limited of even date)

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

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

(b) The Company has a regular program of physical verification of property, plant and equipment (including right-to-use assets) under which property, plant and equipment are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification during the year.

(c) According to the information and explanations given to us and the records examine by us and based on the examination of the registered sale deed/ transfer deed /conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and acquired buildings which are freehold, are held in the name of the Company as at the balance sheet date.

In respect of immovable properties that have been taken on lease and disclosed as property, plant and equipment in the Standalone Financial Statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets during the year and hence, the requirement to report on paragraph 3(i)(d) of the Order is not applicable for the Company

(e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The nature of the Company's business is such that it is not required to hold any inventories and, hence, reporting under paragraph 3(ii) of the order is not applicable to the Company.

(b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate by banks or financial institutions. However, such loans are either unsecured or secured by way of negative lien over assets of the Company. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) Since the Company is a Housing Finance Company whose principal business is to give loans and hence, the requirement to report on paragraph 3(iii)(a) of the Order is not applicable to the Company.

(b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business of providing housing finance and loans against property to individual customers as well as providing builder finance, corporate finance, etc. to non-individual customers, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount, due date for repayment or receipt and the extent of delay in this report as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause, in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business. Further, except for loans where there are delays or defaults in repayment of principal and / or payment of interest as at the balance sheet date, in respect of which the company has disclosed asset classification / staging in Note 37.4.2.5 to the Standalone Ind AS Financial Statements in accordance with Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

(d) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days as at March 31, 2023 and the details of the number of such cases, are disclosed in note 37.4.2.5 to the standalone financial statements. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

(e) Since the Company is a Housing Finance Company whose principal business is to give loans and hence, the requirement to report on paragraph 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 of the Act to the extent applicable to the Company with regards to loans, investments or guarantees or security made by the Company . The Company has complied with the provisions of Section 186(1) of the Act; the other provisions of Section 186 of the Act are not applicable to the Company.

(v) As per the Ministry of Corporate Affairs notification dated March 31, 2014, the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company and hence, the requirement to report on paragraph 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us and to the best of our knowledge, the Central Government has not prescribed the maintenance of cost records under sub-section 1 of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, as amended for the services of the Company, and, hence, reporting under paragraph 3 (vi) of the order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us, and on the basis of examination of the books of account of the Company examined by us, in our opinion, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, goods and service tax, cess and other material statutory dues applicable to it. According to information and explanations given to us, no undisputed amounts payable were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, goods and service tax, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

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

(b) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

(c) The Company has utilized the money raised by way of terms loans during the year for the purpose for which they were raised.

(d) On an overall examination of the Standalone financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence, the requirement to report on paragraph 3(x)(a) of the Order is not applicable.

(b) During the year company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on paragraph 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us and on the basis of examination of books of account and records of the Company, we report that the Company is not a Nidhi Company within the meaning of Section 406 of the Act and hence, the requirement to report on paragraph 3(xii)(a) to (c) of the Order is not applicable.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records, the Company is in compliance with Section 177 and 188 of the Act where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements, as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports, for the year under audit, issued to the Company during the year and till date.

(xv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with directors and hence, the requirement to report on paragraph 3(xv) of the Order is not applicable.

(xvi) (a) The Company is not required to be registered under Section 45- IA of the Reserve Bank of India Act, 1934 (2 of 1934).

(b) The Company is a Housing Finance Company and it holds a valid Certificate of Registration (COR) from the National Housing Bank issued under Section 29A(2) of the National Housing Bank Act 1987 for conducting housing finance business. Prior to 9th August 2019, the power of registration of Housing Finance Companies was vested with the National Housing Bank and not the Reserve Bank of India.

(c) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 (“the Regulations”) issued by the Reserve Bank of India and hence, the requirement to report on paragraph 3(xvi)(c) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group and hence, the requirement to report on paragraph 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) On the basis of examination of books of account and records of the Company and overall examination of the Standalone financial statements, we report that the Company has not incurred cash losses in the financial year 2022-23 or in the immediately preceding financial year 2021-22.

(xviii) During the year, there has been no resignation of the statutory auditors and hence, the requirement to report on paragraph 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and it should not be construed as a guarantee or assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act.

(b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account in compliance with the provisions of sub-section (6) of section 135 of the Act.

For SGCO & Co. LLP
Chartered Accountants
Firm Registration Number: 112081W/W100184

Suresh Murarka
Partner
Membership Number: 044739
UDIN: 23044739BGUNNM3153

Mumbai, May 16, 2023

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration Number: 105 049W

Bhupendra Karkhanis
Partner
Membership Number: 108336
UDIN: 23108336BGQZOE7888

Mumbai, May 16, 2023

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(vi) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of LIC Housing Finance Limited of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION (3) OF SECTION 143 OF COMPANIES ACT, 2013 (THE 'ACT')

We have audited the internal financial controls with reference to Standalone Financial Statements of **LIC Housing Finance Limited** (hereinafter referred to as "the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management and Board of Directors are 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, 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 with reference to Standalone Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Standalone Financial Statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2023, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SGCO & Co. LLP
Chartered Accountants
Firm Registration Number: 112081W/W100184

Suresh Murarka
Partner
Membership Number: 044739
UDIN: 23044739BGUNNM3153

Mumbai, May 16, 2023

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration Number: 105 049W

Bhupendra Karkhanis
Partner
Membership Number: 108336
UDIN: 23108336BGQZOE7888

Mumbai, May 16, 2023

BALANCE SHEET

AS AT MARCH 31, 2023

(₹ in Crore)

	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Financial Assets			
(a) Cash and Cash Equivalents	5	619.40	822.19
(b) Bank Balance other than (a) above	6	122.50	115.20
(c) Derivative Financial Instruments	7	-	79.17
(d) Loans	8	267,834.80	245,296.33
(e) Investments	9	6,976.41	6,198.60
(f) Other Financial Assets	10	18.56	16.57
Total Financial Assets		**275,571.67**	**252,528.06**
(2) Non-Financial Assets			
(a) Current Tax Assets (Net)	11	-	135.17
(b) Deferred Tax Assets (Net)	12	1,888.46	1,368.08
(c) Property, Plant and Equipment	13.1	159.82	135.74
(d) Capital Work in Progress	13.2	0.74	0.04
(e) Intangible Assets under Development	13.3	-	1.45
(f) Right of Use Assets	13.4	160.16	128.64
(g) Other Intangible Assets	13.5	36.23	21.75
(h) Other Non-Financial Assets	14	356.04	141.15
(i) Non-Current Non -Financial Assets held for sale		238.89	107.38
Total Non-Financial Assets		**2,840.34**	**2,039.40**
Total Assets		**278,412.01**	**254,567.46**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Lease Liabilities		175.41	143.12
(b) Payables	15		
(A) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		0.14	2.79
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		38.82	61.51
(B) Other Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(c) Debt Securities	16	136,959.99	127,341.99
(d) Borrowings (Other than Debt Securities)	17	94,392.25	76,447.22
(e) Deposits	18	11,626.21	18,073.50
(f) Subordinated Liabilities	19	1,795.77	1,795.44
(g) Other Financial Liabilities	20	5,595.60	5,508.99
Total Financial Liabilities		**250,584.19**	**229,374.56**
(2) Non-Financial Liabilities			
(a) Current tax liabilities (Net)	21	5.99	-
(b) Provisions	22	173.46	169.98
(c) Other Non-Financial Liabilities	23	548.03	351.08
Total Non-Financial Liabilities		**727.48**	**521.06**
(3) EQUITY			
(a) Equity Share Capital	24	110.08	110.08
(b) Other Equity	25	26,990.26	24,561.76
Total Equity		**27,100.34**	**24,671.84**
Total Liabilities and Equity		**278,412.01**	**254,567.46**

See accompanying notes forming part of the Standalone Financial Statement 1 - 58

As per our report of even date attached

For and on behalf of the Board of Directors

For SGCO & Co. LLP
Chartered Accountants
FRN 112081W / W100184

For Kandelwal Jain & Co.
Chartered Accountants
FRN 105049W

Siddhartha Mohanty
Chairman
DIN : 08058830

Kashi Prasad Khandelwal
Director
DIN : 00748523

Y. Viswanatha Gowd
Managing Director &
Chief Executive Officer
DIN : 09048488

Suresh Murarka
Partner
M. No. 044739

Bhupendra Karkhanis
Partner
M.No. 108336

Varsha Hardasani
Company Secretary
FCS No: ACS50448

Sudipto Sil
CFO

H. J. Panchariya
General Manager
(Accounts)

Place: Mumbai
Date : May 16, 2023

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

			Note	Year Ended as on March 31, 2023	Year Ended as on March 31, 2022
(1)	**REVENUE FROM OPERATIONS**				
	(i)	Interest Income	26	22,516.22	19,688.46
	(ii)	Fees and Commission Income	27	44.80	98.17
	(iii)	Net gain on Derecognition of Financial Instruments under amortised cost category	28	21.05	19.40
	(iv)	Net gain on fair value changes	29	49.91	15.40
	(v)	Others	30	24.97	97.64
	Total Revenue from Operations (1)			**22,656.95**	**19,919.07**
	(2)	Other Income (includes Dividend of ₹ 5.67 crore) (Previous year ₹ 5.20 crore)	31	17.25	33.95
(3)	**Total Income (1+2)**			**22,674.20**	**19,953.02**
(4)	**Expenses**				
	(i)	Finance Costs	32	16,185.96	14,177.25
	(ii)	Fees and Commission Expenses	33	159.09	111.94
	(iv)	Impairment on Financial Instruments (Expected Credit Loss)	34	1,942.96	2,021.83
	(vi)	Employee Benefits Expenses	35	473.21	563.32
	(vii)	Depreciation, Amortization and Impairment	13.1, 13.4 & 13.5	65.56	52.44
	(viii)	Others Expenses	36	290.42	248.09
	Total Expenses (4)			**19,117.20**	**17,174.87**
(5)	**Profit Before Tax (3-4)**			**3,557.00**	**2,778.15**
(6)	**Tax Expense**				
		- Current Tax		1,188.05	944.43
		- Deferred Tax		(522.08)	(453.56)
	Total Tax Expenses (6)			**665.97**	**490.87**
(7)	**Net Profit after Tax (5-6)**			**2,891.03**	**2,287.28**
(8)	**Other Comprehensive Income**				
		(i) Items that will not be reclassified to Profit or (Loss)		6.72	(6.31)
		(ii) Income Tax relating to items that will not be reclassified to Profit or (Loss)		(1.69)	1.59
	Other Comprehensive Income			**5.03**	**(4.72)**
(9)	**Total Comprehensive Income for the year**			**2,896.06**	**2,282.56**
(10)	**Earnings per Equity Share**				
		Basic (₹)		52.56	43.14
		Diluted (₹)		52.56	43.14

See accompanying notes forming part of the Standalone Financial Statement 1 - 58.

As per our report of even date attached

For and on behalf of the Board of Directors

For SGCO & Co. LLP
Chartered Accountants
FRN 112081W / W100184

For Kandelwal Jain & Co.
Chartered Accountants
FRN 105049W

Siddhartha Mohanty
Chairman
DIN : 08058830

Kashi Prasad Khandelwal
Director
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FCS No: ACS50448

Sudipto Sil
CFO

H. J. Panchariya
General Manager
(Accounts)

Place: Mumbai
Date : May 16, 2023

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

A. EQUITY SHARE CAPITAL

(₹ in Crore)

Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the year	Balance as at March 31, 2022
100.99	-	-	9.09	110.08

Balance as at April 1, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the year	Balance as at March 31, 2023
110.08	-	-	-	110.08

B. OTHER EQUITY

(₹ in Crore)

	Reserve and Surplus								Other Comprehensive Income		Total Equity
	Statutory Reserves	Capital Reserve	Securities Premium	General Reserve	Special Reserve I	Special Reserve II	Impairment Reserve	Retained Earnings	Other items (Acturial Gain/ (Loss)	Cash Flow Hedge Reserve	
Balance as at April 1, 2021	**0.17**	**0.48**	**1,705.29**	**7,182.97**	**38.98**	**6,684.32**	**204.78**	**4,610.42**	**(7.09)**	**-**	**20,420.32**
Add: Share Premium on Equity Issuance	-	-	2,326.43	-	-	-	-	-	-		2,326.43
Add: Total Comprehensive Income for the year	-	-	-	-	-	-	-	2,287.28	(4.72)	-	2,282.56
Add: Gain on ECB Cross Currency Swap	-	-	-	-	-	-	-	-	-	(79.17)	(79.17)
Less: Loss due to Exchange Rate Fluctuation on ECB	-	-	-	-	-	-	-	-	-	79.17	79.17
Less: Dividend of ₹ 8.50/- per equity share of ₹ 2 /- each	-	-	-	-	-	-	-	(467.55)	-	-	(467.55)
Transfer to Statutory Reserves	0.01	-	-	-	-	-	-	(0.01)	-	-	-
Transfer to General Reserves	-	-	-	700.00	-	-	-	(700.00)	-	-	-
Transfer to Special Reserve II	-	-	-	-	-	859.99	-	(859.99)	-	-	-
Transfer to Impairment Reserve	-	-	-	-	-	-	92.72	(92.72)	-	-	-
Balance as at March 31, 2022	**0.18**	**0.48**	**4,031.72**	**7,882.97**	**38.98**	**7,544.31**	**297.50**	**4,777.43**	**(11.81)**	**-**	**24,561.76**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

	Reserve and Surplus								Other Comprehensive Income		Total Equity
	Statutory Reserves	Capital Reserve	Securities Premium	General Reserve	Special Reserve I	Special Reserve II	Impairment Reserve	Retained Earnings	Other items (Acturial Gain/ (Loss)	Cash Flow Hedge Reserve	
Balance as at April 1, 2022	**0.18**	**0.48**	**4,031.72**	**7,882.97**	**38.98**	**7,544.31**	**297.50**	**4,777.43**	**(11.81)**	**-**	**24,561.76**
Add: Share Premium on Equity Issuance	-	-	-	-	-	-	-	-	-	-	-
Add: Total Comprehensive Income for the year	-	-	-	-	-	-	-	2,891.03	5.03	-	2,896.05
Add: Gain on ECB Cross Currency Swap	-	-	-	-	-	-	-	-	-	-	-
Less: Loss due to Exchange Rate Fluctuation on ECB	-	-	-	-	-	-	-	-	-	-	-
Less: Dividend of ₹ 8.50/- per equity share of ₹ 2 /- each	-	-	-	-	-	-	-	(467.55)	-	-	(467.55)
Transfer to Statutory Reserves	0.01	-	-	-	-	-	-	(0.01)	-	-	-
Transfer to General Reserves	-	-	-	850.00	-	-	-	(850.00)	-	-	-
Transfer to Special Reserve II	-	-	-	-	-	984.99	-	(984.99)	-	-	-
Transfer to Impairment Reserve	-	-	-	-	-	-		-	-	-	-
Balance as at March 31, 2023	**0.19**	**0.48**	**4,031.72**	**8,732.97**	**38.98**	**8,529.30**	**297.50**	**5,365.91**	**(6.78)**	**-**	**26,990.26**

See accompanying notes forming part of the standalone financial statement 1 - 58.

As per our report of even date attached

For and on behalf of the Board of Directors

For SGCO & Co. LLP
Chartered Accountants
FRN 112081W / W100184

For Kandelwal Jain & Co.
Chartered Accountants
FRN 105049W

Siddhartha Mohanty
Chairman
DIN : 08058830

Kashi Prasad Khandelwal
Director
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Y. Viswanatha Gowd
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Partner
M.No. 108336

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Company Secretary
FCS No: ACS50448

Sudipto Sil
CFO

H. J. Panchariya
General Manager
(Accounts)

Place: Mumbai
Date : May 16, 2023

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Particulars		Year Ended as at March 31, 2023	Year Ended as at March 31, 2022
A.	**Cash Flow from Operating Activities**		
	Profit Before Tax	3,557.00	2,778.15
	Adjustments for		
	Depreciation, Amortization and Impairment (other than Financial Instruments)	65.56	52.44
	Share Issue Expenses	-	1.28
	Impairment on Financial Instruments (Expected Credit Loss)	1,396.21	1,988.24
	Loss/(Gain) on disposal of Property, Plant and Equipment	(0.16)	(0.01)
	Dividend and Interest Income classified as Investing Cash Flows	(9.54)	(10.24)
	Unwinding of discount	344.47	(34.18)
	Exchange differences on translation of assets and liabilities (Net)	(0.01)	0.31
	Interest Expense	16,137.47	14,153.65
	Interest Income	(22,189.32)	(19,460.20)
	Adjustments for		
	Movements in Provisions and Gratuity	6.72	(6.31)
	Increase in Financial & Non-Financial Assets	(218.35)	(49.35)
	Increase / (Decrease) in Financial & Non-Financial Liabilities	449.18	(743.67)
	Cash from/ (used in) operations before adjustments for interest received and paid	**(460.77)**	**(1,329.89)**
	Interest Paid	(15,975.58)	(14,629.39)
	Interest Received	21,796.18	19,404.50
	Income Tax paid	(1,046.89)	(1,087.36)
	Net Cash from Operations	**4,312.94**	**2,357.86**
	Loans Disbursed (At amortized cost) (Net)	(23,790.29)	(19,116.93)
	Asset held for sale	(143.73)	18.81
	Net Cash used for Operating Activities (A)	**(19,621.08)**	**(16,740.26)**
B.	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant and Equipment & Intangibles	(63.73)	(34.89)
	Proceeds from Sale of Property, Plant and Equipment	6.51	0.03
	Payments for Purchase of Investments	(773.47)	(2,203.31)
	Proceeds from Sale of Investments	0.19	626.95
	Dividends Received	5.67	5.20
	Interest Received	3.87	5.04
	Net Cash used for Investing Activities (B)	**(820.96)**	**(1,600.98)**

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Particulars	Year Ended as at March 31, 2023	Year Ended as at March 31, 2022
C. Cash Flow from Financing Activities		
Proceeds from Borrowings	182,150.64	152,314.44
Repayment of Borrowings	(154,564.59)	(136,243.92)
Proceeds from issuing shares (net of issue expense)	-	2,334.23
Deposits (Net of repayments)	(6,827.73)	(52.31)
Payments towards Lease Liability	(49.31)	(49.05)
Transfer to Investor Protection Fund	(2.22)	(1.25)
Dividends paid to Company's Shareholders	(467.55)	(467.55)
Net Cash used in Financing Activities (C)	**20,239.24**	**17,834.59**
Effect of exchange differences on translation of foreign currency cash and cash equivalents	0.01	(0.31)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	**(202.80)**	**(506.65)**
Cash and Cash Equivalents at the beginning of the year	822.19	1,329.15
Cash and Cash Equivalents at the end of the year	**619.40**	**822.19**
Cash and Cash Equivalents as per above comprise of the following		
(i) Cash on hand	4.42	4.33
(ii) Balances with Banks (of the nature of cash and cash equivalents)	538.76	700.99
(iii) Cheques, drafts on hand	76.22	116.87
Balances as per Statement of Cash Flows	**619.40**	**822.19**

As per our report of even date attached

For and on behalf of the Board of Directors

For SGCO & Co. LLP
Chartered Accountants
FRN 112081W / W100184

For Kandelwal Jain & Co.
Chartered Accountants
FRN 105049W

Siddhartha Mohanty
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Company Secretary
FCS No: ACS50448

Sudipto Sil
CFO

H. J. Panchariya
General Manager
(Accounts)

Place: Mumbai
Date : May 16, 2023

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

(A) Significant Accounting Policies:

2.1 Statement of Compliance

Standalone Financial Statements of the Company have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards ("the Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the guidelines issued by the National Housing Bank ("NHB") and Reserve Bank of India (RBI) to the extent applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The Company presents its Balance Sheet in the order of liquidity.

2.2 Basis of preparation of Ind-AS Financial Statements

The Company has prepared these Standalone Financial Statements, which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2023, and accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements" or "Financial Statements") on the historical cost basis except for certain financial instruments and certain employee benefit assets, which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized within the fair value hierarchy into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

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

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Crore except when otherwise stated.

2.3 Revenue Recognition

The Company has recognised revenue pursuant to a contract (other than a contract listed in paragraph 5 of Ind AS 115) only if the counterparty to the contract is a customer. A customer is a party that has contracted with an entity to obtain services that are an output of the entity's ordinary activities in exchange for consideration.

i. Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is accrued on a timely basis, by reference to the principal outstanding and at applicable effective interest rate (EIR). The effective interest method is a method of calculating the amortised cost of a financial asset and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

ii. Dividend Income:

Dividend income from investment is recognised when the Company's right to receive the payment has been established provided that it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

iii. Fees and Commission Income:

Fees and commission income includes fees other than those that are an integral part of EIR. The Company recognises the fees and commission income in accordance with the terms of the relevant contracts / agreements and when it is probable that the Company will collect the consideration.

iv. Other Income:

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

2.4 Leases

As Lessee

The Company, as lessee has recognised lease liabilities and right-of-use assets, has applied the following approach to all of its leases (a) measured the lease liability at the date of transition to Ind AS by measuring that lease liability at the present value of the remaining lease payments and discounted using the lessee's incremental borrowing rate at the date of transition to Ind AS 116. Lease arrangements entered during the year are measured at incremental borrowing rate computed at the beginning of the year. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if there is change to its assessment whether it will exercise an extension or a termination option. (b) Right Of Use assets are recognized and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of restoration costs and any initial direct costs incurred by lessee. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right of Use Assets are depreciated from the commencement date on a straight- line basis over the shorter of the lease term or useful life of the underlying asset. They are evaluated for recoverability whenever events or changes indicate that their carrying amounts may not be recoverable.

The Company has not applied Ind AS 116 to Short Term Leases, which are defined as leases with a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

As a Lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interest in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

2.5 Functional Currency and Foreign Exchange Transactions

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The Company has accordingly assessed INR as its functional currency.

The transactions in currencies other than the entity's functional currency are recognised at the rate of exchange prevailing at the date when the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value was determined. Non-monetary items measured at historical cost are not translated.

Exchange difference arising on monetary items is recognised in the Statement of Profit and Loss in the year in which they arise.

2.6 Borrowing Costs

Borrowing costs include interest, commission/brokerage on deposits and exchange differences arising from foreign currency borrowings to the extent they are regarded as adjustment to interest cost. Interest expenses are accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate (EIR) applicable. The effective interest method is a method of calculating the amortised cost of a financial liability and allocating interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

2.7 Employee Benefits

Retirement benefit cost and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the year of a plan amendment or when the Company recognises corresponding restructuring cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the Company recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits to employees in respect of wages and salaries, annual leave, sick leave and short-term employee benefits in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.8 Taxes

Income tax expense represents the sum of current tax and deferred tax.

Current Taxes

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

Deferred Taxes

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which give future economic benefits in the form of adjustment to future income tax liability, is considered as a deferred 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 probable that the future economic benefit associated with it will flow to the Company.

Current and Deferred Tax for the year

Current and Deferred tax are recognised in profit or loss, except when they are relating to items that are recognised in the other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.9 Property, Plant and Equipment

Property, Plant and Equipment are recorded at their cost of acquisition, net of refundable taxes or levies, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. Property, plant and equipment except freehold land held for use for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight - line method as per the useful life prescribed in the Schedule II to the Companies Act, 2013, except in respect of Vehicles (Motor cars) where useful life is estimated as 5 years based on estimated usage of the assets.

Type of Asset	Useful Lives (in years)
Building	60
Furniture & Fixture	10
Vehicles	5
Office Equipment	5
Computers	3
Servers And Networks Equipment	6

Depreciation on additions to Fixed Assets is provided on pro-rata basis from the date of acquisition or installation. Depreciation on assets whose cost individually does not exceed ₹5,000/- is fully provided in the year of purchase. Depreciation on Assets sold, discarded, demolished or scrapped, is provided upto the date on which the said Asset is sold, discarded, demolished or scrapped.

The Company has applied depreciation requirements as per Ind AS 116 in depreciating the right of use assets. The Right of Use Asset is depreciated for the life of the lease term.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

2.10 Intangible Assets and amortisation thereof

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis based on their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses, if any.

Computer software is amortised over the period of three to five years on a straight-line basis.

An item of Intangible Asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

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Capital Work in Progress

Capital Work in Progress includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses less accumulated impairment losses, if any.

2.11 Impairment of Property, Plant & Equipment and Intangible Assets

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The Company has applied Ind AS 36, Impairment of Assets, to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

2.12 Provisions and Contingent Liabilities

Provisions involving substantial degree of estimation in measurement are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent Liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events that may, but probably will not, require an outflow of resources.

Both provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes. A contingent asset is disclosed in the Financial Statements, where an inflow of economic benefits is probable.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.13 Investment in Subsidiaries and Associates

Investment in subsidiaries and associates are recognized and carried at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the

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carrying amount is charged or credited to the Statement of Profit and Loss.

2.14 Financial Instruments

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value through Profit or Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at Fair Value through Profit or Loss are recognised immediately in Statement of Profit and Loss.

A. Financial Assets

a) Recognition and initial measurement

The Company initially recognises loans and advances, deposits and debt securities purchased on the date on which they originate. Purchases and sale of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value except investment in subsidiaries and associates. In the case of financial assets not recorded at FVTPL, transaction costs that are directly attributable to its acquisition of financial assets are included therein.

b) Classification of Financial Assets and Subsequent Measurement

On initial recognition, a financial asset is classified to be measured at –

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) – debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) – equity investment; or
- Fair Value through Profit or Loss (FVTPL)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, on sale/disposal the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

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All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on re-measurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognised when:

- The Company's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the Company,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

c) Business Model Test

The Company determines its business model at the level that best reflects how it manages a group of financial assets to achieve its business objective.

The Company's business model is not assessed on instrument to instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed.

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model.

d) Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding

The Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount)

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors.

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

e) Derecognition of Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

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On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Modification of contractual cash flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified, and the renegotiation or modification does not result in the derecognition of that financial asset, the Company recalculates the gross carrying amount of the financial asset and shall recognise a modification gain or loss in profit or loss. The gross carrying amount of the financial asset shall be recalculated as at the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets) or, when applicable, the revised effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

f) Impairment of Financial Assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. The Company applies a three-stage approach for measuring ECL for the following categories of financial assets that are not measured at Fair Value through Profit or Loss:

- debt instruments measured at amortised cost and Fair Value through Other Comprehensive Income; and
- financial guarantee contracts.

No ECL is recognised on equity investments, classified as FVTPL.

Expected credit losses is the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

Financial assets migrate through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

The Company assesses ECL on exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. For these exposures, the Company recognises as a collective provision the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months. The Company does not conduct an individual assessment of exposures in Stage 1 as there is no evidence of one or more events occurring that would have a detrimental impact on estimated future cash flows.

Stage 2: Lifetime ECL – not credit impaired

The Company collectively assesses ECL on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Company recognises as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset). Similar to Stage 1, the Company does not conduct an individual assessment on Stage 2 exposures as the increase in credit risk is not, of itself, an event that could have a detrimental impact on future cash flows.

Stage 3: Lifetime ECL – credit impaired

The Company identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events, that have a detrimental impact

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on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised as a collective or specific provision, and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Determining the stage for impairment

At each reporting date, the Company assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for impairment losses reverts from lifetime ECL to 12-months ECL. Exposures that have not deteriorated significantly since origination are considered to have a low credit risk. The provision for impairment losses for these financial assets is based on a 12-months ECL. When an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the income statement.

The Company assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, class of borrowers, credit risk ratings, date of initial recognition, remaining term to maturity, industry and other relevant factors.

Measurement of ECL

ECL are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses is a portion of the life-time expected credit losses and represents the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.

For further details on how the Company calculates ECL including the use of forward looking information, refer to the Credit quality of financial assets in Note .... Financial risk management.

ECL is recognised using a provision for impairment losses in Statement of Profit and Loss. In the case of debt instruments measured at Fair Value through Other Comprehensive Income, the measurement of ECL is based on the three-stage approach as applied to financial assets at amortised cost. The Company recognises the provision charge in profit and loss, with the corresponding amount recognised in other comprehensive income, with no reduction in the carrying amount of the asset in the Balance Sheet.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

g) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument

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and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL and Interest income is recognised in Statement of Profit and Loss.

h) Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

B. Financial Liabilities and Equity Instruments

a) Classification as Debt or Equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Equity Instruments

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

c) Financial Liabilities

Financial liabilities are classified as measured at amortised cost or 'FVTPL'.

A Financial Liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

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A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

d) Other Financial Liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

e) Derecognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.15 Assets held for sale

The Company physically repossess properties or other assets in retail portfolio to settle outstanding recoverable and the surplus (if any) post auction is refunded to the loanees. These assets are acquired by the company under SARFEASI Act, 2002 has been classified as assets held for sale, as their carrying amounts will be recovered through a sale of asset. In accordance with Ind AS 105, the company is committed to sell these assets under possession, are measured on balance sheet at the lower of carrying value or fair value and no depreciation is charged on them.

2.16 Hedge Accounting

The Company uses derivative instruments to manage exposures to interest rate and foreign currency risks.

The hedging transactions entered into by the Company is within the overall scope of the Derivative Policy and within the Risk Management framework of the company as approved by the Board from time to time and for the risks identified to be hedged in accordance with the same policies. All derivative contracts are recognised on the Balance Sheet and measured at fair value. Hedge accounting is applied to all the derivative instruments as per Ind AS 109. Hedge effectiveness is ascertained periodically on a forward looking basis and is reviewed at each reporting period. Hedge effectiveness is measured by the degree to which changes in the fair value or cash flows of the hedged item that are attributed to the hedged risk are offset by changes in the fair value or cashflows of the hedging instrument.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

Fair Value Hedges

Fair value hedge is a hedge of the exposure to changes in fair value of a recognized asset or liability or unrecognized

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commitment, or a component of any such item, that is attributable to a particular risk and could affect profit or loss. The cumulative change in the fair value of a hedging derivative is recognised in the Statement of Profit and Loss in net gain on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item is recorded as part of the carrying value of the hedged item in the Balance Sheet and is also recognized as net gain on fair value changes in the Statement of Profit and Loss . The Company classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationship is fixed rate debt issued and other borrowed funds. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Company discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the Statement of Profit and Loss.

Cash Flow Hedges

Cash flow hedge is a hedge of the exposure to variability in the cash flows of a specific asset or liability, or of a forecasted transaction, that is attributable to a particular risk. It is possible to only hedge the risks associated with a portion of an asset, liability, or forecasted transaction, as long as the effectiveness of the related hedge can be measured. The accounting for a cash flow hedge will be to recognize the effective portion of any gain or loss in Other Comprehensive Income (OCI), and recognize the ineffective portion of any gain or loss in Finance cost in the Statement of Profit and Loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

Interest rate benchmark reforms:

Hedging relationships that are directly affected by interest rate benchmark reform gives rise to uncertainties about:

a) the interest rate benchmark (contractually or non-contractually specified) designated as a hedged risk; and/or

b) the timing or the amount of interest rate benchmark-based cash flows of the hedged item or of the hedging instrument.

This may adversely affect the existing hedging relationships so long as the uncertainties exist. In order to provide relief to such hedging relationships the accounting standard Ind AS 109 provides for some relief measures which should be mandatorily applied for such cases.

Accordingly, the Company applies the relief by assuming the following:

1. that the interest rate benchmark on which the hedged cash flows are based is not altered as a result of the reform.

2. when performing prospective assessments, the Company assumes that the interest rate benchmark on which the hedged item, hedged risk and/or hedging instrument are based is not altered as a result of the interest rate benchmark reform.

3. for hedges of a non-contractually specified benchmark component of interest rate risk, the Company applies the separately identifiable requirement only at the inception of such hedging relationships.

As per the requirements of IND AS, the Company shall cease applying the aforesaid exceptions when:

a) the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows; or

b) the hedging relationship is discontinued, whichever is earlier.

2.17 Cash and Cash Equivalent

Cash and cash equivalent in Balance Sheet comprise of cash at bank, cash and cheques on hand and short-term deposits with an original maturity of three months or less which are subject to insignificant risk of changes in value.

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2.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events including a bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares divided by weighted average no of equity shares year which are adjusted for the effects of all dilutive potential equity shares.

2.19 Statement of Cash Flow

Cash flows are reported using the indirect method, whereby profit / (loss) before 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 are segregated based on the activities of the Company.

2.20 Commitments

Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows:

i. The estimated amount of contracts remaining to be executed on capital account and not provided for; and

ii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

2.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

The Managing Director & CEO is identified as the Chief Operating Decision Maker (CODM) by the management of the Company. CODM has identified only one operating segment of providing loans for purchase, construction, repairs renovation etc. and has its operations entirely within India. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments, as per the Indian Accounting Standard (Ind AS) 108 on 'Segment Reporting'.

3. KEY ESTIMATES AND JUDGEMENTS:

The preparation of the financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Revisions to accounting estimates are recognised prospectively. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

3.1 Determination of Expected Credit Loss ("ECL")

The measurement of impairment losses (ECL) across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows based on Company's historical experience and collateral values when determining impairment losses along with the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

Elements of the ECL models that are considered accounting judgements and estimates include:

- Bifurcation of the financial assets into different portfolios when ECL is assessed on collective basis.
- Company's criteria for assessing if there has been a significant increase in credit risk.
- Development of ECL models, including choice of inputs / assumptions used.

The various inputs used and process followed by the Company in measurement of ECL has been detailed in Note 37.4.2.3

3.2 Fair Value Measurements

In case of financial assets and financial liabilities recorded or disclosed in financial statements the company uses the quoted prices in active markets for identical assets or based on inputs which are observable either directly or indirectly for determining the fair value. However in certain cases, the Company adopts valuation techniques and inputs which are not based on market data. When Market observable information is not available, the Company has

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

applied appropriate valuation techniques and inputs to the valuation model.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Information about the valuation techniques and inputs used in determining the fair value of Investments are disclosed in Note 37.3.

3.3 Income Taxes

The Company's tax jurisdiction is in India. Significant judgements are involved in determining the provision for direct and indirect taxes, including amount expected to be paid/recovered for certain tax positions.

3.4 Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding ("SPPI") and the business model test. The Company determines the business model at a level that reflects how the Company's financial instruments are managed together to achieve a particular business objective.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

3.5 Provisions and Liabilities

Provisions and liabilities are recognised in the period when they become probable that there will be an outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires judgment to existing facts and circumstances which may be subject to change.

4. RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2023.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

NOTE 5 CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Cash on hand	4.42	4.33
(ii) Balances with Banks *	538.76	700.99
(iii) Cheques, drafts on hand	76.22	116.87
Total	**619.40**	**822.19**

*Balances with Banks includes EMD amount of ₹ 2.42 Crore (F.Y. 2021-22 ₹ 1.04 Crore)

NOTE 6 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Earmarked balances with banks*	9.52	8.60
(ii) Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments**	112.98	106.60
Total	**122.50**	**115.20**

*Balance with Banks includes unclaimed dividend of ₹ 9.52 Crore (F.Y. 2021-22 ₹ 8.60 Crore)

**Fixed Deposits with Banks includes earmarked deposits created in favour of trustees for depositors towards maintaining Statutory Liquid Ratio amounting to ₹ 100 Crore (F.Y. 2021-22 ₹ 82.70); ₹ 9.79 Crore (F.Y. 2021-22 ₹ 9.85 Crore) created for excess sale proceeds recovered under SARFAESI Act 2002. Fixed deposit placed with banks earns interest at fixed rate.

NOTE 7 DERIVATIVE FINANCIAL INSTRUMENTS

(₹ in Crore)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Notional Amount	Fair Value - Assets	Fair Value - Liabilities	Notional Amount	Fair Value - Assets	Fair Value - Liabilities
Part I						
I. Currency Derivatives						
i) Forwards				-	-	-
ii) Currency Swaps (interest/ Principal/ both)	-	-	-	1,425.73	79.17	-
II. Interest Rate Derivatives						
i) Interest Rate Swaps	-	-	-	-	-	-
TOTAL (I)	**-**	**-**	**-**	**1,425.73**	**79.17**	**-**
Part II						
i) Fair Value Hedge						
- Currency Derivatives	-	-	-	-	-	-
- Interest Rate derivatives	-	-	-	-	-	-
ii) Cash Flow Hedge						
- Currency Derivatives	-	-	-	1,425.73	79.17	-
- Interest Rate derivatives					-	-
TOTAL (II)	**-**	**-**	**-**	**1,425.73**	**79.17**	**-**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

NOTE 8 LOANS - AT AMORTISED COST

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(A)		
(i) Term Loans *		
- Individual	252,561.01	204,230.22
- Others	10,748.14	33,911.69
- Corporate Bodies/ Builders	11,738.01	12,977.84
(ii) Others		
- Loans to staff	9.44	8.79
- Loans against Public Deposit	5.81	3.40
- Finance Lease Receivables	2.68	3.51
Total - Gross (A)	**275,065.09**	**251,135.45**
Less: Impairment Loss Allowance (Expected Credit Loss)	7,230.29	5,839.12
Total - Net (A)	**267,834.80**	**245,296.33**
(B)		
(i) Secured by tangible assets	272,030.27	247,933.77
(ii) Secured by intangible assets	1,863.13	1,215.68
(iii) Secured by Government Guarantee	778.36	926.10
(iv) Unsecured	393.33	1,059.90
Total - Gross (B)	**275,065.09**	**251,135.45**
Less: Impairment Loss Allowance (Expected Credit Loss)	7,230.29	5,839.12
Total - Net (B)	**267,834.80**	**245,296.33**
(C)		
(i) Loans in India		
Individual	252,578.94	204,245.93
Commercial Real Estate Sector	9,681.64	12,476.70
Commercial Real Estate Sector- Others	1,066.50	21,435.00
Builder Loans	1,059.46	1,435.87
Corporate Loans	8,815.42	10,326.27
Other Housing Finance Companies	1,863.13	1,215.68
Total - Gross (C) (i)	**275,065.09**	**251,135.45**
Less: Impairment Loss Allowance (Expected Credit Loss)	7,230.29	5,839.12
Total - Net (C) (i)	**267,834.80**	**245,296.33**
(ii) Loans outside India	-	-
Less: Impairment Loss Allowance (Expected Credit Loss)	-	-
Total - Net (C) (ii)	-	-
Total (C) (i+ii)	**267,834.80**	**245,296.33**

* Loans including interest and installment outstanding due from directors amounts to ₹ 1.36 crore (F.Y. 2021-22 ₹ 0.07 crore) and other related parties ₹ Nil (F.Y. 2021-22 ₹ Nil)

* Retail / Project Loans are secured by any or all of the following as applicable, based on their categorisation :

a) Equitable / Registered Mortgage of Property.

b) Assignment of Life Insurance Policies, NSC, KVP, FD of Nationalized Bank.

c) Assignment of Lease Rent Receivables.

d) Company Guarantees or Personal Guarantees.

e) Negative lien on unsold inventory.

f) Undertaking to create a security.

g) Loans to employees other than for Housing are secured by lien over Provident Fund balances and / or Hypothecation of Vehicles.

For detail disclosures relating to Credit Risk, Impairment Losses, Movement of Impairment Losses refer Note No 37.4.2 of Standalone Financial Statements.

There are no loans or advances granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

NOTE 9 INVESTMENTS

(₹ in Crore)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Amortised cost	Deemed Cost*	At Fair Value Through profit or loss	Total	Amortised cost	Deemed Cost*	At Fair Value Through profit or loss	Total
Mutual Funds	-	-	2,242.03	2,242.03	-	-	1,493.40	1,493.40
Government Securities *	4,623.38	-	-	4,623.38	4,626.66	-	-	4,626.66
Equity Instruments								
Subsidiaries *	-	18.29	-	18.29	-	18.29	-	18.29
Associates *	-	29.71	-	29.71	-	29.71	-	29.71
Real Estate Venture Fund	-	-	8.09	8.09	-	-	6.03	6.03
Alternative Investment Fund	-	-	54.91	54.91	-	-	24.51	24.51
Total - Gross (A)	**4,623.38**	**48.00**	**2,305.03**	**6,976.41**	**4,626.66**	**48.00**	**1,523.94**	**6,198.60**
(i) Investments outside India	-	-	-	-	-	-	-	-
(ii) Investments in India	4,623.38	48.00	2,305.03	6,976.41	4,626.66	48.00	1,523.94	6,198.60
Total (B)	**4,623.38**	**48.00**	**2,305.03**	**6,976.41**	**4,626.66**	**48.00**	**1,523.94**	**6,198.60**

* The Company has not recognised any provision under Expected Credit Loss on Investments made in Government Securities, Subsidiaries & Associates.

*Impairment on Financial Instruments includes ₹ 50 crore being the amount representing full impairment of the Company's investment in one of its wholly owned subsidiary, LICHFL Care Homes Limited, as per IND AS 36-Impairment of Asset on prudent basis, since the carrying amount of the investment exceeded its value in use. The value in use was determined based on the future cash flows of the subsidiary. The financial statements of the subsidiary is prepared on the going concern basis.

The Company has not traded or invested in Crypto currency or virtual currency during the Financial Year 2022-23

(₹ in Crore)

Investment in Mutual Funds carried at Fair Value through Profit & Loss Account	No. of Units as at		Amount as at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Aditya Birla Sun Life Liquid Fund - Growth - Regular Plan	1,668,732.758	2,203,520.157	60.04	75.02
Axis Liquid Fund - Regular Growth	-	212,815.044	-	50.01
Baroda BNP Paribas Liquid Fund - Regular Growth	194,620.393	185,245.959	50.02	45.04
Bandhan Liquid Fund - Growth - Regular Plan (Formely known as IDFC Cash Fund - Growth - Regular Plan)	277,875.668	78,262.168	75.04	20.01
Canara Robeco Liquid Fund - Regular Growth	186,232.048	177,132.860	50.02	45.01
DSP Liquidity Fund - Regular Plan - Growth	235,391.531	66,370.531	75.04	20.03
Edelweiss Liquid Fund - Regular Plan Growth	-	73,824.625	-	20.01
Franklin India Liquid Fund - Super Institutional Plan - Growth	119,130.408	-	40.02	-
HDFC Liquid Fund - Regular Plan - Growth	-	120,454.129	-	50.01
HSBC Liquid Fund Regular Growth (Formerly known as HSBC Cash Fund - Growth)	337,043.727	189,920.570	75.04	40.02
ICICI Prudential Liquid Fund - Growth	2,269,599.888	1,597,070.830	75.05	50.01
IDBI Liquid Fund - Regular Plan - Growth	-	88,028.917	-	20.01
Invesco India Liquid Fund - Growth	244,545.069	241,125.198	75.04	70.04
JM Liquid Fund - Regular - Growth	8,195,908.418	-	50.02	-
Kotak Liquid Regular Plan Growth	-	116,874.021	-	50.01
L & T Liquid Fund - Regular Growth	-	172,434.796	-	50.01
LIC MF Liquid Fund - Regular Plan - Growth	185,775.053	130,701.115	75.04	50.01
Mahindra Manulife Liquid Fund - Regular - Growth	-	145,578.558	-	20.01
Mirae Asset cash Management Fund - Regular Plan	320,445.497	203,103.750	75.04	45.01

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Investment in Mutual Funds carried at Fair Value through Profit & Loss Account	No. of Units as at		Amount as at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Nippon India Liquid Fund - Growth Plan	-	96,836.704	-	50.01
SBI Liquid Fund - Regular Growth	214,657.883	151,050.351	75.05	50.01
Sundaram Liquid Fund	380,564.899	241,345.535	75.04	45.04
Tata Liquid Fund - Regular Plan - Growth	213,256.742	210,148.279	75.03	70.04
UTI Liquid Cash Plan - Regular Plan - Growth	136,571.549	144,260.202	50.03	50.01
Aditya Birla Sun Life Overnight Fund - Growth - Regular Plan	829,253.137	-	100.02	-
Axis Overnight Fund - Regular Growth	845,644.420	356,582.232	100.02	40.00
HDFC Overnight Fund - Regular Plan - Growth	302,845.311	-	100.01	-
HSBC Overnight Fund - Regular Growth	857,509.965	-	100.01	-
ICICI Prudential Overnight Fund Growth	1,038,942.340	-	125.02	-
Kotak Overnight Fund Growth (Regular Plan)	839,584.353	353,736.177	100.01	40.00
LIC MF Overnight Fund - Regular Plan - Growth	2,086,640.428	2,805,290.028	241.33	308.02
Nippon India Overnight Fund - Growth Plan	8,344,313.629	3,516,793.096	100.02	40.00
SBI Overnight Fund Regular Growth	346,474.052	116,784.644	125.02	40.00
UTI Overnight Fund - Regular Plan - Growth	329,089.881	138,727.726	100.01	40.00
Total			**2,242.03**	**1,493.40**

(₹ in Crore)

Investments in Government Securities - Quoted, Fully paid up * carried at Amortized Cost	No. of Units as at		Amount as at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
8.33% GOI STOCK 2036	30,000	30,000	0.31	0.31
8.28% GOI STOCK 2032	828,000	828,000	8.14	8.12
7.35% GOI STOCK 2024	1,600,000	1,600,000	16.32	16.31
8.24% GOI STOCK 2027	1,100,000	1,100,000	11.09	11.09
8.28% GOI STOCK 2027	500,000	500,000	5.00	5.00
8.35% GOI STOCK 2022	-	20,000	-	0.21
8.83% GOI STOCK 2023	2,500,000	2,500,000	25.80	25.84
8.83% GOI STOCK 2023	1,700,000	1,700,000	17.60	17.72
8.32% GOI STOCK 2032	2,000,000	2,000,000	20.43	20.44
8.24% GOI STOCK 2033	3,000,000	3,000,000	32.03	32.09
8.60% GOI STOCK 2028	4,500,000	4,500,000	49.11	49.54
8.60% GOI STOCK 2028	7,950,000	7,950,000	87.18	88.03
7.59% GOI STOCK 2029	8,500,000	8,500,000	86.68	86.87
6.57% GOI STOCK 2033	10,500,000	10,500,000	105.32	105.20
7.35% GOI STOCK 2024	10,000,000	10,000,000	102.67	103.16
6.79% GOI STOCK 2029	11,000,000	11,000,000	111.22	111.14
6.68% GOI STOCK 2031	4,000,000	4,000,000	38.71	38.59
6.68% GOI STOCK 2031	11,000,000	11,000,000	102.61	101.99
7.59% GOI STOCK 2026	2,000,000	2,000,000	20.11	20.04
7.17% GOI STOCK 2028	6,000,000	6,000,000	60.20	60.06
7.40% GOI STOCK 2035	9,000,000	9,000,000	87.99	87.87
7.26% GOI STOCK 2029	6,000,000	6,000,000	60.68	60.65
7.95% GOI STOCK 2032	6,000,000	6,000,000	61.66	61.75
6.57% GOI STOCK 2033	6,000,000	6,000,000	56.60	56.32
7.57% GOI STOCK 2033	4,000,000	4,000,000	40.74	40.73
7.61% GOI STOCK 2030	3,000,000	3,000,000	31.59	31.66
7.40% GOI STOCK 2035	3,000,000	3,000,000	30.53	30.55
7.95% GOI STOCK 2032	4,000,000	4,000,000	42.18	42.32

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Investments in Government Securities - Quoted, Fully paid up * carried at Amortized Cost	No. of Units as at		Amount as at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
7.88% GOI STOCK 2030	3,000,000	3,000,000	31.22	31.34
7.40% GOI STOCK 2035	500,000	500,000	5.14	5.15
7.57% GOI STOCK 2033	4,500,000	4,500,000	47.77	47.89
7.95% GOI STOCK 2032	5,500,000	5,500,000	58.48	58.70
7.57% GOI STOCK 2033	5,000,000	5,000,000	53.16	53.29
7.95% GOI STOCK 2032	5,000,000	5,000,000	53.56	53.79
7.88% GOI STOCK 2030	6,500,000	6,500,000	68.29	68.63
6.68% GOI STOCK 2031	2,500,000	2,500,000	24.68	24.65
7.40% GOI STOCK 2035	5,000,000	5,000,000	51.69	51.77
6.68% GOI STOCK 2031	2,500,000	2,500,000	24.68	24.65
7.95% GOI STOCK 2032	3,000,000	3,000,000	33.15	33.36
7.50% GOI STOCK 2034	8,000,000	8,000,000	86.47	86.80
7.73% GOI STOCK 2034	3,500,000	3,500,000	39.54	39.75
7.50% GOI STOCK 2034	3,500,000	3,500,000	38.48	38.66
7.73% GOI STOCK 2034	7,500,000	7,500,000	84.35	84.78
7.50% GOI STOCK 2034	2,500,000	2,500,000	27.32	27.44
6.19% GOI STOCK 2034	10,000,000	10,000,000	98.85	98.77
6.22% GOI STOCK 2035	9,000,000	9,000,000	89.84	89.81
8.24% GOI STOCK 2033	5,500,000	5,500,000	65.25	65.80
7.26% GOI STOCK 2029	4,000,000	4,000,000	42.19	42.41
6.22% GOI STOCK 2035	6,000,000	6,000,000	57.75	57.62
6.64% GOI STOCK 2035	10,500,000	10,500,000	106.33	106.30
6.22% GOI STOCK 2035	10,000,000	10,000,000	95.95	95.72
6.64% GOI STOCK 2035	13,500,000	13,500,000	136.79	136.75
6.64% GOI STOCK 2035	7,000,000	7,000,000	70.96	70.94
6.64% GOI STOCK 2035	9,000,000	9,000,000	90.55	90.48
6.67% GOI STOCK 2035	1,000,000	1,000,000	9.94	9.93
6.64% GOI STOCK 2035	10,000,000	10,000,000	100.77	100.71
6.64% GOI STOCK 2035	10,000,000	10,000,000	100.76	100.70
6.67% GOI STOCK 2035	5,000,000	5,000,000	49.79	49.73
6.67% GOI STOCK 2035	10,000,000	10,000,000	99.57	99.46
6.67% GOI STOCK 2035	13,500,000	13,500,000	134.46	134.30
7.73% GOI STOCK 2034	2,500,000	2,500,000	27.49	27.60
7.73% GOI STOCK 2034	7,500,000	7,500,000	82.47	82.79
6.64% GOI STOCK 2035	5,000,000	5,000,000	50.49	50.47
6.64% GOI STOCK 2035	5,000,000	5,000,000	50.49	50.47
6.64% GOI STOCK 2035	5,000,000	5,000,000	50.50	50.47
6.64% GOI STOCK 2035	5,500,000	5,500,000	55.51	55.48
6.64% GOI STOCK 2035	10,000,000	10,000,000	100.92	100.86
6.64% GOI STOCK 2035	5,000,000	5,000,000	50.47	50.44
6.64% GOI STOCK 2035	10,000,000	10,000,000	100.94	100.89
6.67% GOI STOCK 2035	5,000,000	5,000,000	49.92	49.87
6.64% GOI STOCK 2035	5,000,000	5,000,000	50.47	50.44
6.67% GOI STOCK 2035	10,000,000	10,000,000	100.04	99.95
6.67% GOI STOCK 2035	10,000,000	10,000,000	100.03	99.94
6.67% GOI STOCK 2035	5,000,000	5,000,000	50.00	49.95
7.73% GOI STOCK 2034	5,000,000	5,000,000	55.13	55.35
6.67% GOI STOCK 2035	5,000,000	5,000,000	49.94	49.89
6.67% GOI STOCK 2035	5,000,000	5,000,000	49.94	49.89

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Investments in Government Securities - Quoted, Fully paid up * carried at Amortized Cost	No. of Units as at		Amount as at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
6.67% GOI STOCK 2035	5,000,000	5,000,000	49.94	49.89
6.67% GOI STOCK 2035	2,000,000	2,000,000	19.97	19.95
6.67% GOI STOCK 2035	4,000,000	4,000,000	39.91	39.87
7.40% GOI STOCK 2035	1,000,000	1,000,000	10.47	10.50
6.19% GOI STOCK 2034	2,500,000	2,500,000	23.85	23.78
6.22% GOI STOCK 2035	1,500,000	1,500,000	14.28	14.24
Total			**4623.38**	**4626.66**

* Kept with designated bank for repayment to depositors and to maintain LCR

(₹ in Crore)

Investments in Equity Instruments - Unquoted, Fully paid up	No. of Shares / Units		Amount as at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
In Subsidiaries - Carried at Deemed cost				
LICHFL Care Homes Ltd. (Face Value ₹ 10/- each)	50,000,000	50,000,000	50.00	50.00
Less : Impairment loss			50.00	50.00
			-	-
LICHFL Financial Services Ltd. (Face Value ₹ 10/- each)	9,500,000	9,500,000	9.50	9.50
LICHFL Trustee Company Private Ltd. (Face Value ₹ 10/- each)	90,000	90,000	0.09	0.09
LICHFL Asset Management Company Ltd. (Face Value ₹ 10/- each)	8,700,000	8,700,000	8.70	8.70
In Associates - Carried at Deemed cost				
LIC Mutual Fund Asset Management Ltd. (Face Value ₹ 10,000/- each)	4,323	4,323	29.69	29.69
LIC Mutual Fund Trustee Private Ltd. (Face Value ₹ 10/- each)	3,530	3,530	0.02	0.02
Total			**48.00**	**48.00**

(₹ in Crore)

Investments carried at Fair value through Profit & Loss Account	No. of Shares / Units		Amount as at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Contribution to Trust			0.002	0.002
Other investments-Unquoted, Fully paid up				
(i) Real Estate Venture Fund:**				
CIG Realty Fund - 1 (Face Value ₹ 10/- each)	9,171,429	9,171,429	9.17	9.17
Less : Impairment loss			9.17	9.17
			-	-
LICHFL Urban Development Fund (Face Value ₹ 10,000/- each)	50,000	50,000	14.88	14.88
Less : Impairment loss			6.79	8.85
			8.09	**6.03**
Other investments-Unquoted, Fully paid up				
(i) Alternative Investment Fund:**				
LICHFL Housing and Infrastructure Fund (Face Value ₹ 100/- each)	5,155,106	3,007,139	54.91	30.07
Less : Impairment loss			-	5.56
			54.91	**24.51**
			63.00	**30.54**

**These are close ended schemes subject to lock in till the closure of the Scheme

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

NOTE 10 OTHER FINANCIAL ASSETS

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Security Deposits	13.20	11.89
(ii) Other Deposits	0.72	0.96
(iii) Dues from Subsidiaries/Associates	1.00	0.02
(iv) Other dues from Staff	2.87	2.44
(v) Fees Receivable	0.77	1.26
Total	**18.56**	**16.57**

NOTE 11 CURRENT TAX ASSETS (NET)

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Provision under Income Tax	-	135.17
Total	**-**	**135.17**

NOTE 12 DEFERRED TAX ASSETS (NET)

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Deferred Tax Assets	3,417.85	2,897.46
(ii) Deferred Tax Liabilities	(1,529.38)	(1,529.38)
Total	**1,888.46**	**1,368.08**

NOTE 13.1 PROPERTY, PLANT & EQUIPMENT

The changes in carrying value of the Property, Plant & Equipment for the year ended March 31, 2023 are as follows:-

(₹ in Crore)

Particulars	Freehold Land	Building	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross carrying value as of April 1, 2022	**0.97**	**115.39**	**14.72**	**11.53**	**0.44**	**8.01**	**33.51**	**184.57**
Additions	-	-	6.88	3.10	0.45	1.53	26.13	38.09
(Deductions)	-	-	(0.16)	(0.14)	(0.27)	(0.27)	(5.70)	(6.54)
Changes due to Revaluation	-	-	-	-	-	-	-	-
Gross carrying value as of March 31, 2023	**0.97**	**115.39**	**21.44**	**14.49**	**0.62**	**9.27**	**53.94**	**216.11**
Accumulated Depreciation as of April 1, 2022	-	8.28	8.45	5.89	0.29	5.25	20.67	48.83
Depreciation	-	1.92	2.06	1.64	0.07	1.30	6.93	13.92
(Accumulated Depreciation on Deductions)	-	-	(0.16)	(0.12)	(0.22)	(0.26)	(5.70)	(6.46)
Accumulated Depreciation as of March 31, 2023	**-**	**10.20**	**10.35**	**7.41**	**0.14**	**6.29**	**21.90**	**56.29**
Carrying Value as of March 31, 2023	**0.97**	**105.19**	**11.09**	**7.08**	**0.48**	**2.98**	**32.04**	**159.82**

The Debentures are secured by mortgage on an immovable Property Owned by the Company valuing approx ₹ 4.43 Crore (Book Value ₹ 0.37 Crore).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

The changes in carrying value of the Property, Plant & Equipment for the year ended March 31, 2022 are as follows:-

(₹ in Crore)

Particulars	Freehold Land	Building	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross carrying value as of April 1, 2021	**0.97**	**115.39**	**12.22**	**9.88**	**0.44**	**6.99**	**23.72**	**169.62**
Additions	-	0.00	2.50	1.67	-	1.13	9.89	15.19
(Deductions)	-	-	(0.00)	(0.02)	-	(0.12)	(0.10)	(0.24)
Changes due to Revaluation	-	-	-	-	-	-	-	-
Gross carrying value as of March 31, 2022	**0.97**	**115.39**	**14.72**	**11.53**	**0.44**	**8.01**	**33.51**	**184.57**
Accumulated Depreciation as of April 1, 2021	-	6.36	6.58	4.52	0.24	4.11	17.48	39.30
Depreciation	-	1.92	1.87	1.39	0.05	1.25	3.28	9.75
(Accumulated Depreciation on Deductions)	-	-	(0.00)	(0.02)	-	(0.11)	(0.09)	(0.22)
Accumulated Depreciation as of March 31, 2022	**-**	**8.28**	**8.45**	**5.89**	**0.29**	**5.25**	**20.67**	**48.83**
Carrying Value as of March 31, 2022	**0.97**	**107.10**	**6.28**	**5.63**	**0.15**	**2.76**	**12.84**	**135.74**

The Debentures are secured by mortgage on an immovable Property Owned by the Company valuing approx ₹ 4.33 Crore (Book Value ₹ 0.38 Crore).

NOTE 13.2 CAPITAL WORK IN PROGRESS

The changes in carrying value of Capital Work in Progress for the year ended March 31, 2023 are as follows :-

(₹ in Crore)

Particulars	Capital Work in Progress
Gross Carrying Value as of April 1, 2022	0.04
Additions	2.33
(Deductions)	(1.63)
Gross Carrying Value as of March 31, 2023	**0.74**
Accumulated Depreciation as of April 1, 2022	-
Depreciation for the year	-
(Accumulated Depreciation on Deductions)	-
Accumulated Depreciation as of March 31, 2023	-
Carrying Value as of March 31, 2023	**0.74**

The changes in carrying value of Capital Work in Progress for the year ended March 31, 2022 are as follows :-

(₹ in Crore)

Particulars	Capital Work in Progress
Gross Carrying Value as of April 1, 2021	0.00
Additions	0.36
(Deductions)	(0.32)
Gross Carrying Value as of March 31, 2022	**0.04**
Accumulated Depreciation as of April 1, 2021	-
Depreciation for the year	-
(Accumulated Depreciation on Deductions)	-
Accumulated Depreciation as of March 31, 2022	-
Carrying Value as of March 31, 2022	**0.04**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

NOTE 13.3 INTANGIBLE ASSETS UNDER DEVELOPMENT

The changes in carrying value of Intangible Assets under Development for the year ended March 31, 2023 are as follows :-

(₹ in Crore)

Particulars	Software under development
Gross Carrying Value as of April 1, 2022	1.45
Additions	3.20
(Deductions)	(4.65)
Gross Carrying Value as of March 31, 2023	**0.00**
Accumulated Depreciation as of April 1, 2022	-
Depreciation for the year	-
(Accumulated Depreciation on Deductions)	-
Accumulated Depreciation as of March 31, 2023	-
Carrying Value as of March 31, 2023	**-**

The changes in carrying value of Intangible Assets under Development for the year ended March 31, 2022 are as follows :-

(₹ in Crore)

Particulars	Software under development
Gross Carrying Value as of April 1, 2021	3.63
Additions	8.74
(Deductions)	(10.92)
Gross Carrying Value as of March 31, 2022	**1.45**
Accumulated Depreciation as of April 1, 2021	-
Depreciation for the year	-
(Accumulated Depreciation on Deductions)	-
Accumulated Depreciation as of March 31, 2022	-
Carrying Value as of March 31, 2022	**1.45**

NOTE 13.4

The changes in carrying value of the Right of Use Assets for the year ended March 31, 2023 :-

(₹ in Crore)

Particulars	Right of Use Asset
Opening Value of Right of Use Asset as of April 1, 2022	231.85
Additions	116.69
(Disposals)	(2.23)
ROU derecognised on subleased asset	-
Gross Carrying Value as of March 31,2023	**346.31**
Accumulated Depreciation as of April 1,2022	84.67
Depreciation for the year	45.36
(Accumulated Depreciation on Disposals)	(0.99)
(Reversal of depreciation - sublease)	(0.65)
Accumulated Depreciation as of March 31,2023	128.39
Terminated cases	57.76
Carrying Value as of March 31, 2023	**160.16**

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FOR THE YEAR ENDED MARCH 31, 2023

The changes in carrying value of the Right of Use Assets for the year ended March 31, 2022 :-

(₹ in Crore)

Particulars	Right of Use Asset
Opening Value of Right of Use Asset as of April 1, 2021	184.53
Additions	68.75
(Disposals)	(18.84)
ROU derecognised on subleased asset	(2.59)
Gross Carrying Value as of March 31,2022	**231.85**
Accumulated Depreciation as of April 1,2021	63.19
Depreciation for the year	40.32
(Accumulated Depreciation on Disposals)	(18.84)
Accumulated Depreciation as of March 31,2022	84.67
Terminated cases	18.54
Carrying Value as of March 31, 2022	**128.64**

NOTE 13.5 OTHER INTANGIBLE ASSETS

The changes in carrying value of the Intangible Assets for the year ended March 31, 2023 are as follows :-

(₹ in Crore)

Particulars	Software License	Total
Gross Carrying Value as of April 1, 2022	29.39	29.39
Additions	20.13	20.13
(Deductions)	-	-
Gross Carrying Value as of March 31, 2023	**49.52**	**49.52**
Accumulated Depreciation as of April 1, 2022	7.64	7.64
Depreciation for the year	5.65	5.65
(Accumulated Depreciation on Deductions)	-	-
Accumulated Depreciation as of March 31, 2023	13.29	13.29
Carrying Value as of March 31, 2023	**36.23**	**36.23**

The changes in carrying value of the Intangible Assets for the year ended March 31, 2022 are as follows :-

(₹ in Crore)

Particulars	Software License	Total
Gross Carrying Value as of April 1, 2021	7.57	7.57
Additions	21.82	21.82
(Deductions)	-	-
Gross Carrying Value as of March 31, 2022	**29.39**	**29.39**
Accumulated Depreciation as of April 1, 2021	5.27	5.27
Depreciation for the year	2.37	2.37
(Accumulated Depreciation on Deductions)	-	-
Accumulated Depreciation as of March 31, 2022	7.64	7.64
Carrying Value as of March 31, 2022	**21.75**	**21.75**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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(i) Capital-work-in progress
(a) Capital-work-in progress ageing schedule

(₹ in Crore)

CWIP	As at March 31, 2023				
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.74	-	-	-	0.74
Projects temporarily suspended	-	-	-	-	-

(₹ in Crore)

CWIP	As at March 31, 2022				
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.04	-	-	-	0.04
Projects temporarily suspended	-	-	-	-	-

(b) Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, following CWIP completion schedule has been given:-

(₹ in Crore)

CWIP	As at March 31, 2023			
	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1	-	-	-	-
Project 2	-	-	-	-

(₹ in Crore)

CWIP	As at March 31, 2022			
	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1	-	-	-	-
Project 2	-	-	-	-

(ii) Intangible Assets under Development
(a) Intangible Assets under Development ageing schedule

(₹ in Crore)

Intangible Asset under Development	As at March 31, 2023				
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Intangible Asset under Development	As at March 31, 2022				
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.45	-	-	-	1.45
Projects temporarily suspended	-	-	-	-	-

(b) Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, following Intangible assets under development completion schedule has been given:-

(₹ in Crore)

Intangible Asset under Development	As at March 31, 2023			
	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1	-	-	-	-
Project 2	-	-	-	-

(₹ in Crore)

Intangible Asset under Development	As at March 31, 2022			
	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1	-	-	-	-
Project 2	-	-	-	-

NOTE 14 OTHER NON - FINANCIAL ASSETS

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Capital Advances	20.75	5.93
(ii) Statutory Dues	97.38	98.82
(iii) Prepaid Expenses	38.99	33.47
(iv) Sundry Advances	1.68	2.87
(v) Others	197.24	0.06
Total	**356.04**	**141.15**

NOTE 15 PAYABLES

(₹ in Crore)

Trade Payables	As at March 31, 2023	As at March 31, 2022
(i) Total outstanding dues of micro enterprises and small enterprises	0.14	2.79
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises *	38.82	61.51
Total	**38.96**	**64.30**

* Includes payable to a related party ₹ 6.58 crore (F.Y. 2021-22 ₹ 11.01 crore)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

The Company had requested its suppliers to confirm the status as to whether they are covered under the Micro, Small & Medium Enterprises Development Act, 2006 and is in the continuous process of obtaining such confirmation from its suppliers. The disclosure relating to unpaid amount as at the year - end together with interest paid / payable as required under the said Act have been given to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under MSMED Act, 2006.

(₹ in Crore)

Trade Payable Ageing Schedule	Outstanding as on 31.03.2023 from due date of payment				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	0.14	-	-	-	0.14
(ii) Others	38.82	-	-	-	38.82
(iii) Disputed dues –MSME					
(iv) Disputed dues - Others					

There are no unbilled dues pending for FY 2022-23

(₹ in Crore)

Trade Payable Ageing Schedule	Outstanding as on 31.03.2022 from due date of payment				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	2.79	-	-	-	2.79
(ii) Others	61.49	0.02	-	-	61.51
(iii) Disputed dues –MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

There are no unbilled dues pending for FY 2021-22

NOTE 16 DEBT SECURITIES - AT AMORTISED COST

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(1) SECURED:		
Non Convertible Debentures (Refer Note 16.1)	122,040.48	117,042.35
Zero Coupon Debentures (Refer Note 16.2)	1,405.92	1,935.42
(2) UNSECURED:		
Commercial Paper (Refer Note 16.3)	13,513.59	8,364.22
Total (A) (1+2)	**136,959.99**	**127,341.99**
Debt securities in India	136,959.99	127,341.99
Debt securities outside India	-	-
Total (B)	**136,959.99**	**127,341.99**

NOTE 16.1

Secured by a negative lien on the assets of the Company (excluding the company's current and future receivables and book-debt of whatsoever nature of the Company on which a first pari-pasu floating charge by way of hypothecation to secure the borrowings of the company outstanding as on 31st March 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on 31st March 2015), with a minimum asset cover of 100%. Further the Company shall be entitled to dispose of, transact or otherwise deal, in the ordinary course of business upto 5% of the Specific Assets, including by way of a securitization transaction and as may be required under any law, regulations, guidelines or rules. Subject to maintenance of Asset Cover, as may be applicable and in the normal course of business, the Company may without the consent/approval of the Trustee/Debenture Holder(s)/Beneficial Owner(s)/creditors be entitled to make further issue(s) of Debentures, raise further loans and advances and/or avail further deferred

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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payment guarantees or other financial facilities from time to time from any persons/bank/financial institution/body corporate/any other agency.

Secured by way of Negative Lien on the Assets, to the extent of Asset Cover, without any encumbrance in favour of the Debenture Trustee except to the extent of the charge created in favour of its depositors of the Company pursuant to the regulatory requirement under Section 29B of the NHB Act.

However, the Company shall, from time to time, be entitled to create any charge, mortgage, pledge, security interest, encumber or create lien on its Assets, subject to maintenance of Asset Cover, except to the extent of charge created in favour of its depositors pursuant to the regulatory requirement under Section 29B of the NHB Act or as may be required under any law, regulation, guidelines or rules.

The Details of Non Convertible Redeemable Debentures (NCD) are as under:-

(₹ in Crore)

Particulars	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2023
3000 NCD's of ₹ 1000000/- each	23-Mar-33	8.0250%	-	300.16
10550 NCD's of ₹ 1000000/- each	23-Mar-33	8.0250%	-	1054.38
11500 NCD's of ₹ 1000000/- each	21-Feb-33	7.9500%	-	1149.39
3000 NCD's of ₹ 1000000/- each	18-Nov-32	7.8200%	-	299.85
15000 NCD's of ₹ 1000000/- each	18-Nov-32	7.8200%	-	1499.09
20000 NCD's of ₹ 1000000/- each	18-Aug-32	7.8500%	-	2000.49
15000 NCD's of ₹ 1000000/- each	18-Aug-32	7.8500%	-	1499.08
12750 NCD's of ₹ 1000000/- each	23-Mar-32	7.1800%	-	1274.87
13500 NCD's of ₹ 1000000/- each	28-Nov-31	7.1300%	-	250.58
6570 NCD's of ₹ 1000000/- each	28-Nov-31	7.1300%	-	651.91
2500 NCD's of ₹ 1000000/- each	28-Nov-31	7.1300%	-	1278.22
7500 NCD's of ₹ 1000000/- each	28-Nov-31	7.1300%	-	749.41
9750 NCD's of ₹ 1000000/- each	24-Sep-31	6.9500%	-	974.42
11200 NCD's of ₹ 1000000/- each	28-Jan-30	7.9700%	-	1119.57
25000 NCD's of ₹ 1000000/- each	12-Jul-29	7.9900%	-	2500.00
34000 NCD's of ₹ 1000000/- each	23-Mar-29	8.7000%	-	3400.00
13650 NCD's of ₹ 1000000/- each	25-Jan-29	8.8000%	-	1365.00
16060 NCD's of ₹ 1000000/- each	8-Dec-28	8.7500%	-	1606.00
2749 NCD's of ₹ 1000000/- each	17-Nov-28	8.9700%	-	274.90
9120 NCD's of ₹ 1000000/- each	10-Oct-28	9.0800%	-	912.00
6305 NCD's of ₹ 1000000/- each	24-Sep-28	9.1000%	-	630.50
4200 NCD's of ₹ 1000000/- each	4-Jun-28	6.6800%	-	416.28
3200 NCD's of ₹ 1000000/- each	4-Jun-28	6.6800%	-	319.82
20110 NCD's of ₹ 1000000/- each	29-Jan-28	7.9500%	-	1993.22
14770 NCD's of ₹ 1000000/- each	29-Jan-28	7.9500%	-	1477.00
5000 NCD's of ₹ 1000000/- each	22-Dec-27	7.8000%	-	499.71
25000 NCD's of ₹ 1000000/- each	23-Nov-27	7.7500%	-	2502.67
5300 NCD's of ₹ 1000000/- each	23-Nov-27	7.7500%	-	530.00
5000 NCD's of ₹ 1000000/- each	14-Jul-27	7.5600%	-	500.00
15000 NCD's of ₹ 1000000/- each	23-Jun-27	7.9000%	-	1504.60
10000 NCD's of ₹ 1000000/- each	23-Jun-27	7.9000%	-	999.44
7000 NCD's of ₹ 1000000/- each	17-May-27	7.8600%	-	700.00

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(₹ in Crore)

Particulars	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2023
6000 NCD's of ₹ 1000000/- each	26-Mar-27	7.9500%	-	600.00
3000 NCD's of ₹ 1000000/- each	15-Feb-27	6.6500%	-	300.31
5000 NCD's of ₹ 1000000/- each	15-Feb-27	6.6500%	-	499.74
10000 NCD's of ₹ 1000000/- each	16-Dec-26	7.1600%	-	1000.00
10000 NCD's of ₹ 1000000/- each	30-Nov-26	6.4000%	-	999.50
10000 NCD's of ₹ 1000000/- each	23-Oct-26	7.4800%	-	1000.00
5000 NCD's of ₹ 1000000/- each	25-Sep-26	7.8300%	-	500.00
15000 NCD's of ₹ 1000000/- each	3-Sep-26	6.1700%	-	1499.27
2000 NCD's of ₹ 1000000/- each	18-Aug-26	7.9000%	-	200.00
4724 NCD's of ₹ 1000000/- each	10-Jul-26	8.4300%	-	472.40
5000 NCD's of ₹ 1000000/- each	29-Jun-26	8.4800%	-	500.00
3488 NCD's of ₹ 1000000/- each	29-Jun-26	8.4800%	-	348.80
3570 NCD's of ₹ 1000000/- each	15-Jun-26	8.4700%	-	357.00
4950 NCD's of ₹ 1000000/- each	10-Jun-26	8.4700%	-	495.00
5100 NCD's of ₹ 1000000/- each	22-May-26	8.4500%	-	510.00
5500 NCD's of ₹ 1000000/- each	19-May-26	6.0100%	-	549.74
3000 NCD's of ₹ 1000000/- each	27-Apr-26	8.3200%	-	300.00
4500 NCD's of ₹ 1000000/- each	25-Mar-26	8.1432%	-	449.67
3030 NCD's of ₹ 1000000/- each	25-Mar-26	8.1432%	-	302.85
10000 NCD's of ₹ 1000000/- each	3-Mar-26	8.5700%	-	1000.00
5000 NCD's of ₹ 1000000/- each	26-Feb-26	8.5300%	-	500.00
5000 NCD's of ₹ 1000000/- each	12-Feb-26	7.7200%	-	570.41
5710 NCD's of ₹ 1000000/- each	12-Feb-26	7.7200%	-	499.67
11755 NCD's of ₹ 1000000/- each	12-Feb-26	7.7200%	-	1174.58
7500 NCD's of ₹ 1000000/- each	28-Jan-26	8.4200%	-	750.00
7500 NCD's of ₹ 1000000/- each	28-Jan-26	8.4300%	-	750.00
8000 NCD's of ₹ 1000000/- each	14-Jan-26	7.8200%	-	799.78
15224 NCD's of ₹ 1000000/- each	24-Dec-25	8.7000%	-	1522.40
10000 NCD's of ₹ 1000000/- each	12-Dec-25	8.4000%	-	1000.00
8550 NCD's of ₹ 1000000/- each	28-Nov-25	7.8200%	-	848.36
6500 NCD's of ₹ 1000000/- each	28-Nov-25	7.8200%	-	624.75
10000 NCD's of ₹ 1000000/- each	13-Nov-25	8.2000%	-	1000.00
3810 NCD's of ₹ 1000000/- each	23-Oct-25	8.2500%	-	381.00
2100 NCD's of ₹ 1000000/- each	8-Oct-25	8.3400%	-	210.00
9900 NCD's of ₹ 1000000/- each	11-Sep-25	5.7760%	-	988.59
5000 NCD's of ₹ 1000000/- each	11-Sep-25	5.7760%	-	499.72
3000 NCD's of ₹ 1000000/- each	29-Aug-25	8.5000%	-	300.00
2000 NCD's of ₹ 1000000/- each	29-Aug-25	8.4800%	-	200.00
15000 NCD's of ₹ 1000000/- each	18-Aug-25	7.3800%	-	1499.47
5000 NCD's of ₹ 1000000/- each	14-Aug-25	8.5500%	-	500.00
3000 NCD's of ₹ 1000000/- each	1-Aug-25	8.5800%	-	300.00
25000 NCD's of ₹ 1000000/- each	30-Jul-25	7.6100%	-	2502.37
5000 NCD's of ₹ 1000000/- each	30-Jul-25	7.6100%	-	499.74

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Particulars	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2023
1950 NCD's of ₹ 1000000/- each	18-Jul-25	8.5700%	-	195.00
11000 NCD's of ₹ 1000000/- each	20-Jun-25	6.2500%	-	1099.46
2050 NCD's of ₹ 1000000/- each	4-Jun-25	8.5000%	-	205.00
10000 NCD's of ₹ 1000000/- each	29-May-25	8.5500%	-	1000.00
11200 NCD's of ₹ 1000000/- each	20-May-25	5.6937%	-	1122.06
5500 NCD's of ₹ 1000000/- each	20-May-25	5.6937%	-	549.70
10000 NCD's of ₹ 1000000/- each	31-Mar-25	8.2200%	-	1000.00
24000 NCD's of ₹ 1000000/- each	12-Mar-25	5.9943%	-	2398.83
4250 NCD's of ₹ 1000000/- each	3-Mar-25	8.5200%	-	425.00
6000 NCD's of ₹ 1000000/- each	24-Feb-25	8.5000%	-	600.00
3250 NCD's of ₹ 1000000/- each	12-Feb-25	7.3300%	-	333.15
15100 NCD's of ₹ 1000000/- each	12-Feb-25	7.3300%	-	1509.60
100 NCD's of ₹ 1000000/- each	30-Jan-25	8.4000%	-	10.00
11000 NCD's of ₹ 1000000/- each	24-Jan-25	6.4000%	-	1100.42
14250 NCD's of ₹ 1000000/- each	24-Jan-25	6.4000%	-	1424.39
10000 NCD's of ₹ 1000000/- each	8-Jan-25	8.6100%	-	1000.00
25950 NCD's of ₹ 1000000/- each	20-Dec-24	5.5315%	-	2594.12
10750 NCD's of ₹ 1000000/- each	25-Nov-24	6.1900%	-	1075.26
5000 NCD's of ₹ 1000000/- each	25-Nov-24	6.1900%	-	499.79
27000 NCD's of ₹ 1000000/- each	18-Oct-24	7.7900%	-	2699.57
5000 NCD's of ₹ 1000000/- each	16-Oct-24	9.2200%	-	500.00
6500 NCD's of ₹ 1000000/- each	30-Sep-24	9.2400%	-	650.00
12500 NCD's of ₹ 1000000/- each	6-Sep-24	7.4000%	-	1000.00
10000 NCD's of ₹ 1000000/- each	6-Sep-24	7.4000%	-	1275.89
7700 NCD's of ₹ 1000000/- each	29-Aug-24	7.7800%	-	770.00
5000 NCD's of ₹ 1000000/- each	25-Aug-24	9.4700%	-	500.00
10000 NCD's of ₹ 1000000/- each	25-Aug-24	9.3900%	-	1000.00
3100 NCD's of ₹ 1000000/- each	23-Jul-24	7.7500%	-	312.02
14550 NCD's of ₹ 1000000/- each	23-Jul-24	7.7500%	-	1454.51
6050 NCD's of ₹ 1000000/- each	5-Jul-24	9.2900%	-	605.00
5250 NCD's of ₹ 1000000/- each	14-Jun-24	5.7500%	-	525.08
10300 NCD's of ₹ 1000000/- each	14-Jun-24	5.7500%	-	1029.58
16740 NCD's of ₹ 1000000/- each	31-May-24	8.3300%	-	1674.00
5550 NCD's of ₹ 1000000/- each	15-May-24	5.3800%	-	554.86
2500 NCD's of ₹ 1000000/- each	8-May-24	7.9000%	-	250.00
10000 NCD's of ₹ 1000000/- each	19-Mar-24	9.8000%	-	1000.00
3150 NCD's of ₹ 1000000/- each	5-Mar-24	8.7900%	-	315.00
15000 NCD's of ₹ 1000000/- each	5-Mar-24	8.7900%	-	1499.67
8000 NCD's of ₹ 1000000/- each	22-Feb-24	5.7200%	-	499.52
6000 NCD's of ₹ 1000000/- each	22-Feb-24	5.7200%	-	599.72
8000 NCD's of ₹ 1000000/- each	22-Feb-24	5.7200%	-	790.71
5000 NCD's of ₹ 1000000/- each	22-Feb-24	5.7200%	-	799.90
1373 NCD's of ₹ 1000000/- each	8-Feb-24	8.5800%	-	137.30

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Particulars	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2023
11100 NCD's of ₹ 1000000/- each	12-Jan-24	4.9800%	-	1103.87
10000 NCD's of ₹ 1000000/- each	12-Jan-24	4.9800%	-	999.81
10000 NCD's of ₹ 1000000/- each	22-Dec-23	7.2500%	-	1000.00
7750 NCD's of ₹ 1000000/- each	8-Dec-23	8.7500%	-	775.00
9500 NCD's of ₹ 1000000/- each	30-Nov-23	5.3200%	-	949.91
20000 NCD's of ₹ 1000000/- each	23-Nov-23	6.9000%	-	1999.38
4480 NCD's of ₹ 1000000/- each	17-Oct-23	9.0800%	-	448.00
2000 NCD's of ₹ 1000000/- each	19-Sep-23	7.8600%	-	200.00
5000 NCD's of ₹ 1000000/- each	14-Sep-23	4.9600%	-	744.21
7450 NCD's of ₹ 1000000/- each	14-Sep-23	4.9600%	-	498.84
6650NCD's of ₹ 1000000/- each	14-Sep-23	4.9600%	-	664.93
12500 NCD's of ₹ 1000000/- each	25-Aug-23	5.4500%	-	1249.77
5000 NCD's of ₹ 1000000/- each	25-Aug-23	5.4500%	-	500.07
5000 NCD's of ₹ 1000000/- each	25-Aug-23	5.4500%	-	499.97
9050 NCD's of ₹ 1000000/- each	26-Jul-23	5.2300%	-	904.92
2720 NCD's of ₹ 1000000/- each	9-Jun-23	8.4800%	-	272.00
16630 NCD's of ₹ 1000000/- each	6-Jun-23	9.1900%	-	1663.00
9000 NCD's of ₹ 1000000/- each	21-May-23	8.3700%	-	900.00
5000 NCD's of ₹ 1000000/- each	11-May-23	5.9000%	-	500.03
5200 NCD's of ₹ 1000000/- each	11-May-23	5.9000%	-	519.99
5000 NCD's of ₹ 1000000/- each	25-Apr-23	8.8900%	-	500.00
5250 NCD's of ₹ 1000000/- each	9-Apr-23	9.0000%	-	525.00
TOTAL				**122,040.48**

* Reissue premium (₹ 113.94 crore)/ discount (₹ 165.87 crore).

Transactions of amount ₹ 11550 Crore are with related party

The Details of Non Convertible Redeemable Debentures (NCD) are as under:-

(₹ in Crore)

Particulars	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2022
11200 NCD's of ₹ 1000000/- each	23-Mar-32	7.1800%	-	1274.93
6570 NCD's of ₹ 1000000/- each	28-Nov-31	7.1300%	-	651.45
2500 NCD's of ₹ 1000000/- each	28-Nov-31	7.1300%	-	250.63
7500 NCD's of ₹ 1000000/- each	28-Nov-31	7.1300%	-	749.39
9750 NCD's of ₹ 1000000/- each	24-Sep-31	6.9500%	-	974.42
11200 NCD's of ₹ 1000000/- each	28-Jan-30	7.9700%	-	1119.59
25000 NCD's of ₹ 1000000/- each	12-Jul-29	7.9900%	-	2500.00
34000 NCD's of ₹ 1000000/- each	23-Mar-29	8.7000%	-	3400.00
13650 NCD's of ₹ 1000000/- each	25-Jan-29	8.8000%	-	1365.00
16060 NCD's of ₹ 1000000/- each	8-Dec-28	8.7500%	-	1606.00
2749 NCD's of ₹ 1000000/- each	17-Nov-28	8.9700%	-	274.90
9120 NCD's of ₹ 1000000/- each	10-Oct-28	9.0800%	-	912.00
6305 NCD's of ₹ 1000000/- each	24-Sep-28	9.1000%	-	630.50
4200 NCD's of ₹ 1000000/- each	4-Jun-28	6.6800%	-	415.66

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Particulars	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2022
3200 NCD's of ₹ 1000000/- each	4-Jun-28	6.6800%	-	319.81
14770 NCD's of ₹ 1000000/- each	29-Jan-28	7.9500%	-	1477.00
10000 NCD's of ₹ 1000000/- each	30-Nov-26	6.4000%	-	999.43
5300 NCD's of ₹ 1000000/- each	23-Nov-27	7.7500%	-	530.00
5000 NCD's of ₹ 1000000/- each	14-Jul-27	7.5600%	-	500.00
7000 NCD's of ₹ 1000000/- each	17-May-27	7.8600%	-	700.00
6000 NCD's of ₹ 1000000/- each	26-Mar-27	7.9500%	-	600.00
3000 NCD's of ₹ 1000000/- each	15-Feb-27	6.6500%	-	300.37
5000 NCD's of ₹ 1000000/- each	15-Feb-27	6.6500%	-	499.71
10000 NCD's of ₹ 1000000/- each	16-Dec-26	7.1600%	-	1000.00
10000 NCD's of ₹ 1000000/- each	23-Oct-26	7.4800%	-	1000.00
5000 NCD's of ₹ 1000000/- each	25-Sep-26	7.8300%	-	500.00
15000 NCD's of ₹ 1000000/- each	3-Sep-26	6.1700%	-	1499.16
2000 NCD's of ₹ 1000000/- each	18-Aug-26	7.9000%	-	200.00
4724 NCD's of ₹ 1000000/- each	10-Jul-26	8.4300%	-	472.40
5000 NCD's of ₹ 1000000/- each	29-Jun-26	8.4800%	-	500.00
3488 NCD's of ₹ 1000000/- each	29-Jun-26	8.4800%	-	348.80
3570 NCD's of ₹ 1000000/- each	15-Jun-26	8.4700%	-	357.00
4950 NCD's of ₹ 1000000/- each	10-Jun-26	8.4700%	-	495.00
5100 NCD's of ₹ 1000000/- each	22-May-26	8.4500%	-	510.00
5500 NCD's of ₹ 1000000/- each	19-May-26	6.0100%	-	549.70
3000 NCD's of ₹ 1000000/- each	27-Apr-26	8.3200%	-	300.00
10000 NCD's of ₹ 1000000/- each	3-Mar-26	8.5700%	-	1000.00
5000 NCD's of ₹ 1000000/- each	26-Feb-26	8.5300%	-	500.00
7500 NCD's of ₹ 1000000/- each	28-Jan-26	8.4200%	-	750.00
7500 NCD's of ₹ 1000000/- each	28-Jan-26	8.4300%	-	750.00
15224 NCD's of ₹ 1000000/- each	24-Dec-25	8.7000%	-	1522.40
10000 NCD's of ₹ 1000000/- each	12-Dec-25	8.4000%	-	1000.00
10000 NCD's of ₹ 1000000/- each	13-Nov-25	8.2000%	-	1000.00
3810 NCD's of ₹ 1000000/- each	23-Oct-25	8.2500%	-	381.00
2100 NCD's of ₹ 1000000/- each	8-Oct-25	8.3400%	-	210.00
9900 NCD's of ₹ 1000000/- each	11-Sep-25	5.7760%	-	988.13
5000 NCD's of ₹ 1000000/- each	11-Sep-25	5.7760%	-	499.64
3000 NCD's of ₹ 1000000/- each	29-Aug-25	8.5000%	-	300.00
2000 NCD's of ₹ 1000000/- each	29-Aug-25	8.4800%	-	200.00
5000 NCD's of ₹ 1000000/- each	14-Aug-25	8.5500%	-	500.00
3000 NCD's of ₹ 1000000/- each	1-Aug-25	8.5800%	-	300.00
1950 NCD's of ₹ 1000000/- each	18-Jul-25	8.5700%	-	195.00
11000 NCD's of ₹ 1000000/- each	20-Jun-25	6.2500%	-	1099.66
2050 NCD's of ₹ 1000000/- each	4-Jun-25	8.5000%	-	205.00
10000 NCD's of ₹ 1000000/- each	29-May-25	8.5500%	-	1000.00
11200 NCD's of ₹ 1000000/- each	20-May-25	5.6937%	-	1115.69
5500 NCD's of ₹ 1000000/- each	20-May-25	5.6937%	-	549.64
10000 NCD's of ₹ 1000000/- each	31-Mar-25	8.2200%	-	1000.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Particulars	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2022
24000 NCD's of ₹ 1000000/- each	12-Mar-25	5.9943%	-	2398.44
4250 NCD's of ₹ 1000000/- each	3-Mar-25	8.5200%	-	425.00
6000 NCD's of ₹ 1000000/- each	24-Feb-25	8.5000%	-	600.00
3250 NCD's of ₹ 1000000/- each	12-Feb-25	7.3300%	-	337.20
15100 NCD's of ₹ 1000000/- each	12-Feb-25	7.3300%	-	1509.56
100 NCD's of ₹ 1000000/- each	30-Jan-25	8.4000%	-	10.00
11000 NCD's of ₹ 1000000/- each	24-Jan-25	6.4000%	-	1100.76
14250 NCD's of ₹ 1000000/- each	24-Jan-25	6.4000%	-	1424.21
10000 NCD's of ₹ 1000000/- each	8-Jan-25	8.6100%	-	1000.00
25950 NCD's of ₹ 1000000/- each	20-Dec-24	5.5315%	-	2593.87
10750 NCD's of ₹ 1000000/- each	25-Nov-24	6.1900%	-	1075.51
5000 NCD's of ₹ 1000000/- each	25-Nov-24	6.1900%	-	499.72
27000 NCD's of ₹ 1000000/- each	18-Oct-24	7.7900%	-	2699.66
5000 NCD's of ₹ 1000000/- each	16-Oct-24	9.2200%	-	500.00
6500 NCD's of ₹ 1000000/- each	30-Sep-24	9.2400%	-	650.00
12500 NCD's of ₹ 1000000/- each	6-Sep-24	7.4000%	-	1292.96
10000 NCD's of ₹ 1000000/- each	6-Sep-24	7.4000%	-	1000.00
7700 NCD's of ₹ 1000000/- each	29-Aug-24	7.7800%	-	770.00
5000 NCD's of ₹ 1000000/- each	25-Aug-24	9.4700%	-	500.00
10000 NCD's of ₹ 1000000/- each	25-Aug-24	9.3900%	-	1000.00
14550 NCD's of ₹ 1000000/- each	23-Jul-24	7.7500%	-	1454.40
6050 NCD's of ₹ 1000000/- each	5-Jul-24	9.2900%	-	605.00
5250 NCD's of ₹ 1000000/- each	14-Jun-24	5.7500%	-	525.32
10300 NCD's of ₹ 1000000/- each	14-Jun-24	5.7500%	-	1029.61
16740 NCD's of ₹ 1000000/- each	31-May-24	8.3300%	-	1674.00
5550 NCD's of ₹ 1000000/- each	15-May-24	5.3800%	-	554.81
2500 NCD's of ₹ 1000000/- each	8-May-24	7.9000%	-	250.00
10000 NCD's of ₹ 1000000/- each	19-Mar-24	9.8000%	-	1000.00
3150 NCD's of ₹ 1000000/- each	5-Mar-24	8.7900%	-	315.00
15000 NCD's of ₹ 1000000/- each	5-Mar-24	8.7900%	-	1499.66
6000 NCD's of ₹ 1000000/- each	22-Feb-24	5.7200%	-	599.38
8000 NCD's of ₹ 1000000/- each	22-Feb-24	5.7200%	-	499.00
5000 NCD's of ₹ 1000000/- each	22-Feb-24	5.7200%	-	799.80
1373 NCD's of ₹ 1000000/- each	8-Feb-24	8.5800%	-	137.30
11100 NCD's of ₹ 1000000/- each	12-Jan-24	4.9800%	-	1096.33
10000 NCD's of ₹ 1000000/- each	12-Jan-24	4.9800%	-	999.58
10000 NCD's of ₹ 1000000/- each	22-Dec-23	7.2500%	-	1000.00
7750 NCD's of ₹ 1000000/- each	8-Dec-23	8.7500%	-	775.00
9500 NCD's of ₹ 1000000/- each	30-Nov-23	5.3200%	-	949.79
4480 NCD's of ₹ 1000000/- each	17-Oct-23	9.0800%	-	448.00
2000 NCD's of ₹ 1000000/- each	19-Sep-23	7.8600%	-	200.00
5000 NCD's of ₹ 1000000/- each	14-Sep-23	4.9600%	-	496.24
7450 NCD's of ₹ 1000000/- each	14-Sep-23	4.9600%	-	742.43
6650NCD's of ₹ 1000000/- each	14-Sep-23	4.9600%	-	664.77

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Particulars	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2022
12500 NCD's of ₹ 1000000/- each	25-Aug-23	5.4500%	-	1248.93
5000 NCD's of ₹ 1000000/- each	25-Aug-23	5.4500%	-	500.23
5000 NCD's of ₹ 1000000/- each	25-Aug-23	5.4500%	-	499.91
9050 NCD's of ₹ 1000000/- each	26-Jul-23	5.2300%	-	904.67
2720 NCD's of ₹ 1000000/- each	9-Jun-23	8.4800%	-	272.00
16630 NCD's of ₹ 1000000/- each	6-Jun-23	9.1900%	-	1663.00
9000 NCD's of ₹ 1000000/- each	21-May-23	8.3700%	-	900.00
5000 NCD's of ₹ 1000000/- each	11-May-23	5.9000%	-	500.35
5200 NCD's of ₹ 1000000/- each	11-May-23	5.9000%	-	519.89
5000 NCD's of ₹ 1000000/- each	25-Apr-23	8.8900%	-	500.00
5250 NCD's of ₹ 1000000/- each	9-Apr-23	9.0000%	-	525.00
10000 NCD's of ₹ 1000000/- each	20-Mar-23	5.3500%	-	1000.84
13000 NCD's of ₹ 1000000/- each	20-Mar-23	5.3500%	-	1299.79
5000 NCD's of ₹ 1000000/- each	12-Mar-23	9.1300%	-	500.00
32500 NCD's of ₹ 1000000/- each	10-Feb-23	7.4500%	-	3249.76
4900 NCD's of ₹ 1000000/- each	19-Jan-23	8.5800%	-	490.00
9100 NCD's of ₹ 1000000/- each	13-Jan-23	7.4450%	-	909.84
7500 NCD's of ₹ 1000000/- each	1-Jan-23	9.2500%	-	750.00
5000 NCD's of ₹ 1000000/- each	17-Dec-22	9.3000%	-	500.00
12050 NCD's of ₹ 1000000/- each	16-Dec-22	7.8500%	-	1205.00
2000 NCD's of ₹ 1000000/- each	13-Dec-22	9.2300%	-	200.00
3000 NCD's of ₹ 1000000/- each	22-Nov-22	7.6000%	-	300.74
11650 NCD's of ₹ 1000000/- each	22-Nov-22	7.6000%	-	1165.00
4000 NCD's of ₹ 1000000/- each	12-Nov-22	9.2500%	-	400.00
3350 NCD's of ₹ 1000000/- each	25-Oct-22	9.0500%	-	335.00
10000 NCD's of ₹ 1000000/- each	17-Oct-22	7.4500%	-	1000.00
2500 NCD's of ₹ 1000000/- each	23-Sep-22	7.8500%	-	250.76
12000 NCD's of ₹ 1000000/- each	23-Sep-22	7.8500%	-	1200.00
5000 NCD's of ₹ 1000000/- each	14-Sep-22	9.3000%	-	500.00
10500 NCD's of ₹ 1000000/- each	30-Aug-22	7.3900%	-	302.96
10500 NCD's of ₹ 1000000/- each	30-Aug-22	7.3900%	-	1050.72
10000 NCD's of ₹ 1000000/- each	30-Aug-22	7.3900%	-	1000.00
5000 NCD's of ₹ 1000000/- each	24-Jul-22	9.3500%	-	500.00
15000 NCD's of ₹ 1000000/- each	15-Jul-22	7.4200%	-	1509.85
11000 NCD's of ₹ 1000000/- each	15-Jul-22	7.4200%	-	1100.00
20350 NCD's of ₹ 1000000/- each	20-Jun-22	8.5000%	-	2035.00
5000 NCD's of ₹ 1000000/- each	10-Jun-22	7.4800%	-	500.00
3000 NCD's of ₹ 1000000/- each	23-May-22	7.7800%	-	300.00
2500 NCD's of ₹ 1000000/- each	3-May-22	7.8000%	-	250.00
6518 NCD's of ₹ 1000000/- each	19-Apr-22	8.6850%	-	651.80
TOTAL				**117,042.35**

* Reissue premium (₹ 177.39 crore)/ discount (₹ 49.59 crore).

Transactions of amount ₹ 13050 Crore are with related party

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

NOTE 16.2

Secured by a negative lien on the assets of the Company (excluding the company's current and future receivables and book-debt of whatsoever nature of the Company on which a first pari-pasu floating charge by way of hypothecation to secure the borrowings of the company outstanding as on 31st March 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on 31st March 2015), with a minimum asset cover of 100%. Further the Company shall be entitled to dispose of, transact or otherwise deal, in the ordinary course of business upto 5% of the Specific Assets, including by way of a securitization transaction and as may be required under any law, regulations, guidelines or rules. Subject to maintenance of Asset Cover, as may be applicable and in the normal course of business, the Company may without the consent/approval of the Trustee/Debenture Holder(s)/Beneficial Owner(s)/creditors be entitled to make further issue(s) of Debentures, raise further loans and advances and/or avail further deferred payment guarantees or other financial facilities from time to time from any persons/bank/financial institution/body corporate/ any other agency.

Secured by way of Negative Lien on the Assets, to the extent of Asset Cover, without any encumbrance in favour of the Debenture Trustee except to the extent of the charge created in favour of its depositors of the Company pursuant to the regulatory requirement under Section 29B of the NHB Act.

However, the Company shall, from time to time, be entitled to create any charge, mortgage, pledge, security interest, encumber or create lien on its Assets, subject to maintenance of Asset Cover, except to the extent of charge created in favour of its depositors pursuant to the regulatory requirement under Section 29B of the NHB Act or as may be required under any law, regulation, guidelines or rules.

The details of Zero Coupon Debentures are as under:

(₹ in Crore)

Particulars	Date of Redemption		Earliest Put/ Call Option date	As at March 31, 2023
6750 ZCD's of ₹ 1000000/- each	25-Apr-25	*	-	674.67
7250 ZCD's of ₹ 1000000/- each	25-Apr-25	*	-	731.25
TOTAL				**1,405.92**

Note - Reissue premium (₹ 6.52 crore)

* Maturity Value of ₹ 12,16593/- per Debenture including premium.

The details of Zero Coupon Debentures are as under:

(₹ in Crore)

Particulars	Date of Redemption		Earliest Put/ Call Option date	As at March 31, 2023
6750 ZCD's of ₹ 1000000/- each	25-Apr-25	*	-	674.67
7250 ZCD's of ₹ 1000000/- each	25-Apr-25	*	-	731.25
5295 ZCD's of ₹ 1000000/- each	4-May-22	**	-	529.50
TOTAL				**1,935.42**

Note - Reissue premium (₹ 6.52 crore)

* Maturity Value of ₹ 12,16,593/- per Debenture including premium.

** Maturity Value of ₹ 13,05,675/- per Debenture including premium.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

NOTE 16.3
The details of Commercial Papers are as under:

(₹ in Crore)

Particulars	Date of Maturity	Discounting Rate	As at March 31, 2023
26000 Units of ₹ 500000 each	01-Mar-24	8.08%	1210.72
20000 Units of ₹ 500000 each	06-Feb-24	7.88%	937.71
10000 Units of ₹ 500000 each	24-Jan-24	7.88%	469.76
22000 Units of ₹ 500000 each	18-Jan-24	7.90%	1035.51
15000 Units of ₹ 500000 each	21-Dec-23	7.85%	710.48
21000 Units of ₹ 500000 each	12-Dec-23	7.85%	996.46
18500 Units of ₹ 500000 each	20-Oct-23	7.93%	886.21
20200 Units of ₹ 500000 each	12-Oct-23	7.75%	971.35
20500 Units of ₹ 500000 each	11-Aug-23	6.90%	1000.94
16500 Units of ₹ 500000 each	31-Jul-23	7.94%	803.97
19500 Units of ₹ 500000 each	20-Jul-23	7.94%	952.35
8500 Units of ₹ 500000 each	12-Jul-23	7.61%	416.33
10500 Units of ₹ 500000 each	20-Jun-23	6.63%	517.82
13000 Units of ₹ 500000 each	31-May-23	7.55%	642.22
15500 Units of ₹ 500000 each	15-May-23	7.55%	768.17
17500 Units of ₹ 500000 each	28-Apr-23	7.34%	870.32
6500 Units of ₹ 500000 each	28-Apr-23	7.30%	323.27
Total			**13,513.59**

(₹ in Crore)

Particulars	Date of Maturity	Discounting Rate	As at March 31, 2022
20000 Units of ₹ 500000 each	25-Jan-23	5.00%	960.85
4000 Units of ₹ 500000 each	11-Nov-22	4.84%	194.29
7000 Units of ₹ 500000 each	11-Nov-22	4.84%	340.02
10000 Units of ₹ 500000 each	11-Nov-22	4.58%	486.54
10000 Units of ₹ 500000 each	12-Sep-22	4.66%	489.78
7000 Units of ₹ 500000 each	12-Sep-22	4.58%	343.04
19500 Units of ₹ 500000 each	12-Aug-22	4.25%	960.5
20000 Units of ₹ 500000 each	07-Jul-22	4.30%	989.01
15000 Units of ₹ 500000 each	28-Jun-22	4.29%	742.54
7000 Units of ₹ 500000 each	28-Jun-22	4.30%	346.52
12000 Units of ₹ 500000 each	26-May-22	4.50%	595.99
10000 Units of ₹ 500000 each	20-May-22	3.99%	497.39
13500 Units of ₹ 500000 each	20-May-22	4.10%	671.4
15000 Units of ₹ 500000 each	11-May-22	4.50%	746.35
Total			**8,364.22**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

NOTE 17 BORROWINGS (OTHER THAN DEBT SECURITIES) - AT AMORTISED COST

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
SECURED (Refer Note 17.1)		
(a) Term Loans		
(i) from Banks (Rupee Term Loans) **	62,133.07	47,730.40
(ii) National Housing Bank (Refinance) **	11,303.18	8,304.18
(iii) Other Financial Institutions **	-	-
(b) Loans repayable on demand from Banks (Rupee Term Loans) **	20,956.00	18,900.00
Total (A) Borrowings in India	**94,392.25**	**74,934.58**
UNSECURED:		
(a) Term Loans		
(i) from Banks (ECB) **	-	1,512.64
Total (B) Borrowings out side India	**-**	**1,512.64**
Total Borrowings (A) + (B)	**94,392.25**	**76,447.22**

NOTE 17.1

Secured by a negative lien on the assets of the Company (excluding the company's current and future receivables and book-debt of whatsoever nature of the Company on which a first pari-pasu floating charge by way of hypothecation to secure the borrowings of the company outstanding as on 31st March 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on 31st March 2015), with a minimum asset cover of 100%. Further the Company shall be entitled to dispose of, transact or otherwise deal, in the ordinary course of business upto 5% of the Specific Assets, including by way of a securitization transaction and as may be required under any law, regulations, guidelines or rules. Subject to maintenance of Asset Cover, as may be applicable and in the normal course of business, the Company may without the consent/approval of the Trustee/Debenture Holder(s)/Beneficial Owner(s)/creditors be entitled to make further issue(s) of Debentures, raise further loans and advances and/or avail further deferred payment guarantees or other financial facilities from time to time from any persons/bank/financial institution/body corporate/ any other agency.

Secured by way of Negative Lien on the Assets, to the extent of Asset Cover, without any encumbrance in favour of the Debenture Trustee except to the extent of the charge created in favour of its depositors of the Company pursuant to the regulatory requirement under Section 29B of the NHB Act.

However, the Company shall, from time to time, be entitled to create any charge, mortgage, pledge, security interest, encumber or create lien on its Assets, subject to maintenance of Asset Cover, except to the extent of charge created in favour of its depositors pursuant to the regulatory requirement under Section 29B of the NHB Act or as may be required under any law, regulation, guidelines or rules.

**** Maturity Profile of Term Loans, ECB, Loan from Other Financial institutions and National Housing Bank (Refinance)**

(₹ in Crore)

Particulars	As at March 31, 2023		
	Term Loans Banks	National Housing Bank (Refinance)	Total
Within 12 months	37,369.39	2,246.20	39,615.59
Over 1 year to 3 years	28,434.38	3,887.56	32,321.94
Over 3 to 5 years	15,185.35	2,771.79	17,957.14
Over 5 to 7 years	2,099.95	1,810.08	3,910.03
Over 7 Years	-	587.55	587.55
Total	**83,089.07**	**11,303.18**	**94,392.25**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Particulars	As at March 31, 2022			
	Term Loans Banks	External Commercial Borrowings (ECB)	National Housing Bank (Refinance)	Total
	(ROI 4.00% - 6.81%)	(ROI 7.52%)	(ROI 2.94% - 8.18%)	
Within 12 months	28,375.54	1,512.64	2,024.26	31,912.44
Over 1 year to 3 years	22,731.81	-	3,077.14	25,808.95
Over 3 to 5 years	12,355.55	-	1,906.70	14,262.25
Over 5 to 7 years	2,867.50	-	944.43	3,811.93
Over 7 Years	300.00	-	351.65	651.65
Total	**66,630.40**	**1,512.64**	**8,304.18**	**76,447.22**

NOTE 18 DEPOSITS - AT AMORTISED COST

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
UNSECURED:		
(i) Public Deposits	3,505.27	4,595.48
(ii) Corporate Deposits	8,120.94	13,478.02
Total	**11,626.21**	**18,073.50**

The Company has designated liquid assets for the purpose of maintaining Statutory Liquid Ratio and Floating Charge on Fixed Deposits with banks has been created in favour of the Trustees for Depositors

NOTE 19 SUBORDINATED LIABILITIES - AT AMORTISED COST

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
UNSECURED:		
(i) Subordinated Bonds	1,795.77	1,795.44
Total (A)	**1,795.77**	**1,795.44**
Subordinated Liabilities in India	1,795.77	1,795.44
Subordinated Liabilities outside India	-	-
Total (B)	**1,795.77**	**1,795.44**

The details of Subordinated Bonds are as under:

(₹ in Crore)

Particulars	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2023
3000 Bonds of ₹ 1,000,000 each	19-Mar-31	7.70%	-	303.73
5000 Bonds of ₹ 1,000,000 each	19-Mar-31	7.70%	-	498.85
10000 Bonds of ₹ 1,000,000 each	21-Dec-30	7.05%	-	993.19
Total				**1,795.77**

Note:- Reissue premium (₹ 4.41 Crore)

These Bonds are subordinated to present and future senior indebtedness of the Company and qualify as Tier II capital under National Housing Bank (NHB) guidelines for assessing capital adequacy. Based on the balance term to maturity as at March 31, 2023, 100% (F.Y. 2021-22 - 100 %) of the book value of the subordinated debt is considered as Tier II capital for the purpose of capital adequacy computation.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

The details of Subordinated Bonds are as under:

(₹ in Crore)

Particulars	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2022
3000 Bonds of ₹ 1,000,000 each	19-Mar-31	7.70%	-	304.07
5000 Bonds of ₹ 1,000,000 each	19-Mar-31	7.70%	-	498.77
10000 Bonds of ₹ 1,000,000 each	21-Dec-30	7.05%	-	992.60
Total				**1,795.44**

Note:- Reissue premium (₹ 4.41 Crore)

These Bonds are subordinated to present and future senior indebtedness of the Company and qualify as Tier II capital under National Housing Bank (NHB) guidelines for assessing capital adequacy. Based on the balance term to maturity as at March 31, 2022, 100% (F.Y. 2020-21 - 100 %) of the book value of the subordinated debt is considered as Tier II capital for the purpose of capital adequacy computation.

The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the at the balance sheet date.

All quarterly statements filed by the company with banks or Financial institutions are in agreement with books of accounts.

NOTE 20 OTHER FINANCIAL LIABILITIES

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Interest accrued		
- Non-Convertible Debentures	3,693.74	3,443.66
- Zero Coupon Debentures	107.16	179.54
- Term Loan	97.83	62.25
- Subordinated Bonds	21.70	21.70
- Deposits	653.16	694.33
(ii) Unclaimed Dividends *	9.52	8.60
(iii) Unpaid Matured Deposits	60.25	403.07
(iv) Book Overdraft [Refer Note 43]	627.94	544.03
(v) Pre-received Interest Liability on NCD Reissuance	56.59	73.84
(vi) Miscellaneous Liabilities	267.70	77.97
Total	**5,595.60**	**5,508.99**

* As required under Section 125 of the Companies Act 2013, the Company has transferred ₹ 1.30 Crore (F.Y. 2021-22 ₹ 1.25 Crore) to the Investor Education and Protection Fund (IEPF) during the year.

NOTE 21 CURRENT TAX LAIBILITIES (NET)

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Provision under Income Tax	5.99	-
Total	**5.99**	**-**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

NOTE 22 PROVISIONS

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Provision for Employee Benefits	173.46	166.45
(ii) Other Provisions	-	3.53
Total	**173.46**	**169.98**

NOTE 23 OTHER NON-FINANCIAL LIABILITIES

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Outstanding Expenses	133.67	160.44
(ii) Statutory Dues	63.54	139.97
(iii) Earnest Money Deposit	2.42	1.04
(iv) Others	348.40	49.63
Total	**548.03**	**351.08**

NOTE 24 SHARE CAPITAL

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
AUTHORISED		
750,000,000 Equity Shares of ₹ 2/- each (Previous year 750,000,000 Equity Shares of ₹ 2/- each)	**150.00**	**150.00**
ISSUED, SUBSCRIBED AND PAID-UP		
550,063,000 Equity Shares of ₹ 2/- each (Previous Year 550,063,000 Equity Shares of ₹ 2/- each) fully paid up	110.01	110.01
Add: Forfeited shares as per Note.24(d) below	0.06	0.06
	110.08	**110.08**

Note.24 (a) : Reconciliation of number of shares outstanding and amount of Share Capital at the beginning and at the end of the reporting period

Equity Shares	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	(₹ in Crore)	No. of Shares	(₹ in Crore)
Equity Shares outstanding as at the beginning of the year	550,063,000	110.01	504,663,000	100.93
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Add: Issued during the year	-	-	45,400,000	9.08
Less: Bought back during the year	-	-	-	-
Equity Shares outstanding as at the end of the year	**550,063,000**	**110.01**	**550,063,000**	**110.01**

Note.24 (b) : Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion to their shareholdings.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

Note.24 (C) : Detail of Shareholders holding more than 5% share in the company are given below

(₹ in Crore)

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Life Insurance Corporation of India	248,842,495	45.24	248,842,495	45.24

Note.24 (d) : Forfeited Shares

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Amount received on forfeited shares	0.06	0.06
	0.06	**0.06**

Note.24 (e): Shareholding of Promoters

(₹ in Crore)

Shares held by the Promoter at the end of the year	As at March 31, 2023		
	No. of Shares held	% of Holding	% Change during the year
Life Insurance Corporation of India	248,842,495	45.24	-

(₹ in Crore)

Shares held by the Promoter at the end of the year	As at March 31, 2022		
	No. of Shares held	% of Holding	% Change during the year
Life Insurance Corporation of India	248,842,495	45.24	22.32%

NOTE 25

(₹ in Crore)

OTHER EQUITY	As at March 31, 2023	As at March 31, 2022
(i) (a) Capital Reserve		
As per last Balance Sheet	**0.48**	**0.48**
(ii) Securities Premium Account		
As per last Balance Sheet	**4,031.72**	**4,031.72**
(iii) Cash Flow Hedge Reserve		
Opening Balance	-	-
Add: Gain on ECB Cross Currency Swap	-	(79.17)
Less : Loss due to Exchange Rate Fluctuation on ECB	-	(79.17)
Closing Balance	-	-
(iv) Special Reserve - I		
In terms of Section 36(1)(viii) of Income-Tax, 1961 and Section 29C of National Housing Bank (NHB) Act,1987 (Upto financial year 1996-97)		
As per last Balance Sheet	**38.98**	**38.98**
(v) Other Statutory Reserves including Special Reserve- II		
Balance at the beginning of the year		
(i) Statutory Reserve u/s 29C of the NHB Act, 1987	0.18	0.17
(ii) Amount of Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account for purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	7,544.31	6,684.32
Total	**7,544.49**	**6,684.49**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

OTHER EQUITY	As at March 31, 2023	As at March 31, 2022
Addition / Appropriation / Withdrawal during the year		
Add :		
(i) Amount transferred u/s 29C of the NHB Act, 1987	0.01	0.01
(ii) Amount of Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account for purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	984.99	859.99
Less :		
(i) Amount appropriated from Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
(ii) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account which has been taken into account for purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
(i) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	0.19	0.18
(ii) Amount of Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account for purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	8,529.30	7,544.31
Total	**8,529.49**	**7,544.49**
(vi) General Reserve		
Opening Balance	7,882.97	7,182.97
Add: Transferred during the year	850.00	700.00
Closing Balance	**8,732.97**	**7,882.97**
(vii) Impairment Reserve		
Opening Balance	297.50	204.78
Add: Transferred during the year	-	92.72
Closing Balance	**297.50**	**297.50**
(vii) Retained Earnings		
Opening balance	4,765.60	4,603.32
Add: Total Comprehensive Income for the year	2,896.06	2,282.56
Less: Appropriations		
Dividend Paid and Tax on Dividend Paid	467.55	467.55
Transfer to General Reserve	850.00	700.00
Transfer to Special Reserve - II	984.99	859.99
Transfer to Impairment Reserve	-	92.72
Transfer to Statutory Reserve u/s 29C of the NHB Act, 1987	0.01	0.01
Closing Balance	**5,359.12**	**4,765.60**
	26,990.26	**24,561.76**

Nature and purpose of each reserve

Securities Premium Reserve

“Securities Premium Reserve” is used to denote the Share premium received on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Cash Flow Hedge Reserve

It represents the effective portion of cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

Special Reserve – I:

Special Reserve – I has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company. The amounts of Special Reserve account represents, the reserve created in terms of the provision of Section

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

36(1)(viii) read together with the proviso thereof, from time to time. Special Reserve No. I relates to the amounts transferred up to the Financial Year 1996-97 (Assessment Year 1997-98) when the word 'created' only was used in the said section and not 'created and maintained'. Admittedly, the position has changed after the amendment made in Section 36(1)(viii) by the Finance Act 1997 with effect from Assessment year 1998-99, when the mandatory requirement of 'maintaining' the special reserve created was inserted. Accordingly, it was interpreted that the Special Reserve created up to Assessment Year 1997-98 need not be 'maintained'. As a logical corollary, it is construed that up to Assessment Year 1997-98, the amounts carried to special reserve ought to be understood as amounts created by transferring to the credit of Special Reserve from time to time.

Special Reserve – II:

Special Reserve – II has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company transferred from Financial Year 1997-98 (Assessment Year 1998-99). In the F.Y. 2022-23 ₹984.99 crore (F.Y. 2021-22 ₹859.99 crore) has been transferred to Special Reserve No. II in terms of Section 36(1)(viii) of the Income tax Act, 1961.

Statutory Reserves under Section 29C (Regulatory Capital) of NHB:

As per Section 29C of the National Housing Bank Act, 1987 (the 'NHB Act'), the Company is required to transfer atleast 20% of its net profits every year to a reserve before any dividend is declared and no appropriation from the statutory reserves except for the purpose as may be specified by NHB from time to time and every such appropriation shall be reported to the NHB. For this purpose, any Special Reserve created by the Company under Section 36(1)(viii) of the Income tax Act, 1961 is considered to be an eligible transfer under Section 29C of the NHB Act, 1987 also. The Company has transferred a sum of ₹984.99 crore for F.Y. 2022-23 (F.Y. 2021-22 ₹859.99 crore) to Special Reserve No. II in terms of Section 36(1)(viii) of the Income tax Act, 1961 and ₹1.00 lakh for F.Y. 2022-23 (F.Y. 2021-22 ₹1.00 lakh) to Statutory Reserve under section 29C of the NHB Act, 1987.

General Reserve:

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013. However, since the Company utilises the deduction available to Housing Finance Companies registered with National Housing Bank as provided in Section 36(1)(viii) of the Income tax Act, 1961, wherein the proviso of the Section stipulates that the amount Carried to such reserve account from time to time exceeds twice the amount of the paid up share capital and general reserves of the Company, the rebate is restricted to the twice of the aggregate of paid up capital and the general reserve. Therefore, the Company transfers funds to General Reserve in order to avail the full benefit of Section 36(1)(viii). For the year, the Company has transferred an amount of ₹ 850 crore to General Reserve (F.Y. 2021-22 ₹ 700 Crore).

Impairment Reserve:

The Reserve Bank of India (RBI) issued a notification on 13 March 2020 stating that NBFCs should simultaneously maintain asset classification and compute provisions as per extant prudential norms on income recognition, asset classification and provisioning (IRACP), including borrower-/beneficiary-wise classification, provisioning for standard and restructured assets, and NPA ageing. In case where impairment allowance under Ind AS 109 is lower than the provisions required as per IRACP, the difference should be appropriated from net profit or loss after tax to a separate 'impairment reserve'. The balance in the 'impairment reserve' shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI. The requirement for 'impairment reserve' shall be reviewed, going forward.

Retained Earnings:

Retained earnings represents the surplus in Profit and Loss Account and appropriations.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

NOTE 26 INTEREST INCOME

(₹ in Crore)

Particulars		On Financial Assets measured at Amortised Cost	
		Year Ended March 31, 2023	Year Ended March 31, 2022
i)	Interest on Loans & Advances	22,189.32	19,460.20
ii)	Interest Income from Investments	319.88	220.37
iii)	Interest on Deposits with Banks	6.91	6.55
iv)	Other Interest Income (Net)	0.11	1.34
Total		**22,516.22**	**19,688.46**

NOTE 27 FEES & COMMISSION INCOME

(₹ in Crore)

Particulars		Year Ended March 31, 2023	Year Ended March 31, 2022
i)	Fees & Commission Income	44.80	98.17
Total		**44.80**	**98.17**

NOTE 28 NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS - UNDER AMORTISED COST CATEGORY

(₹ in Crore)

Particulars		Year Ended March 31, 2023	Year Ended March 31, 2022
i)	Gain on Derecognition of Financial Instruments	21.05	19.40
Total		**21.05**	**19.40**

NOTE 29 NET GAIN ON FAIR VALUE CHANGES

(₹ in Crore)

Particulars		Year Ended March 31, 2023	Year Ended March 31, 2022
i)	Net gain on Derecognition of Financial Instruments measured at Fair Value through Profit & Loss Account	49.91	15.40
Total		**49.91**	**15.40**

NOTE 30 OTHERS

(₹ in Crore)

Particulars		Year Ended March 31, 2023	Year Ended March 31, 2022
i)	Miscellaneous Income	24.97	97.64
Total		**24.97**	**97.64**

NOTE 31 OTHER INCOME

(₹ in Crore)

Particulars		Year Ended March 31, 2023	Year Ended March 31, 2022
i)	Dividend Income from Subsidiaries	5.24	4.77
ii)	Dividend Income from Associates	0.43	0.43
iii)	Income from subleasing right-of-use assets	0.18	0.07
iv)	Net gain/(loss) on derecognition of property, plant and equipment	0.16	0.01
v)	Net gain or (loss) on foreign currency translation	11.24	27.44
vi)	Impairment Gain on Sub-Lease Asset	-	1.23
Total		**17.25**	**33.95**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

NOTE 32 FINANCE COSTS

(₹ in Crore)

Particulars	On Financial Liabilities measured at Amortised Cost	
	Year Ended March 31, 2023	Year Ended March 31, 2022
i) Interest on Deposits	1,011.59	1,215.92
ii) Interest on Borrowings	5,565.29	3,571.68
iii) Interest on Debt Securities	9,471.88	9,249.29
iv) Interest on Subordinated Liabilities	132.42	132.42
v) Interest on Lease Liability	4.78	7.94
Total	**16,185.96**	**14,177.25**

NOTE 33 FEES AND COMMISSION EXPENSE

(₹ in Crore)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
i) Fees and Commisssion	159.09	111.94
Total	**159.09**	**111.94**

NOTE 34 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in Crore)

Particulars	On Financial Instruments measured at Amortised Cost	
	Year Ended March 31, 2023	Year Ended March 31, 2022
i) Loans	1,935.87	1,962.61
ii) Others	7.09	59.22
Total	**1,942.96**	**2,021.83**

The details relating to movment in Impairment on Loans (Expected Credit Loss) is disclosed in Note 37.4.2.4

NOTE 35 EMPLOYEE BENEFITS EXPENSES

(₹ in Crore)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
i) Salaries and Wages	376.72	467.06
ii) Contribution to Provident and Other Funds [Refer Note 48]	46.52	51.94
iii) Staff Welfare Expenses	49.97	44.32
Total	**473.21**	**563.32**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

NOTE 36 OTHER EXPENSES

(₹ in Crore)

Particulars		Year Ended March 31, 2023	Year Ended March 31, 2022
i)	Rent, Rates and Taxes	26.91	23.19
ii)	Repairs and Maintenance - Building	2.14	2.40
iii)	Repairs and Maintenance - Others	21.50	14.32
iv)	Communication Costs	17.60	13.73
v)	Printing and Stationery	9.32	6.91
vi)	Advertisement & Publicity Expenses	43.06	28.20
vii)	Director's fees, allowances and expenses	1.55	0.81
viii)	Auditor's fees and expenses [Refer Note 44]	1.10	1.00
ix)	Legal and Professional charges	9.08	9.64
x)	Insurance Charges	0.17	0.17
xi)	Travelling and Conveyance	19.65	16.13
xii)	Competition Prizes & Conference Expenses	18.94	24.38
xiii)	Electricity Expenses	5.93	5.16
xiv)	Service Charges for Safe Custody of Documents	23.96	15.00
xv)	Contribution towards CSR activites [Refer Note 53]	63.22	66.98
xvi)	Miscellaneous Expenses	26.31	20.07
Total		**290.42**	**248.09**

Corporate Social Responsibility

(₹ in Crore)

Particulars		Year Ended March 31, 2023	Year Ended March 31, 2022
(a)	Amount required to be spent by the company during the year	63.05	66.98
(b)	Amount of expenditure incurred	9.95	64.68
(c)	Shortfall at the end of the year	53.11	2.30 *
(d)	Total of previous years shortfall	34.94	Nil
(e)	Reason for shortfall	LIC Housing Finance Limited's Corporate Social Responsibility (CSR) initiatives are implemented through a systematic disbursement process that involves monitoring and verification of the efficient utilization of funds by the implementation partners. As a result of this tranche-based disbursement system, only part payments have been released to the implementation partners, and the remaining funds are scheduled to be released in accordance with the approved work plan. This approach ensures that the CSR projects sanctioned by LIC HFL CSR are effectively executed, contributing to the sustainable development of communities, and aligning with the organization's core values.	Considering the due diligence process and the CSR project sourcing guidelines, only those project proposals were selected which fulfilled the minimum criteria and displayed an established track record on similar projects.
(f)	Nature of CSR activities	The CSR activities carried out by the company during FY22-23 are: i) Promoting education including special education: (a) Contributions to public-funded Universities (b) Imparting employment enhancing vocational skills.	Rural development, promoting education, health, WASH, sanitation, renewable energy, social incubation

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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(₹ in Crore)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
	ii) Promoting Healthcare: (a) Including preventive health care. (b) Through assisting in curative treatment (c) Through scientific research iii) Promoting sanitation and hygiene. (a) Construction of a sanitation complex in the school (b) Promotion of personal hygiene among students and rural villages. (c) Promotion of menstrual health among young girls in rural villages iv) Through vocational training and entrepreneurship development (a) Formation of Self-Help Group for marginal farmers and women (b) Introducing innovative methods of cultivation. (c) Creating market linkages. (d) Soft skill training on enterprises/ income generation v) Measures for the benefit of armed forces veterans, war widows, and dependents vi) Disaster relief (a) Providing humanitarian assistance for COVID-19 relief and management. vii) Rural development activities (a) Promoting gender equality, and empowering women. (b) reducing inequalities faced by socially and economically backward groups. viii) Ensuring environmental sustainability. (a) promoting solid waste management. (b) conservation of natural resources and maintaining the quality of soil, air, and water. (c) Promotion of renewable sources of energy ix) Contributions to public-funded Universities (a) Contribution to incubators or research & development projects in the field of science, technology, engineering, and medicine.	
(g) Details of related party transactions	NA	NA
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Refer Note 53	

* For the FY 2021-22 the company has disbursed an amount of ₹ 2.30 Crore to Schedule VII funds on 26th July 2022 as per the provisions of CSR Amendment Rules 2021.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

37. FINANCIAL INSTRUMENTS

37.1 Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements as per the directions issued by Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the guidelines issued by RBI.

The Company's objective, when managing Capital, is to safeguard the ability of the Company to continue as a going concern, maintain strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder's value.

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to maximize the shareholder's value. The capital of the Company comprises of Equity Share Capital and subordinated liabilities. No changes have been made to the objectives, policies and processes from the previous yea₹ However, they are under constant review by the Board.

The Management of the Company monitors the Regulatory capital by overviewing Debt Equity Ratio and makes use of the same for framing the business strategies. For this purpose, the Company does not consider Impairment Reserve to be part of Equity.

The Debt Equity Ratio of the Company is calculated as below:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Debt Securities	1,36,959.99	1,27,341.99
Borrowings (Other than Debt Securities)	94,392.25	76,447.22
Deposits	11,626.21	18,073.50
Subordinated Liabilities	1,795.77	1,795.44
Interest Accrued on above	4,573.59	4,401.48
Unpaid Matured Deposit	60.25	403.07
Cash & Cash Equivalent	(619.40)	(822.19)
A) Total Debt	2,48,788.66	2,27,640.51
B) Total Equity-Shareholder's Funds	24,674.98	22,832.77
C) Debt Equity Ratio (A/B)	10.08	9.97

37.1.1 Regulatory Capital

For regulatory and supervisory purposes including various types of reporting as per the directions issued by Reserve Bank of India (RBI) have been considered. Accordingly, regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings including current year profit. The other component of regulatory capital is Tier 2 Capital Instruments, which includes upper tier 2 and subordinated bonds. Impairment Reserve of ₹ 297.50 crore (F.Y. 2021- 22 ₹297.50 crore) has not been considered as part of Equity.

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Equity Tier 1 capital	24,674.97	22,832.75
Other Tier 2 capital	2,473.52	2,614.86
Total Capital	27,148.49	25,447.62
Risk weighted assets	1,48,959.91	1,40,663.70
Tier 1 capital adequacy ratio	16.56%	16.23%
Total capital adequacy ratio	18.23%	18.08%
Liquidity Coverage Ratio	172.78%	548.73%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

37.2 Categories of Financial Instruments:

(₹ in Crore)

Particulars	As at March 31, 2023			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Financial Assets				
Cash and Cash Equivalents	619.40	-	-	619.40
Bank Balance other than above	122.50	-	-	122.50
Derivative Financial Instruments	-	-	-	-
Loans	2,67,834.80	-	-	2,67,834.80
Investments	4,623.38	2,305.03	48.00	6,976.41
Other Financial Assets	18.56	-	-	18.56
Total	**2,73,218.64**	**2,305.03**	**48.00**	**2,75,571.67**
Financial Liabilities				
Lease Liability	175.41	-	-	175.41
Trade Payables	38.96	-	-	38.96
Debt Securities	1,36,959.99	-	-	1,36,959.99
Borrowings (Other than Debt Securities)	94,392.25	-	-	94,392.25
Deposits	11,626.21	-	-	11,626.21
Subordinated Liabilities	1,795.77	-	-	1,795.77
Other Financial Liabilities	5,595.60	-	-	5,595.60
Total	**2,50,584.19**	**-**	**-**	**2,50,584.19**

(₹ in Crore)

Particulars	As at March 31, 2022			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Financial Assets				
Cash and Cash Equivalents	822.19	-	-	822.19
Bank Balance other than above	115.20	-	-	115.20
Derivative Financial Instruments	-	79.17	-	79.17
Loans	2,45,296.33	-	-	2,45,296.33
Investments	4,626.66	1,523.94	48.00	6,198.60
Other Financial Assets	16.57	-	-	16.57
Total	**2,50,876.95**	**1,603.11**	**48.00**	**2,52,528.06**
Financial Liabilities				
Lease Liability	143.12	-	-	143.12
Trade Payables	64.30	-	-	64.30
Debt Securities	1,27,341.99	-	-	1,27,341.99
Borrowings (Other than Debt Securities)	76,447.22	-	-	76,447.22
Deposits	18,073.50	-	-	18,073.50
Subordinated Liabilities	1,795.44	-	-	1,795.44
Other Financial Liabilities	5,508.99	-	-	5,508.99
Total	**2,29,374.56**	**-**	**-**	**2,29,374.56**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

37.3 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The Company evaluates the significance of financial instruments and material accuracy of the valuations incorporated in the financial statements as they involve a high degree of judgement and estimation uncertainty in determining the carrying values of financial assets and liabilities at the balance sheet date. Fair value of financial instruments is determined using valuation techniques and estimates which, to the extent possible, use market observable inputs, but in some cases use non-market observable inputs. Changes in the observability of significant valuation inputs can materially affect the fair values of financial instruments. In determining the valuation of financial instruments, the Company makes judgements on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 instruments, and the significant valuation judgements in respect of Level 3 instruments.

Fair Value Hierarchy

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained below.

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the observability of the significant inputs used to determine the fair values. Changes in the observability of significant valuation inputs during the reporting period may result in a transfer of assets and liabilities within the fair value hierarchy. The Company recognises transfers between levels of the fair value hierarchy when there is a significant change in either its principal market or the level of observability of the inputs to the valuation techniques as at the end of the reporting period.

Level 1: Fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Fair value measurements are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable

Level 3: Fair value measurements are those where at least one input which could have a significant effect on the instrument's valuation is not based on observable market data

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

(₹ in Crore)

Particulars	Fair Value			Fair Value Hierarchy	Valuation Technique	Key Inputs for Level 2 & Level 3	Significant unobservable input(s) for Level 3
	Category	As at March 31, 2023	As at March 31, 2022				
Financial Assets							
Mutual funds	FVTPL	2,242.03	1,493.40	Level 1	Quoted Market Price for Mutual Funds	NA	NA
Derivative financial instruments	FVTPL	-	79.17	Level 2	Mark-to-Market of the derivative	Valuation received from counter party	NA
Initial Settlers Contribution Under Indenture Trust	FVTPL	0.002	0.002	Level 3	Book Value	Refer Note below	Refer Note below
LICHFL Urban Development Fund	FVTPL	8.09	6.03	Level 3	NAV as on reporting date declared by The Fund and other factors	Refer Note below	Refer Note below
LICHFL Housing And Infrastructure Fund	FVTPL	54.91	24.51				
Non-Financial Assets							
Assets Held for Sale	FVTPL	238.89	107.38	Level 2	Valuation as per independent valuer	Refer Note Below	Refer Note Below

There were no transfers between Level 1, Level 2 and Level 3 during the year

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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Valuation Techniques

Equity instruments

Units held in funds having quoted market price are fair valued considering Level 1 inputs. Others which are measured based on their net asset value (NAV) as on reporting date, taking into account redemption and/or other restrictions. Such instruments are generally fair valued considering Level 3 inputs.

Equity instruments in non-listed entities including investment in private equity funds are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case basis and classified as Level 3. However, Provision for Diminution in value of Investment has been considered for computing the fair value.

Interest rate derivatives and Cross Currency Swaps

Interest rate derivatives include interest rate swaps. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations by estimating future cash flows and discounting them with the appropriate yield curves incorporating funding costs relevant for the position.

The fair value of a cross currency swap is calculated by determining the future cash flows on both legs (i.e. the receiving leg and the paying leg), and discounting these cash flows using an appropriate discount factor curve.

These contracts are generally Level 2 unless adjustments to yield curves or credit spreads are based on significant non-observable inputs, in which case, they are Level 3.

Valuation adjustments and other inputs and considerations

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 financial assets does not have a significant impact in its value.

No valuation adjustments have been made to the prices/yields provided for valuation.

Financial Instruments not measured using Fair Value, i.e. measured using Amortized Cost/Cost

The following table is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair value of non-financial assets and non-financial liabilities.

(₹ in Crore)

Particulars	Carrying Value	Fair Value Hierarchy	Fair Value
As at March 31, 2023			
Financial Assets			
Government Securities	4,623.38	Level 1	4,411.69
Investment in subsidiaries and associates	48.00	Level 3	48.00
As at March 31, 2022			
Financial Assets			
Government Securities	4,626.66	Level 1	4,506.68
Investment in subsidiaries and associates	48.00	Level 3	48.00

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

Government debt securities

Government debt securities are financial instruments issued by sovereign governments and include long term bonds with fixed rate interest payments. These instruments are generally highly liquid and traded in active markets resulting in a Level 1 classification. When active market prices are not available, the Company uses discounted cash flow models with observable market inputs of similar instruments and bond prices to estimate future index levels and extrapolating yields outside the range of active market trading, in which instances the Company classifies those securities as Level 2. The Company does not have Level 3 government securities where valuation inputs would be unobservable.

Investment in subsidiaries and associates

In the opinion of the Company, in case of subsidiaries and associates, the carrying value approximates the fair value.

The Company has fully impaired its investment in one of its wholly owned subsidiary, LICHFL Care Homes Limited, as per IND AS 36-Impairment of Asset on prudent basis amounting to ₹ 50 Crore, since the carrying amount of the investment exceeded its value in use. The value in use was determined based on the future cash flows of the subsidiary. The financial statements of the subsidiary is prepared on the going concern basis.

Other Financial Assets and Liabilities

With respect to Bank Balances and Cash and Cash Equivalents, Other Financial Assets, Trade Payables and Other Financial Liabilities, the carrying value approximates the fair value.

37.4. Financial Risk Management

Introduction

The Company has operations in India and representative offices in Dubai. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement, and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and everyone within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating, regulatory and competition risks.

Risk Management Framework

The Company has a formal risk assessment program to proactively identify the risks and ensure all possible strategies to control & mitigate in pursuit of achieving the Company's objective. Every department is responsible for the identification of their risks and putting it in their Risk Registers. The consolidated Risk Register is analyzed at various Committees.

At present, the risks faced by the Company are broadly categorized as below:-

- Liquidity Risk
- Credit Risk
- Market Risk
- Interest Rate Risk
- Operational Risk
  - A. Compliance Risk
  - B. Legal Risk
- Regulatory Risk
- Competition Risk
- Currency Risk

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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Committees

In order to bring the collective knowledge in decision making, the Company has undertaken a committee approach to deal with the major risks arising in the organization. Committees, their formation, and the roles are provided below.

Top Level Committee

Risk Management Committee of Board (RMCB)

Company has a Risk Management Committee of Board in place which consists of Independent Directors and the MD & CEO of the Company.

The role of the Committee is as follows-:

- Review of Risk Management Policy
- Review of the status on the risk limits in the Risk Management Policy and Report to the Board
- Review the matters on Risk Management
- Review and monitor the risks to which the Company is exposed

Internal Committee

Risk Management Committee and Operational Risk Group (RMC & ORG)

Company has an internal Risk Management Committee and Operational Risk Group whose major function include review of Risk Registers submitted monthly by all departments. It comprises of HODs of Risk Management, Finance, Project Finance, Credit Monitoring, IT, and any other member as nominated by MD & CEO of the Company. A list of functions performed by RMC & ORG is given below -:

- Review of monthly Risk Register submitted by various depts.
- Assessment of risks in the Company and suggesting control/mitigation measures thereof

The Company has exposure to following risks arising from the financial instruments.

37.4.1 Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. The Company has developed internal control processes and contingency plans for managing liquidity risk. In addition, the Company is also maintaining Liquidity Coverage Ratio (LCR) from 01st December, 2021 as prescribed by the regulator. (As per notification no. RBI/2020-21/60 DOR.NBFC (HFC).CC.No.118/03.10.136/2020-21 dated 22nd October, 2020) Housing Finance being the core business, maintaining the liquidity for meeting the growth in the business as also to honor the committed repayments is the fundamental objective of the Asset Liability Management (ALM) framework. Investments, including investments as a part of liquid asset requirement, also forms part of ALM requirement and it is imperative to constantly monitor the liquidity of the investments to achieve the core objective.

Internal Control Process & Liquidity Management

Being in the business of Housing Loans, funds are required to be raised by the Company ahead of loan disbursements so that there is no liquidity crunch. Funds are required to be raised not only for the incremental housing loan assets but also for meeting the committed/due repayments of the earlier borrowings and/or Interest payments on the borrowings. Funds therefore are raised with a reasonable cushion over and above the committed repayments, committed disbursements and unutilized sanctions in pipeline and the expected business targets.

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The Company ensures that funds are available from various investor pools and banks. Liquid funds are available in the form of Non-Convertible Debentures and other Market Instruments, Bank Loans, Refinance from NHB and Foreign Currency Loans. In case of Public Deposits accepted by the Company, a prescribed percentage (as defined by NHB from time to time) is to be invested in approved securities in terms of Liquid Asset Requirement (as per notification no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21). On the assets side, the Company has loan products broadly classified under individual retail loans and project finance loans with varying repayment structures depending upon the nature of product.

The liquidity is managed at the Corporate Office of the Company with Back Offices providing their liquidity requirements. The surplus funds available with the Back Offices are pooled and funds from the market are arranged for the Back Offices having a deficit of funds. Only surplus funds arrived at after deducting the committed/confirmed outflows (including projected disbursements of loans) from the available resources - both from internal accretions as well as borrowed funds, would be considered as Surplus available for Investment in approved instruments on day-to-day basis. The Company can place surplus funds in Fixed Deposits with selected Scheduled / Commercial / Foreign Banks and / or Financial Institutions within overall exposure limit fixed for each Bank / FI from time to time by the Board. Considering the market risk and the mark-to-market requirements of the debt mutual funds, currently Company is making Investments only in liquid and overnight schemes of mutual funds. Exposure limits for each Investment instrument is approved by the Board and reviewed from time to time as per the requirements.

ALCO Committee
Roles & Responsibilities
The Asset Liability Management (ALM) Committee presents the Structural and Dynamic Liquidity Report to the Risk Management Committee on a quarterly basis and meetings are held every month. The ALM Committee formulates the ALM Policy which is reviewed at least once a year. If any change is required, then, the revised policy along with desired change and rationale for the same shall be put up to the Risk Management Committee or any Other Committee constituted by the Board. Consequent to the recommendation of the Risk Management Committee, the reviewed policy would be put up to the Board for its approval.

Composition
ALCO Committee is headed by the MD & CEO of the Company. Other members of the Committee comprise HODs of Departments Finance, Credit Appraisal, Project Finance, Accounts, Marketing, IT, Risk Management, Credit Monitoring and as nominated by MD & CEO of the Company.

Changes from previous period
There are no significant changes in the Financial Policies.

Liquidity Ratios during the year
1) The structural liquidity (as required by regulator) negative gap under 0 to 7 days bucket has not exceeded 10% of the cash outflows during those respective durations.

2) The structural liquidity (as required by regulator) negative gap in over 7 days to 14 days bucket has not exceeded 10% of the cash outflows during those respective durations.

3) The structural liquidity (as required by regulator) negative gap in over 14 days to 1 month bucket has not exceeded 20% of the cash outflows during those respective durations.

4) The structural liquidity (as required by regulator) negative gap up to one year has not exceeded 15% of the cumulative cash outflows up to one year.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

Contractual Maturities of Financial Liabilities as at March 31, 2023

(₹ in Crore)

Particulars	On demand	Upto 3 months	Above 3 months to 12 months	Above 1 Year -3 Years	Above 3 Years -5 Years	Above 5 Years-10 Years	Above 10 Years	Total*
Financial Liabilities								
Lease Liabilities	-	12.60	35.14	68.09	43.11	45.95	3.79	208.68
Trade Payables	38.96	-	-	-	-	-	-	38.96
Debt Securities**	-	8,479.73	29,225.27	52,276.20	23,426.24	23,595.01	-	1,37,002.44
Borrowings (Other than Debt Securities)	-	2,752.87	36,862.77	32,321.92	17,957.14	4,497.55	-	94,392.25
Deposits	-	2,552.42	5,881.06	2,742.57	467.31	-	-	11,643.36
Subordinated Liabilities**	-	-	-	-	-	1,804.41	-	1,804.41
Other financial liabilities (to be specified)	337.48	2,104.73	2,840.20	302.63	7.33	-	-	5,592.37
Total	**376.44**	**15,902.35**	**74,844.44**	**87,711.41**	**41,901.13**	**29,942.92**	**3.79**	**2,50,682.46**

* Figures as per IGAAP ** Includes Premium/Discount

Contractual Maturities of Financial Liabilities as at March 31, 2022

(₹ in Crore)

Particulars	On demand	Upto 3 months	Above 3 months to 12 months	Above 1 Year -3 Years	Above 3 Years -5 Years	Above 5 Years-10 Years	Above 10 Years	Total*
Financial Liabilities								
Lease Liabilities	-	11.22	33.91	62.33	36.20	30.29	0.62	174.56
Trade Payables	64.30	-	-	-	-	-	-	64.30
Debt Securities**	-	7,833.47	25,585.43	48,776.73	25,599.25	19,653.45	-	1,27,448.33
Borrowings (Other than Debt Securities)	-	2,861.85	28,963.70	25,808.94	14,262.24	4,463.59	-	76,360.32
Deposits	-	2,054.69	9,703.95	5,649.20	720.31	-	-	18,128.14
Subordinated Liabilities**	-	-	-	-	-	1,804.41	-	1,804.41
Other financial liabilities (to be specified)	489.63	1,695.48	3,050.11	246.52	17.11	-	-	5,498.86
Total	**553.93**	**14,456.71**	**67,337.09**	**80,543.72**	**40,635.12**	**25,951.73**	**0.62**	**2,29,478.92**

* Figures as per IGAAP ** Includes Premium/Discount

37.4.2 Credit Risk

Credit Risk refers to the risk arising out of the default by the counterparty on its contractual obligations resulting in financial loss to the Company. The Company has defined Loan selection principles for establishing creditworthiness of the counterparties and criteria for determining the quantum of loan. The Company has adopted a policy of dealing with creditworthy counter parties and obtaining sufficient collateral as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored

The carrying amount of loans as at March 31, 2023 is ₹ 2,75,065.09 crore (F.Y. 2021-22 ₹ 2,51,135.45 crore) which best represent the maximum exposure to credit risk, the related Expected credit loss amount to ₹ 7,230.29 crore (F.Y. 2021-22 ₹ 5,839.12 crore). The Company has right to sell the collateral in case borrower defaults. The carrying amount of loans as at March 31, 2023 includes ₹ 17.93 crore towards Loans to Staff, Loans against Public Deposit and Finance Lease Receivables. (F.Y.2021-22 ₹ 15.70 crore).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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37.4.2.1 Credit Risk Mitigation measures

Independent internal legal and technical evaluation team in the Company makes credit decisions more robust and in line to manage collateral risk. The in-house Credit team conducts a credit check and verification procedure on each customer, ensuring consistent quality standards to minimize future losses. To review the adherence to laid down policies and quality of appraisal, Company's independent internal audit team conducts a regular review of files on a sample basis. A dedicated collection and recovery team manages lifecycle of transactions and monitors the portfolio quality.

Credit Norms: - Certain credit norms and policies are being followed by the Company to manage credit risk, including a standard credit appraisal policy based on customer credit worthiness. These criteria change between loan products and typically include factors such as profile of applicant, income and certain stability factors such as the employment and dependency detail, other financial obligations of the applicant, Loan to value and the loan-to-cost ratio. Standardized credit approval process including a comprehensive credit risk assessment is in place which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower.

The Credit Policy defines parameters such as Borrower's ability to pay, Reputation of Employer, Nature of employment/ Self-employed, Qualification of Applicants, Stability of Residence, Family size and dependence on Applicants income, Insufficient sales proceeds to pay the dues in case of Project Loans due to project slowdown etc. to ensure consistency of credit quality.

Retail lending:

For retail lending, credit risk management is achieved by considering various factors like:

- **Assessment of borrower's capability to pay –** a detailed assessment of borrower's capability to pay is conducted. The approach of assessment is laid down in the credit policy of the Company. Various factors considered for assessment are credit information report, analysis of bank account statement and valuation of property.

- **Security cover –** Analysing the value of the property which is offered as security for the loan is essential for the overall underwriting of the loan. It is essential that it is valued before the disbursement of loan to arrive at a clear idea about its cost, valuation, marketability and loan to property ratio.

- **Additional Security –** Additional Security can be by way of pledge of acceptable Additional Collaterals such as LIC Policies, FDs or other immovable properties, etc. is considered. This is taken depending on nature of loan proposal and amount of risk involved.

- **Geographical region –** The Company monitors loan performance in a particular region to assess if there is any stress due to natural calamities etc. impacting the performance of the loan in a particular geographic region.

Project lending:

For project lending, credit risk management is achieved by considering various factors like:

- **Promoter's strength –** a detailed assessment of borrower's capability to pay is conducted. Various factors considered for promoter's assessment are the financial capability, past track record of repayment, management and performance perspective.

- **Credit information report –** It is very essential to check the Creditworthiness of an Applicant & the Credit History of Borrower for Consumer or Commercial Loans. The Company uses this Report for taking a Decision on Credit Sanction by getting details of the Credit History of a Borrower. For Project Loans, reports from independent institutions are referred so as to get the marketability report of the project and its neighbourhood analysis.

- **Security cover –** Analysing the value of the property which is offered as security for the loan is essential for the overall underwriting of the loan. With respect to project loans, the main security taken is underlying land and structure there on. Technical appraisals are conducted to establish the life, soundness, marketability and value of the security.

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- **Additional Security –** Additional Security is taken depending on nature of loan proposal and amount of risk involved. In some cases, the hypothecation of receivables from the loan is taken. The Negative lien is marked on the flats in the project to the extent decided by the Competent Authority as per merits of the case. The Company endeavours to maintain the security cover approved by the Competent Authority as per the merit of the case. Personal Guarantee of promoter directors / corporate guarantee of Company is also obtained as Security on case to case basis. In some cases, the Additional Collateral in the form of Fixed Deposits are also accepted. In case of Higher Risk, Debt Service Recovery Account is also maintained. The Charge on the security / Additional Collateral security is also registered in Central Registry / ROC.

- **Geographical region –** The Company monitors loan performance in a particular region to assess if there is any stress due to natural calamities etc. impacting the performance of the loan in that geographic region.

  The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

Derivative financial instruments:

Interest rate swaps

The exposure of the Company to Derivatives contracts is in the nature of Interest Rate Swap and Currency Swaps to manage risk associated with interest rate movement and fluctuation in currency exchange rate.

Derivative policy of the Company specifies the exposure norms with respect to single counterparty and the total underlying amount at the time of entering into the new derivative contract.

The Asset Liability Management Committee (ALCO) of the Company oversees efficient management of risk associated with derivative transactions. Company identifies, measures, monitors the exposure associated with derivative transaction. For effective mitigation of risk it has an internal mechanism to conduct regular review of the outstanding contracts which is reported to the ALCO & Risk Management Committee of the Board which in turn reports to the Board of Directors.

The gain, if any realized on early termination of swap is amortized over the balance tenor of the swap or underlying liability whichever is less. Loss if any on early termination is charged to revenue in the same year. The carry difference, between coupon rate liability and the swap contract rate is accounted quarterly on accrual basis.

37.4.2.2 Collateral and other credit enhancements

With respect to loan cases the main security taken is underlying property mortgaged by the borrower. Apart from the main security additional collaterals are also sought depending upon merits of the case. In some cases, the hypothecation of receivables for the loan is also taken.

The Company after exploring all the possible measures, initiates action under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) against the mortgaged properties as a last resort to recover. Company follows the due procedure as laid down in the SARFAESI Act 2002 and accordingly takes the possession of the properties for its logical conclusion.

As the procedure involved under SARFAESI is to be followed in a time-bound manner, different loan accounts will be at various stages of SARFAESI proceedings.

The properties taken under possession through SARFAESI Act by the Company and held such properties for disposal as on 31.03.2023 included in loan portfolio amounting to ₹ 743.22 crore (FY 2021-22 ₹ 464.92 crore). Out of these, loan portfolio amounting to ₹238.89 crore (FY 2021-22 ₹ 107.38 crore) is considered under INDAS 105 (Non-current asset held for sale) being lower of the fair value of the asset possessed and the outstanding as at March 31, 2023.

37.4.2.3 Impairment Assessment

The Company applies general approach to provide for credit losses prescribed by Ind AS 109, which provides to recognise 12-months expected credit losses where credit risk has not increased significantly since initial recognition and to recognise lifetime expected credit losses for financial instruments for which there has been significant increase in credit risk since initial recognition considering all reasonable present and forward looking information.

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Definition of Default
The Company considers a financial instrument as defaulted when the borrower becomes 90 days past due on its contractual payments. Such instruments are considered as Stage 3 (credit-impaired) for ECL calculations.

The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses and the calculation and presentation of interest revenue.

Stage wise Categorisation of Loan Assets
The company categorises loan assets into stages based on the Days Past Due status:

- **Stage 1:** [0-30 days Past Due] it represents exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. The Company uses the same criteria mentioned in the standard and assume that when the days past due exceeds '30 days', the risk of default has increased significantly. Therefore, for those loans for which the days past due is less than 30 days, one year default probability is used.

- **Stage 2:** [31-90 days Past Due] The Company collectively assesses ECL on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Company recognises as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset).

- **Stage 3:** [More than 90 days Past Due] The Company identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. The Company use the same criteria mentioned in the standard and assume that when the days past due exceeds '90 days', the default has occurred.

Retail Loans:
Depending on the nature of the financial instruments and the credit risk information available for particular groups of financial instruments, an entity may not be able to identify significant changes in credit risk for individual financial instruments before they become past due. The loans are backed by sufficient margin of underlying security which absorbs the associated risks. Hence, the Company has performed the assessment of significant increases in credit risk on a collective basis by considering information that is indicative of significant increases in credit risk on groups of financial instruments.

For the purpose of determining significant increases in credit risk and recognising loss allowance on a collective basis, the Company has grouped financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increase in credit risk identified on a timely basis.

Project Loans:
Project loans are far less in number and more in terms of value per loan. The loans are also credit rated internally. However, the Company does not have any history of the loan transitioning from one rating to the other over a fairly long period of time to arrive at a reliable transition matrix. The Company has used transition matrix compiled and published by a premier rating agency in India for arriving default rate.

Accordingly, loans have been identified into different groups as given below:

Credit Quality Analysis – Classification on basis of risk pattern (Collective and Individual Basis)

(₹ in Crore)

	Stage 1		Stage 2		Stage 3		Total	
	Amount	Impairment	Amount	Impairment	Amount	Impairment	Amount	Impairment
As at March 31, 2023	2,48,857.28	677.76	14,083.07	1,171.31	12,124.74	5,381.22	2,75,065.09	7,230.29
As at March 31, 2022	2,31,853.55	579.33	7,665.50	240.11	11,616.40	5,019.68	2,51,135.45	5,839.12

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37.4.2.4 ECL Model and Assumptions considered in the ECL model

The Company has through its previous experience estimated the probability of default on loans. Thus it is seen that receivable for an account moves through different delinquency stages every month. For example, an account in the "Regular" state this month will continue to be in the "Regular" state next month if a payment is made by the due date and will be in the "30 days past due" state if no payment is received during that month.

Further, focus is on maintaining the progression and timing of events in the path from "Regular" to "Defaulted". For example, an account in the "Regular" state doesn't suddenly become "Defaulted". Instead, an account must progress monthly from the "Regular" state to the "30 days past due" state to the "60 days past due" state and so on until foreclosure activities are completed and the collateral assets are sold to pay the outstanding debt.

The transition represents the period-by-period movement of receivables between delinquency classifications or states. The transition evaluates loan quality and loan collection practice. The loan portfolio for the past years is analysed to arrive at the transition matrix. Each loan is traced to find out how the loan has performed over such period.

The occurrences of every loan over the past years are considered to arrive at the total transitions happening from different buckets in the previous month to different buckets in the current month.

Probability of Default

Stage 1 – [No significant increase in credit risk]: the monthly transition matrix is converted into a 12-month transition matrix for determining the probability of default for those loan accounts on which the risk has not increased significantly from the time the loan is originated. The Company use the same criteria mentioned in the standard and assume that when the days past due exceeds '30 days', the risk of default has increased significantly. Therefore, for those loans for which the days past due is less than 30 days, one-year default probability is considered.

Stage 2 – [Significant increase in credit risk]: The credit risk is presumed to have increased significantly for loans that are more than 30 days past due and less than 90 days past due. For such loans, lifetime default probability is considered. Based on the maturity date of the loan, the probability of default is arrived at to determine the quantum of the loan that is likely to move into the buckets '90 days past due' and greater. The monthly transition matrix is used to find out the transition matrix applicable for the loan considering the maturity date of such loan.

Stage 3 – [Defaulted loans]: As per the standard there is a rebuttable presumption that default does not occur later than when a financial asset is 90 days past due unless an entity has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The Company assumed that the default has occurred when a loan moves into '90 days past due' bucket.

When the loan moves from stage 3 to stage 2 / stage 1 or from stage 2 to stage 1, from an ECL computation perspective there is a curing period of one quarter on such loans.

Exposure at default

The borrower's ability to raise its exposure as it nears default as well as potential early repayments are both taken into account in the Exposure at Default (EAD), which represents the gross carrying value of the financial instruments subject to impairment calculation.

Probability of default of the loan that is likely to move into buckets 90 days past due and above over next 12 months. The PD is used to measure quantum of loan that is likely to move buckets 90 days past due and above over the remaining life of the loan.

Loss given default

The loans are secured by adequate collateral. The present value of such collateral property is considered while calculating the Expected Credit Loss. The Company initiates recovery process of Non-Performing accounts within the statutory time limit as per SARFAESI and other applicable laws and accordingly the realizable period has been considered for computing the Present Value of Collateral. The difference between present value of collateral and EAD is loss given default.

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Forward looking information

The assumptions and estimates on the basis of which, the Expected Credit Losses (ECL) of the loan portfolio have been identified, are primarily based on the historical performance of the loan portfolio, updated to reflect current conditions including regulatory interventions.

Write off policy

The Company has over the period has established a well-defined Credit Monitoring Mechanism for follow up of the default / delinquent accounts.

A multi-faceted approach is adopted in Credit Monitoring activities which involves participation of In-House employees as well as outsourced agencies. Each loan account is analysed based on the causative factors of becoming default and appropriate follow-up activity is undertaken. In spite of adopting an appropriate follow-up activity, some accounts continue to be delinquent. Sufficient time, as per law, is given to the borrowers to regularize their repayments and if still the accounts continue to be under the Non-Performing bracket, legal recourse is adopted.

However, there could be accounts wherein no recovery would be forthcoming despite the best efforts put in by the Company. Such accounts are critically examined on case-to-case basis and if there is no merit of recovery, such accounts are recommended for write-off to/through internal committees as per the policy approved by the Board.

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Financial Assets written off but are still subjected to enforcement activity	934.61	400.33

Management Overlay:

Based on the historical experience coupled with reasonably foreseeable factors management overlays is also considered to capture factors that have significant impact on ECL thus provisions are made accordingly.

Movement of Gross Exposures and impairment provision of the Financial Instruments (Collective and Individual Basis)

(₹ in Crore)

	Stage 1		Stage 2		Stage 3		Total	
	Amount	Impairment	Amount	Impairment	Amount	Impairment	Amount	Impairment
Gross Carrying Amount -01.04.2021	**2,08,018.17**	**117.17**	**14,336.50**	**37.17**	**9,659.13**	**3,745.19**	**2,32,013.80**	**3,899.53**
Net change in exposures	21,626.05	603.50	(1,263.48)	344.64	(697.89)	998.26	19,664.68	1,946.40
Transfer to Stage 1	8,191.76	297.42	(7,348.45)	(113.35)	(843.31)	(184.06)	-	-
Transfer to Stage 2	(3,904.25)	(3.44)	4,193.47	75.47	(289.22)	(72.03)	-	-
Transfer to Stage 3	(1,703.17)	(435.32)	(2,106.66)	(103.82)	3,809.83	539.13	-	-
Changes in contractual cash flows due to modifications not resulting in derecognition	(375.01)	-	(145.88)	-	(5.97)	-	(526.86)	-
Amounts Written Off	-	-	-	-	(16.17)	(6.81)	(16.17)	(6.81)

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(₹ in Crore)

	Stage 1		Stage 2		Stage 3		Total	
	Amount	Impairment	Amount	Impairment	Amount	Impairment	Amount	Impairment
Gross Carrying Amount- 31.03.2022	**2,31,853.55**	**579.33**	**7,665.50**	**240.11**	**11,616.40**	**5,019.68**	**2,51,135.45**	**5,839.12**
Net change in exposures	25,204.02	209.84	(8.49)	532.64	(507.84)	1,057.32	24,687.69	1,799.80
Transfer to Stage 1	3,947.04	378.04	(3,052.39)	(75.05)	(894.65)	(302.99)	-	-
Transfer to Stage 2	(10,004.97)	(401.21)	10,318.44	498.13	(313.47)	(96.92)	-	-
Transfer to Stage 3	(1,990.80)	(88.24)	(836.09)	(24.52)	2,826.89	112.76	-	-
Changes in contractual cash flows due to modifications not resulting in de-recognition	(151.56)	-	(3.90)	-	(5.42)	-	(160.88)	-
Amounts Written Off / Under Possession Properties	-	-	-	-	(597.17)	(408.63)	(597.17)	(408.63)
Gross Carrying Amount -31.03.2023	**2,48,857.28**	**677.76**	**14,083.07**	**1,171.31**	**12,124.74**	**5,381.22**	**2,75,065.09**	**7,230.29**

The movement within the tables is a combination of quarterly movements over the year. The credit impairment charge in the Statement of Profit & Loss comprises of the amount in Total column.

Transfers – transfers between stages are deemed to occur at the beginning of a quarter based on prior quarters closing balances.

Net re-measurement from stage changes – the re-measurement of credit impairment provisions arising from a change in stage is reported within the stage that the assets are transferred to.

Net changes in exposures – comprises new disbursements less repayments in the year.

37.4.2.5 Modified Loans

Where the contractual terms of a financial instrument have been modified, and this does not result in the instrument being derecognized, a modification gain or loss is recognized in the Statement of Profit and Loss representing the difference between the original cash flows and the modified cash flows, discounted at the effective interest rate. If the modification is credit-related or where the Company has granted concessions that it would not ordinarily consider, then it will be considered credit-impaired. Modifications that are not credit related will be subject to an assessment of whether the asset's credit risk has increased significantly since origination by comparing the remaining lifetime probability of default (PD) based on the modified terms to that on the original contractual terms.

37.4.3 Market Risk

Market risk is the risk of losses in positions taken by the company which arises from movements in market prices. Any item in the balance sheet which needs re-pricing at frequent intervals and whose pricing is decided by the market forces will be a component of market risk. There are number of items in the Company's balance sheet which exposes it to market risk like Housing loans at floating rate, loans to developers at floating rate, Non-Convertible Debentures (NCDs) with options, bank loans with option, Foreign Currency Bank Loans, Coupon Swaps, etc. The Company is generally exposed to Interest Rate Risk.

37.4.4 Interest Rate Risk

Interest Rate Risk refers to the risk associated with the adverse movement in the interest rates. Adverse movement would imply rising interest rates on liabilities and falling interest yields on the assets. This is the biggest risk which the company faces. It arises because of maturity and re-pricing mismatches of assets and liabilities.

In order to mitigate the impact of this risk, the Company should track the composition and pricing of assets and liabilities on a continuous basis. For the same purpose, the Company has constituted the ALCO Committee which should actively monitor the ALM position and guide appropriately.

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The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed Rate Borrowings	57%	59%
Floating Rate Borrowings	43%	41%
Total Borrowings	100%	100%

The impact of 10 bps change in interest rates on liabilities on the Profit after tax for the year ended March 31, 2023 is ₹ 106.17 crore (F.Y. 2021-22 ₹ 91.60 crore).

37.4.5 Operational Risk

Operational risk is "the risk of a change in value caused by the fact that actual losses, incurred for inadequate or failed internal processes, people and systems, or from external events (including legal risk), differ from the expected losses". It can be subdivided into the following categories:

A. **Compliance risk** is defined as the risk of legal sanctions, material financial loss, or loss to reputation the Company may suffer as a result of its failure to comply with laws, its own regulations, code of conduct, and standards of best/good practice.

   The Company is regulated by RBI and supervised by NHB, registered with SEBI and has listing agreements with stock exchanges, i.e. BSE & NSE and Luxembourg. In order to ensure compliance with applicable laws, the Company has put in place adequate processes.

B. **Legal risk** is the cost of litigation due to cases arising out of lack of legal due diligence. Litigation can also arise out of failure or fraud in the course of business.

The main business is lending money for/against mortgage loans and is therefore exposed to legal risk. For handling the same, there are robust legal systems for title verification and legal appraisal of related documents. The company has standards of customer delivery and the operational mechanism to adhere to such standards aimed at minimum instances of customers' grievances.

37.4.6 Regulatory Risk

Regulatory risk is the risk that a change in laws and regulations will materially impact the Company. Changes in law or regulations made by the government or a regulatory body can increase the costs of operating the business, and/or change the competitive landscape.

Regulatory risk can arise due to change in prudential rules/norms by the regulators viz; NHB, SEBI, RBI etc. In order to mitigate the effects of same, the Company keeps a track of all regulatory changes and quickly adapts to the change.

37.4.7 Competition Risk

Competition Risk is the risk to the market share and profitability arising due to competition. It is present across all the businesses and across all the economic cycle with the intensity of competition risk varying due to several factors, like, barriers to entry, industry growth potential, degree of competition, etc.

The Company's business environment is characterized by increased youth population, growing economy, increased urbanization, Government incentives, acceptability of credit in society and rise in nuclear families. Due to all these reasons, the Housing Finance industry has seen a higher growth rate than overall economy and several other industries since past several years. This has led to increase in competition and in turn increased pressure on the existing Companies to maintain/grow market share and profitability. In order to mitigate the risk arising due to competition, the Company has customer centric approach coupled with state of art infrastructure including IT interface.

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37.4.8 Currency Risk and mitigation

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company manages itself against currency risk by taking out foreign currency swaps and converting the exposures into Indian Rupees. The Company applies cash flow hedge accounting to the foreign currency element of its floating rate dollar-denominated External Commercial Borrowings and associated cross currency interest rate swaps.

The Company converts ECB into fixed rate Indian Rupee exposures with the floating rate and principal of the hedged item matched by those of the hedging instrument. The Company considers the hedge as a hedge of more than one risk and does not split the interest rate from the principal for hedge accounting purposes.

Hedge Accounting

In December 2019 the company raised an ECB of USD 200 million in the form of a syndicated loan facility. The tenor of the facility being 3 years. The proceeds have been fully utilized in accordance with the approval granted by RBI under automatic route and is in conformity with the applicable ECB Guidelines. The said ECB Loan has been repaid in December, 2022 and as a result, the Hedge arrangement made for the ECB has also been terminated.

As a part of its risk management, the Company identified a series of risk categories with corresponding hedging strategies using derivative instruments.

When a hedging relationship meets the specified hedge accounting criteria set out in Ind AS 109, the Company applies one of three types of hedge accounting: fair value hedges; cash flow hedges; or hedges of a net investment in a foreign operation.

Transactions that are entered into in accordance with the Company's hedging objectives but do not qualify for hedge accounting, are referred to in these financial statements as economic hedge relationships.

The nature of risk that is needed to be hedged, the risk management objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship at inception and on an ongoing basis is recorded with reference to the economic relationship between the hedged item and the hedging instrument.

Every hedge relationship is required to be tested to assess whether the hedge relationship meets the hedge effectiveness requirements at the inception of the hedging relationship, and on an on-going basis at each reporting date. This assessment relates to expectations about hedge effectiveness and is therefore only forward looking.

Cash Flow Hedge

Cash flow hedge is a hedge of the exposure to variability in the cash flows of a specific asset or liability, or of a forecasted transaction, that is attributable to a particular risk. It is possible to only hedge the risks associated with a portion of an asset, liability, or forecasted transaction, as long as the effectiveness of the related hedge can be measured. The accounting for a cash flow hedge will be to recognize the effective portion of any gain or loss in other comprehensive income and recognize the ineffective portion of any gain or loss in Finance cost in the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

Hedge Ratio

The hedge ratio is consistent with that used for risk management purposes without a deliberate imbalance to derive an inappropriate accounting outcome.

The Company economically hedges the risk of volatility in floating interest rate on USD External Commercial Borrowings and the Currency Risk on the principal with a Cross Currency Swap with matched terms and matched USD notional. This actual hedge ratio does not reflect an imbalance (that could result in an accounting outcome that would be inconsistent with the purpose of the hedge accounting) and hence represents an eligible hedge ratio.

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Maturity interest rate risk profiles

The following table shows the maturity and interest rate risk profiles of the company's hedging instruments used in its cash flow hedges. As the Company applies one-to-one hedging ratios, the below table effectively shows the outcome of the cash flow hedges:

Maturity of cross currency swaps

(₹ in Crore)

31-Mar-23	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Micro cash flow hedges						
Cross currency interest rate swaps						
Notional principal	-	-	-	-	-	-
Average fixed rate	-	-	-	-	-	-
Average INR/$ Rate	-	-	-	-	-	-

Maturity of cross currency swaps

(₹ in Crore)

31-Mar-22	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Micro cash flow hedges						
Cross currency interest rate swaps						
Notional principal	-	-	1,425.73	-	-	1,425.73
Average fixed rate	-	-	7.52%	-	-	-
Average INR/$ Rate	-	-	77.72	-	-	-

Carrying Value of Derivatives used in Cash Flow Hedges

(₹ in Crore)

31-Mar-23	Carrying value assets	Carrying value liabilities	Notional amount
Derivatives used as cash flow hedges			
Cross-currency interest rate swaps	-	-	-
Total derivative financial instruments	-	-	-

(₹ in Crore)

31-Mar-22	Carrying value assets	Carrying value liabilities	Notional amount
Derivatives used as cash flow hedges			
Cross-currency interest rate swaps	79.17	-	1,425.73
Total derivative financial instruments	**79.17**	**-**	**1,425.73**

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Hedge Instrument

Fair Value of Hedging Instrument

(₹ in Crore)

31-03-2023	Changes in fair value of hedging instruments used for measuring hedge ineffectiveness						
	Carrying value			In Total	Effective portion	Hedge Ineffectiveness	Reclassified into income statement
	Notional amount	Assets	Liabilities		Recognised in OCI	Recognised in profit & loss account	
Micro cash flow hedges	-	-	-	-	-	-	-
Cross currency interest rate swaps	-	-	-	(79.17)	(79.17)	-	(79.17)
Total	**-**	**-**	**-**	**(79.17)**	**(79.17)**	**-**	**(79.17)**

(₹ in Crore)

31-03-2022	Changes in fair value of hedging instruments used for measuring hedge ineffectiveness						
	Carrying value			In Total	Effective portion	Hedge Ineffectiveness	Reclassified into income statement
	Notional amount	Assets	Liabilities		Recognised in OCI	Recognised in profit & loss account	
Micro cash flow hedges	-	-	-	-	-	-	-
Cross currency interest rate swaps	1,425.73	79.17	-	73.48	73.48	-	73.48
Total	**1,425.73**	**79.17**	**-**	**73.48**	**73.48**	**-**	**73.48**

Fair Value of Hedged Item

(₹ in Crore)

31-Mar-2023	Change in fair value of hedged item in the year used for ineffectiveness measurement	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
Micro cash flow hedges	-	-	-
Floating rate USD notes	(79.17)	-	-
Total	**(79.17)**	**-**	**-**

(₹ in Crore)

31-Mar-22	Change in fair value of hedged item in the year used for ineffectiveness measurement	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
Micro cash flow hedges	-	-	-
Floating rate USD notes	73.48	-	-
Total	**73.48**	**-**	**-**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

Movement of Cash Flow Hedge

(₹ in Crore)

Movement of Cash Flow Hedge	31-Mar-23	31-Mar-22
Hedging net gains/(losses) arising during the year	(79.17)	73.48
Less: Recognised in the income statement	79.17	(73.48)
Income tax related to the above	-	-
Movement on cash flow hedges	-	-

Impact of Cash Flow Hedge on Balance Sheet

(₹ in Crore)

Impact of cash flow hedge on balance sheet and financial result - hedging instruments	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Nominal value	-	1,425.73
Carrying amount – assets	-	79.17
Carrying amount – liabilities	-	-
Balance Sheet item in which hedging instrument is reported	-	Hedging Instruments
Change in the fair value of the hedging instrument used for estimating hedge ineffectiveness	(79.17)	73.48
Amount of hedge ineffectiveness recognised in the income statement	-	-
Profit & Loss item in which hedge ineffectiveness is reported	NA	No ineffectiveness reported

(₹ in Crore)

Impact of cash flow hedge on balance sheet and financial result - hedged items	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Amount of change in the fair value of the hypothetical derivative representing the hedged item used for estimating the hedge ineffectiveness in the reporting period	(79.17)	73.48
Revaluation reserve due to cash flow hedge accounting for relationships for which hedge accounting will be continued after the end of the reporting period	-	-
Revaluation reserve due to cash flow hedge accounting for relationships for which hedge accounting is no longer applied	-	-

Additional Disclosures for Interest Rate Benchmark Reform

For hedging relationships to which an entity applies the temporary exceptions from applying specific hedge accounting requirements exceptions set out in paragraphs 6.8.4-6.8.12	
(a) the significant interest rate benchmarks to which the entity's hedging relationships are exposed;	NA
(b) the extent of the risk exposure the entity manages that is directly affected by the interest rate benchmark reform;	NA
(c) how the entity is managing the process to transition to alternative benchmark rates	NA
(d) a description of significant assumptions or judgments the entity made in applying these paragraphs (for example, assumptions or judgments about when the uncertainty arising from interest rate the interest rate benchmark-based cash flows); and benchmark reform is no longer present with respect to the timing and the amount of	NA
(e) the nominal amount of the hedging instruments in those hedging relationships	NA

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

37.5 Maturity Analysis of Assets and Liabilities:

The Table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled:

As at March 31, 2023

(₹ in Crore)

Particulars	Upto 12 months	More than 12 months	Total
ASSETS			
Financial Assets			
Cash and Cash Equivalents	619.40	-	**619.40**
Bank Balance other than above	122.50	-	**122.50**
Derivative Financial Instruments	-	-	**-**
Loans	17,451.70	2,50,383.10	**2,67,834.80**
Investments	2,354.65	4,621.76	**6,976.41**
Other Financial Assets	7.66	10.90	**18.56**
Non-Financial Assets			
Current Tax Assets (Net)	-	-	**-**
Deferred Tax Assets (Net)	-	1,888.46	**1,888.46**
Property, Plant and Equipment	-	159.82	**159.82**
Capital Work in Progress	-	0.74	**0.74**
Intangible Assets under Development	-	-	**-**
Right of Use Assets	-	160.16	**160.16**
Other Intangible Assets	-	36.23	**36.23**
Other Non-Financial Assets	356.04	-	**356.04**
Assets Held for Sale	238.89	-	**238.89**
Total Assets	**21,150.84**	**2,57,261.17**	**2,78,412.01**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Lease Liability	39.75	135.67	**175.41**
Payables			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	0.14	-	**0.14**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	38.82	-	**38.82**
Debt Securities	37,696.23	99,263.76	**1,36,959.99**
Borrowings (Other than Debt Securities)	39,626.35	54,765.90	**94,392.25**
Deposits	8594.32	3031.89	**11,626.21**
Subordinated Liabilities	-	1795.77	**1,795.77**
Other Financial Liabilities	5,282.25	313.35	**5,595.60**
Non-Financial Liabilities			
Current tax liabilities (Net)	5.99	-	**5.99**
Provisions	51.72	121.74	**173.46**
Other Non-Financial Liabilities	548.03	-	**548.03**
Total Liabilities	**91,883.59**	**1,59,428.08**	**2,51,311.67**
NET	**(70,732.75)**	**97,833.09**	**27,100.34**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

As at March 31, 2022

(₹ in Crore)

Particulars	Upto 12 months	More than 12 months	Total
ASSETS			
Financial Assets			
Cash and Cash Equivalents	822.19	-	**822.19**
Bank Balance other than above	115.20	-	**115.20**
Derivative Financial Instruments	79.17	-	**79.17**
Loans	17,816.33	2,27,480.00	**2,45,296.33**
Investments	1,565.15	4,633.45	**6,198.60**
Other Financial Assets	3.41	13.16	**16.57**
Non-Financial Assets			
Current Tax Assets (Net)	-	135.17	**135.17**
Deferred Tax Assets (Net)	-	1,368.08	**1,368.08**
Property, Plant and Equipment	-	135.74	**135.74**
Capital Work in Progress	0.04	-	**0.04**
Intangible Assets under Development	-	1.45	**1.45**
Right of Use Assets	-	128.64	**128.64**
Other Intangible Assets	-	21.75	**21.75**
Other Non-Financial Assets	141.15	-	**141.15**
Assets Held for Sale	107.38	-	**107.38**
Total Assets	**20,650.02**	**2,33,917.44**	**2,54,567.46**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Lease Liabilities	37.23	105.89	**143.12**
Payables			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	2.79	-	**2.79**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	61.49	0.02	**61.51**
Debt Securities	33,350.77	93,991.22	**1,27,341.99**
Borrowings (Other than Debt Securities)	31,912.44	44,534.78	**76,447.22**
Deposits	11,723.19	6,350.31	**18,073.50**
Subordinated Liabilities	-	1,795.44	**1,795.44**
Other Financial Liabilities	5,215.73	293.26	**5,508.99**
Non-Financial Liabilities			
Current tax liabilities (Net)	-	-	**-**
Provisions	59.56	110.43	**169.98**
Other Non-Financial Liabilities	351.08	-	**351.08**
Total Liabilities	**82,714.28**	**1,47,181.33**	**2,29,895.62**
	(62,064.26)	**86,736.11**	**24,671.84**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

38. SEGMENT REPORTING:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

The Managing Director & CEO is identified as the Chief Operating Decision Maker (CODM) by the management of the Company. CODM has identified only one operating segment of providing loans for purchase, construction, repairs renovation etc. and has its operations entirely within India. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments, as per the Indian Accounting Standard (Ind AS) 108 on Segment Reporting.

39. COMMITMENTS:

a) Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 23.76 crore (F.Y. 2021-22 ₹ 13.23 crore).

b) Other Commitments: Uncalled liability of ₹ 1.14 crore (F.Y. 2021-22 ₹ 1.14 crore) in respect of commitment made for contribution to LICHFL Urban Development Fund by subscription of 50,000 units (F.Y. 2021-22 50,000 units) of ₹ 10,000 face value each, paid up value being ₹ 2975.12 (F.Y. 2021-22 ₹ 2975.12) each.

The Company had committed a maximum of 10% of aggregate Capital Commitment but not exceeding ₹ 100.00 crore in LICHFL Infrastructure Fund managed by one of the Subsidiary of the Company, namely LICHFL Asset Management Company Limited. The outstanding investment in LICHFL Infrastructure Fund as on 31st March 2023 is ₹ 55.60 crore (F.Y. 2021-22 ₹ 24.51 crore). The Total Capital commitment of the fund is 765 crore.

c) Undisbursed amount of Housing and Non- Housing Loans sanctioned is ₹ 34,999.35 crore.

40. CONTINGENT LIABILITIES IN RESPECT OF:

a) Claims against the Company not acknowledged as debts ₹ 0.99 crore (F.Y. 2021-22 ₹ 18.36 crore).

b) The Company under Direct Tax Vivad Se Vishwas Act, 2020 (3 of 2020) entered into Vivad Se Vishwas Scheme for settling its tax dispute in respect of AY 2004-05 to AY2017-18 and accordingly, received confirmation from Income tax authorities i.e. in Form 5 which is Order for full and final settlement of tax arrears under Section 5(2) read with Section 6 of under Direct Tax Vivad Se Vishwas Act, 2020 (3 of 2020) the Direct Tax Vivad Se Vishwas Rules, 2020 for all those assessment years and thereby the Company has taken conscious and practical call for settling its tax disputes resulting into finality of outcome in the above aforesaid assessment years. However, refunds for the period under VVS is still pending.

On completion of income tax assessment, the Company had received a demand of ₹ 10.64 crore for AY 2018-19 and ₹ 30.12 crore (Including interest of ₹ 1.17 Crore) for AY 2019-20 respectively. For AY 2018-19, the demand of ₹10.64 crore has been adjusted against the refund claimed whereas for AY 2019-20 the demand of ₹30.12 crore is paid. The aforesaid demands for AY 2018-19 and AY 2019-20 are disputed and the Company has preferred an appeal at the Appellate Authority.

41. MOVEMENT IN PROVISION FOR CONTINGENCIES AS UNDER:

a. Provision includes provision for doubtful advances and provision for probable loss on account of bank reconciliation differences.

(₹ in Crore)

Provision for Doubtful Advances	As at March 31, 2023	As at March 31, 2022
Opening balance	3.53	5.23
Add: Additional provisional for doubtful advances	-	-
Less: Amounts utilized during the year for doubtful advances	3.53	-
Less: Reversal of provision for doubtful advances	-	1.70
Closing balance	**-**	**3.53**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

42. Fixed Deposits with Banks includes earmarked deposits created in favour of trustees for depositors towards maintaining Statutory Liquid Ratio amounting to ₹ 100 crore (F.Y. 2021-22 ₹ 82.70 crore grouped under other Financial Asset). The Company has beneficial interest on the income earned from these deposits.

43. Temporary Book Overdraft of ₹ 627.94 crore (F.Y. 2021-22 ₹ 544.03 crore) represents cheques issued towards disbursements to borrowers for ₹ 576.47 crore (F.Y. 2021-22 ₹ 523.36 crore) and cheques issued for payment of expenses of ₹ 51.47 crore (F.Y. 2021-22 ₹ 20.67crore), but not encashed as at March 31, 2023.

44. AUDITOR'S REMUNERATION:

(₹ in Crore)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
As auditor	0.50	0.44
Tax Audit	0.11	0.07
For Quarterly Limited Reviews	0.22	0.19
In any other manner (Certification work)	0.21	0.23
Reimbursement of Expenses to Auditors	0.06	0.07
Total	**1.10**	**1.00**

* Including Ineligible GST

45. EXPENDITURE IN FOREIGN CURRENCIES:

(₹ in Crore)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Travelling Expenses	0.02	0.03
Fees for filing returns and Trade License fees	0.04	0.04
Salary to Overseas Staff	0.48	0.27
Rent for Overseas Staff Residence	0.23	0.25
Annual Fees	0.41	0.59
Commission	0.11	0.11
Other Expenses	0.13	0.11
Total	**1.42**	**1.40**

46. PROPOSED DIVIDEND

(₹ in Crore)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Dividends not recognised at the end of reporting period		
The directors have recommended final dividend of ₹ 8.50 per fully paid equity share (₹ 8.50 for March 31, 2022). This proposed dividend is subject to approval of shareholders in ensuing Annual General Meeting.	467.55	467.55

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

47. The Company is in the continuous process of obtaining confirmation from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

(₹ in Crore)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
The principal amount remaining unpaid to any supplier	0.14	2.79
The interest due thereon (above principal amount) remaining unpaid to any supplier	-	-
The amount of interest paid by the buyer in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day for the year ended	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23	-	-

48. DISCLOSURE IN RESPECT OF EMPLOYEE BENEFITS:

In accordance with the Indian Accounting Standard on (Ind AS-19) – “Employee Benefits” the following disclosures have been made:

Provident Fund and Pension Fund Liability

The Company has recognised ₹ 30.98 crore (Previous year ₹ 38.01 crore) in the Statement of Profit and Loss towards contribution to Provident fund in respect of company employees. In respect of LIC employees on deputation who have opted for pension, ₹ 1.00 crore (previous year ₹ 2.44 crore) have been contributed towards LIC of India (Employees) Pension Rules, 1995.

Gratuity Liability

(₹ in Crore)

Changes in the Present Value of Defined Benefit Obligation:	2022-23	2021-22
Present Value of Benefit Obligation at the Beginning of the Year	118.19	104.01
Interest Cost	8.62	7.18
Current Service Cost	6.17	5.95
Past Service Cost	-	-
Benefit Paid from the Fund	(1.38)	(3.98)
Actuarial Loss/(Gain) on obligations	(5.32)	5.04
Present Value of Benefit Obligation at the End of the Year	126.28	118.19

(₹ in Crore)

Fair Value of the Plan Assets:	2022-23	2021-22
Fair Value of Plan Asset at the Beginning of the Year	107.59	89.34
Interest Income	7.84	6.16
Contributions by the Employer	7.44	17.34
Benefit Paid from the Fund	(1.38)	(3.98)
Actuarial Gain / (Loss) on Plan Assets	1.39	(1.27)
Fair value of Plan Assets at the End of the Year	122.89	107.59
Total Actuarial Loss/(Gain) to be Recognised	(6.72)	6.31

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Actual Return on Plan Assets:	2022-23	2021-22
Expected Return on Plan Assets	7.84	6.16
Actuarial Gain / (Loss) on Plan Assets	1.39	(1.27)
Amount Recognized in the Balance Sheet	9.23	4.89

(₹ in Crore)

Liability at the end of the year	2022-23	2021-22
Fair Value of Plan Assets at the end of the year	(126.28)	(118.20)
Funded Status (Surplus/(Deficit))	122.89	107.59
Amount Recognized in the Balance Sheet	(3.40)	(10.61)

(₹ in Crore)

Net Interest Cost for Current Year:	2022-23	2021-22
Present Value of Benefit Obligation at the Beginning of the Year	118.20	104.01
Fair value of Plan Assets at the Beginning of the Year	(107.59)	(89.34)
Net Liability/(Asset) at the Beginning of the Year	10.61	14.68
Interest Cost	8.62	7.18
Interest Income	(7.84)	(6.16)
Net Interest Cost for Current Year	0.77	1.01

(₹ in Crore)

Expense Recognised in the Statement of Profit and Loss for Current Year:	2022-23	2021-22
Current Service Cost	6.17	5.95
Interest Cost	0.77	1.01
Expected Return on Plan Assets		
Past Service Cost		
Expense recognised in the Statement of Profit and Loss under staff expenses	6.94	6.96

(₹ in Crore)

Expense Recognised in Other Comprehensive Income (OCI) for Current Year:	2022-23	2021-22
Actuarial Loss/(Gain) on obligations	(5.32)	5.04
Return on Plan Assets, excluding Interest Income	(1.39)	1.27
Change in Asset Ceiling	-	-
Net (Income)/Expense for the year recognised in OCI	(6.72)	6.31

(₹ in Crore)

Reconciliation of the Liability recognised in the Balance Sheet:	2022-23	2021-22
Opening Net Liability	10.61	14.67
Expenses recognised in the Statement of Profit & Loss	6.94	6.96
Expenses recognised in OCI	(6.72)	6.31
Contribution by the Company	(7.44)	(17.34)
Amount recognised in the Balance Sheet under “Provision for Retirement Benefits”	3.40	10.60

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Net Interest Cost for Next Year:	2022-23	2021-22
Present Value of Benefit Obligation at the End of the Year	126.28	118.19
Fair value of Plan Assets at the End of the Year	(122.89)	107.59
Net Liability/(Asset) at the End of the Year	3.40	10.60
Interest Cost	9.46	8.62
Interest Income	(9.21)	(7.84)
Net Interest Cost for Current Year	0.25	0.77

(₹ in Crore)

Expense Recognised in the Statement of Profit and Loss for Next Year:	2022-23	2021-22
Current Service Cost	6.25	6.17
Net Interest Cost	0.25	0.77
Expense recognised in the Statement of Profit and Loss under staff expenses	6.50	6.94

(₹ in Crore)

Maturity Analysis of the Benefit Payments : From the Fund	2022-23	2021-22
Defined Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	8.58	7.50
2nd Following Year	6.61	6.48
3rd Following Year	12.91	7.80
4th Following Year	11.82	12.94
5th Following Year	12.63	11.22
Sum of Years 6 to 10	39.91	44.33
Sum of Years 11 and above	214.86	190.44

(₹ in Crore)

Sensitivity Analysis	2022-23	2021-22
Defined Benefit Obligation on Current Assumptions	126.28	118.19
Delta Effect of +1% Change in Rate of Discounting	(10.61)	(10.01)
Delta Effect of -1% Change in Rate of Discounting	12.46	11.75
Delta Effect of +1% Change in Rate of Salary Increase	4.63	4.58
Delta Effect of -1% Change in Rate of Salary Increase	(4.92)	(4.71)
Delta Effect of +1%Change in Rate of Employee Turnover	2.16	1.62
Delta Effect of -1%Change in Rate of Employee Turnover	(2.45)	(1.83)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined benefit obligation as recognised in the balance sheet.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(₹ in Crore)

Assumptions:	31.03.2023	31.03.2022
Discount Rate	7.49%	7.29%
Rate of Return on Plan Assets	7.49%	7.29%
Salary Escalation	8.00%	8.00%
Attrition Rate	2.00%	2.00%

Gratuity Contribution is paid to LIC of India under Gratuity Scheme of LIC.

Actuarial Gains/Losses are recognised in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary Escalation and Attrition Rate are considered as advised to the Company by the Actuary; they are in line with the industry practice considering promotion and demand and supply of the employees.

Maturity Analysis of Benefit payments is undiscounted cash flows considering future salary, attrition and death in respective year for members as mentioned above.

The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest Risk: A fall in the discount rate which is linked to the Government Security. Rate will increase the present value of the requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for lifetime and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

The Company's best estimate of contributions expected to be paid to the plan during the annual period beginning after April 1, 2023, is ₹ 3.40 crore (Previous Year ₹ 10.61 crore).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

Leave Encashment

(₹ in Crore)

Changes in the Benefit Obligation:	2022-23	2021-22
Liability at the Beginning of the year	93.93	71.48
Interest Cost	6.85	4.93
Current Service Cost	3.43	3.48
Benefit Paid	(3.23)	(3.16)
Actuarial (Gain) / Loss on obligations	2.46	17.20
Liability at the end of the year	103.43	93.93

(₹ in Crore)

Amount Recognised in the Balance Sheet:	2022-23	2021-22
Liability at the end of the year	103.43	93.93
Fair Value of Plan Assets at the end of the year	-	-
Amount recognised in the Balance Sheet*	(103.43)	(93.93)

(₹ in Crore)

Expense Recognised in the Statement of Profit and Loss:	2022-23	2021-22
Current Service Cost	3.43	3.48
Interest Cost	6.85	4.93
Expected Return on Plan Assets	-	-
Net Actuarial (Gain) / Loss to be recognised	2.46	17.20
Expense recognised in the Statement of Profit and Loss under staff expenses	12.74	25.61

(₹ in Crore)

Reconciliation of the Liability recognised in the Balance Sheet:	2022-23	2021-22
Opening Net Liability	93.93	71.48
Expense recognised	12.74	25.61
Contribution/Benefit Paid by the Company	(3.23)	(3.16)
Amount recognised in the Balance Sheet under Provision for Retirement Benefits	103.43	93.93

Assumptions:	2022-23	2021-22
Retirement Age	58 Years	58 Years
Discount Rate	7.49%	7.29%
Salary Escalation	8.00%	8.00%
Attrition Rate	2.00%	2.00%

The estimate of future salary increases, considered in actuarial valuation, include inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the actuary and relied upon by the Auditors.

*Exclusive of Amount ₹ 0.58 crore (previous year ₹ 0.42 crore) towards additional provision made for LIC employees.

Sick Leave

The Company has recognised ₹ 2.55 crore (Previous year ₹ 5.85 crore) in the Statement of Profit and Loss towards sick leave in respect of company employees.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

49. RELATED PARTY DISCLOSURE:

a. Related Party Policy:

Related Party Policy is uploaded on the website of the Company and annexed to the Director Report.

b. Names of related parties:

(i) Enterprise having Significant Influence on the Company

Life Insurance Corporation of India

(ii) Enterprises over which Control exists

LICHFL Care Homes Limited

LICHFL Financial Services Limited

LICHFL Asset Management Company Limited

LICHFL Trustee Company Private Limited

(iii) Associates of the Company

LIC Mutual Fund Asset Management Limited

LIC Mutual Fund Trustee Private Limited

Key Management Personnel

Key Management Personnel	For the year ended March 31, 2023	For the year ended March 31, 2022
Shri Y. Viswanatha Gowd	MD & CEO	MD & CEO
Shri Ashwani Ghai	Chief Operating Officer (From 01.11.2022)	-
Shri Nitin K Jage	Company Secretary (Resigned on 31.05.2022)	Company Secretary
Smt. Varsha Hardasani	Company Secretary (From 01.06.2022)	-
Shri Sudipto Sil	Chief Financial Officer	Chief Financial Officer
Directors (Executive or Otherwise)		
Shri M R Kumar	Chairman (Resigned on 13.03.2023)	Chairman
Shri Vipin Anand	-	Non-Executive Nominee Director (Resigned on 30.07.2021)
Shri Raj Kumar	Non-Executive Nominee Director (Resigned on 09.02.2023)	Non-Executive Nominee Director (From13.08.2021)
Shri Jagdish Capoor	Independent Director (Resigned on 23.05.2022)	Independent Director
Shri Dharmendra Bhandari	Independent Director	Independent Director
Shri V. K. Kukreja	Independent Director	Independent Director
Shri Ameet Patel	Independent Director	Independent Director
Shri P Koteswara Rao	Non Independent Director	Non Independent Director
Shri Kashi Prasad Khandelwal	Independent Director	Independent Director
Shri Sanjay Kumar Khemani	Independent Director(Designation change w.e.f. 06.02.2023)	Non Independent Director
Shri Akshay Rout	Non Independent Director	Non Independent Director
Smt. Jagennath Jayanthi	Independent Director	Independent Director

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

c. Details of transactions and balance at the year end with related parties:

(₹ in Crore)

Related Party	Nature of transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
Life Insurance Corporation of India			
	Issue of Equity Shares	-	9.08
	Securities Premium on Issue of Equity Shares	-	2,326.43
	Repayment of non-convertible debentures	1,500.00	1,500.00
	Interest expenses on Secured and Unsecured loans	1,046.28	1,130.34
	Dividend Payment	211.52	211.52
	Rent Rates and Taxes	10.10	9.55
	Payment of Electricity Expenses	0.78	0.55
	Payment for staff training, Conference, etc	0.06	-
	Reimbursement of Gratuity, Mediclaim, GSLI and Pension Fund for staff posted from LIC	1.84	1.85
	Contribution to LIC of India, P & GS, for Gratuity premium for employees, renewal of group insurance.	9.05	18.25
	Rewriting Fees Income	47.69	-
	Balance as at the year end towards non convertible debentures (Credit)	11,550.00	13,050.00
	Balance as at the year end towards Interest Accrued on non convertible debentures (Credit)	243.03	291.32
	Balance as at the year end-Others (Credit)	1.81	2.09
LICHFL Care Homes Limited			
	Rent Received	0.39	0.39
	Investment in Public Deposit with the Company	8.70	26.52
	Redemption in Public deposit of LICHFL	26.52	35.30
	Interest Expense on Public Deposit with the Company	1.30	2.03
	Balance as at the year-end towards Public Deposit and Accrued Interest on Public Deposit (Credit)	8.99	26.88
LICHFL Financial Services Limited			
	Dividend Income	2.85	2.38
	Investment in Public Deposit by LICHFL Financial Services Ltd with the Company	30.00	10.00
	Redemption of Public Deposit by LICHFL Financial Services Limited with the Company	20.00	15.00
	Interest Expense on Public Deposit by LICHFL Financial Services Limited	0.90	0.27
	Commission Expenses on Loan Business	72.46	69.05
	Commission Expenses on Public Deposit	0.12	0.09
	Rent Received	0.67	0.65
	Payment of Expenses	-	0.20
	Reimbursement of Expenses	0.12	0.20
	Balance as at the year end towards payment of Commission Expense on Loan Business (Credit)	6.58	11.01
	Balance as at the year end towards payment of Commission Expense on Public Deposit (Credit)	0.01	0.00
	Balance as at the year end towards Public Deposit and Accrued Interest on Public Deposit (Credit)	20.61	10.10
	Balance as at the year end -Others (Debit)	0.01	0.01

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Related Party	Nature of transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
LICHFL Asset Management Co. Ltd.			
	Dividend Income	2.39	2.39
	Investment in Public Deposit by LICHFL Asset Management Co. Ltd with the Company	7.87	11.94
	Redemption of Public Deposit by LICHFL Asset Management Co. Ltd with the Company	6.70	10.92
	Interest Expense on Public Deposit by LICHFL Asset Management Co. Ltd.	0.95	0.96
	Payment of Expenses	-	0.09
	Reimbursement of Expenses	0.08	0.09
	Balance as at the year end towards Public Deposit and Accrued Interest on Public Deposit (Credit)	17.09	16.10
	Balance as at the year end- Others (Debit)	0.01	0.01
LICHFL Trustee Company Private Ltd			
	Investment in Public Deposit	0.70	-
	Interest Expense on investment in Public Deposit	0.02	-
	Balance as at the year-end towards Public Deposit and Accrued Interest on Public Deposit (Credit)	0.72	-
LIC Mutual Fund Asset Management Limited			
	Dividend Income	0.43	0.43
Key Management Personnel			
Shri Y. Viswanatha Gowd , MD &CEO	*Managerial remuneration-Total	0.79	**0.84
	Investment in Public Deposit	0.22	0.18
	Redemption of Public Deposit	0.06	-
	Interest Expense on investment in Public Deposit by Close Members	0.02	0.01
	Balance as at the year-end towards investment in Public Deposit by Close Members and Accrued Interest on Public Deposit (Credit)	0.42	0.26
Shri Ashwani Ghai (From 01.11.2022)	Outstanding Amount of Loan taken from the Company	1.30	-
Shri Nitin K Jage, Company Secretary	*Managerial remuneration-Total	0.32	**0.69
Smt.Varsha Hardasani (from 01.06.2022)	*Managerial remuneration-Total	0.18	-
Shri Sudipto Sil	*Managerial remuneration-Total	0.48	**0.55
	Investment in Public Deposit by a Close Member	-	0.22
	Redemption in Public Deposit by a Close Member	-	0.22
	Interest Expense on investment in Public Deposit	0.05	0.05
	Balance as at year end towards investment in Public Deposit by Close Members and Accrued Interest on Public Deposit (Credit)	0.65	0.61
Directors (Executive or Otherwise)	Sitting Fees Paid	0.34	0.74

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Related Party	Nature of transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
Shri Jagdish Capoor, Independent Director	Interest Expense on investment in Public Deposit	-	0.01
	Redemption in Public Deposit by a Close Member	-	0.10
	Balance as at year end towards investment in Public Deposit and Accrued Interest on Public Deposit (Credit)	-	-
Shri Raj Kumar, Non-Executive Nominee Director	Outstanding Amount of Loan taken from the Company	0.06	0.07

*As the Provision for Performance Linked Incentive (PLI) and Leave encashment is accrued for the company as a whole and not decided individually, hence not included. However payment made during the financial year 2022-2023 has been included.

** The amount includes Performance Linked Incentive (PLI), Arrears (from August 2017-August 2021) and salary paid to Shri Y. Viswanatha Gowd , MD &CEO, Shri Nitin Jage, Company Secretary and Shri Sudipto Sil , CFO.

Gratuity payable by the Company to the Company Secretary and CFO is ₹ 0.20 crore as a post-employment benefit. For the MD & CEO, an amount of 5% of Basic Salary plus DA is contributed as a post- employment benefit to LIC.

50. LEASES:

a. Actual Payment of Rent from 01.04.2022 to 31.03.2023 is ₹ 49.98 crore (Previous Year ₹ 46.62 crore).

b. The following is the breakup of Current and non-current portion of Lease Liability as on 31.03.2022

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Current	39.75	35.94
Non-Current	135.66	107.18
Total Lease Liability as of March 31	**175.41**	**143.12**

c. The following is the movement of Lease Liability as on 31.03.2023:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Value of Lease Liability as of April 1	143.12	121.03
Additions	116.71	68.75
Terminated	(43.94)	(7.98)
Interest Expense on Lease Liability	8.73	7.69
Interest Expense on Terminal Lease	0.75	0.18
Actual Payment of Rent	(49.98)	(46.62)
Provision on Disposals	0.02	0.06
Closing Value of Lease Liability as of March 31	**175.41**	**143.12**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

d. The Carrying Value of Right of Use Asset as of March 31, 2023:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Value of Right of Use Asset as of April 1	231.86	184.53
Additions	116.68	68.75
Disposals	(2.23)	(18.84)
ROU derecognised on subleased asset	-	(2.58)
Gross carrying value as of March 31	**346.31**	**231.86**
Accumulated Depreciation as of April 1	**(84.67)**	**(63.19)**
Depreciation	(45.36)	(40.32)
Accumulated Depreciation on Disposals	0.99	18.84
Reversal of depreciation - sublease	0.65	-
Accumulated Depreciation as of March 31	**(128.39)**	**(84.67)**
Terminated Cases	**(57.76)**	**(18.54)**
Carrying Value as of March 31	**160.16**	**128.64**

e. The following represents the Contractual Maturity of the Lease Liability on an undiscounted basis:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
On demand	-	-
Upto 3 months	12.60	11.22
Above 3 months to 12 months	35.14	31.29
Above 1 Year -3 Years	68.09	62.33
Above 3 Years-5 Years	43.11	36.20
Above 5 Years-10 Years	45.95	30.29
Above 10 Years	3.79	0.62
Total	**208.68**	**171.94**

As a Lessee:

Amount recognised in Statement of Profit and Loss

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on lease Liabilities	4.78	7.94
Variable payments not included in measurement of lease liability	-	-
Income from subleasing ROU assets	(0.18)	(0.07)
Expenses relating to short term leases	-	-
Expenses relating to leases of low value assets, excluding short term leases of low value assets	-	-
Total amount recognised in the Statement of Profit and Loss	**4.60**	**7.87**

Amount recognised in the Statement of Cash Flow:

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total amount of cash outflows for leases (net of rental inflows)	49.98	46.62

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

As a Lessor:

Operating Lease

The Company has entered into operating leases on its furniture to its subsidiaries. These leases have a term of three years. All leases include a clause to enable upward revision on rental charge every three years according to the prevailing market conditions. Future minimum lease rentals receivable under non-cancellable operating leases as at 31.03.2023 are, as follows:

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Within one year	0.17	0.17
After one year but not more than five years	0.55	0.48
More than five years	-	-
Total	**0.72**	**0.65**

Finance Lease

The Company has finance leases for furniture leased to its subsidiaries and subleased premises to subsidiaries. The company's obligations under Finance lease are secured by lessor's title to leased assets. Future minimum lease payments under finance leases together with present value of the net minimum lease payments are, as follows:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Within one year	0.74	0.46
After one year but not more than five years	1.30	1.35
More than five years	-	-
Total minimum lease payments	2.04	1.81
Less: Finance charges	0.16	0.10
Present value of minimum lease payments	1.88	1.71

51. EARNINGS PER SHARE:

Earnings per share is calculated by dividing the profit attributable to the equity (ordinary) shareholders by the weighted average number of equity (ordinary) shares outstanding during the year as under:

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Profit after tax attributable to equity shareholders	(₹ in Crore)	2,891.03	2,287.28
Weighted average number of equity shares outstanding during the year	Nos.	55,00,63,000	53,01,61,630
Basic and Diluted Earnings per equity share	₹	52.56	43.14
Face value per equity share	₹	2.00	2.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

52. TAXES ON INCOME:

Movement in Deferred Tax Assets / Liabilities

(₹ in Crore)

Particulars	As at April 1, 2022	Profit or Loss	Other Comprehensive Income	Total	As at March 31, 2023
Property, plant, and equipment	(3.96)	(3.11)	-	(3.11)	(7.07)
Expected credit losses	1,477.27	371.25	-	371.25	1,848.52
Provisions other than those pertaining to Expected credit loss	(112.35)	83.82	-	83.82	(28.53)
Financial assets at fair value through profit or loss	18.52	(1.92)	-	(1.92)	16.60
Re-measurements of employee benefits through OCI	1.76	-	(1.69)	(1.69)	0.07
Adjustments pertaining to Income and expense recognition based on Expected Interest rate	(190.41)	(1.29)	-	(1.29)	(191.70)
Income recognition on NPA cases	(5.73)	-	-	-	(5.73)
Others	182.98	73.32	-	73.32	256.29
Total	**1,368.08**	**522.07**	**(1.69)**	**520.38**	**1,888.46**

(₹ in Crore)

Particulars	As at April 1, 2021	Profit or Loss	Other Comprehensive Income	Total	As at March 31, 2022
Property, plant and equipment	(2.47)	(1.49)	-	(1.49)	(3.96)
Expected credit losses	996.06	481.21	-	481.21	1,477.27
Provisions other than those pertaining to Expected credit loss	26.04	(138.39)	-	(138.39)	(112.35)
Financial assets at fair value through profit or loss	5.63	12.89	-	12.89	18.52
Re-measurements of employee benefits through OCI	0.17	-	1.59	1.59	1.76
Adjustments pertaining to Income and expense recognition based on Expected Interest rate	(205.43)	15.02	-	15.02	(190.41)
Income recognition on NPA cases	(5.73)	-	-	-	(5.73)
Others	98.66	84.31	-	84.31	182.98
Total	**912.93**	**453.55**	**1.59**	**455.14**	**1,368.08**

Income Tax recognized in Statement of profit and loss:

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax		
In respect of Current Year	1,188.05	944.43
In respect of prior years	-	-
Deferred Tax		
In respect of Current Year	(522.08)	(453.56)
Total Income Tax expense recognised in the current year	**665.97**	**490.87**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

Reconciliation of income tax expense of the year to the accounting profit is as follows:

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Standalone Profit before tax	3,557.00	2,778.15
Income tax expense calculated at 25.168% (Previous Year 25.168%)	895.23	699.21
Effect of expenses that are not deductible in determining taxable profit	619.57	524.54
Effect of incomes which are exempt from tax	(1.43)	(1.31)
Effect on deferred tax balances due to the changes in income tax rate	0.00	0.00
Deduction under section 36(1)(viii) of the Income tax Act, 1961	(241.55)	(211.10)
Others	(605.85)	(520.46)
Income tax expense recognized in statement of profit and loss	**665.97**	**490.87**

53. CORPORATE SOCIAL RESPONSIBILITY

Establishment and Other expenses includes ₹ 63.05 crore for the year ended March 31, 2023 (Previous year ₹ 66.98 crore) for contribution towards Corporate Social Responsibility (CSR) in accordance with Companies Act, 2013.

Details of CSR expenditure during the financial year

a) Gross amount required to be spent by the company during the year is ₹63.05 crore (Previous Year ₹ 66.98 crore).

b) Amount approved by the Board to be spent during the year ₹63.22 crore.

c) Amount spent during the year:

(₹ in Crore)

Sl. No	Particulars	In cash	Yet to be paid	Total
(i)	Construction/acquisition of any asset	3.5 (9.03)	11.78 (17.45)	15.28 (26.48)
(ii)	On purposes other than (i) above	6.44 (9.81)	41.50 (30.68)	47.94 (40.49)

Figures in bracket are in respect of the Previous Year

d) Details of related party transactions, e.g., contribution to a trust / society / section 8 company controlled by the company in relation to CSR expenditure as per INDAS 24, Related Party Disclosures. – Nil

e) Provision of ₹53.28 crore has been made for CSR expenditure unspent by the company as on March 31, 2023 (Previous Year ₹ 48.13 crore).

f) Movements is the provision during the year should be shown separately:

Amount to be transferred to special Bank Account:

i) Company have transferred ₹53,27,80,427/- unspent amount to a separate bank account within 30 days (transferred on 21st April 2023) of the end of FY 2022-23 and ₹0 crore unspent amount to a Fund specified in Schedule VII, a provision for liability for ₹53.28 crore representing the amount to be transferred is recognized in the financial statements for FY 2022-23.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Details of ongoing projects							
	Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
Financial Year	With Company	In Separate CSR Unspent Account		From Company's Bank Account	From Separate CSR Unspent Account	With Company	In Separate CSR Unspent Account
FY 2019-20	15.97	-	15.97	8.02	-	7.95	-
FY 2020-21	0.14	35.44	35.58	-	20.05	0.14	15.39
FY 2021-22	2.41	45.72	48.13	2.35	34.33	0.05	11.40
FY 2022-23	-	-	63.05	9.95	-	-	53.28

ii) (a) Provision created for transferring the unspent amount other than ongoing projects to the Schedule VII Fund within 6 months form the end of the Financial Year: NIL

(₹ in Crore)

Financial Year	Opening Balance	Amount to be deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
FY 2019-20	15.97	-	15.97	8.02	7.95
FY 2020-21	35.58	8.79	35.58	20.05	15.53
FY 2021-22	48.13	2.29	48.13	36.68	11.45
FY 2022-23	-	-	63.05	9.95	53.28

g) The Board of Directors of the Company has disclosed the following on its website:

- Composition of CSR Committee (https://www.lichousing.com/staticassets/pdf/Committees_Membership_Feb23.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true).
- CSR Policy (https://www.lichousing.com/policy-codes).

  (https://www.lichousing.com/static-assets/pdf/Corporate_Social_Responsibility_Policy.pdf?crafterSite=lichfl-corporate-website-cms)
- Projects approved by the Board on their website (https://www.lichousing.com/static-assets/pdf/List_of_CSR_Projects_Approved_by_Competent_Authority.pdf?crafterSite=lichfl-corporate-website-cms).

54. TRANSFER TO SPECIAL RESERVES

Special Reserve has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company. Special Reserve No. I relates to the amounts transferred upto the Financial Year 1996-97, whereas Special Reserve No. II relates to the amounts transferred thereafter. In the current financial year ₹ 984.99 crore (F.Y. 2021-22 ₹ 859.99 crore) has been transferred to Special Reserve No. II in terms of Section 36(1)(viii) of the Income tax Act, 1961 and an amount of ₹ 0.01 crore (F.Y. 2021-22 ₹ 0.01 crore) to Statutory Reserve under Section 29C the NHB Act as per notification no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21.

As per National Housing Bank's (NHB) circular vide circular NHB(ND)/DRS/Pol. 62/2014 dated 27th May, 2014, the Company has adjusted the opening balance of reserves for creation of Deferred Tax Liability (DTL) on the Special Reserve as at 1st April, 2014 created under Section 36(1)(viii) of the Income tax Act, 1961.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

55. DISCLOSURE REQUIRED BY RESERVE BANK OF INDIA

The following disclosures have been given in terms of Notification no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21dated February 17, 2021 issued by Reserve Bank of India.

Summary of Significant Accounting Policies

The accounting policies regarding key areas of operations are disclosed as note 1 to 4 to the Standalone Financial Statement for the year ended March 31, 2023.

1. Advances

Disclosure regarding provisions made for substandard, doubtful and loss assets as per the Prudential Norms contained in the Notification no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21dated February 17, 2021 issued by Reserve Bank of India as amended are as under:

a. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC

As per RBI Directions Housing Finance Companies shall not lend more than 15% of its owned fund to Single borrower and 25% of its owned fund to any single group of borrowers. The Company has not exceeded prudential exposure limits during the year. The sanctioned limit or entire outstanding, whichever is higher, shall be reckoned for exposure limit.

b. Unsecured Advances

(₹ in Crore)

Particulars	Outstanding amount	Tangible Security	Unsecured		Nature of Security
			Intangible Security	Unsecured	
Loan given to HFC's	1,863.13 (1,215.68)	- -	1,863.13 (1,215.68)	- -	Book debt on specific assets
Loan given under Lease Rental Discounting*	322.12 (213.43)	220.61 (116.26)	- -	101.33 (97.17)	Rights over receivables
Loan given to Individuals	983.70 (1,264.47)	691.69 (925.65)	- -	292.00 (338.82)	Immovable Property
Loan Against Deposit	- (3.18)	- -	- (3.18)	- -	Fixed Deposit Receipt
Total	**3,168.95** **(2,696.76)**	**912.30** **(1,041.91)**	**1,863.13** **(1,218.86)**	**393.33** **(435.99)**	

Figures in bracket are in respect of the Previous Year.

* Loan given under Lease Rental Discounting includes Loan given under Construction Finance.

As per the NHB Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 and RBI notification no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 for determining the amount of unsecured advances the rights, licenses, authorization, etc., charged to the HFCs as collateral in respect of projects (including infrastructure projects) financed by them, should not be reckoned as tangible security. Hence such advances are reckoned as unsecured.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

c. **Housing Loans and Non-Housing Loans**

(₹ in Crore)

Asset Classification	Housing		Non-Housing	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Standard Assets				
a) Total Outstanding Amount	2,27,136.33	2,04,735.51	35,804.02	34,783.54
b) Provisions made	1,016.31	511.31	832.77	308.15
Sub-Standard Assets				
a) Total Outstanding Amount	2,013.16	2,158.98	1,509.34	1,855.90
b) Provisions made	539.61	630.92	508.99	789.23
Doubtful Assets – Category-I				
a) Total Outstanding Amount	1,312.57	873.57	1,110.36	955.03
b) Provisions made	364.75	353.77	552.97	348.41
Doubtful Assets – Category-II				
a) Total Outstanding Amount	2,393.73	2,934.71	1,383.85	1,347.51
b) Provisions made	1089.07	1,177.68	702.92	720.32
Doubtful Assets – Category-III				
a) Total Outstanding Amount	1,371.32	769.90	803.42	449.68
b) Provisions made	898.53	437.64	495.59	288.28
Loss Assets				
a) Total Outstanding Amount	190.75	218.58	36.24	52.54
b) Provisions made	192.51	220.84	36.27	52.57
Total				
a) Total Outstanding Amount	**2,34,417.86**	**2,11,691.25**	**40,647.23**	**39,444.20**
b) Provisions made	**4,100.78**	**3,332.16**	**3,129.51**	**2,506.96**

d. **Movement of NPAs**

(₹ in Crore)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(I)	Net NPAs to Net Advances (%)	**2.50%**	**2.69%**
(II)	Movement of NPAs (Gross)		
	a) Opening balance	**11,616.40**	**9,659.13**
	b) Additions during the year	3,140.92	3,989.09
	c) Reductions during the year	2,632.57	2,031.82
	d) Closing balance	**12,124.74**	**11,616.40**
(III)	Movement of Net NPAs		
	a) Opening balance	**6,596.72**	**5,913.93**
	b) Additions during the year	2,034.76	1,741.78
	c) Reductions during the year	1,887.96	1,058.99
	d) Closing balance	**6,743.52**	**6,596.72**
(IV)	Movement of Provisions for NPAs (excluding provisions on standard assets)		
	a) Opening balance	**5,019.68**	**3,745.19**
	b) Provisions made during the year	1,786.84	2,247.31
	c) Write-off/write-back of excess provisions	1,425.30	972.82
	d) Closing balance	**5,381.22**	**5,019.68**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

2. **There were no loans given against collateral of gold jewellery.**

3. **Exposure to group companies engaged in real estate business.**

Sl. No.	Description	Amount (₹ in crore)	% of owned fund
(i)	Exposure to any single entity in a group engaged in real estate business	-	-
(ii)	Exposure to all entities in a group engaged in real estate business	-	-

4. **Investments**

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
A. Value of Investments		
i) Gross value of Investments	**7,042.37**	**6,272.17**
(a) In India	7,042.37	6,272.17
(b) Outside India	-	-
ii) Impairment Loss	**65.96**	**73.58**
(a) In India	65.96	73.58
(b) Outside India	-	-
iii) Net value of Investments	**6976.41**	**6198.60**
(a) In India	6,976.41	6,198.60
(b) Outside India	-	-
B. Movement of provisions held towards Impairment Loss on investments		
(i) Opening balance	73.58	22.36
(ii) Add: Provisions made during the year	-	51.22
(iii) Less: Write-off / Written-back of excess provisions during the year	7.62	0.00
(iv) Closing Balances	65.96	73.58

5. **Derivative Instruments:**

Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
i) The notional principal of swap agreements	-	1,425.73
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	79.17
iii) Collateral required by the HFC upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps	-	79.17
v) The fair value of the swap book	-	79.17

Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The exposure of the Company to Derivatives contracts iss in the nature of Interest Rate Swaps and Currency Swaps to manage risk associated with interest rate movement and fluctuation in currency exchange rate.

Derivative policy of the Company specifies the exposure norms with respect to single counterparty and the total underlying amount at the time of entering into the new derivative contract.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

The Asset Liability Management Committee (ALCO) of the Company oversees efficient management of risk associated with derivative transactions. Company identifies, measures, monitors the exposure associated with derivative transaction. For effective mitigation of risk it has an internal mechanism to conduct regular review of the outstanding contracts which is reported to the ALCO & Risk Management Committee of the Board which in turn reports to the Audit Committee and to the Board of Directors.

The gain, if any realized on early termination of swap is amortized over the balance tenor of the swap or underlying liability whichever is less. Loss if any on early termination is charged to revenue in the same year. The carry difference, between coupon rate liability and the swap contract rate is accounted quarterly on accrual basis.

B. Quantitative Disclosure

(₹ in Crore)

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)		-
(ii) Marked to Market Positions	-	-
(a) Assets (+)	-	-
(b) Liability (-)	-	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

6. Break up of 'Provisions and Contingencies' pursuant to RBI norms as per notification no. RBI/2020-21/73 DOR.FIN. HFC.CC.No.120/03.10.136/2020-21.

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1. Provisions for depreciation on Investment		
Provisions for depreciation on Investment	(7.62)	51.22
Long term investment written off (Non Trade)	-	-
Less - Provision for Investments written back	-	-
2. Provision made towards Income tax	1,188.05	944.43
3. Provision towards NPA		
(i) Provision towards NPA	428.67	1,204.97
Less - Provision for loans written back	(67.13)	(69.52)
(ii) Loans written off	544.71	23.03
Less - Loans written off recovered	10.34	77.74
4. Provision for Standard Assets* (with details like teaser loan, CRE, CRE-RH, etc.)	1,029.64	665.11
5. Other Provision and Contingencies:		
(i) Provision For Other Doubtful Asset Receivable	12.22	(2.58)
(ii) Provisions for Contingency Written Back	-	-
(iii) Provision For Other Doubtful Asset Written Back	-	-
(iv) Provision for Loan Against Public Deposit	0.008	0.004
(v) Amounts written off Others	0.44	-
Total	**3,139.34**	**2,894.41**

* Provision on Standard Asset includes provision on Individual Housing Loan ₹ 437.82 Crore (Previous Year ₹ 59.81 Crore) , CRE-RH ₹ 67.28 Crore (Previous Year (₹ 11.25 Crore)), CRE ₹ 141.86 Crore (Previous Year ₹ 3.74 Crore) and CRE Others of ₹ 316.04 Crore (Previous Year ₹ 106.57 Crore) and Covid Moratorium Cases ₹ 66.62 (otr) Crore ((Previous Year ₹ 506.23 Crore).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

7. The following disclosures have been given in terms of Notification no. RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22. 10.106/2019-20 dated March 13, 2020 issued by the RBI on Implementation of Indian Accounting Standards.

As at March 31, 2023

(₹ in Crore)

	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	2,48,857.29	677.76	2,48,179.53	734.22	(56.46)
	Stage 2	14,083.07	1,171.31	12,911.76	295.49	875.82
Subtotal		**2,62,940.36**	**1,849.07**	**2,61,091.29**	**1,029.71**	**819.36**
Non-Performing Assets (NPA)						
Substandard	Stage 3	3,522.48	1,048.60	2,473.88	534.36	514.24
Doubtful - up to 1 year	Stage 3	2,422.94	917.72	1,505.22	797.94	119.78
1 to 3 years	Stage 3	3,777.58	1,792.00	1,985.58	1,502.70	289.29
More than 3 years	Stage 3	2,174.74	1,394.13	780.61	1,974.57	(580.44)
Subtotal for doubtful		**8,375.26**	**4,103.85**	**4,271.41**	**4,275.21**	**(171.36)**
Loss	Stage 3	226.99	228.77	(1.78)	226.92	1.85
Subtotal for NPA		**12,124.73**	**5,381.22**	**6,743.51**	**5,036.49**	**344.73**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	**2,48,857.29**	**677.76**	**2,48,179.53**	**734.22**	**(56.46)**
	Stage 2	**14,083.07**	**1,171.31**	**12,911.76**	**295.49**	**875.82**
	Stage 3	**12,124.73**	**5,381.22**	**6,743.51**	**5,036.49**	**344.73**
	Total	**2,75,065.09**	**7,230.29**	**2,67,834.80**	**6,066.20**	**1,164.09**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

As at March 31, 2022

(₹ in Crore)

	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	**(2)**	**(3)**	**(4)**	**(5)=(3)-(4)**	**(6)**	**(7) = (4) (6)**
Performing Assets						
Standard	Stage 1	2,14,979.11	40.84	2,14,938.27	1,443.95	(1,403.10)
	Stage 2	10,487.85	19.55	10,468.30	59.02	(39.48)
Subtotal		**2,25,466.96**	**60.39**	**2,25,406.57**	**1,502.98**	**(1442.58)**
Non-Performing Assets (NPA)						
Substandard	Stage 3	5,428.04	1,764.98	3,663.07	942.81	822.17
Doubtful - up to 1 year	Stage 3	1,196.86	530.13	666.74	281.29	248.83
1 to 3 years	Stage 3	3,996.38	1,929.55	2,066.83	1,466.42	463.13
More than 3 years	Stage 3	1,344.78	829.47	515.31	1,220.25	(390.78)
Subtotal for doubtful		**6,538.03**	**3,289.15**	**3,248.88**	**2,967.96**	**321.18**
Loss	Stage 3	239.04	240.40	(1.36)	238.66	1.74
Subtotal for NPA		**12,205.11**	**5,294.52**	**6,910.59**	**4,149.43**	**1,145.09**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage 1**	**2,14,979.11**	**40.84**	**2,14,938.27**	**1,443.95**	**(1,403.10)**
	Stage 2	**10,487.85**	**19.55**	**10,468.30**	**59.02**	**(39.48)**
	Stage 3	**12,205.11**	**5,294.52**	**6,910.59**	**4,149.43**	**1,145.09**
	Total	**2,37,672.07**	**5,354.91**	**2,32,317.16**	**5,652.41**	**(297.49)**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

8. The following disclosures have been given by Reserve Bank of India vide circular DOR.no. BP.BC/3/21.04.048/2020-21 dated August 6, 2020 and circular RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 on Resolution Framework - 2.0: Resolution of Covid-19 related Stress of Individuals and Small Businesses.

(₹ in Crore)

Type of borrower	Exposure to Accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of 30th Sep 2022 (A)	Of (A), aggregate debt that slipped into NPA during the current half year	Of (A), amount written off during the current half year	Of (A), amount paid by the borrowers during the current half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 31st March 2023.
Personal Loans	2,876.89	174.19	-	117.75	2,584.95
Corporate persons*	2,829.83	250.53	-	288.54	2,290.76
Of which, MSMEs					
Others	2,829.83	250.53	-	288.54	2,290.76
Total	**5,706.72**	**424.72**	**-**	**406.29**	**4,875.71**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

Actual repayment in project during last six months was ₹ 291.90 crore whereas ₹ 258.76 crore arrived by net off disbursement of ₹ 33.14 crore

9. Concentration of Public Deposits, Advances, Exposures and NPAs

9.1.1 Concentration of Public Deposits

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Deposits of twenty largest Public depositors	3,505.28	1,329.77
Percentage of Deposits of twenty largest Public depositors to Total Deposits of the Company	29.73%	28.94%

9.1.2. Funding Concentration based on significant counterparty (both deposits and borrowings)

(₹ in Crore)

Sr No.	Particulars	Number of Significant Counterparties	Amount	% of Total deposits	% of Total Liabilities
1.	Deposits	Nil	Nil	Nil	Nil
2.	Borrowings	20	1,66,240.15	NA	66.15%

9.1.3. Top 20 Large Deposits:

(₹ in Crore)

Particulars	Amount	Percentage of Total Deposits
Total of top 20 large deposits	4,172.08	35.89%

Top 10 borrowings:

(₹ in Crore)

Particulars	Amount	Percentage of Total Deposits
Total of top 10 borrowings	1,25,738.34	53.93%

*Excludes Deposit

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

9.1.4. Funding Concentration based on significant instrument/product.

(₹ in Crore)

Sr No.	Name of the instrument/product	Amount	% of Total Liabilities
1	Banks & Other Financial Institutions (Includes ECB borrowing)	83,089.07	33.06%
2	NHB Refinance	11,303.18	4.50%
3	NCD outstanding	1,23,446.39	49.12%
4	Tier II bond	1,795.77	0.71%
5	Commercial Paper	13,513.59	5.38%
6	Deposits	11,626.21	4.63%
Total Borrowings		**2,44,774.21**	**97.40%**
Total Liabilities		**2,51,311.67**	

9.1.5. Stock Ratios:

(a) Commercial papers is 5.52% of total public funds, 5.38% of total liabilities and 4.85% of total assets.

(b) Non-convertible debentures (original maturity of less than one year) is nil % of total public funds, nil % total liabilities and nil % total assets.

(c) Other short-term liabilities is 2.53% of total public funds, 2.46% total liabilities and 2.22% of total assets.

Institutional set-up for liquidity risk management

Measuring and managing liquidity needs are vital for effective operation of the Company. By assuring Company's ability to meet its liabilities as they become due, liquidity management can reduce the probability of an adverse situation developing. The importance of liquidity transcends individual institutions, as liquidity shortfall in one institution can have repercussions on the entire system.

Liquidity Risk implies the risk of not having sufficient funds to discharge the liabilities. Various situations can give rise to liquidity risk such as higher than estimated disbursements, stress on systemic liquidity due to CRR hikes, higher government borrowing program, advance tax outflows, etc. Therefore it is imperative to anticipate the net cash outflows correctly, as well as to have a contingency plan in case of any unforeseen outgo of funds. Another aspect of liquidity management is avoiding retention of too much of excess liquidity than what may be required, as the same would result in sub-optimal returns on investment. So the Company has to strike a balance between the above two factors and manage the liquidity position actively / effectively.

The liquidity risk management framework of the Company includes the Risk Management Committee (RMC) of the board which has been constituted by the Board of Directors of the Company. The Risk Management Committee (RMC), which is a committee of the Board, is responsible for evaluating and monitoring the integrated risk management system of the Company including liquidity risk The RMC reviews the liquidity risk position in line with policies and procedures to manage liquidity risk in accordance with limits approved by the Board of Directors. The ALCO is entrusted with ensuring adherence to the board approved Asset Liability Management (ALM) policy and other regulatory guidelines, including Structural Liquidity, Dynamic Liquidity, Interest Rate Sensitivity, etc,. The ALM Policy is reviewed periodically in accordance with regulatory guidelines.

9.2 Concentration of Loans & Advances

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Loans & Advances to twenty largest borrowers	8,190.77	8,437.84
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the Company	2.98%	3.36%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

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

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to twenty largest borrowers / customers	8,308.06	8,767.11
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	3.02%	3.45%

9.4 Concentration of NPAs

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Exposure to top ten NPA accounts	3,418.29	3,879.32

9.5 Sector-wise NPAs

Sr. No	Sector	Percentage of NPAs to Total Advances in that sector	
		As at March 31, 2023	As at March 31, 2022
A.	**Housing Loans:**		-
1	Individuals	1.63%	1.79%
2	Builders/Project Loans	0.17%	0.14%
3	Corporates	1.13%	1.36%
4	Others (specify)	-	-
B.	**Non-Housing Loans:**		
1	Individuals	4.69%	5.47%
2	Builders/Project Loans	0.14%	0.14%
3	Corporates	7.09%	6.21%
4	Others (Commercial)	-	-

*Housing and non-housing loans are considered as sector

10. Disclosure pursuant to Reserve Bank of India (Scale Based Regulation) /2022-23/26 DOR.ACC.REC.No. 20/21.04.018 /2022-23 dated April 19, 2022

10.1 Exposure to Real Estate Sector

(₹ in Crore)

Category			As at March 31, 2023	As at March 31, 2022
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 ; Individual Housing Loans upto ₹ 15 lakh : ₹42,671.89 crore (F.Y. ₹ 2021-22 ₹ 42,678.87 crore)	2,52,396.90	2,25,665.22
	(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 would also include non-fund based (NFB) limits	20,787.13	24,238.84

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Category	As at March 31, 2023	As at March 31, 2022
(iii) Investments in Mortgage-Backed Securities (MBS) and other securitized 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)	1,863.13	1,215.68
Total Exposure to Real Estate Sector	**2,75,047.16**	**2,51,119.75**

10.2 Exposure to Capital Market

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(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; *	48.00	48.00
(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) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative Investment Funds: (i) Category I (ii) Category II (iii) Category III	62.99	30.54
Total Exposure to Capital Market	**110.99**	**102.12**

* includes Investment in Subsidiary Companies and Investment in Associate Companies

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

10.3 Intra-group exposures

There are no intra-group exposures as at 31st March 2023 (March 31, 2022 : Nil)

10.4 Unhedged foreign currency exposure

The below table indicates the Unhedged Foreign currency exposure as required by RBI Scale based regulations.

(₹ in Crore)

	Unhedged Exposure		
	</=1 year	> 1 year	Total
FCY Receivables	-	0.13	0.13
FCY Payables	0.25	-	0.25
Total	**0.25**	**0.13**	**0.38**

10.5 Sectoral exposure

Sectors	Current Year			Previous Year		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities						
2. Industry						
i. Retail Loans	2,97,121.29	7,226.61	2.43%	2,73,150.43	7,492.04	2.74%
ii. Real Estate sector	10,982.59	4,898.13	44.60%	12,900.70	4,124.36	31.97%
Others	-	-	-	-	-	-
Total of Industry	3,08,103.88	12,124.74	3.94%	2,86,051.13	11,616.40	4.06%
3. Services						
i.	-	-	-	-	-	-
ii.	-	-	-	-	-	-
Total of Services	-	-	-	-	-	-
4. Personal Loans						
i.	-	-	-	-	-	-
ii.	-	-	-	-	-	-
5. Others	-	-	-	-	-	-
Total of Personal Loan	-	-	-	-	-	-
5. Others, if any (please specify)	1,942.63	0	-	1,401.68	0	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

10.6 Related Party Disclosure as per RBI Circular No. DOR.ACC.REC.No. 20/21.04.01/2022-23 dated April 19, 2022.

The Following are the details of transactions & Balances as at 31st March 2023 with related parties.

(₹ in Crore)

Related Party	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Enterprise having significant Influence		Total	
Items	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY
Transactions During the Year														
Redemption of Debt Securities	-	-	-	-	-	-	-	-	-	-	1,500.00	1,500.00	1,500.00	1,500.00
Loan Given	-	-	-	-	-	-	1.30	-	-	-	-	-	1.30	-
Issue of Deposits	-	-	47.27	48.46	-	-	-	-	0.22	0.18	-	-	47.49	48.64
Proceeds from Redemption of PD	-	-	53.22	61.22	-	-	-	0.10	0.06	-	-	-	53.28	61.32
Issue of Equity Shares	-	-	-	-	-	-	-	-	-	-	-	9.08	-	9.08
Securities Premium on Issue of Equity Shares	-	-	-	-	-	-	-	-	-	-	-	2,326.43	-	2,326.43
Interest paid	-	-	3.17	3.26	-	-	-	0.01	0.07	0.06	1,046.28	1,130.34	1,049.52	1,133.67
Dividend Income	-	-	5.24	4.77	0.43	0.43	-	-	-	-	-	-	5.67	5.20
Commission Expense	-	-	72.58	69.14	-	-	-	-	-	-	-	-	72.58	69.14
Dividend Paid	-	-	-	-	-	-	-	-	-	-	211.52	211.52	211.52	211.52
Others*	-	-	1.26	1.62	-	-	2.11	2.82	-	-	69.52	30.20	72.89	34.64
Balance at year end														
Debt Securities	-	-	-	-	-	-	-	-	-	-	11,550.00	13,050.00	11,550.00	13,050.00
Accrued Interest on Debt Securities	-	-	-	-	-	-	-	-	-	-	243.03	291.32	243.03	291.32
Deposits	-	-	47.41	53.08	-	-	-	-	1.07	0.87	-	-	48.48	53.95
Outstanding Loan Balance	-	-	-	-	-	-	1.36	0.07	-	-	-	-	1.36	0.07
Commission Expense Payable	-	-	6.59	11.01	-	-	-	-	-	-	-	-	6.59	11.01
Others*	-	-	0.02	0.02	-	-	-	-	-	-	1.81	2.09	1.83	2.11
Maximum outstanding during the year														
Debt Securities	-	-	-	-	-	-	-	-	-	-	13,050.00	14,550.00	13,050.00	14,550.00
Accrued Interest on Debt Securities	-	-	-	-	-	-	-	-	-	-	702.81	712.85	702.81	712.85
Deposits	-	-	67.07	74.66	-	-	-	-	1.07	0.87	-	-	68.14	75.53
Outstanding Loan Balance	-	-	-	-	-	-	1.37	0.07	-	-	-	-	1.37	0.07

*CY – Current Year, PY – Previous Year

Others in transactions include payments related to Rent, electricity charges, Contribution towards Post-employment benefits etc.

10.7 Disclosure of Complaints

Customers Complaints from customers

Sr. No		Particulars	As at March 31, 2023	As at March 31, 2022
	Complaints received by the NBFC from its customers			
1.		Number of complaints pending at beginning of the year	2	7
2.		Number of complaints received during the year	11046	7834
3.		Number of complaints disposed during the year	11048	7839
	3.1	Of which, number of complaints rejected by the NBFC	-	-
4.		Number of complaints pending at the end of the year	-	2
	Maintainable complaints received by the NBFC from Office of Ombudsman			

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

Sr. No		Particulars	Current Year	Previous Year
5.		Number of maintainable complaints received by the NBFC from Office of Ombudsman	NA	NA
	5.1.	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	NA	NA
	5.2	Of 5, number of complaints resolved through conciliation/ mediation/advisories issued by Office of Ombudsman	NA	NA
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	NA	NA
6.		Number of Awards unimplemented within the stipulated time (other than those appealed)	NA	NA

1) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year (Internal Portals)	Number of complaints received during the year (External Portals)	% increase/ (decrease) in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3		4	5	6
Current Year (FY 2022-23)						
HIGH ROI/ Rewriting	-	1770	88	99.78%	-	-
NACH related / E-NACH/ Change of EMI/ EMI Related	-	1521	25	234.63%	-	-
Prepayment procedure/ Foreclosure	-	1227	57	146.45%	-	-
ROD /LOD/ Non return of original documents	-	1118	114	(38.80%)	-	-
Delay or refusal of first/final/ subsequent disbursement/ Sanction	-	865	82	(53.67%)	-	-
PMAY Subsidy/ Ex- Gratia/ Moratorium	-	497	275	54.71%	-	-
Others/ Recovery/ Fees/ CIBIL	2	3006	401	149.60%	-	-
Total	**2**	**10004**	**1042**		**-**	**-**
Previous Year (FY 2021-22)						
ROD /LOD/ Non return of original documents	-	1785	228	12.52%	-	-
Delay or refusal of first/final/ subsequent disbursement/ Sanction	2	1861	183	32.81%	-	-
High ROI/ Rewriting	-	728	202	(82.14%)	-	-
Prepayment procedure/ Foreclosure	1	399	122	(77.21%)	-	-
NACH related / E-NACH/ Change of EMI/ EMI Related	-	429	33	(77.62%)	-	-
PMAY Subsidy/ Ex- Gratia/ Moratorium	-	93	406	(54.92%)	-	-
Others/ Recovery/ Fees/ CIBIL	4	927	438	(81.29%)	2	-
Total	**7**	**6222**	**1612**		**2**	**-**

10.8 DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING - DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA (SCALE BASED REGULATION) RBI/2022-23/26 DOR.ACC.REC.NO.20 /21.04.018 /2022-23 DATED APRIL 19, 2022

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

10.8.1 The additional provisioning requirements assessed by RBI (or National Housing Bank(NHB) in the case of Housing Finance Companies) exceeds 5% of the reported profits before tax and impairment loss on financial instruments for the reference period

Not Applicable

10.8.2 Additional Gross NPAs identified by RBI exceeds 5 per cent of the reported Gross NPAs for the reference period

Not Applicable

Sr.	Particular	Amount
1.	Gross NPAs as on March 31, 2022 as reported by the NBFC	Not Applicable
2.	Gross NPAs as on March 31, 2022 as assessed by the Reserve Bank of India/ NHB	
3.	Divergence in Gross NPAs (2-1)	
4.	Net NPAs as on March 31, 2022 as reported by the NBFC	
5.	Net NPAs as on March 31, 2022 as assessed by Reserve Bank of India/ NHB	
6.	Divergence in Net NPAs (5-4)	
7.	Provisions for NPAs as on March 31, 2022 as reported by the NBFC	
8.	Provisions for NPAs as on March 31, 2022 as assessed by Reserve Bank of India/ NHB	
9.	Divergence in provisioning (8-7)	
10.	Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2022	
11.	Reported Net Profit after Tax (PAT) for the year ended March 31, 2022	
12.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2022 after considering the divergence in provisioning	

10.9 Breach of covenant

There is no breach in terms of covenants in respect of loans availed or debt securities issued by us including incidence of default.

10.10 RBI has also issued notification regarding corporate governance, which is disclosed in report of corporate governance under the statutory report.

11. Asset Liability Management

Maturity pattern of certain items of assets and liabilities is as under:

(₹ in Crore)

Items/Time buckets	1 to 7 days	8 to 14 days	over 14 days to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities													
Deposits	268.39	244.65	409.29	669.68	960.41	1955.68	3925.38	2742.57	467.32	-	-	-	**11643.36**
Borrowings from banks	-	62.50	280.00	492.63	1917.74	9052.75	27810.02	32321.92	17957.14	3910	587.55	-	**94392.25**
Market Borrowing ***	-	525.00	1700.00	3345.00	2460.00	8515.00	20570.30	53991.90	18840.20	14559.40	14862.00	-	**139368.80**
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Assets													
Advances*	511.00	1646.47	483.62	3061.47	3584.75	11923.49	22661.51	21387.98	22283.86	26187.77	37680.56	109350.76	**260763.24**
Investments**	2210.00	-	2241.00	-	-	-	142.00	136.00	84.09	514.50	548.19	1158.30	**7034.07**
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-	-	**-**

* Net of NPA.

** Net of Investment diminutions, G-Sec taken at face value and includes investment in liquid/overnight scheme of mutual fund for cash management.

*** Commercial Paper & Zero Coupon Bond taken at face value.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

12. Disclosure regarding penalty or adverse comments as per Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2022 during the current year:

a) Pursuant to the letter from RBI dated 31/10/2022, the Company paid a penalty of ₹ 5 lakhs in relation to non-compliance to provisions of relevant directions under Sub-sections (1) & (2) of section 29 B of the NHB Act.

b) The observations from NHB inspection report with reference to Company's position as on 31.03.2021 have been suitably addressed and replied to NHB. The NHB is yet to conduct Annual Supervisory Inspection with respect to the Company's position as on March 31, 2023.

c) During the financial year 2022-23, the Company has reported frauds in 19 loan accounts with outstanding amount of ₹ 922.15 lakhs.

13. Indian Accounting Standard 24 - Related Party Transactions

Details of all material transactions with related parties are disclosed in Note 49.

14. Indian Accounting Standard 110- Consolidated Financial Statements

Refer to the Consolidated Financial Statements for the relevant disclosures.

15. Draw Down from Reserves

The Company has not drawn any amount from Reserves created in terms of Section 36(1) (viii) of the Income Tax Act, 1961 and Statutory Reserve under Section 29C of the NHB Act.

16. Overseas Assets

(₹ in Crore)

Asset Description	As at March 31, 2023	As at March 31, 2022
Total Tangible Assets	0.01	0.01
Balance in Bank Account in Dubai	0.13	0.12

17. Miscellaneous

17.1 Registration obtained from other financial sector regulators

The Company was incorporated under the Companies Act, 1956 on 19th June, 1989 and is governed by Companies Act, 2013. It is regulated by NHB and registered under section 29A of the NHB Act, 1987. Apart from this, the Company is not registered under any other financial regulators. The regulators of Housing Finance Companies is transferred to RBI from August 2019. No fresh registration is required to be obtained from RBI.

17.2 Rating assigned by Credit Rating Agencies and migration of rating during the year

"CRISIL AAA/ Stable" by CRISIL, "CARE AAA/Stable" by CARE Edge & "ICRA A1+" by ICRA. This rating indicates the highest degree of safety regarding timely payment of interest and principal. There is no change in rating during the year.

Serial No.	Particulars	CRISIL Ratings
1	Non-Convertible Debentures	CRISIL AAA/STABLE
2	Tier II Bond	CRISIL AAA/STABLE
3	Commercial Paper	CRISIL A1+
4	Fixed Deposits Programme	CRISIL AAA/STABLE
5	Bank Loan Facilities(Long Term)	CRISIL AAA/STABLE
6	Bank Loan Facilities(Short Term)	CRISIL A1+

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

Serial No.	Particulars	CARE Ratings
1	Non-Convertible Debentures	CARE AAA/STABLE
2	Tier II Bonds	CARE AAA/STABLE

Serial No.	Particulars	CARE Ratings
1	Commercial Paper	ICRA A1+

17.3 Remuneration of Directors

The Independent Directors of the Company receive only sitting fees for attending the Board / Committee meetings and they do not have any other material or pecuniary relationships or transaction with the Company, its Promoters, its Directors, Management, Subsidiaries or Associate.

The details of sitting fees paid to Non-Executive Directors (other than LIC Nominee Directors) has been mentioned in Corporate Governance Report forming part of the Annual Report.

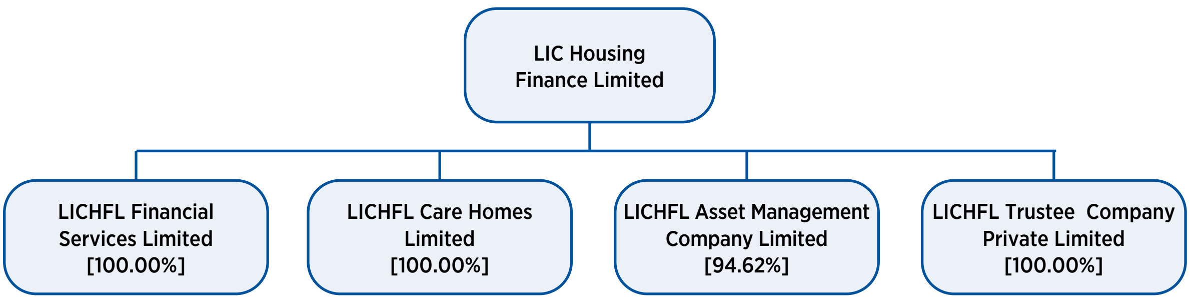
17.4 Management Discussion and Analysis

Management Discussion and Analysis report containing Industry structure and developments, opportunities and threats, segment-wise or product-wise performance, outlook, risks and concerns, internal control systems and their adequacy, discussion on financial performance with respect to operational performance, material developments in HR/Industrial Relations including number of people employed, etc., forming part of a separate section of the Annual Report.

17.5 Revenue Recognition

Revenue recognition is as per the Accounting Policy mentioned under Significant Accounting Policies. Refer Note 2.3

18. Group Structure



19. Reserve Fund u/s 29C of NHB Act, 1987

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act,1987	0.18	0.17
b) Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	7,544.31	6,684.32
Total	**7,544.49**	**6684.49**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Addition / Appropriation / Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	0.01	0.01
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	984.99	859.99
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C 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 the NHB Act, 1987.	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	0.19	0.18
b) Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	8,529.30	7,544.31
Total	**8,529.49**	**7,544.49**

20. Exchange Traded Interest Rate (IR) Derivative

(₹ in Crore)

Sr. No	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-	-
	(a)	-	-
	(b)	-	-
	(c)	-	-
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2021 (instrument-wise)		
	(a)	-	-
	(b)	-	-
	(c)	-	-
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)		
	(a)	-	-
	(b)	-	-
	(c)	-	-
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)		
	(a)	-	-
	(b)	-	-
	(c)	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

21. Securitisation

21.1 Details of Securitisation Transactions

(₹ in Crore)

Particulars				As at March 31, 2023	As at March 31, 2022
1.	No of SPVs sponsored by the HFC for securitisation transactions			-	-
2.	Total amount of securitised assets as per books of the SPVs sponsored			-	-
3.	Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet			-	
	(i)	Off-balance sheet exposures towards Credit Enhancements			
		(a)		-	-
		(b)		-	-
	(ii)	On-balance sheet exposures towards Credit Enhancements		-	-
		(a)		-	-
		(b)		-	-
4.	Amount of exposures to securitization transactions other than MRR				
	(i)	Off-balance sheet exposures towards Credit Enhancements			
		(a)	Exposure to own securitizations	-	-
			i)	-	-
			ii)	-	-
		(b)	Exposure to third party securitisations		
			i)	-	-
			ii)	-	-
	(ii)	On-balance sheet exposures towards Credit Enhancements			
		(a)	Exposure to own securitizations		
			i)	-	-
			ii)	-	-
		(b)	Exposure to third party securitisations		
			i)	-	-
			ii)	-	-

22.2. Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction:

(₹ in Crore)

	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	No. of accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

22.3. Details of Assignment transactions undertaken by HFCs:

(₹ in Crore)

	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	No. of accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts assigned	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

22.4. Details of non-performing financial assets purchased or sold

A. Details of non-performing financial assets purchased:

(₹ in Crore)

	Particulars	As at March 31, 2023	As at March 31, 2022
1.	(a) No. of accounts purchased during the year	-	-
	(b) Aggregate outstanding	-	-
2.	(a) Of these, number of accounts restructured during the year	-	-
	(b) Aggregate outstanding		

B. Details of Non-performing Financial Assets sold:

	Particulars	As at March 31, 2023	As at March 31, 2022
1.	No. of accounts sold	-	-
2.	Aggregate outstanding (₹ in crore)	-	-
3.	Aggregate consideration received (₹ in crore)	-	-

22.5. Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items that have impact on the current year's profit and loss.

22.6. Off-balance Sheet SPVs sponsored

Name of the SPV sponsored	
Domestic	Overseas
-	-

22.7 The Company is not a subsidiary of any Company, hence there are no details of financing of parent company products.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

23. Disclosures as required under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2022 dated February 17, 2021 issued by the Reserve Bank of India

(₹ in Crore)

	Particulars	As at March 31, 2023	As at March 31, 2022
1.	**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**	-	-
(a)	Debentures: Secured	1,27,303.88	1,22,674.80
	: Unsecured	-	-
	(Other than falling within the meaning of public deposits*)		-
(b)	Deferred Credits	-	-
(c)	Term Loans	73,534.07	57,609.47
(d)	Inter-corporate loans and borrowing	-	-
(e)	Commercial Paper	13,513.59	8,364.22
(f)	Public Deposits	3,803.28	4,924.13
(g)	Other Loans	-	-
	- Corporate Deposits	8,536.35	13,843.70
	- Loans repayable on demand	20,956.00	18,900.00
	- Subordinate Bonds	1,817.47	1,817.15
2.	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**		
(a)	In the form of Unsecured debentures	-	-
(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c)	Other public deposits	3,803.28	4,924.13

(₹ in Crore)

Particulars		As at March 31, 2023	As at March 31, 2022
	Assets		
3	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**		
	(a) Secured	2,74,669.08	2,50,699.46
	(b) Unsecured	393.33	435.99
4	**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**		
(i)	Lease assets including lease rentals under sundry debtors	-	-
(a)	Financial lease	2.68	3.51
(b)	Operating lease	-	-
(ii)	Stock on hire including hire charges under sundry debtors	-	-
(a)	Assets on hire	-	-
(b)	Repossessed Assets	-	-
(iii)	Other loans counting towards asset financing activities	-	-
(a)	Loans where assets have been repossessed	-	-
(b)	Loans other than (a) above	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Particulars		As at March 31, 2023	As at March 31, 2022
5	**Break-up of Investments**		
	Current Investments		
1	Quoted		
(i)	Shares		
	(a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds		
(iii)	Units of mutual funds	2,242.03	1,493.40
(iv)	Government Securities	-	-
(v)	Real Estate Venture Fund	-	-
2	Unquoted		
(i)	Shares		
	(a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government Securities	-	-
(v)	Others	-	-
	Long Term investments		
1	Quoted		
(i)	Shares		
	(a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government Securities	4,623.38	4,626.66
(v)	Others	-	-
2	Unquoted		
(i)	Shares		
	(a) Equity	48.00	48.00
	(b) Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government Securities	-	-
(v)	Real Estate Venture Fund	62.99	30.54

6 Break-up of Loans and Advances including bills receivables:

(₹ in Crore)

Category		As at March 31, 2023			As at March 31, 2022		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related Parties						
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same group	-	-	-	-	-	-
	(c) Other related parties	1.36	-	1.36	-	-	-
2	Other than related parties	2,67,440.11	393.33	2,67,833.44	2,45,102.75	193.58	2,45,296.33
	Total	**2,67,441.47**	**393.33**	**2,67,834.80**	**2,45,102.75**	**193.58**	**2,45,296.33**

- Amount net of provisions

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

7 **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**

(₹ in Crore)

Category		Breakup Value	Book Value (Net of Provisions) As at March 31, 2023	Book Value (Net of Provisions) As at March 31, 2022
1	**Related Parties**			
	(a) Subsidiaries	181.34	18.29	18.29
	(b) Companies in the same group	48.17	29.71	29.71
	(c) Other Related Parties	-	-	-
2	**Other than Related Parties**	**Fair Value**	**Total**	**Total**
	(a) LICHFL Urban Development Fund	-	8.09	6.03
	(b) Mutual Fund	-	2,242.03	1,493.40

8 **Other Information:**

(₹ in Crore)

	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	**Gross Non-Performing Assets**		
	(a) Related Parties	-	-
	(b) Other than Related Parties	12,124.74	11,616.40
(ii)	**Net Non-Performing Assets**		
	(a) Related Parties	-	-
	(b) Other than Related Parties	6,743.52	6,596.73
(iii)	**Assets acquired in satisfaction of Debt**	-	-

24. Relationship with Struck off Companies

(₹ in Crore)

Name of the struck off company	Nature of transactions with struck off company	Transactions during the year F.Y 2022-23	Balance Outstanding as at 31.03.2023	Relationship with the struck off company, if any, to be disclosed
Green Park Hotels And Resorts Ltd	Purchase of Services	*	-	NA
Marigold Hotel	Purchase of Services	0.10	-	NA
Payal Financial Services	Purchase of Services	*	*	NA
Farmassist Solutions Private Limited	Purchase of Services	-	*	NA
KGB Credit Service Pvt Ltd	Purchase of Services	-	-	NA
Dhanush Financial Advisors Private Limited	Purchase of Services	0.15	-	NA
Just Loans Sales & Distribution Private Limited	Purchase of Services	-	*	NA
GRAR Homes Solution Private Limited	Purchase of Services	*	-	NA
GK Marketing Services Private Limited	Purchase of Services	0.01	-	NA
Remarkable Tech Solutions Pvt Ltd	Purchase of Services	*	-	NA
Aditya Infra Private Limited	Purchase of Services	*	*	NA
Subhagya Consultancy Services Private Limited	Purchase of Services	*	-	NA

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Name of the struck off company	Nature of transactions with struck off company	Transactions during the year F.Y 2022-23	Balance Outstanding as at 31.03.2023	Relationship with the struck off company, if any, to be disclosed
Wayne Burt Petro Chemicals Private Limited	Purchase of Services	-	-	NA
Trendsetter Expressive Services Private Limited	Purchase of Services	*	-	NA
Tempworks Services Private Limited	Purchase of Services	-	*	NA
SVR Financial Solutions Private Limited	Purchase of Services	*	-	NA
Sudama Furniture Products Private Limited	Purchase of Services	-	-	NA
Smart Financial Consultant and Office Needs Private Limited	Purchase of Services	-	-	NA
	Total	**0.27**	*****	

* Less than ₹ 50,000/-

25. Capital Adequacy Ratio

The Company's capital adequacy ratio, calculated in accordance with the Reserve Bank of India guidelines and disclosed using Ind-AS terminology, is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
CRAR%	18.23%	18.08%
CRAR –Tier I Capital %	16.56%	16.23%
CRAR-Tier II Capital %	1.66%	1.85%
Amount of Subordinated Debt raised as Tier-II capital	-	-
Amount Raised by the issue of Perpetual Debt Instruments	-	-

There were ₹ Nil crore (PY - ₹ Nil crore) interest outstanding to pay Perpetual Debt Instruments holder.

26. Disclosure in terms of RBI Master Directions-Principal Business Criteria-Housing Finance Company-Para 4.1.17 of NBFC-HFC (Reserve Bank) Directions, 2021.

The RBI vide its circular number RBI/2020-21/60/DOR.NBFC (HFC) CC.NO 118/03.10.136/2020-21 dated October 22, 2020 defined the principal business criteria for HFCs. In compliance with the above circular, Principal Business Criteria for the Company registered as "Housing Finance Company" as per the paragraph 4.1.17 of the Master Direction is given below:

Particulars	% for FY 2022-23	% for FY 2021-22	Limit
Housing Finance/ Total Assets (Net of Intangible Assets)	83.36%	82.35%	>= 60%
Housing Finance for Individual / Total Assets (Net of Intangible Assets)	81.83%	79.80%	>= 50%

56. THE DISCLOSURE ON THE FOLLOWING MATTERS REQUIRED UNDER SCHEDULE III AS AMENDED NOT BEING RELEVANT OR APPLICABLE IN CASE OF THE COMPANY, SAME ARE NOT COVERED SUCH AS

a. The Company has not traded or invested in crypto currency or virtual currency during the financial year.

b. There is no undisclosed transaction which have not been recorded in the books that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act,1961.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

c. No proceedings have been initiated or pending against the company as the Company does not hold any Benami Property under the Benami Transactions (Prohibition) Act, 1988.

d. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

e. The Company has not entered any scheme of arrangement, which have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

f. No Registration or satisfaction of charges are pending to be filed with ROC.

g. No revaluation of any class of asset is carried out during the year.

h. Fair valuation of Investment property is not applicable to the company, as company doesn't hold any investment property.

i. Company doesn't hold any immovable property in the name of third party.

j. Clause (87) of section 2 of the act read with the Companies (Restriction on number of Layers) Rules, 2017 is not applicable to company.

k. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

l. No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

57. LIQUIDITY COVERAGE RATIO (LCR)

Disclosure pursuant to Reserve Bank of India Circular ref. - RBI/2020-21/60 DOR. NBFC (HFC). CC.NO.118/03.10.136/2020-21 dated 22nd October, 2020 pertaining to Liquidity Risk Management Framework for Housing Finance Companies.

I. The Liquidity Coverage Ratio (LCR) framework under Liquidity risk management of the Company is managed by Asset Liability Committee in accordance with Board approved policies.

As per the RBI Circular ref. - RBI/2020-21/60 DOR. NBFC (HFC). CC.NO.118/03.10.136/2020-21 dated 22nd October, 2020 all non-deposit taking HFCs with asset size of ₹10,000 crore & above, and all deposit taking HFCs irrespective of their asset size, shall maintain prescribed limits to adhere the LCR norms given below:-

From	December 01, 2021	December 01, 2022	December 01, 2023	December 01, 2024	December 01, 2025
Minimum LCR	50%	60%	70%	85%	100%

II. The purpose of LCR is to maintain strong liquidity buffer which will promote resilience of HFC's to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 calendar days. This will reduce the risk of spill over from any financial stress scenario.

III. LCR = Stock of High-Quality Liquid Assets (HQLAs)/Total Net Cash Outflows over the next 30 calendar days.

Total net cash outflows arrived at after deducting total expected cash inflows (stressed inflows) from total expected cash outflow (stressed outflows) for the subsequent 30 calendar days. To compute expected cash outflow (stressed outflows), all expected and contracted cash outflows are considered by applying a stress of 15% and for expected cash inflows (stressed inflows) of the company is arrived at by considering all expected and contracted inflows by applying an under-flow of 25%.

The HQLA maintained by company comprises of Government securities held for LCR purpose, Government securities held for the purpose of Statutory Liquid Ratio (SLR) with a hair-cut of 20% and balances maintained in current accounts.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

The Company derived LCR as per guidelines prescribed by RBI. The average LCR maintained for the quarter ended Mar-23 is 172.78%. For the year ended 31 March 2023, the Company has disclosed the LCR as a simple average calculated on the basis of daily observations for each quarters of FY 22-23.

Detailed LCR template is presented below according to the format given in RBI circular mentioned

LIC HOUSING FINANCE LIMITED

LCR Disclosure (₹ In Crore)		Q4 FY 2022-23		Q3 FY 2022-23		Q2 FY 2022-23		Q1 FY 2022-23	
Sr. No.	Particulars	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets								
1	**Total HQLA#**	**4,926.29**	**4,473.90**	**4,899.97**	**4,438.62**	**4,945.46**	**4,476.84**	**4,980.48**	**4,506.13**
	Cash Outflows*								
2	Deposits	1,096.64	1,261.14	1,195.14	1,374.41	1,080.64	1,242.74	807.55	928.68
3	Unsecured Wholesale Funding	908.04	1,044.25	942.52	1,083.90	1,008.15	1,159.37	1,458.79	1,677.61
4	Secured wholesale funding	5,613.48	6,455.50	5,711.94	6,568.73	4,396.75	5,056.26	3,703.05	4,258.51
5	Additional requirements, of which	-	-	-	-	-		-	-
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations**	1,261.44	1,450.66	1,071.86	1,232.64	1,295.36	1,489.66	1,366.50	1,571.48
7	Other contingent funding obligation***	126.67	145.67	134.35	154.50	341.08	392.24	132.07	151.88
8	**Total Cash Outflows**	**9,006.27**	**1,0357.21**	**9,055.81**	**10,414.18**	**8,121.98**	**9,340.28**	**7,467.96**	**8,588.15**
	Cash Inflows****								
9	Secured Lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	5,107.44	3,830.58	5,101.75	3,826.31	4,909.83	3,682.37	4,958.87	3,719.15
11	Other cash inflows**	8,610.66	6,458.00	11,131.99	8,348.99	11,629.09	8,721.82	13,953.48	10,465.11
12	**Total Cash Inflows**	**13,718.10**	**10,288.575**	**16,233.74**	**12,175.305**	**16,538.92**	**12,404.19**	**18,912.35**	**14184.26**
13	Total HQLA	4926.29	4473.90	4899.97	4438.62	4945.46	4476.84	4980.48	4506.13
14	Total Net Cash Outflows	2,251.57	2,589.30	2,263.95	2,603.55	2,030.50	2,335.07	1,866.99	2,147.04
15	**Liquidity Coverage Ratio**		**172.78%**		**170.48%**		**191.72%**		**209.88%**

Market Value of G-sec purchased for LCR purpose and SLR purpose (20% hair-cut), Bank Balances

*Cash Outflows includes Interest and Principal Repayments due on the Deposits, Tier II Bonds, CP's, NCD's, Bank Loans & NHB borrowings in the next 30 days

**Other Contractual funding obligations includes Undisbursed Sanctions by the Company & Unclaimed Deposits

***Other Contingent Funding Obligation Includes expenses like salary, advance tax etc., which is estimated based on past trends

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

58. PREVIOUS YEAR NUMBERS HAVE BEEN REGROUPED / RECLASSIFIED, WHEREVER CONSIDERED NECESSARY, TO CORRESPOND WITH CURRENT YEAR PRESENTATION. THERE ARE NO SIGNIFICANT REGROUPING / RECLASSIFICATIONS DURING THE YEAR UNDER REPORT

As per our report of even date attached For and on behalf of the Board of Directors

As per our report of even date attached

For and on behalf of the Board of Directors

For SGCO & Co. LLP Chartered Accountants FRN 112081W / W100184	**For Kandelwal Jain & Co.** Chartered Accountants FRN 105049W	**Siddhartha Mohanty** Chairman DIN : 08058830	**Kashi Prasad Khandelwal** Director DIN : 00748523	**Y. Viswanatha Gowd** Managing Director & Chief Executive Officer DIN : 09048488
Suresh Murarka Partner M. No. 044739	**Bhupendra Karkhanis** Partner M.No. 108336	**Varsha Hardasani** Company Secretary FCS No: ACS50448	**Sudipto Sil** CFO	**H. J. Panchariya** General Manager (Accounts)

Place: Mumbai
Date : May 16, 2023

INDEPENDENT AUDITORS' REPORT

To,
The Members of
LIC Housing Finance Limited.

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the Consolidated Financial Statements of LIC Housing Finance Limited (hereinafter referred to as "the Holding Company"), and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associates, which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Cash Flow statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, of consolidated profit, total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement and based on the consideration of reports of other auditors on separate financial statements of subsidiaries audited by them, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditors' responsibilities for the audit of the Consolidated Financial Statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

Key Audit Matters for Holding Company

Key Audit Matters	How the matter was addressed in our audit
Expected Credit Loss – Impairment of carrying value of loans and advances Under Ind AS 109, Expected Credit Loss (ECL) is required to be determined for recognising impairment loss on financial assets which are stated at amortised cost i.e., the loan portfolio of the Company. The calculation of impairment loss or ECL is based on significant management judgement which includes estimation of probability-weighted loss on financial instruments over their life and considers the reasonable and supportable information about historical default and loss ratios, , current conditions and, to the extent possible, forward-looking analysis which could impact the credit quality of the Company's loans and advances.	**We performed audit procedures set out below** • We understood and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines. • We evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the management judgements and estimates, related assumptions including factors that affect the PD, LGD and EAD and the Company's process on timely recognition of impairment in the loan portfolios which included assessing the accuracy of the system generated reports on defaults and ageing.

Key Audit Matters	How the matter was addressed in our audit
The significant areas in the calculation of ECL where management estimates and judgements are required as under: 1. Judgements about credit risk characteristics, taking into account class of borrowers, credit risk ratings, date of initial recognition, remaining term to maturity, property valuations, time taken for recovery of stressed loans, industry scenario and other relevant factors for collective evaluation of impairment under various stages of ECL. 2. Loan staging criteria. 3. Calculation of probability of default and loss given default. 4. Consideration of probability weighted scenarios and forward looking macro-economic factors impacting credit quality of receivables. 5. For Project loans, assessment based on a borrower's financial performance, solvency, liquidity, industry outlook etc.	• We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2023 by reconciling it with the balances as per loan balance register and loan commitment report as on that date. • We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage. Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages. • Tested samples to ascertain the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with underlying books of accounts and records. • We performed an overall assessment of the ECL provision levels at each stage including management's assessment and provision on account of Company's portfolio, risk profile, credit risk management practices. • Assessed disclosures included in the standalone financial statements in respect of expected credit losses.
IT Systems and controls The financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant voluminous transactions. Hence, we identified IT systems and controls over financial reporting as a key audit matter for the Company. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting. The Company has separate software applications for management of its loan portfolio from origination to servicing and closure and for the routine accounting. Adequate supervision over IT controls is required to ensure that these IT applications process data as expected, updates and changes are made in an appropriate manner and confidentiality, availability and integrity is maintained. Such controls mitigate the risk of incorrect financial reporting. Our audit outcome is dependent on the effective functioning of such IT controls.	We have carried out the following procedures to verify the effectiveness of IT controls: With the assistance of IT expert, we obtained an understanding of the Company's IT applications. The aspects covered in the assessment of IT General Controls comprised: (i) User Access Management (ii) Program Change Management. (iii) Other related ITGCs – to understand the design and test the operating effectiveness of such controls. • Tested the changes that were made to the in-scope applications during the audit period to assess changes that have impact on financial reporting. • Tested the periodic review of access rights, inspected requests of changes to systems for appropriate approval and authorisation. • Performed tests of controls (including other compensatory controls, wherever applicable) on the IT application controls and IT dependent manual controls in the system.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Holding Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Annual report but does not include the Consolidated Financial Statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidation financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors and management are responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the each 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

ii. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under the section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

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

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

vi. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

i. We did not audit the financial statements and other financial information in respect of four subsidiaries, whose financial statements reflect total assets of ₹ 292.46 crores as at March 31, 2023, total revenues of ₹ 92.22 crores, total net profit after tax of ₹ 2.74 crores and net cash inflows amounting to ₹ 38.98 crores for the year ended on that date, and total comprehensive income of ₹ 12.51 crores and ₹ 2.71 crores for the quarter ended March 31, 2023 and for the period from April 01, 2022 to March 31, 2023 respectively as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

ii. The Consolidated Financial Statements also include the share of total net profit after tax of ₹ 0.43 crores and ₹ 0.48 crores and Group's share of total comprehensive income of ₹ 0.54 crores and ₹ 0.48 crores for the quarter ended March 31, 2023 and for the period from April 01, 2022 to March 31, 2023 respectively, as considered in the Consolidated Financial Statements, in respect of two associates, whose financial statements have not been audited by us. These financial statements are audited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associates, is based solely on the reports of the other auditors.

iii. The Consolidated Financial Statements of the Company for the year ended March 31 2022 were audited by the predecessor Joint Auditors, M. P. Chitale and Co, and Gokhale & Sathe who had expressed an unmodified opinion on those statements vide their audit report dated May 18, 2022. The comparative financial information of the Company for the year ended 31 March 2022 are based on the those Consolidated Financial Statements.

Our opinion on the Consolidated Financial Statements is not modified in respect of the above matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, to be included in the Auditors' report, according to the information and explanations given to us, and based on our audit and on the consideration of the audit reports of the other auditors on separate financial statements and the other financial information of the subsidiary companies and associate companies, we report, to the extent applicable, that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the companies incorporated in India and included in the consolidated financial statements.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and the other financial information of the issued by its subsidiary companies and associate companies we report, to the extent applicable, that:

    i. 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 of the aforesaid Consolidated Financial Statements.

    ii. in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

iii. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

iv. in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

v. on the basis of written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies, none of the directors of the Group companies and its associates incorporated in India is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

vi. with respect to the adequacy of the internal financial with reference to Consolidated Financial Statements of the Holding Company and its subsidiary companies and its associate companies, incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.

vii. 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, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiaries and associates:

a. the Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – Refer Note 45 to the Consolidated Financial Statements.

b. the Group and its associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary and its associate companies incorporated in India.

d. (a) The respective Management of the Holding Company, its subsidiary companies and associates companies, which are incorporated in India, whose Financial Statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary companies and associate companies that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies and associate companies to or in any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries) by or on behalf of the Holding Company or any of such subsidiary companies and associates or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Management of the Holding Company, its subsidiary companies and associates companies, which are incorporated in India, whose Financial Statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary companies and associate companies that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiary companies and associate companies from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies and associate companies shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiary) by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the Auditors of the subsidiary companies and associate companies, which are incorporated in India, whose Financial Statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under Sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

viii. (a) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with section 123 of the Act, as applicable.

(b) The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

ix. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Group and its associates with effect from April 1, 2023, and accordingly, based on our report on standalone financial statements of the Holding Company and on the consideration of the report of the other auditors on separate financial statements of the subsidiaries and associates, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

x In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associates, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding company, its subsidiaries and associates, incorporated in India, to their directors in accordance with the provisions of Section 197 of the Act read with Schedule V.

For SGCO & Co. LLP
Chartered Accountants
Firm Registration Number: 112081W/W100184

Suresh Murarka
Partner
Membership Number: 044739
UDIN: 23044739BGUNNN7291

Mumbai, May 16, 2023

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration Number: 105 049W

Bhupendra Karkhanis
Partner
Membership Number: 108336
UDIN: 23108336BGQZOF2762

Mumbai, May 16, 2023

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(vi) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of LIC Housing Finance Limited of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION (3) OF SECTION 143 OF THE COMPANIES ACT, 2013 (THE 'ACT')

In conjunction with our audit of the Consolidated Financial Statements of the LIC Housing Finance Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements ofthe Holding Company and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associates which are companies incorporated in India as of March 31, 2023.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Management and Board of Directors of the companies included in the Group and its associates, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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, 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 Holding Company's internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to the audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to these Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls to these Consolidated Financial Statements of the Holding Company, its subsidiaries and associates which are incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph below, the Holding Company, its subsidiaries and associates, which are companies incorporated in India have, maintained in all material respects, an adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2023, based on the internal financial controls over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTER

Our report under clause (i) of sub-section 3 of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company, in so far as it relates to separate financial statements of four subsidiary companies and 2 associate companies, which are companies incorporated in India, is based on the respective reports of the auditors of such subsidiary companies and associates companies.

For SGCO & Co. LLP
Chartered Accountants
Firm Registration Number: 112081W/W100184

Suresh Murarka
Partner
Membership Number: 044739
UDIN: 23044739BGUNNN7291

Mumbai, May 16, 2023

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration Number: 105 049W

Bhupendra Karkhanis
Partner
Membership Number: 108336
UDIN: 23108336BGQZOF2762

Mumbai, May 16, 2023

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2023

(₹ in Crore)

	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Financial Assets			
(a) Cash and Cash Equivalents	5	641.38	824.35
(b) Bank Balance other than (a) above	6	180.18	160.31
(c) Derivative Financial Instruments	7	-	79.17
(d) Receivables	8		
(I) Trade Receivables		0.72	8.38
(II) Other Receivables		-	-
(e) Loans	9	267,775.85	245,234.49
(f) Investments	10	7,049.71	6,279.39
(g) Other Financial Assets	11	30.09	21.97
Total Financial Assets		**275,677.93**	**252,608.06**
(2) Non-Financial Assets			
(a) Current Tax Assets (Net)	12	-	138.18
(b) Deferred Tax Assets (Net)	13	1,895.87	1,371.36
(c) Property, Plant and Equipment	14.1	180.91	154.39
(d) Capital Work in Progress	14.2	0.84	2.85
(e) Intangible assets under development	14.3	-	1.45
(f) Right of Use Assets	14.4	171.12	138.46
(g) Goodwill on Consolidation		0.21	0.21
(h) Other Intangible Assets	14.5	36.24	21.76
(i) Other Non-Financial Assets	15	356.96	142.67
(j) Assets Held for Sale		238.89	107.38
Total Non-Financial Assets		**2,881.04**	**2078.71**
Total Assets		**278,558.97**	**254,686.77**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Lease Liabilities		184.09	150.23
(b) Payables	16		
(A) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		0.14	2.80
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		33.58	51.17
(B) Other Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(c) Debt Securities	17	136,960.00	127,341.99
(d) Borrowings (Other than Debt Securities)	18	94,392.26	76,447.23
(e) Deposits	19	11,580.76	18,022.18
(f) Subordinated Liabilities	20	1,795.77	1,795.44
(g) Other Financial Liabilities	21	5,654.93	5,588.84
Total Financial Liabilities		**250,601.53**	**229,399.88**
(2) Non-Financial Liabilities			
(a) Current tax liabilities (Net)	22	3.87	
(b) Deferred Tax liabilities (Net)	23	0.12	0.12
(c) Provisions	24	176.97	173.93
(d) Other Non-Financial Liabilities	25	588.62	359.10
Total Non-Financial Liabilities		**769.58**	**533.15**
(3) EQUITY			
(a) Equity Share Capital	26	110.08	110.08
(b) Other Equity	27	27074.59	24,640.74
(c) Non Controlling Interest		3.19	2.92
Total Equity		**27,187.86**	**24,753.74**
Total Liabilities and Equity		**278,558.97**	**254,686.77**

See accompanying notes forming part of the Consolidated Financial Statement 1 - 59

As per our report of even date attached

For and on behalf of the Board of Directors

For SGCO & Co. LLP
Chartered Accountants
FRN 112081W / W100184

For Kandelwal Jain & Co.
Chartered Accountants
FRN 105049W

Siddhartha Mohanty
Chairman
DIN : 08058830

Kashi Prasad Khandelwal
Director
DIN : 00748523

Y. Viswanatha Gowd
Managing Director &
Chief Executive Officer
DIN : 09048488

Suresh Murarka
Partner
M. No. 044739

Bhupendra Karkhanis
Partner
M.No. 108336

Varsha Hardasani
Company Secretary
FCS No: ACS50448

Sudipto Sil
CFO

H. J. Panchariya
General Manager
(Accounts)

Place: Mumbai
Date : May 16, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

		Note	Year Ended as at March 31, 2023	Year Ended as at March 31, 2022
(1)	**REVENUE FROM OPERATIONS**			
	(i) Interest Income	28	22,546.01	19,717.77
	(ii) Fees and Commission Income	29	66.97	117.61
	(iii) Net gain on Fair Value Changes	30	53.71	17.37
	(iv) Net gain on Derecognition of Financial Instruments under amortised cost category	31	21.05	19.40
	(vi) Others	32	26.15	102.21
	Total Revenue from Operations (1)		**22,713.89**	**19,974.36**
(2)	Other Income (Includes Dividend of NIL)	33	14.32	30.95
(3)	**Total Income (1+2)**		**22,728.21**	**20,005.31**
(4)	**Expenses**			
	(i) Finance Costs	34	16,134.75	14,151.09
	(ii) Fees and Commission Expenses	35	182.59	113.99
	(iv) Impairment on Financial Instruments (Expected Credit Loss)	36	1,942.96	2,021.83
	(v) Employee Benefits Expenses	37	516.41	602.45
	(vi) Depreciation, Amortization and Impairment	14.1, 14.4 & 14.5	69.04	55.19
	(vii) Others Expenses	38	321.69	273.51
	Total Expenses (4)		**19,167.44**	**17,218.06**
(5)	**Profit Before Tax (3-4)**		**3,560.77**	**2,787.26**
(6)	**Tax Expense:**			
	- Current Tax		1,195.89	923.98
	- Tax Expense for Earlier Years		0.05	(43.90)
	- Deferred Tax		(526.34)	(378.83)
	Total Tax Expenses (6)		**669.60**	**501.25**
(7)	**Net Profit after Tax (5-6)**		**2,891.17**	**2,286.00**
(8)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to Profit or (Loss)		6.69	(6.56)
	(ii) Income Tax relating to items that will not be reclassified to Profit or (Loss)		(1.71)	1.64
	Other Comprehensive Income		**4.98**	**(4.92)**
(9)	**Total Comprehensive Income for the year**		**2,896.15**	**2,281.08**
(10)	**Share of Profit/(Loss) of Associates**		0.24	0.69
(11)	**Share of Profit/(Loss) of Non-Controlling Interest**		(0.41)	(0.35)
	Total Comprehensive Income for the year (Comprising Profit / (Loss) and other Comprehensive Income for the year) (9+10+11)		**2,895.98**	**2,281.42**
	Profit for the year attributable to:			
	Shareholders of the Company		2,890.77	2,285.65
	Non-Controlling Interests		0.41	0.35
	Total Comprehensive Income for the year attributable to:			
	Shareholders of the Company		2,895.57	2,281.07
	Non-Controlling Interests		0.41	0.35
(12)	**Earnings per Equity Share**			
	Basic (₹)		52.56	43.12
	Diluted (₹)		52.56	43.12

See accompanying notes forming part of the Consolidated Financial Statement 1 - 59.

As per our report of even date attached

For and on behalf of the Board of Directors

For SGCO & Co. LLP
Chartered Accountants
FRN 112081W / W100184

For Kandelwal Jain & Co.
Chartered Accountants
FRN 105049W

Siddhartha Mohanty
Chairman
DIN : 08058830

Kashi Prasad Khandelwal
Director
DIN : 00748523

Y. Viswanatha Gowd
Managing Director &
Chief Executive Officer
DIN : 09048488

Suresh Murarka
Partner
M. No. 044739

Bhupendra Karkhanis
Partner
M.No. 108336

Varsha Hardasani
Company Secretary
FCS No: ACS50448

Sudipto Sil
CFO

H. J. Panchariya
General Manager
(Accounts)

Place: Mumbai
Date : May 16, 2023

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

A. EQUITY SHARE CAPITAL

Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the year	Balance as at March 31, 2022
100.99	-	-	9.09	110.08

Balance as at April 1, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the year	Balance as at March 31, 2023
110.08	-	-	-	110.08

B. OTHER EQUITY

(₹ in Crore)

	Reserve and Surplus								Other Comprehensive Income			Total Equity	
	Statutory Reserves	Capital Reserve	Securities Premium	General Reserve	Special Reserve I	Special Reserve II	Impairment Reserve	Retained Earnings	Other items (Acturial Gain/ (Loss)	Cash Flow Hedge Reserve	Equity attributable to shareholders of the Company	Non controlling Interests	
Balance as at April 1, 2021	**0.17**	**28.36**	**1,721.09**	**7,152.72**	**38.98**	**6,684.32**	**204.78**	**4,677.51**	**(7.48)**	**-**	**20,500.44**	**2.71**	**20,503.16**
Add: Total Comprehensive Income for the year	-	-	-	-	-	-	-	2,286.00	(4.92)	-	2,281.08	-	2,281.08
Add: Share of Profit of Associates	-	-	-	-	-	-	-	0.69	-	-	0.69	-	0.69
Less : Share of Non-Controlling Interests	-	-	-	-	-	-	-	(0.35)	-	-	(0.35)	0.35	-
Add: Gain on ECB Cross Currency Swap	-	-	-	-	-	-	-	-	-	79.17	79.17	-	79.17
Less: Loss due to Exchange Rate Fluctuation on ECB	-	-	-	-	-	-	-	-	-	(79.17)	(79.17)	-	(79.17)
Less: Dividend of ₹ 8.50/- per equity share of ₹ 2 /- each	-	-	-	-	-	-	-	(467.55)	-	-	(467.55)	(0.14)	(467.69)
Transfer to Statutory Reserves	0.01	-	-	-	-	-	-	(0.01)	-	-	-	-	-
Transfer to General Reserves	-	-	-	700.00	-	-	-	(700.00)	-	-	-	-	-
Transfer to Special Reserve II	-	-	-	-	-	859.99	-	(859.99)	-	-	-	-	-
Transfer to Impairment Reserve		-	-	-	-	-	92.72	(92.72)	-	-	-	-	-
Add: Share Premium on Equity Issuance	-	-	2,326.43		-	-	-	-	-	-	2,326.43	-	2,326.43
Balance as at March 31, 2022	**0.18**	**28.36**	**4,047.52**	**7,852.72**	**38.98**	**7,544.31**	**297.50**	**4,843.58**	**(12.40)**	**-**	**24,640.74**	**2.92**	**24,643.66**

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

	Reserve and Surplus								Other Comprehensive Income			Total Equity	
	Statutory Reserves	Capital Reserve	Securities Premium	General Reserve	Special Reserve I	Special Reserve II	Impairment Reserve	Retained Earnings	Other items (Acturial Gain/ (Loss)	Cash Flow Hedge Reserve	Equity attributable to shareholders of the Company	Non controlling Interests	
Balance as at April 01, 2022	**0.18**	**28.36**	**4,047.52**	**7,852.72**	**38.98**	**7,544.31**	**297.50**	**4,843.58**	**(12.40)**	**-**	**24,640.74**	**2.92**	**24,643.66**
Add: Total Comprehensive Income for the year								2,891.17	4.98		2,896.15		2,896.15
Add: Share of Profit of Associates								0.24			0.24		0.24
Less : Share of Non-Controlling Interests								(0.41)			(0.41)	0.41	-
Add: Gain on ECB Cross Currency Swap								-		-	-		-
Less: Loss due to Exchange Rate Fluctuation on ECB								-		-	-		-
Less: Dividend								(462.15)			(462.15)	(0.14)	(462.28)
Transfer to Statutory Reserves	0.01							(0.01)			-		-
Transfer to General Reserves				850.00				(850.00)			-		-
Transfer to Special Reserve II						984.99		(984.99)			-		-
Transfer to Impairment Reserve											-		-
Balance as at March 31, 2023	**0.19**	**28.36**	**4,047.52**	**8,702.72**	**38.98**	**8,529.30**	**297.50**	**5,437.44**	**(7.42)**	**-**	**27,074.58**	**3.19**	**27,077.77**

See accompanying notes forming part of the Consolidated financial statement 1 - 59.

As per our report of even date attached

For and on behalf of the Board of Directors

For SGCO & Co. LLP
Chartered Accountants
FRN 112081W / W100184

For Kandelwal Jain & Co.
Chartered Accountants
FRN 105049W

Siddhartha Mohanty
Chairman
DIN : 08058830

Kashi Prasad Khandelwal
Director
DIN : 00748523

Y. Viswanatha Gowd
Managing Director &
Chief Executive Officer
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Partner
M.No. 108336

Varsha Hardasani
Company Secretary
FCS No: ACS50448

Sudipto Sil
CFO

H. J. Panchariya
General Manager
(Accounts)

Place: Mumbai
Date : May 16, 2023

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Particulars		Year Ended March 31, 2023	Year Ended March 31, 2022
A.	**Cash Flow from Operating Activities**		
	Profit Before Tax	3,560.77	2,787.25
	Adjustments for		
	Depreciation, Amortization and Impairment (other than Financial Instruments)	69.04	55.19
	Share Issue Expenses	-	1.28
	Exchange differences on translation of assets and liabilities (Net)	(0.01)	0.31
	Impairment on Financial Instruments (Expected Credit Loss)	1,396.21	1,988.24
	Loss/(Gain) on disposal of Property, Plant and Equipment	(0.16)	(0.01)
	Dividend and Interest Income classified as Investing Cash Flows	(0.43)	(5.47)
	Unwinding of discount	338.20	(41.56)
	Interest Expense	16,134.76	14,151.09
	Interest Income	(22,222.00)	(19,489.48)
	Share of Associates	0.24	0.69
	Share of Minority	(0.41)	(0.35)
	Adjustments for		
	Movements in Provisions and Gratuity	6.69	(6.56)
	Increase in Financial & Non-Financial Assets	(247.12)	(61.93)
	Increase / (Decrease) in Financial & Non-Financial Liabilities	463.64	(725.78)
	Cash from/ (used in) operations before adjustments for interest received and paid	**(500.58)**	**(1,347.09)**
	Interest Paid	(15,972.87)	(14,624.55)
	Interest Received	21,828.87	19,433.78
	Income Tax paid	(1,053.83)	(1,093.30)
	Net Cash inflow from Operations	**4,301.59**	**2,368.84**
	Loans Disbursed (At amortized cost) (Net)	(23,790.29)	(19,116.92)
	Asset held for sale	(143.73)	18.81
	Net Cash Outflow from Operating Activities (A)	**(19,632.43)**	**(16,729.27)**
B.	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant and Equipment & Intangibles	(64.10)	(35.31)
	Proceeds from Sale of Property, Plant and Equipment	23.56	0.02
	Payments for Purchase of Investments	(785.61)	(2,206.10)
	Proceeds from Sale of Investments	26.21	607.22
	Dividends Received	0.43	0.43
	Interest Received	-	5.04
	Increase in Minority	0.27	0.49
	Net Cash used for Investing Activities (B)	**(799.24)**	**(1,628.21)**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
C. Cash Flow from Financing Activities		
Proceeds from Borrowings	182,150.64	152,314.44
Repayment of Borrowings	(154,564.59)	(136,243.92)
Proceeds from issuing shares (net of issue expense)	-	2,334.23
Deposits (Net of repayments)	(6,821.78)	(39.54)
Payment towards Lease Liability	(51.16)	(46.14)
Transfer to Investor Protection Fund	(2.22)	(1.25)
Dividends paid to Company's Shareholders	(462.20)	(467.55)
Dividends paid to Non Controlling Interest	-	-
Net Cash Inflow from Financing Activities (C)	**20,248.69**	**17,850.27**
Effect of exchange differences on translation of foreign currency cash and cash equivalents	0.01	(0.31)
Net Decrease in Cash and Cash Equivalents (A+B+C)	**(182.98)**	**(507.21)**
Cash and Cash Equivalents at the beginning of the year	824.35	1,331.87
Cash and Cash Equivalents at the end of the year	**641.38**	**824.35**
Cash and Cash Equivalents as per above comprise of the following		
(i) Cash on hand	4.44	4.35
(ii) Balances with Banks (of the nature of cash and cash equivalents)	560.72	703.13
(iii) Cheques, drafts on hand	76.22	116.87
Balances as per Statement of Cash Flows	**641.38**	**824.35**

As per our report of even date attached

For and on behalf of the Board of Directors

For SGCO & Co. LLP
Chartered Accountants
FRN 112081W / W100184

For Kandelwal Jain & Co.
Chartered Accountants
FRN 105049W

Siddhartha Mohanty
Chairman
DIN : 08058830

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M.No. 108336

Varsha Hardasani
Company Secretary
FCS No: ACS50448

Sudipto Sil
CFO

H. J. Panchariya
General Manager
(Accounts)

Place: Mumbai
Date : May 16, 2023

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

(A) Significant Accounting Policies:

1.1 Statement of Compliance

Consolidated Financial Statements of the Group have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards ("the Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the guidelines issued by the National Housing Bank ("NHB") and Reserve Bank of India (RBI) to the extent applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The Group presents its Balance Sheet in the order of liquidity.

1.2 Basis of preparation of Consolidated Ind-AS Financial Statements

The Group has prepared these Consolidated Financial Statements, which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2023, and accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements" or "Financial Statements"), on the historical cost basis except for certain financial instruments and certain employee benefit assets, which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized within the fair value hierarchy into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

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

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Crore except when otherwise stated.

1.3 Basis of Consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company, its subsidiaries (together referred to as 'the Group') and associates as at the year ended March 31, 2023. Control is achieved where the Company:

- Has power over the investee;
- Is exposed to, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. The Company reassesses whether or not it controls an investee if fact and circumstances indicates that there are changes to one or more of the three elements of control. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that member's financial statements in preparing the consolidated financial statements to ensure conformity with the Company's accounting policies.

1.4 Revenue Recognition

The Group has recognised revenue pursuant to a contract (other than a contract listed in paragraph 5 of Ind AS 115) only if the counterparty to the contract is a customer. A customer is a party that has contracted with an entity to obtain services that are an output of the entity's ordinary activities in exchange for consideration.

i. Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is accrued on a timely basis, by reference to the principal outstanding and at applicable effective interest rate (EIR). The effective interest method is a method of calculating the amortised cost of a financial assets and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial assets, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

ii. Dividend Income:

Dividend income from investment is recognised when the Company's right to receive the payment has been established provided that it is probable that economic benefits will flow to the Group and the amount of income can be measured reliably.

iii. Fees and Commission Income:

Fees and commission income includes fees other than those that are an integral part of EIR. The Company recognises the fees and commission income in accordance with the terms of the relevant contracts / agreements and when it is probable that the Company will collect the consideration.

Revenue from investment management services is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue from contracts with customers and supersedes current revenue recognition guidance found within Ind AS. Revenue from Investment management services is recognized in accordance with the Investment Management Agreement read with Contribution Agreement entered by the Fund with its investors.

iv. Revenue from Property Development/ Construction Projects:

Revenue is recognized based on nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

a) Income from services is recognized on completion of the works/contract.

b) Revenue from property development / construction projects activity is recognized by applying percentage of completion method of the contract value basis when reasonable expectation of collection of the sale consideration from the customers exists. Percentage of completion is determined as a proportion of the cost of work performed to date to the total estimated contract costs and the project so determined has been accounted for proportionate to the percentage of the actual work done.

c) Interest on delayed payment by customers are accounted when reasonable certainty of collection is established.

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v. **Other Income:**

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

1.5 Leases

As Lessee

The Group, as lessee has recognised lease liabilities and right-of-use assets, has applied the following approach to all of its leases (a) measured the lease liability at the date of transition to Ind AS by measuring lease liability at the present value of the remaining lease payments and discounted using the lessee's incremental borrowing rate at the date of transition to Ind AS 116. Lease arrangements entered during the year are measured at incremental borrowing rate computed at the beginning of the accounting year. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if there is change to its assessment whether it will exercise an extension or a termination option. (b) Right Of Use assets are recognized and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of restoration costs and any initial direct costs incurred by lessee. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right of Use Assets are depreciated from the commencement date on a straight- line basis over the shorter of the lease term or useful life of the underlying asset. They are evaluated for recoverability whenever events or changes indicate that their carrying amounts may not be recoverable.

The Group has not applied Ind AS 116 to Short Term Leases, which are defined as leases with a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term.

As a Lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

1.6 Functional Currency and Foreign Exchange Transactions

The functional currency of the Group is determined on the basis of the primary economic environment in which it operates. The Group has accordingly assessed INR as its functional currency.

The transactions in currencies other than the entity's functional currency are recognised at the rate of exchange prevailing at the date when the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the dates when fair value was determined. Non-monetary items measured at historical cost are not translated.

Exchange difference arising on monetary items is recognised in the Statement of Profit And Loss in the year in which they arise.

1.7 Borrowing Costs

Borrowing costs include interest, commission/brokerage on deposits and exchange differences arising from foreign currency borrowings to the extent they are regarded as adjustment to interest cost. Interest expenses are accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate (EIR) applicable. The effective interest method is a method of calculating the amortised cost of a financial liability and allocating interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

1.8 Employee Benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

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For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the year of a plan amendment or when the Group recognises corresponding restructuring cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits to employees in respect of wages and salaries, annual leave, sick leave and short-term employee benefits in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

1.9 Taxes

Income tax expense represents the sum of current tax and deferred tax.

Current Taxes

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

Deferred Taxes

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which give future economic benefits in the form of adjustment to future income tax liability, is considered as a deferred asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance

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Sheet when it is probable that the future economic benefit associated with it will flow to the Group.

Current and Deferred Tax for the year

Current and Deferred tax are recognised in profit or loss, except when they are relating to items that are recognised in the other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

1.10 Property, Plant and Equipment

Property, Plant and Equipment are recorded at their cost of acquisition, net of refundable taxes or levies, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. Property, plant and equipment except freehold land held for use for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight - line method as per the useful life prescribed in the Schedule II to the Companies Act, 2013, except in respect of Vehicles (Motor cars) where useful life is estimated as 5 years based on estimated usage of the assets.

Type of Asset	Useful Lives (in years)
Building	60
Furniture & Fixture	10
Vehicles	5
Office Equipment	5
Computers	3
Servers And Networks Equipment	6

Depreciation on additions to Fixed Assets is provided on pro-rata basis from the date of acquisition or installation. Depreciation on assets whose cost individually does not exceed ₹5,000/- is fully provided in the year of purchase. Depreciation on Assets sold, discarded, demolished or scrapped, is provided upto the date on which the said Asset is sold, discarded, demolished or scrapped.

The Group has applied depreciation requirements as per Ind AS 116 in depreciating the right of use assets. The Right of Use Asset is depreciated for the life of the lease term.

The Group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

1.11 Intangible Assets and amortisation thereof

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis based on their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Computer software is amortised over the period of three to five years on a straight-line basis.

An item of Intangible Asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Capital Work in Progress

Capital Work in Progress includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses, less accumulated impairment losses, if any.

1.12 Impairment of Property, Plant & Equipment and Intangible Assets

At the end of each reporting year, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if

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any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The Group has applied Ind AS 36, Impairment of Assets, to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

1.13 Provisions and Contingent Liabilities

Provisions involving substantial degree of estimation in measurement are recognised when the Group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The expense relating to a provision is presented in the Statement of Profit And Loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent Liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events that may, but probably will not, require an outflow of resources.

Both provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes. A contingent asset is disclosed in the Financial Statements, where an inflow of economic benefits is probable.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

1.14 Investment in Subsidiaries and Associates

Investment in subsidiaries and associates are recognized and carried at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

1.15 Financial Instruments

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial

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liabilities (other than financial assets and financial liabilities at Fair Value through Profit or Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at Fair Value Through Profit or Loss are recognised immediately in Statement of Profit and Loss.

A. Financial Assets

a) Recognition and initial measurement

The Group initially recognises loans and advances, deposits and debt securities purchased on the date on which they originate. Purchases and sale of financial assets are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value except investment in subsidiaries and associates. In the case of financial assets not recorded at FVTPL, transaction costs that are directly attributable to its acquisition of financial assets are included therein.

b) Classification of Financial Assets and Subsequent Measurement

On initial recognition, a financial asset is classified to be measured at –

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) – debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) – equity investment; or
- Fair Value through Profit or Loss (FVTPL)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, on sale/disposal the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces accounting mismatch that would otherwise arise.

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Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on re-measurement recognised in Statement of Profit And Loss. The net gain or loss recognised in Statement of Profit And Loss incorporates any dividend or interest earned on the financial asset and is included in 'other income'. Dividend on financial assets at FVTPL is recognised when:

- The Group 's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the Group,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

c) Business Model Test

The Group determines its business model at the level that best reflects how it manages a group of financial assets to achieve its business objective.

The Group's business model is not assessed on instrument to instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed.

At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model.

d) Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding

The Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount)

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgment and considers relevant factors.

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

e) Derecognition of Financial Assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise

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been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Modification of contractual cash flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified, and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset and shall recognise a modification gain or loss in profit or loss. The gross carrying amount of the financial asset shall be recalculated at the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets) or, when applicable, the revised effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

f) Impairment of Financial Assets

The Group applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. The Group applies a three-stage approach for measuring ECL for the following categories of financial assets that are not measured at Fair Value Through Profit or Loss:

- Debt instruments measured at amortised cost and Fair Value through Other Comprehensive Income; and
- Financial guarantee contracts.

No ECL is recognised on equity investments, classified as FVTPL.

Expected credit losses is the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

Financial assets migrate through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

The Group assesses ECL on exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. For these exposures, the Group recognises as a collective provision the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months. The Group does not conduct an individual assessment of exposures in Stage 1 as there is no evidence of one or more events occurring that would have a detrimental impact on estimated future cash flows.

Stage 2: Lifetime ECL – not credit impaired

The Group collectively assesses ECL on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Group recognises as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset). Similar to Stage 1, the Group does not conduct an individual assessment on Stage 2 exposures as the increase in credit risk is not, of itself, an event that could have a detrimental impact on future cash flows.

Stage 3: Lifetime ECL – credit impaired

The Group identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events, that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised as a collective or specific provision, and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Determining the stage for impairment

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for impairment losses reverts from lifetime ECL to 12-months ECL. Exposures that have not deteriorated significantly since origination are considered to have a low credit risk. The provision for impairment losses for these financial assets is based on a 12-months ECL. When an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the income statement.

The Group assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, class of borrowers, credit risk ratings, date of initial recognition, remaining term to maturity, industry and other relevant factors.

Measurement of ECL

ECL are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses is a portion of the life-time expected credit losses and represents the lifetime cash shortfalls that will result if default occurs within 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.

For further details on how the Group calculates ECL including the use of forward looking information, refer to the Credit quality of financial assets in Note 42.4 Financial risk management.

ECL is recognised using a provision for impairment losses in Statement of Profit and Loss. In the case of debt instruments measured at Fair Value through Other Comprehensive Income, the measurement of ECL is based on the three-stage approach as applied to financial assets at amortised cost. The Group recognises the provision charge in profit and loss, with the corresponding amount recognised in other comprehensive income, with no reduction in the carrying amount of the asset in the Balance Sheet.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

g) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL and Interest income is recognised in Statement of Profit and Loss.

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h) Reclassification of Financial Assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

B. Financial Liabilities and Equity Instruments

a) Classification as Debt or Equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of a Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of directly attributable transaction costs.

c) Financial Liabilities

Financial liabilities are classified as measured at amortised cost or 'FVTPL'.

A Financial Liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

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A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

d) Other Financial Liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

e) Derecognition of Financial Liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.16 Assets held for sale

The Company physically repossess properties or other assets in retail portfolio to settle outstanding recoverable and the surplus (if any) post auction is refunded to the loanees. These assets are acquired by the company under SARFEASI Act, 2002 has been classified as assets held for sale, as their carrying amounts will be recovered through a sale of asset. In accordance with Ind AS 105, the company is committed to sell these assets under possession, are measured on balance sheet at the lower of carrying value or fair value and no depreciation is charged on them.

1.17 Hedge Accounting

The Company uses derivative instruments to manage exposures to interest rate and foreign currency Risk.

The hedging transactions entered into by the Company is within the overall scope of the Derivative Policy and within the Risk Management framework of the Company as approved by the Board from time to time and for the risks identified to be hedged in accordance with the same policies. All derivative contracts are recognised on the Balance Sheet and measured at fair value. Hedge accounting is applied to all the derivative instruments as per Ind AS 109. Hedge effectiveness is ascertained periodically on a forward looking basis and is reviewed at each reporting period. Hedge effectiveness is measured by the degree to which changes in the fair value or cash flows of the hedged item that are attributed to the hedged risk are offset by changes in the fair value or cashflows of the hedging instrument.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

Fair Value Hedges

Fair value hedge is a hedge of the exposure to changes in fair value of a recognized asset or liability or unrecognized commitment, or a component of any such item, that is attributable to a particular risk and could affect profit or loss. The cumulative change in the fair value of a hedging derivative is recognised in the Statement of Profit and Loss in net gain on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item is recorded as part of the carrying value of the hedged item in the Balance Sheet and is also recognized as net gain on fair value changes in the Statement of Profit and Loss. The Company classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationship is fixed rate debt issued and other borrowed funds. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no

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longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Company discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the Statement of Profit and Loss.

Cash Flow Hedges

Cash flow hedge is a hedge of the exposure to variability in the cash flows of a specific asset or liability, or of a forecasted transaction, that is attributable to a particular risk. It is possible to only hedge the risks associated with a portion of an asset, liability, or forecasted transaction, as long as the effectiveness of the related hedge can be measured. The accounting for a cash flow hedge will be to recognize the effective portion of any gain or loss in Other Comprehensive Income (OCI), and recognize the ineffective portion of any gain or loss in Finance cost in the Statement of Profit and Loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

Interest rate benchmark reforms:

Hedging relationships that are directly affected by interest rate benchmark reform gives rise to uncertainties about:

a) The interest rate benchmark (contractually or non-contractually specified) designated as a hedged risk; and/or

b) The timing or the amount of interest rate benchmark-based cash flows of the hedged item or of the hedging instrument.

This may adversely affect the existing hedging relationships so long as the uncertainties exist. In order to provide relief to such hedging relationships the accounting standard Ind AS 109 provides for some relief measures which should be mandatorily applied for such cases.

Accordingly, the Company applies the relief by assuming the following:

1. That the interest rate benchmark on which the hedged cash flows are based is not altered as a result of the reform.
2. When performing prospective assessments, the Company assumes that the interest rate benchmark on which the hedged item, hedged risk and/or hedging instrument are based is not altered as a result of the interest rate benchmark reform.
3. For hedges of a non-contractually specified benchmark component of interest rate risk, the Company applies the separately identifiable requirement only at the inception of such hedging relationships.

As per the requirements of IND AS, the Company shall cease applying the aforesaid exceptions when:

a) The uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows; or

b) The hedging relationship is discontinued, whichever is earlier.

1.18 Cash and Cash Equivalent

Cash and cash equivalent in Balance Sheet comprise of cash at bank, cash and cheques on hand and short-term deposits with an original maturity of three months or less which are subject to insignificant risk of changes in value.

1.19 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events including a bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares divided by weighted average no of equity shares year which are adjusted for the effects of all dilutive potential equity shares.

1.20 Statement of Cash Flow

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the

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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 are segregated based on the activities of the Group.

1.21 Commitments

Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows:

1.21.1 The estimated amount of contracts remaining to be executed on capital account and not provided for; and

1.21.2 Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

1.22 Segment Reporting

The Group is in the business of providing loans for purchase, construction, repairs renovation etc. having similar economic characteristics, primarily with operations in India and regularly reviewed for assessment of Group's performance and resource allocation.

2. KEY ESTIMATES AND JUDGEMENTS:

The preparation of the financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Revisions to accounting estimates are recognised prospectively. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.1 Determination of Expected Credit Loss ("ECL")

The measurement of impairment losses (ECL) across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows based on Group's historical experience and collateral values when determining impairment losses along with the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

Elements of the ECL models that are considered accounting judgements and estimates include:

- Bifurcation of the financial assets into different portfolios when ECL is assessed on collective basis.
- Group's criteria for assessing if there has been a significant increase in credit risk.
- Development of ECL models, including choice of inputs / assumptions used.

The various inputs used and process followed by the Group in measurement of ECL has been detailed in Note 42.4.2.3.

2.2 Fair Value Measurements

In case of financial assets and financial liabilities recorded or disclosed in financial statements the Group uses the quoted prices in active markets for identical assets or based on inputs which are observable either directly or indirectly for determining the fair value. However in certain cases, the Group adopts valuation techniques and inputs which are not based on market data. When Market observable information is not available, the Group has applied appropriate valuation techniques and inputs to the valuation model.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Information about the valuation techniques and inputs used in determining the fair value of Investments are disclosed in Note 42.3.

2.3 Income Taxes

The Group's tax jurisdiction is in India. Significant judgements are involved in determining the provision for direct and indirect taxes, including amount expected to be paid/ recovered for certain tax positions.

2.4 Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding ("SPPI") and the business model test. The Group determines the business model at a level that reflects how the Group's financial instruments are managed together to achieve a particular business objective.

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The Group monitors financial assets measured at amortised cost or Fair Value through Other Comprehensive Income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

2.5 Provisions and Liabilities

Provisions and liabilities are recognised in the period when they become probable that there will be an outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires judgment to existing facts and circumstances which may be subject to change.

3. RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2023.

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NOTE 5 CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Cash on hand	4.44	4.35
(ii) Balances with Banks *	560.72	703.13
(iii) Cheques, drafts on hand	76.22	116.87
Total	**641.38**	**824.35**

*Balances with Banks includes EMD amount of ₹ 2.42 Crore (F.Y. 2021-22 ₹ 1.04 Crore)

NOTE 6 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Earmarked balances with banks*	9.52	8.60
(ii) Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments**	170.66	151.71
Total	**180.18**	**160.31**

*Balance with Banks includes unclaimed dividend of ₹ 9.52 Crore (F.Y. 2021-22 ₹ 8.60 Crore)

**Fixed Deposits with Banks includes earmarked deposits created in favour of trustees for depositors towards maintaining Statutory Liquid Ratio amounting to ₹ 100 Crore (F.Y. 2021-22 ₹ 82.70 Crore); ₹ 9.79 Crore (F.Y. 2021-22 ₹ 9.85 Crore) created for excess sale proceeds recovered under SARFAESI Act 2002. Fixed deposit placed with banks earns interest at fixed rate.

NOTE 7 DERIVATIVE FINANCIAL INSTRUMENTS

(₹ in Crore)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Notional Amount	Fair Value - Assets	Fair Value - Liabilities	Notional Amount	Fair Value - Assets	Fair Value - Liabilities
Part I						
I. Currency Derivatives						
i) Forwards	-	-	-	-	-	-
ii) Currency Swaps (interest/ Principal/ both)	-	-	-	1,425.73	79.17	
II. Interest Rate Derivatives						
i) Interest Rate Swaps	-	-	-		-	
TOTAL (I)	**-**	**-**	**-**	**1,425.73**	**79.17**	**-**
Part II						
i) Fair Value Hedge						
- Currency Derivatives	-	-	-			
- Interest Rate derivatives	-	-	-	-	-	-
ii) Cash Flow Hedge						
- Currency Derivatives	-	-	-	1,425.73	79.17	-
- Interest Rate derivatives	-	-	-	-	-	-
TOTAL (II)	**-**	**-**	**-**	**1,425.73**	**79.17**	**-**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

NOTE 8 LOANS - RECEIVABLES:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(I) Trade Receivables		
(a) Trade Receivables considered good – Secured	0.00	1.35
(b) Trade Receivables considered good – Unsecured;	0.72	7.03
(c) Trade Receivables which have significant increase in Credit Risk	-	1.30
(d) Trade Receivables – credit impaired	-	-
Total	**0.72**	**9.68**
(ii) Allowance for Impairment Loss		(1.30)
(iii) Debts due by directors or other officers of the NBFC or any of them either severally or jointly with any other person or debts due by firms including limited liability partnerships (LLPs), private companies respectively in which any director is a partner or a director or a member	-	-
Total	**0.72**	**8.38**

(₹ in Crore)

(iv) Trade Receivable Ageing Schedule	Outstanding as on 31.03.2023 from due date of payment#					
Particulars	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	0.71	0.01	-	0.00	-	0.72
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

#There is no unbilled due pending for FY 2022-23

(₹ in Crore)

(iv) Trade Receivable Ageing Schedule	Outstanding as on 31.03.2022 from due date of payment#					
Particulars	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	7.03	0.25	-	1.09	-	8.38
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	1.30	-	1.30
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

#There is no unbilled due pending for FY 2021-22

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

NOTE 9 LOANS - AT AMORTISED COST

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(A)		
(i) Term Loans *		
- Individual	252,505.39	204,171.80
- Others	10,748.14	33,911.69
- Corporate Bodies/ Builders	11,738.01	12,977.84
(ii) Others		
- Loans to staff	9.44	8.79
- Loans against Public Deposit	5.81	3.40
- Finance Lease Receivables	(0.64)	0.09
Total - Gross (A)	**275,006.14**	**251,073.61**
Less: Impairment Loss Allowance (Expected Credit Loss)	7,230.29	5,839.12
Total - Net (A)	**267,775.85**	**245,234.49**
(B)		
(i) Secured by tangible assets	271,971.32	248,495.84
(ii) Secured by intangible assets	1,863.13	1,215.68
(iii) Secured by Government Guarantee	778.36	926.10
(iv) Unsecured	393.33	435.99
Total - Gross (B)	**275,006.14**	**251,073.61**
Less: Impairment Loss Allowance (Expected Credit Loss)	7,230.29	5,839.12
Total - Net (B)	**267,775.85**	**245,234.49**
(C)		
(i) Loans in India		
Individual	252,519.99	204,184.09
Commercial Real Estate Sector	9,681.64	12,476.70
Commercial Real Estate Sector- Others	1,066.50	21,435.00
Builder Loans	1,059.46	1,435.87
Corporate Loans	8,815.42	10,326.27
Other Housing Finance Companies	1,863.13	1,215.68
Total - Gross (C) (i)	**275,006.14**	**251,073.61**
Less: Impairment Loss Allowance (Expected Credit Loss)	7,230.29	5,839.12
Total - Net (C) (i)	**267,775.85**	**245,234.49**
(ii) Loans outside India	-	-
Less: Impairment Loss Allowance (Expected Credit Loss)	-	-
Total - Net (C) (ii)	-	-
Total (C) (i+ii)	**267,775.85**	**245,234.49**

*Loans including interest and installment due from director amounts to ₹ 1.36 Crore (F.Y. 2021-22 ₹ 0.07 Crore) and other related parties ₹ Nil (FY 2021-22 NIL)

* Retail / Project Loans are secured by any or all of the following as applicable, based on their categorisation :

a) Equitable / Registered Mortgage of Property.

b) Assignment of Life Insurance Policies and FD of Nationalized Bank.

c) Assignment of Lease Rent Receivables.

d) Company Guarantees or Personal Guarantees.

e) Negative lien.

f) Undertaking to create a security.

g) Loans to employees other than for Housing are secured by lien over Provident Fund balances and / or Hypothecation of Vehicles.

For detail disclosures relating to Credit Risk, Impairment Losses, Movement of Impairment Losses refer Note No 39.4.2 of Consolidated Financial Statements.

There are no loans or advances granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 10 INVESTMENTS

(₹ in Crore)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Amortised cost	Deemed Cost	At Fair Value Through profit or loss	Total	Amortised cost	Deemed Cost	At Fair Value Through profit or loss	Total
Mutual Funds	-	-	2,291.08	2,291.08	-	-	1,562.78	1,562.78
Government Securities *	4,623.38	-	-	4,623.38	4,626.66	-	-	4,626.66
Equity Instruments"	-	-	0.01	0.01	-	-	0.01	0.01
Subsidiaries *		-	-	-	-	-	-	-
Associates *	-	55.96	-	55.96	-	55.72	-	55.72
Real Estate Venture Fund	-	-	8.11	8.11	-	-	6.05	6.05
Alternative Investment Fund	-	-	71.18	71.18	-	-	28.17	28.17
Total - Gross (A)	**4,623.38**	**55.96**	**2,370.37**	**7,049.71**	**4,626.66**	**55.72**	**1,597.01**	**6,279.39**
(i) Investments outside India	-	-	-	-	-	-	-	-
(ii) Investments in India	4,623.38	55.96	2,370.37	7,049.71	4,626.66	55.72	1,597.01	6,279.39
Total (B)	**4,623.38**	**55.96**	**2,370.37**	**7,049.71**	**4,626.66**	**55.72**	**1,597.01**	**6,279.39**

* The Company has not recognised any provision under Expected Credit Loss on Investments made in Government Securities, Subsidiaries & Associates.

* Impairment on Financial Instruments includes ₹ 50 crores being the amount representing full impairment of the Company's investment in one of its wholly owned subsidiary, LICHFL Care Homes Limited, as per IND AS 36-Impairment of Asset on prudent basis, since the carrying amount of the investment exceeded its recoverable amount. The recoverable amount was determined based on the future cash flows of the subsidiary. The impairment loss has been allocated to reduce the carrying amount of the Property, Plant and Equipment and Finance Lease Receivable classified under Loans in Consolidated Financial Statement of the Company. The financial statements of the subsidiary is prepared on going concern basis.

The Company has not traded or invested in Crypto currency or virtual currency during the Financial Year 2022-23

Investment in Associates	(₹ in Crore)
Opening Carrying amount of Investment (LIC MF Asset Management) as on 01.04.2022	**55.60**
Add: Carrying amount of additional share of Investments	-
Add: Share of profit during the year	0.23
Add: Goodwill on acquisition of shares of Associates	-
Closing Carrying amount of Investment (LIC MF Asset Management) as on 31.03.2023	**55.83**
Opening Carrying amount of Investment (LIC MF Trustee) as on 01.04.2022	0.12
Add: Carrying amount of additional share of Investments	-
Add: Share of profit during the year	0.00
Less: Capital Reserve on acquisition of shares of Associates	-
Closing Carrying amount of Investment (LIC MF Trustee) as on 31.03.2023	**0.13**

(₹ in Crore)

Investments carried at Fair value through Profit & Loss Account	No. of Shares / Units		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Other investments-Unquoted, Fully paid up				
(i) Real Estate Venture Fund:**				
CIG Realty Fund - 1 (Face Value ₹ 10/- each)	9,171,429	9,171,429	9.17	9.17
Less: Impairment Loss			9.17	9.17
			-	**-**
Other investments-Unquoted, Partly paid up				
(i) Real Estate Venture Fund:**				
LICHFL Urban Development Fund (Face Value ₹ 10,000/- each)	50,000	50,000	14.90	14.93
Less: Impairment Loss			6.79	8.88
			8.11	**6.05**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Investments carried at Fair value through Profit & Loss Account	No. of Shares / Units		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Other investments-Unquoted, Fully paid up				
(i) Alternative Investment Fund:**				
LICHFL Housing and Infrastructure Fund (Face Value ₹ 100/- each)	5,155,106	3,372,882	71.18	33.73
Less: Impairment Loss			-	5.56
			71.18	**28.17**

**These are close ended schemes subject to lock in till the closure of the Scheme

NOTE 11 OTHER FINANCIAL ASSETS

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Fixed Deposit For SLR Of Public Deposit maturing beyond 12 months *	-	-
(ii) Interest Accured But not due on Fixed Deposits with Banks	0.00	0.00
(iii) Security Deposits	14.55	12.86
(iv) Other Deposits	7.66	1.27
(v) Dues from Subsidiaries/Associates	1.00	0.01
(vi) Other dues from Staff	2.87	2.45
(vii) Fees Receivable	0.77	1.26
(viii) Unbilled Revenue	3.23	4.12
Total	**30.09**	**21.97**

Other Financial Assets includes earmarked deposits created in favour of trustees for depositors towards maintaining Statutory Liquid Ratio amounting to ₹ NIL (F.Y. 2020-21 ₹82.70 Crore). Fixed deposit placed with banks earns interest at fixed rate.

NOTE 12 CURRENT TAX ASSETS (NET)

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision under Income Tax	-	138.18
Total	**-**	**138.18**

NOTE 13 DEFERRED TAX ASSETS (NET)

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Deferred Tax Assets	1,895.87	1,371.36
Total	**1,895.87**	**1,371.36**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

NOTE 14.1 PROPERTY, PLANT & EQUIPMENT

The changes in carrying value of the Property, Plant & Equipment for the year ended March 31, 2023 are as follows:-

(₹ in Crore)

Particulars	Freehold Land	Building	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross carrying value as of April 1, 2022	**16.86**	**117.66**	**15.69**	**11.66**	**0.64**	**8.14**	**34.28**	**204.93**
Additions	1.83	0.80	6.88	3.13	0.45	1.63	26.19	40.90
(Deductions)	-	-	(0.16)	(0.14)	(0.27)	(0.27)	(5.71)	(6.55)
Changes due to Revaluation	-	-	-	-	-	-	-	-
Gross carrying value as of March 31, 2023	**18.69**	**118.46**	**22.41**	**14.65**	**0.82**	**9.50**	**54.76**	**239.29**
Accumulated Depreciation as of April 1, 2022	-	8.49	9.42	5.94	0.40	5.29	21.00	50.54
Depreciation	-	1.99	2.06	1.65	0.11	1.34	7.15	14.30
(Accumulated Depreciation on Deductions)	-	-	(0.16)	(0.12)	0.21	(0.26)	(5.70)	(6.47)
Accumulated Depreciation as of March 31, 2023	**-**	**10.48**	**11.32**	**7.47**	**0.30**	**6.37**	**22.45**	**58.38**
Carrying Value as of March 31, 2023	**18.69**	**107.98**	**11.09**	**7.18**	**0.52**	**3.13**	**32.31**	**180.91**

The Debentures are secured by mortgage on an immovable Property Owned by the Company valuing approx ₹ 4.43 Crore (Book Value ₹ 0.37 Crore).

The changes in carrying value of the Property, Plant & Equipment for the year ended March 31, 2022 are as follows:-

(₹ in Crore)

Particulars	Freehold Land	Building	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross carrying value as of April 1, 2021	**28.82**	**117.66**	**13.19**	**10.03**	**0.64**	**7.05**	**24.45**	**201.86**
Additions	-	0.00	2.50	1.67	0.00	1.21	10.15	15.54
(Deductions)	(11.96)	-	(0.00)	(0.04)	-	(0.12)	(0.33)	(12.46)
Changes due to Revaluation	-	-	-	-	-	-	-	-
Gross carrying value as of March 31, 2022	**16.86**	**117.66**	**15.69**	**11.66**	**0.64**	**8.14**	**34.28**	**204.93**
Accumulated Depreciation as of April 1, 2021	-	6.52	7.34	4.57	0.31	4.14	17.92	40.81
Depreciation	-	1.96	2.08	1.40	0.09	1.27	3.41	10.21
(Accumulated Depreciation on Deductions)	-	-	(0.00)	(0.04)	-	(0.12)	(0.32)	(0.48)
Accumulated Depreciation as of March 31, 2022	**-**	**8.49**	**9.42**	**5.94**	**0.40**	**5.29**	**21.00**	**50.54**
Carrying Value as of March 31, 2022	**16.86**	**109.18**	**6.28**	**5.73**	**0.24**	**2.84**	**13.27**	**154.39**

The Debentures are secured by mortgage on an immovable Property Owned by the Company valuing approx ₹ 4.33 Crore (Book Value ₹ 0.38 Crore).

NOTE 14.2 CAPITAL WORK IN PROGRESS

The changes in carrying value of Capital Work in Progress for the year ended March 31, 2023 are as follows :-

(₹ in Crore)

Particulars	Capital Work in Progress	Intangible WIP(software under development)	Total
Gross Carrying Value as of April 1, 2022	2.85	1.45	4.30
Additions	2.33	3.20	5.53
(Deductions)	(4.34)	(4.65)	8.99
Gross Carrying Value as of March 31, 2023	**0.84**	**0.00**	**0.84**
Accumulated Depreciation as of April 1, 2022	-	-	-
Depreciation for the year	-	-	-
(Accumulated Depreciation on Deductions)	-	-	-
Accumulated Depreciation as of March 31, 2023	-	-	-
Carrying Value as of March 31, 2023	**0.84**	**0.00**	**0.84**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

The changes in carrying value of Capital Work in Progress for the year ended March 31, 2022 are as follows :-

(₹ in Crore)

Particulars	Capital Work in Progress	Intangible WIP(software under development)	Total
Gross Carrying Value as of April 1, 2021	2.71	3.63	6.34
Additions	0.46	8.74	9.20
(Deductions)	(0.32)	(10.92)	(11.24)
Gross Carrying Value as of March 31, 2022	**2.85**	**1.45**	**4.30**
Accumulated Depreciation as of April 1, 2021	-	-	-
Depreciation for the year	-	-	-
(Accumulated Depreciation on Deductions)	-	-	-
Accumulated Depreciation as of March 31, 2022	-	-	-
Carrying Value as of March 31, 2022	**2.85**	**1.45**	**4.30**

NOTE 14.3 INTANGIBLE ASSETS UNDER DEVELOPMENT

The changes in carrying value of Intangible Assets under Development for the year ended March 31, 2023 are as follows :-

(₹ in Crore)

Particulars	Software under development
Gross Carrying Value as of April 1, 2022	1.45
Additions	3.20
(Deductions)	(4.65)
Gross Carrying Value as of March 31, 2023	**0.00**
Accumulated Depreciation as of April 1, 2022	-
Depreciation for the year	-
(Accumulated Depreciation on Deductions)	-
Accumulated Depreciation as of March 31, 2023	-
Carrying Value as of March 31, 2023	**(0.00)**

The changes in carrying value of Intangible Assets under Development for the year ended March 31, 2022 are as follows :-

(₹ in Crore)

Particulars	Software under development
Gross Carrying Value as of April 1, 2021	3.63
Additions	8.74
(Deductions)	(10.92)
Gross Carrying Value as of March 31, 2022	**1.45**
Accumulated Depreciation as of April 1, 2021	-
Depreciation for the year	-
(Accumulated Depreciation on Deductions)	-
Accumulated Depreciation as of March 31, 2022	-
Carrying Value as of March 31, 2022	**1.45**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

NOTE 14 .4

The changes in carrying value of the Right of Use Assets for the year ended March 31, 2023 :-

(₹ in Crore)

Particulars	Right of Use Asset	Total
Gross Carrying Value as of April 1, 2022	**249.08**	**249.08**
Additions	127.01	127.01
(Disposals)	(10.90)	(10.91)
ROU derecognised on subleased asset	-	0.00
Gross Carrying Value as of March 31,2023	**365.19**	**365.19**
Accumulated Depreciation as of April 1,2022	**92.08**	**92.08**
Depreciation for the year	49.44	49.44
(Accumulated Depreciation on Disposals)	(4.56)	(4.56)
Reversal of depreciation - sublease	(0.65)	(0.65)
Accumulated Depreciation as of March 31,2023	**136.31**	**136.31**
Terminated Leases	57.76	57.76
Carrying Value as of March 31, 2023	**171.12**	**171.12**

The changes in carrying value of the Right of Use Assets for the year ended March 31, 2022 :-

(₹ in Crore)

Particulars	Right of Use Asset	Total
Opening Value of Right of Use Asset as of April 1, 2021	**197.18**	**197.18**
Additions	74.63	74.63
(Disposals)	(18.84)	(18.84)
ROU derecognised on subleased asset	(3.89)	(3.89)
Gross Carrying Value as of March 31,2022	**249.08**	**249.08**
Accumulated Depreciation as of April 1,2021	**68.32**	**68.32**
Depreciation for the year	42.60	42.60
(Accumulated Depreciation on Disposals)	(18.84)	(18.84)
Accumulated Depreciation as of March 31,2022	**92.08**	**92.08**
Terminated Leases	**18.54**	**18.54**
Carrying Value as of March 31, 2022	**138.46**	**138.46**

NOTE 14.5 OTHER INTANGIBLE ASSETS

The changes in carrying value of the Intangible Assets for the year ended March 31, 2023 are as follows :-

(₹ in Crore)

Particulars	Software License	Total
Gross Carrying Value as of April 1, 2022	**29.41**	**29.41**
Additions	20.13	20.13
Deletions	-	-
Gross Carrying Value as of March 31,2023	**49.54**	**49.54**
Accumulated Depreciation as of April 1, 2022	7.65	7.65
Depreciation for the year	5.65	5.65
Accumulated Depreciation on Deletions	-	-
Accumulated Depreciation as of March 31,2023	13.30	13.30
Carrying Value as of March 31, 2023	**36.24**	**36.24**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

The changes in carrying value of the Intangible Assets for the year ended March 31, 2022 are as follows :-

(₹ in Crore)

Particulars	Software License	Total
Gross Carrying Value as of April 1, 2021	7.61	7.61
Additions	21.82	21.82
(Deductions)	(0.02)	(0.02)
Gross Carrying Value as of March 31, 2022	**29.41**	**29.41**
Accumulated Depreciation as of April 1, 2021	5.30	5.30
Depreciation for the year	2.37	2.37
(Accumulated Depreciation on Deductions)	(0.02)	(0.02)
Accumulated Depreciation as of March 31, 2022	**7.65**	**7.65**
Carrying Value as of March 31, 2022	**21.76**	**21.76**

NOTE 15 OTHER NON - FINANCIAL ASSETS

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Capital Advances	20.75	5.93
(ii) Statutory Dues	97.75	99.15
(iii) Prepaid Expenses	39.60	34.11
(iv) Sundry Advances	2.06	3.42
(v) Others	196.80	0.06
Total	**356.96**	**142.67**

NOTE 16 PAYABLES

(₹ in Crore)

Trade Payables	As at March 31, 2023	As at March 31, 2022
(i) Total outstanding dues of micro enterprises and small enterprises	0.14	2.80
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises *	33.58	51.17
Total	**33.72**	**53.97**

NOTE 17 DEBT SECURITIES - AT AMORTISED COST

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(1) SECURED:		
Non Convertible Debentures (Refer Note 17.1)	122,040.48	117,042.35
Zero Coupon Debentures (Refer Note 17.2)	1,405.92	1,935.42
(2) UNSECURED:		
Commercial Paper (Refer Note 17.3)	13,513.60	8,364.22
Total (A) (1+2)	**136,960.00**	**127,341.99**
Debt securities in India	136,960.00	127,341.99
Debt securities outside India	-	-
Total (B)	**136,960.00**	**127,341.99**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

NOTE 17.1

Secured by a negative lien on the assets of the Company (excluding the company's current and future receivables and book-debt of whatsoever nature of the Company on which a first pari-pasu floating charge by way of hypothecation to secure the borrowings of the company outstanding as on 31st March 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on 31st March 2015), with a minimum asset cover of 100%. Further the Company shall be entitled to dispose of, transact or otherwise deal, in the ordinary course of business upto 5% of the Specific Assets, including by way of a securitization transaction and as may be required under any law, regulations, guidelines or rules. Subject to maintenance of Asset Cover, as may be applicable and in the normal course of business, the Company may without the consent/approval of the Trustee/Debenture Holder(s)/Beneficial Owner(s)/creditors be entitled to make further issue(s) of Debentures, raise further loans and advances and/or avail further deferred payment guarantees or other financial facilities from time to time from any persons/bank/financial institution/body corporate/ any other agency.

Secured by way of Negative Lien on the Assets, to the extent of Asset Cover, without any encumbrance in favour of the Debenture Trustee except to the extent of the charge created in favour of its depositors of the Company pursuant to the regulatory requirement under Section 29B of the NHB Act.

However, the Company shall, from time to time, be entitled to create any charge, mortgage, pledge, security interest, encumber or create lien on its Assets, subject to maintenance of Asset Cover, except to the extent of charge created in favour of its depositors pursuant to the regulatory requirement under Section 29B of the NHB Act or as may be required under any law, regulation, guidelines or rules. Secured by way of Negative Lien on the Assets, to the extent of Asset Cover, without any encumbrance in favour of the Debenture Trustee except to the extent of the charge created in favour of its depositors of the Company pursuant to the regulatory requirement under Section 29B of the NHB Act.

However, the Company shall, from time to time, be entitled to create any charge, mortgage, pledge, security interest, encumber or create lien on its Assets, subject to maintenance of Asset Cover, except to the extent of charge created in favour of its depositors pursuant to the regulatory requirement under Section 29B of the NHB Act or as may be required under any law, regulation, guidelines or rules.

NOTE 17.2

Secured by a negative lien on the assets of the Company (excluding the company's current and future receivables and book-debt of whatsoever nature of the Company on which a first pari-pasu floating charge by way of hypothecation to secure the borrowings of the company outstanding as on 31st March 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on 31st March 2015), with a minimum asset cover of 100%. Further the Company shall be entitled to dispose of, transact or otherwise deal, in the ordinary course of business upto 5% of the Specific Assets, including by way of a securitization transaction and as may be required under any law, regulations, guidelines or rules. Subject to maintenance of Asset Cover, as may be applicable and in the normal course of business, the Company may without the consent/approval of the Trustee/Debenture Holder(s)/Beneficial Owner(s)/creditors be entitled to make further issue(s) of Debentures, raise further loans and advances and/or avail further deferred payment guarantees or other financial facilities from time to time from any persons/bank/financial institution/body corporate/ any other agency.

Secured by way of Negative Lien on the Assets, to the extent of Asset Cover, without any encumbrance in favour of the Debenture Trustee except to the extent of the charge created in favour of its depositors of the Company pursuant to the regulatory requirement under Section 29B of the NHB Act.

However, the Company shall, from time to time, be entitled to create any charge, mortgage, pledge, security interest, encumber or create lien on its Assets, subject to maintenance of Asset Cover, except to the extent of charge created in favour of its depositors pursuant to the regulatory requirement under Section 29B of the NHB Act or as may be required under any law, regulation, guidelines or rules.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

The details of Zero Coupon Debentures are as under:

(₹ in Crore)

Description	Date of Redemption	Earliest Put/ Call Option date	As at March 31, 2023
6750 ZCD's of ₹ 1000000/- each	25-Apr-25*	-	674.67
7250 ZCD's of ₹ 1000000/- each	25-Apr-25*	-	731.25
TOTAL			**1,405.92**

* Maturity Value of ₹ 13,05,675/- per Debenture including premium.

The details of Zero Coupon Debentures are as under:

(₹ in Crore)

Description	Date of Redemption	Earliest Put/ Call Option date	As at March 31, 2023
6750 ZCD's of ₹ 1000000/- each	25-Apr-25*	-	674.67
7250 ZCD's of ₹ 1000000/- each	25-Apr-25*	-	731.25
5295 ZCD's of ₹ 1000000/- each	4-May-22**	-	529.50
TOTAL			**1,935.42**

* Maturity Value of ₹ 13,05,675/- per Debenture including premium.

** Maturity Value of ₹ 13,27,103/- per Debenture including premium.

NOTE 18 BORROWINGS (OTHER THAN DEBT SECURITIES) - AT AMORTISED COST

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
SECURED (Refer Note 18.1)		
(a) Term Loans		
(i) from Banks (Rupee Term Loans)	62,133.07	47,730.40
(ii) National Housing Bank (Refinance)	11303.19	8,304.19
(iii) Other Financial Institutions	-	-
(b) Loans repayable on demand from Banks (Rupee Term Loans) **	20,956.00	18,900.00
Total (A) Borrowings in India	**94392.26**	**74,934.59**
(a) Term Loans		
(i) from Banks (ECB)	-	1,512.64
Total (B) Borrowings out side India	**-**	**1,512.64**
Total Borrowings (A) + (B)	**94,392.26**	**76,447.23**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

NOTE 18.1

Negative lien on the assets of the Company (excluding current and future receivables and book-debt of whatsoever nature of the Company on which a first pari-pasu floating charge by way of hypothecation to secure the borrowings (Excluding ECB) of the company outstanding as on March 31, 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on March 31, 2015), with a minimum asset cover of 100%. Further the Company shall be entitled to dispose off, transact or otherwise deal, in the ordinary course of business upto 5% of the Specific Assets, including by way of a securitization transaction and as may be required under any law, regulations, guidelines or rules and Immovable Property acquired by Company on or after September 26, 2001.

NOTE 19 DEPOSITS - AT AMORTISED COST

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
UNSECURED:		
(i) Public Deposits	3,505.43	4,595.72
(ii) Corporate Deposits	8,075.33	13,426.46
Total	**11,580.76**	**18,022.18**

The Company has designated liquid assets for the purpose of maintaining Statutory Liquid Ratio and Floating Charge on Fixed Deposits with banks has been created in favour of the Trustees for Depositors.

NOTE 20 SUBORDINATED LIABILITIES - AT AMORTISED COST

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
UNSECURED:		
(i) Subordinated Bonds	1,795.77	1,795.44
(ii) Upper Tier II Bonds	-	-
Total (A)	**1,795.77**	**1,795.44**
Subordinated Liabilities in India	1,795.77	1,795.44
Subordinated Liabilities outside India	-	-
Total (B)	**1,795.77**	**1,795.44**

The details of Subordinated Bonds are as under:

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2023
3000 Bonds of ₹ 1,000,000 each	19-Mar-31	7.70%	-	303.73
5000 Bonds of ₹ 1,000,000 each	19-Mar-31	7.70%	-	498.85
10000 Bonds of ₹ 1,000,000 each	21-Dec-30	7.05%	-	993.19
Total				**1,795.77**

Note:- Reissue premium (₹ 4.41 Cr)

These Bonds are subordinated to present and future senior indebtedness of the Company and qualify as Tier II capital under National Housing Bank (NHB) guidelines for assessing capital adequacy. Based on the balance term to maturity as at March 31, 2023, 100% (F.Y. 2021-22 - 100 %) of the book value of the subordinated debt is considered as Tier II capital for the purpose of capital adequacy computation.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

The details of Subordinated Bonds are as under:

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2022
3000 Bonds of ₹ 1,000,000 each	19-Mar-31	7.70%	-	304.07
5000 Bonds of ₹ 1,000,000 each	19-Mar-31	7.70%	-	498.77
10000 Bonds of ₹ 1,000,000 each	21-Dec-30	7.05%	-	992.60
Total				**1,795.44**

Note:- Reissue premium (₹ 4.41 Cr)

These Bonds are subordinated to present and future senior indebtedness of the Company and qualify as Tier II capital under National Housing Bank (NHB) guidelines for assessing capital adequacy. Based on the balance term to maturity as at March 31, 2022, 100% (F.Y. 2020-21 - 100 %) of the book value of the subordinated debt is considered as Tier II capital for the purpose of capital adequacy computation.

The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the at the balance sheet date.

All quarterly statements filed by the company with banks or Financial institutions are in agreement with books of accounts.

NOTE 21 OTHER FINANCIAL LIABILITIES

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Interest accrued		
- Non-Convertible Debentures	3,693.74	3,443.66
- Zero Coupon Debentures	107.16	179.54
- Term Loan	97.83	62.25
- Subordinated Bonds	21.70	21.70
- Deposits	651.59	692.98
(ii) Unclaimed Dividends *	9.52	8.60
(iii) Unpaid Matured Deposits	60.25	403.07
(iv) Book Overdraft [Refer Note 43]	627.94	544.03
(v) Pre-received Interest Liability on NCD Reissuance	56.59	73.84
(vi) Pre-received Interest Liability on Subordinate Bond	-	-
(vii) Miscellaneous Liabilities	328.61	159.17
Total	**5,654.93**	**5,588.84**

* As required under Section 125 of the Companies Act 2013, the Company has transferred ₹ 1.30 Crore (F.Y. 2021-22 ₹ 1.25 Crore) to the Investor Education and Protection Fund (IEPF) during the year.

NOTE 22 CURRENT TAX LAIBILITIES (NET)

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Provision under Income Tax	3.87	-
Total	**3.87**	**-**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 23 DEFERRED TAX LIABILITIES (NET)

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Deferred Tax Liabilities	0.12	0.12
Total	**0.12**	**0.12**

NOTE 24 PROVISIONS

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Provision for Employee Benefits	176.97	170.40
(ii) Other Provisions	-	3.53
Total	**176.97**	**173.93**

NOTE 25 OTHER NON-FINANCIAL LIABILITIES

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Outstanding Expenses	171.71	166.22
(ii) Statutory Dues	66.08	142.19
(iii) Earnest Money Deposit	0.97	0.96
(iv) Others	349.86	49.73
Total	**588.62**	**359.10**

NOTE 26 SHARE CAPITAL

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
AUTHORISED		
750,000,000 Equity Shares of ₹ 2/- each (Previous year 750,000,000 Equity Shares of ₹ 2/- each)	**150.00**	**150.00**
ISSUED, SUBSCRIBED AND PAID-UP		
550,063,000 Equity Shares of ₹ 2/- each (Previous Year 504,663,000 Equity Shares of ₹ 2/- each) fully paid up	110.01	110.01
Add: Forfeited shares as per Note.26(d) below	0.06	0.06
	110.08	**110.08**

Note.26 (a) : Reconciliation of number of shares outstanding and amount of Share Capital at the beginning and at the end of the reporting period

Equity Shares	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	(₹ in Crore)	No. of Shares	(₹ in Crore)
Equity Shares outstanding as at the beginning of the year	550,063,000	110.01	504,663,000	100.93
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Add: Issued during the year			45,400,000.00	9.08
Equity Shares outstanding as at the end of the year	**550,063,000**	**110.01**	**550,063,000**	**110.01**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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Note.26 (b) : Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion to their shareholdings.

Note.26 (C) : Detail of Shareholders holding more than 5% share in the company are given below

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Life Insurance Corporation of India	248,842,495	45.24	248,842,495	45.24

Note.26 (d) : Forfeited Shares

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Amount received on forfeited shares	0.06	0.06
	0.06	**0.06**

Note.26 (e): Shareholding of Promoters

Shares held by the Promoter at the end of the year	As at March 31, 2023		
	No. of Shares held	% of Holding	% Change during the year
Life Insurance Corporation of India	248,842,495	45.24	-

Shares held by the Promoter at the end of the year	As at March 31, 2022		
	No. of Shares held	% of Holding	% Change during the year
Life Insurance Corporation of India	248,842,495	45.24	0.22

NOTE 27 OTHER EQUITY

(₹ in Crore)

	As at March 31, 2023	As at March 31, 2022
(i) (a) Capital Reserve		
As per last Balance Sheet	0.48	0.48
(b) Capital Reserve on acquisition of shares in LICHFL Care Homes	27.88	27.88
(ii) Securities Premium Account		
As per last Balance Sheet	4,047.52	4,047.52
(iii) Cash Flow Hedge Reserve		
Opening Balance	-	-
Add: Gain on ECB Cross Currency Swap	-	79.17
Less : Loss due to Exchange Rate Fluctuation on ECB	**-**	**79.17**
Closing Balance	-	-
(iv) Special Reserve - I		
In terms of Section 36(1)(viii) of Income-Tax, 1961 and Section 29C of National Housing Bank (NHB) Act,1987 (Upto financial year 1996-97)		
As per last Balance Sheet	**38.98**	**38.98**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

			As at March 31, 2023	As at March 31, 2022
(v)	**Other Statutory Reserves including Special Reserve- II**			
	Balance at the beginning of the year			
	(i)	Statutory Reserve u/s 29C of the NHB Act, 1987	0.18	0.17
	(ii)	Amount of Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account for purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	7,544.31	6,684.32
	Total		**7,544.49**	**6,684.49**
	Addition / Appropriation / Withdrawal during the year			
	Add :			
	(i)	Amount transferred u/s 29C of the NHB Act, 1987	0.01	0.01
	(ii)	Amount of Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account for purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	984.99	859.99
	Less :			
	(i)	Amount appropriated from Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
	(ii)	Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account which has been taken into account for purpose of provision u/s 29C of the NHB Act, 1987	-	-
	Balance at the end of the year			
	(i)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	0.19	0.18
	(ii)	Amount of Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account for purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	8,529.30	7,544.31
	Total		**8,529.49**	**7,544.49**
(vi)	**General Reserve**			
	Opening Balance		7,852.72	7,152.72
	Add: Transferred during the year		850.00	700.00
	Closing Balance		**8,702.72**	**7,852.72**
(vii)	**Impairment Reserve**			
	Opening Balance		297.50	204.78
	Add: Transferred during the year		-	92.72
	Closing Balance		**297.50**	**297.50**
(viii)	**Retained Earnings**			
	Opening balance		4,831.18	4,670.04
	Add: Total Comprehensive Income for the year		2,896.15	2,281.09
	Add: Share of Profits from Associate		0.24	0.69
	Less: Appropriations			
	Dividend Paid and Tax on Dividend Paid		462.15	467.55
	Transfer to General Reserve		850.00	700.00
	Transfer to Special Reserve - II		984.99	859.99
	Transfer to Statutory Reserve u/s 29C of the NHB Act, 1987		0.01	0.01
	Transfer to Impairment reserve			92.72
	Share of profit of Non-controlling interest		0.41	0.35
	Adjustment in Retained Earnings due to first time application of IND AS 116		-	-
	Closing Balance		**5,430.02**	**4,831.18**
			27074.59	**24,640.74**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

Nature and purpose of each reserve

Securities Premium Reserve

"Securities Premium Reserve" is used to denote the Share premium received on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Cash Flow Hedge Reserve

It represents the effective portion of cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

Special Reserve – I:

Special Reserve – I has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company. The amounts of Special Reserve account represents, the reserve created in terms of the provision of Section 36(1)(viii) read together with the proviso thereof, from time to time. Special Reserve No. I relates to the amounts transferred upto the Financial Year 1996-97 (Assessment Year 1997-98) when the word was 'created' only was used in the said section and not 'created and maintained'. Admittedly, the position has changed after the amendment made in Section 36(1)(viii) by the Finance Act 1997 with effect from Assessment year 1998-99, when the mandatory requirement of 'maintaining' the special reserve created was inserted. Accordingly, it was interpreted that the Special Reserve created upto Assessment Year 1997-98 need not be 'maintained'. As a logical corollary, it is construed that upto Assessment Year 1997-98, the amounts carried to special reserve ought to be understood as amounts created by transferring to the credit of special reserve from time to time.

Special Reserve – II:

Special Reserve – II has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company transferred from Financial Year 1997-98 (Assessment Year 1998-99). In the F.Y. 2022-23 ₹984.99 crore (F.Y. 2021-22 ₹859.99 crore) has been transferred to Special Reserve No. II in terms of Section 36(1)(viii) of the Income tax Act, 1961.

Statutory Reserves under Section 29C (Regulatory Capital) of NHB:

As per Section 29C of the National Housing Bank Act, 1987 (the 'NHB Act'), the Company is required to transfer atleast 20% of its net profits every year to a reserve before any dividend is declared and no appropriation from the statutory reserves except for the purpose as may be specified by NHB from time to time and every such appropriation shall be reported to the NHB. For this purpose, any Special Reserve created by the Company under Section 36(1)(viii) of the Income tax Act, 1961 is considered to be an eligible transfer under Section 29C of the NHB Act, 1987 also. The Company has transferred a sum of ₹984.99 crore for F.Y. 2022-23 (F.Y. 2021-22 ₹859.99 crore) to Special Reserve No. II in terms of Section 36(1)(viii) of the Income tax Act, 1961 and ₹1.00 lakh for F.Y. 2022-23 (F.Y. 2021-22 ₹1.00 lakh) to Statutory Reserve under section 29C of the NHB Act, 1987.

General Reserve:

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013. However, since the Company utilises the deduction available to Housing Finance Companies registered with National Housing Bank as provided in Section 36(1)(viii) of the Income tax Act, 1961, wherein the proviso of the Section stipulates that the amount Carried to such reserve account from time to time exceeds twice the amount of the paid up share capital and general reserves of the Company, the rebate is restricted to the twice of the aggregate of paid up capital and the general reserve. Therefore, the Company transfers funds to General Reserve in order to avail the full benefit of Section 36(1)(viii). For the year, the Company has transferred an amount of ₹ 850 crore to General Reserve (F.Y. 2021-22 ₹ 700 Crore).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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Impairment Reserve:

The Reserve Bank of India (RBI) issued a notification on 13 March 2020 stating that NBFCs should simultaneously maintain asset classification and compute provisions as per extant prudential norms on income recognition, asset classification and provisioning (IRACP), including borrower-/beneficiary-wise classification, provisioning for standard and restructured assets, and NPA ageing. In case where impairment allowance under Ind AS 109 is lower than the provisions required as per IRACP, the difference should be appropriated from net profit or loss after tax to a separate 'impairment reserve'. The balance in the 'impairment reserve' shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI. The requirement for 'impairment reserve' shall be reviewed, going forward.

Retained Earnings:

Retained earnings represents the surplus in Profit and Loss Account and appropriations.

NOTE 28 INTEREST INCOME

(₹ in Crore)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
i) Interest on Loans & Advances	22,218.14	19,489.48
ii) Interest Income from Investments	320.82	220.37
iii) Interest on Deposits with Banks	6.91	6.55
iv) Other Interest Income (Net)	0.15	1.37
Total	**22,546.01**	**19,717.77**

NOTE 29 FEES & COMMISSION INCOME

(₹ in Crore)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
i) Fees & Commission Income	66.97	117.61
Total	**66.97**	**117.61**

NOTE 30 NET GAIN ON FAIR VALUE CHANGES

(₹ in Crore)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Net Gain on Financial Instruments at Fair Value through Profit or (Loss)	53.71	17.37
Total	**53.71**	**17.37**

NOTE 31 NET GAIN ON DERECOGNITION OF FINANACIAL INSTRUMENTS- UNDER AMORTISED COST CATEGORY

(₹ in Crore)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
i) Gain on Derecognition of Financial Instruments	21.05	19.40
Total	**21.05**	**19.40**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

NOTE 32 OTHERS

(₹ in Crore)

Particulars		Year Ended March 31, 2023	Year Ended March 31, 2022
i)	Miscellaneous Income	26.15	102.21
Total		**26.15**	**102.21**

NOTE 33 OTHER INCOME

(₹ in Crore)

Particulars		Year Ended March 31, 2023	Year Ended March 31, 2022
i)	Dividend Income from Associates	0.43	0.43
ii)	Interest from Fixed Deposits	2.49	3.07
iii)	Income from subleasing right-of-use assets	0.00	0.00
iv)	Net gain on derecognition of property, plant and equipment	0.16	0.01
v)	Net gain on foreign currency translation	11.24	27.44
vi)	Impairment Gain on Sub-Lease Asset	-	-
Total		**14.32**	**30.95**

NOTE 34 FINANCE COSTS

(₹ in Crore)

Particulars		Year Ended March 31, 2023	Year Ended March 31, 2022
i)	Interest on deposits	959.90	1,189.02
ii)	Interest on borrowings	5,565.29	3,571.68
iii)	Interest on debt securities	9,471.88	9,249.29
iv)	Interest on subordinated liabilities	132.42	132.42
v)	Interest on Lease Liability	5.27	8.68
Total		**16,134.75**	**14,151.09**

NOTE 35 FEES AND COMMISSION EXPENSE

(₹ in Crore)

Particulars		Year Ended March 31, 2023	Year Ended March 31, 2022
i)	Fees and Commisssion	182.59	113.99
Total		**182.59**	**113.99**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

NOTE 36 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in Crore)

Particulars		Year Ended March 31, 2023	Year Ended March 31, 2022
		On Financial Liabilities measured at Amortised Cost	
i)	Loans	1,935.87	1,962.61
ii)	Others	7.09	59.22
Total		**1,942.96**	**2,021.83**

The details relating to movment in Impairment on Loans (Expected Credit Loss) is disclosed in Note 37.4.2.4

NOTE 37 EMPLOYEE BENEFITS EXPENSES

(₹ in Crore)

Particulars		Year Ended March 31, 2023	Year Ended March 31, 2022
i)	Salaries and Wages	402.98	474.11
ii)	Contribution to Provident and Other Funds [Refer Note 49]	49.84	54.82
iii)	Staff Welfare Expenses	50.12	42.47
iv)	Provision for Sick Leave and Earned Leave	12.22	28.27
v)	Notional Expense on Staff Loan	1.25	2.78
Total		**516.41**	**602.45**

NOTE 38 OTHER EXPENSES

(₹ in Crore)

Particulars		Year Ended March 31, 2023	Year Ended March 31, 2022
i)	Rent, Rates and Taxes	27.18	23.57
ii)	Repairs and Maintenance - Building	2.15	2.40
iii)	Repairs and Maintenance - Others	21.76	15.13
iv)	Communication Costs	17.70	13.83
v)	Printing and Stationery	9.50	7.05
vi)	Advertisement & Publicity Expenses	43.76	28.20
vii)	Director's fees, allowances and expenses	1.62	0.88
viii)	Auditor's fees and expenses [Refer Note 46]	1.20	0.74
ix)	Legal and Professional charges	10.15	10.77
x)	Insurance Charges	0.18	0.18
xi)	Travelling and Conveyance	20.08	16.39
xii)	Competition Prizes & Conference Expenses	20.04	25.69
xiii)	Electricity Expenses	6.07	5.27
xiv)	Service Charges for Safe Custody of Documents	23.96	15.00
xv)	Contribution towards CSR activites [Refer Note 54]	63.80	67.55
xvi)	Miscellaneous Expenses	26.12	20.91
xvii)	Compensation to allotee	26.45	19.92
Total		**321.69**	**273.51**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

CORPORATE SOCIAL RESPONSIBILITY

(₹ in Crore)

	Particulars	31.03.2023				31.03.2022			
		LICHFL	AMC	FSL	TOTAL	LICHFL	AMC	FSL	TOTAL
(a)	Amount required to be spent by the company during the year	63.05	0.21	0.37	63.63	66.98	0.22	0.35	67.55
(b)	Amount of expenditure incurred	9.95	0.21	0.37	10.53	64.68	0.22	0.35	65.25
(c)	Shortfall at the end of the year	53.10	-	-	53.10	2.30	-	-	2.30
(d)	Total of previous years shortfall	34.94	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(e)	Reason for shortfall,	LIC Housing Finance Limited's Corporate Social Responsibility (CSR) initiatives are implemented through a systematic disbursement process that involves monitoring and verification of the efficient utilization of funds by the implementation partners. As a result of this tranche-based disbursement system, only part payments have been released to the implementation partners, and the remaining funds are scheduled to be released in accordance with the approved work plan. This approach ensures that the CSR projects sanctioned by LIC HFL CSR are effectively executed, contributing to the sustainable development of communities, and aligning with the organization's core values. The CSR activities carried out by the company during FY22-23 are: i) Promoting education including special education: (a) Contributions to public-funded Universities (b) Imparting employment enhancing vocational skills. ii) Promoting Healthcare: (a) Including preventive health care. (b) Through assisting in curative treatment (c) Through scientific research iii) Promoting sanitation and hygiene. (a) Construction of a sanitation complex in the school (b) Promotion of personal hygiene among students and rural villages.	NA	NA		Considering the due diligence process and the CSR project sourcing guidelines, only those project proposals were selected which fulfilled the minimum criteria and displayed an established track record on similar projects.	NA	NA	

(₹ in Crore)

	Particulars	31.03.2023				31.03.2022			
		LICHFL	AMC	FSL	TOTAL	LICHFL	AMC	FSL	TOTAL
(f)	Nature of CSR activities,	(c) Promotion of menstrual health among young girls in rural villages iv) Through vocational training and entrepreneurship development (a) Formation of Self-Help Group for marginal farmers and women (b) Introducing innovative methods of cultivation. (c) Creating market linkages. (d) Soft skill training on enterprises/ income generation v) Measures for the benefit of armed forces veterans, war widows, and dependents vi)Disaster relief (a) Providing humanitarian assistance for COVID-19 relief and management. vii)Rural development activities (a) Promoting gender equality, and empowering women. (b) reducing inequalities faced by socially and economically backward groups. viii)Ensuring environmental sustainability. (a) promoting solid waste management. (b) conservation of natural resources and maintaining the quality of soil, air, and water. (c) Promotion of renewable sources of energy ix)Contributions to public-funded Universities (a) Contribution to incubators or research & development projects in the field of science, technology, engineering, and medicine.	Amount expended to PM Care Fund	AmPaid Rs. 19,27,755 to Tata Memorial centre for the purpose of promoting health care including preventive health care Paid Rs. 18,00,000/- to PM CARES fund ount expended to PM Care Fund"		Rural development, promoting education, health, WASH, sanitation, renewable energy, social incubation	Amount expended to PM Care Fund	Paid to Tata Memorial centre for the purpose of promoting health care including preventive health care	
(g)	Details of related party transactions	NA	NA	NA		NA			
(h)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Refer Note 57							

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

39. FINANCIAL INSTRUMENTS
39.1 Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements as per the directions issued by Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the guidelines issued by NHB.

The Group's objective, when managing Capital, is to safeguard the ability of the Group to continue as a going concern, maintain strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder's value.

The Group's capital management strategy is to effectively determine, raise and deploy capital so as to maximize the shareholder's value. The capital of the Group comprises of Equity Share Capital and subordinated liabilities. No changes have been made to the objectives, policies and processes from the previous years.

For the purpose of computing equity, the Company does not consider Impairment Reserve to be part of Equity.

The Debt Equity Ratio of the Company is calculated as below:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Debt Securities	1,36,960.00	1,27,341.99
Borrowings (Other than Debt Securities)	94,392.26	76,447.23
Deposits	11,580.76	18,022.18
Subordinated Liabilities	1,795.77	1,795.44
Interest Accrued on above	4,572.02	4,400.13
Unpaid Matured Deposit	60.25	403.07
Cash & Cash Equivalent	(641.38)	(824.35)
A) Total Debt	2,48,719.68	2,27,585.69
B) Total Equity-Shareholder's Funds	24,743.20	22,935.62
C) Debt Equity Ratio (A/B)	10.05	9.92

39.2 Categories of Financial Instruments:

(₹ in Crore)

Particulars	As at March 31, 2023			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Financial Assets				
Cash and Cash Equivalents	641.38	-	-	641.38
Bank Balance other than above	180.18	-	-	180.18
Derivative Financial Instruments	-	-	-	-
Receivables	0.72	-	-	0.72
Loans	2,67,775.85	-	-	2,67,775.85
Investments	4,623.38	2,370.37	55.96	7,049.71
Other Financial Assets	30.09	-	-	30.09
Total	**2,73,251.60**	**2,370.37**	**55.96**	**2,75,677.93**
Financial Liabilities				
Lease Liability	184.09	-	-	184.09
Trade Payables	33.72	-	-	33.72
Debt Securities	1,36,960.00	-	-	1,36,960.00
Borrowings (Other than Debt Securities)	94,392.26	-	-	94,392.26
Deposits	11,580.76	-	-	11,580.76
Subordinated Liabilities	1,795.77	-	-	1,795.77
Other Financial Liabilities	5,654.93	-	-	5,654.93
Total	**2,50,601.53**	**-**	**-**	**2,50,601.53**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Particulars	As at March 31, 2022			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Financial Assets				
Cash and Cash Equivalents	824.35	-	-	824.35
Bank Balance other than above	160.31	-	-	160.31
Derivative Financial Instruments	-	79.17	-	79.17
Receivables	8.38	-	-	8.38
Loans	2,45,234.49	-	-	2,45,234.49
Investments	4,626.66	1,597.01	55.72	6,279.39
Other Financial Assets	21.97	-	-	21.97
Total	**2,50,876.17**	**1,676.17**	**55.72**	**2,52,608.06**
Financial Liabilities				
Lease Liability	150.23	-	-	150.23
Trade Payables	53.97	-	-	53.97
Debt Securities	1,27,341.99	-	-	1,27,341.99
Borrowings (Other than Debt Securities)	76,447.23	-	-	76,447.23
Deposits	18,022.18	-	-	18,022.18
Subordinated Liabilities	1,795.44	-	-	1,795.44
Other Financial Liabilities	5,588.84	-	-	5,588.84
Total	**2,29,399.88**	**-**	**-**	**2,29,399.88**

39.3 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The Group evaluates the significance of financial instruments and material accuracy of the valuations incorporated in the financial statements as they involve a high degree of judgement and estimation uncertainty in determining the carrying values of financial assets and liabilities at the balance sheet date. Fair value of financial instruments is determined using valuation techniques and estimates which, to the extent possible, use market observable inputs, but in some cases use non-market observable inputs. Changes in the observability of significant valuation inputs can materially affect the fair values of financial instruments. In determining the valuation of financial instruments, the Group makes judgements on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 instruments, and the significant valuation judgements in respect of Level 3 instruments.

Fair Value Hierarchy:

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained below.

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the observability of the significant inputs used to determine the fair values. Changes in the observability of significant valuation inputs during the reporting period may result in a transfer of assets and liabilities within the fair value hierarchy. The Group recognises transfers between levels of the fair value hierarchy when there is a significant change in either its principal market or the level of observability of the inputs to the valuation techniques as at the end of the reporting period.

Level 1: Fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Fair value measurements are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable

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Level 3: Fair value measurements are those where at least one input which could have a significant effect on the instrument's valuation is not based on observable market data

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

(₹ in Crore)

Particulars		Fair Value		Fair Value Hierarchy	Valuation Technique	Key Inputs for Level 2 & Level 3	Significant unobservable input(s) for Level 3
Financial Assets	**Category**	**As at March 31, 2023**	**As at March 31, 2022**				
Mutual funds	FVTPL	2291.08	1,562.78	Level 1	Quoted Market Price for Mutual Funds	NA	NA
Derivative financial instruments	FVTPL	-	79.17	Level 2	Mark-to-Market of the derivative	Valuation received from counter party	NA
Initial Settlers Contribution Under Indenture Trust	FVTPL	0.002	0.002	Level 3	Book Value	Refer Note below	Refer Note below
LICHFL Urban Development Fund	FVTPL	17.29	6.05	Level 3	NAV as on reporting date declared by The Fund and other factors	Refer Note below	Refer Note below
LICHFL Housing And Infrastructure Fund	FVTPL	62	28.17				
Adarsh Developers	FVTPL	0.01	0.01	Level 1	Initially recognised at market price	Refer Note below	Refer Note below
Non-Financial Assets							
Assets Held for Sale	FVTPL	238.38	107.38	Level 2	Valuation as per independent valuer	Refer Note Below	Refer Note Below

There were no transfers between Level 1, Level 2 and Level 3 during the year.

Valuation Techniques

Equity instruments

Units held in funds having quoted market price are fair valued considering Level 1 inputs. Others which are measured based on their net asset value (NAV) as on reporting date, taking into account redemption and/or other restrictions. Such instruments are generally fair valued considering Level 3 inputs.

Equity instruments in non-listed entities including investment in private equity funds are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case basis and classified as Level 3. However, Provision for Diminution in value of Investment have considered for computing the fair value.

Interest rate derivatives and Cross Currency Swaps

Interest rate derivatives include interest rate swaps. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations by estimating future cash flows and discounting them with the appropriate yield curves incorporating funding costs relevant for the position.

The fair value of a cross currency swap is calculated by determining the future cash flows on both legs (i.e. the receiving leg and the paying leg), and discounting these cash flows using an appropriate discount factor curve.

These contracts are generally Level 2 unless adjustments to yield curves or credit spreads are based on significant non-observable inputs, in which case, they are Level 3.

Valuation adjustments and other inputs and considerations

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 financial assets does not have a significant impact in its value.

No valuation adjustments have been made to the prices/yields provided for valuation.

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Financial Instruments not measured using Fair Value, i.e. measured using Amortized Cost/Cost

The following table is a comparison, by class, of the carrying amounts and fair values of the Group's financial instrument that are not carried at fair value in the financial statements. This table does not include the fair value of non-financial assets and non-financial liabilities.

(₹ in Crore)

Particulars	Carrying Value	Fair Value Hierarchy	Fair Value
As at March 31, 2023			
Financial Assets			
Government Securities	4,623.38	Level 1	4,411.69
Investment in Associates	55.96	Level 3	55.96
As at March 31, 2022			
Financial Assets			
Government Securities	4,626.66	Level 1	4,506.68
Investment in associates	55.72	Level 3	55.72

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only.

Government debt securities

Government debt securities are financial instruments issued by sovereign governments and include long term bonds with fixed rate interest payments. These instruments are generally highly liquid and traded in active markets resulting in a Level 1 classification. When active market prices are not available, the Group uses discounted cash flow models with observable market inputs of similar instruments and bond prices to estimate future index levels and extrapolating yields outside the range of active market trading, in which instances the Group classifies those securities as Level 2. The Group does not have Level 3 government securities where valuation inputs would be unobservable.

Investment in associates

In the opinion of the Group, in case of associates, the carrying value approximates the fair value.

Other Financial Assets and Liabilities

With respect to Bank Balances and Cash and Cash equivalents, Other Financial Assets, Trade Receivables, Trade Payables and other Financial Liabilities, the carrying value approximates the fair value.

39.4. Financial Risk Management

Introduction

While risk is inherent in the Group's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement, and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk, market risk and currency risk.

Risk Management Framework for Parent

The Company has a formal risk assessment program to proactively identify the risks and ensure all possible strategies to control & mitigate in pursuit of achieving the Company's objective. Every department is responsible for identification of their risks and putting it in their Risk Registers. The consolidated Risk Register is analyzed at various committees.

At present, the risks faced by the Company are broadly categorized as below:-

- Liquidity Risk
- Credit Risk

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- Market Risk
- Interest Rate Risk
- Operational Risk
  - A. Compliance Risk
  - B. Legal Risk
- Regulatory Risk
- Currency Risk

Committees

In order to bring the collective knowledge in decision making, the Company has undertaken a Committee approach to deal with the major risks arising in the organization. Committees, their formation and the roles are provided below.

Top Level Committee

Risk Management Committee of Board (RMCB)

Company has a Risk Management Committee of Board in place which consists of Independent Directors and the MD & CEO of the Company.

The role of the Committee is as follows-:

- Review of Risk Management Policy
- Review of the current status on the risk limits in the Risk Management Policy and Report to the Board
- Review the matters on Risk Management
- Review and monitor the risks to which the Company is exposed

Internal Committee

Risk Management Committee and Operational Risk Group (RMC & ORG)

The Company has an internal Risk Management Committee and Operational Risk. The Company's major function includes review of Risk Registers submitted on a monthly basis by all departments. It comprises of HODs of Risk Management, Finance, Project Finance, Credit Monitoring, IT, and as nominated by MD & CEO of the Company. A list of functions performed by RMC & ORG is given below -:

- Review of Risk Management Policy
- Review of monthly Risk Register submitted by various depts.
- Review of the current status on the outer limits prescribed in the Risk Policy and submitting the report to RMCB & Board
- Assessment of risks in the Company and suggesting control/mitigation measures thereof.

Risk Management Framework for Subsidiaries

The respective Board of Director's have established the Risk Management Committee of each subsidiaries, which in turn has the overall responsibility for establishment and oversight of the Risk Management Framework. The Committee reports regularly to their respective Board of Directors on its activities.

The risk management policies are established to identify and analyse the risk faced, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities. The subsidiaries through its training and management procedures, aim to maintain a discipline and constructive control environment in which all employees understand their roles and regulations.

The Group has exposure to following risks arising from the financial instruments:

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39.4.1 Liquidity Risk for Parent

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. The Company has developed internal control processes and contingency plans for managing liquidity risk. In addition, the Company is also maintaining Liquidity Coverage Ratio (LCR) from 01st December, 2021 as prescribed by the regulator. (As per notification no. RBI/2020-21/60 DOR.NBFC (HFC).CC.No.118/03.10.136/2020-21 dated 22nd October, 2020) Housing Finance being the core business, maintaining the liquidity for meeting the growth in the business as also to honor the committed repayments is the fundamental objective of the Asset Liability Management (ALM) framework. Investments, including investments as a part of liquid asset requirement, also forms part of ALM requirement and it is imperative to constantly monitor the liquidity of the investments to achieve the core

Internal Control Process & Liquidity Management

Being in the business of Housing Loans, funds are required to be raised by the Company ahead of loan disbursements so that there is no liquidity crunch. Funds are required to be raised not only for the incremental housing loan assets but also for meeting the committed/due repayments of the earlier borrowings and/or Interest payments on the borrowings. Funds therefore are raised with a reasonable cushion over and above the committed repayments, committed disbursements and unutilized sanctions in pipeline and the expected business targets.

The Company ensures that funds are available from various investor pools and banks. Liquid funds are available in the form of Non-Convertible Debentures and other Market Instruments, Bank Loans, Refinance from NHB and Foreign Currency Loans. In case of Public Deposits accepted by the Company, a prescribed percentage (as defined by NHB from time to time) is to be invested in approved securities in terms of Liquid Asset Requirement (as per notification no. RBI/2020-21/73 DOR.FIN.HFC. CC.No.120/03.10.136/2020-21). On the assets side, the Company has loan products broadly classified under individual retail loans and project finance loans with varying repayment structures depending upon the nature of product.

The liquidity is managed at the Corporate Office of the Company with Back Offices providing their liquidity requirements. The surplus funds available with the Back Offices are pooled and funds from the market are arranged for the Back Offices having a deficit of funds. Only surplus funds arrived at after deducting the committed/confirmed outflows (including projected disbursements of loans) from the available resources - both from internal accretions as well as borrowed funds, would be considered as Surplus available for Investment in approved instruments on day-to-day basis. The Company can place surplus funds in Fixed Deposits with selected Scheduled / Commercial / Foreign Banks and / or Financial Institutions within overall exposure limit fixed for each Bank / FI from time to time by the Board. Considering the market risk and the mark-to-market requirements of the debt mutual funds, currently the Company is making Investments only in liquid and overnight schemes of mutual funds. Exposure limits for each Investment instrument are approved by the Board and reviewed from time to time as per the requirements.

ALCO Committee

Roles & Responsibilities

The Asset Liability Management (ALM) Committee presents the Structural and Dynamic Liquidity Report to the Risk Management Committee on a quarterly basis and meetings are held every month. The ALM Committee formulates the ALM Policy which is reviewed at least once a year. If any change is required, then, the revised policy along with desired change and rationale for the same shall be put up to the Risk Management Committee or any Other Committee constituted by the Board. Consequent to the recommendation of the Risk Management Committee, the reviewed policy would be put up to the Board for its approval.

Composition

ALCO Committee is headed by the MD & CEO of the Company. Other members of the Committee comprise HODs of Departments Finance, Credit Appraisal, Project Finance, Taxation, Accounts, Marketing, IT, Risk Management, Credit Monitoring and as nominated by MD & CEO of the Company.

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Changes from previous period

There are no significant changes in the Financial Policies.

Liquidity Risk for Subsidiaries:

The Liquidity risk refers to the risk of financial distress or extraordinary high financing cost arising due to shortage of liquid funds in a situation where business conditions deteriorate and require financing. The objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements. Processes and policies related to such risk are overseen by senior management and management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

Contractual Maturities of Financial Liabilities of the Group as at March 31, 2023

(₹ in Crore)

Particulars	On demand	Upto 3 months	Above 3 months to 12 months	Above 1 Year -3 Years	Above 3 Years -5 Years	Above 5 Years-10 Years	Above 10 Years	TOTAL
Financial Liabilities	-	-	-	-	-	-	-	-
Lease Liabilities	-	13.6	38.2	74.65	44.1	46.22	3.79	220.56
Trade Payables	33.72	-	-	-	-	-	-	33.72
Debt Securities**	-	8479.73	29225.27	52276.2	23426.24	23595.01	-	1,37,002.45
Borrowings (Other than Debt Securities)	-	2752.87	36862.77	32321.92	17957.14	4497.55	-	94,392.25
Deposits	-	2,540.08	5,875.16	2,713.38	467.31	-	-	11,595.93
Subordinated Liabilities**	-	-	-	-	-	1,804.41	-	1,804.41
Other financial liabilities(to be specified)	398.39	2,104.73	2,840.20	302.63	7.33	-	-	5,653.28
Total	**432.11**	**15,891.01**	**74,841.60**	**87,688.78**	**41,902.12**	**29,943.19**	**3.79**	**2,50,702.60**

* Figures are in IGAAP **include premium/ Discount.

Contractual Maturities of Financial Liabilities of the Group as at March 31, 2022

(₹ in Crore)

Particulars	On demand	Upto 3 months	Above 3 months to 12 months	Above 1 Year -3 Years	Above 3 Years -5 Years	Above 5 Years-10 Years	Above 10 Years	TOTAL
Derivative financial instruments	-	-	-	-	-	-	-	-
Lease Liability	-	12.05	33.74	67.18	39.21	30.53	0.62	183.33
Trade Payables	-	-	53.91	0.01	0.05		-	53.97
Debt Securities	-	7,833.47	25,585.43	48,776.73	25,599.25	19,653.45	-	1,27,448.33
Borrowings (Other than Debt Securities)	-	2,861.85	28,963.70	25,808.94	14,262.24	4,463.59	-	76,360.32
Deposits**	-	2,003.13	9,703.95	5,649.20	720.31	-	-	18,076.59
Subordinated Liabilities	-	-	-	-	-	1,804.41	-	1,804.41
Other financial liabilities	570.81	1,695.51	3,050.11	246.52	17.11	-	-	5,580.06
Total	**570.81**	**14,406.01**	**67,390.84**	**80,548.58**	**40,638.17**	**25,951.98**	**0.62**	**2,29,507.01**

* Figures are in IGAAP **include premium/ Discount.

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39.4.2 ZCredit Risk for Parent

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has defined Loan selection principles for establishing credit worthiness of the counterparties and criteria for determining the quantum of loan. The Company has adopted a policy of dealing with creditworthy counter parties and obtaining sufficient collateral as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored.

The carrying amount of loans as at March 31, 2023 is ₹ 2,75,006.14Crore (F.Y. 2021-22) ₹ 2,51,073.61 Crore) which best represent the maximum exposure to credit risk, the related Expected credit loss amount to ₹ 7230.29 Crore (F.Y. 2021-22 ₹ 5839.12Crore). The Company has right to sell the collateral in case borrower defaults. The carrying amount of loans as at March 31, 2023 includes ₹ 14.61 Crore towards Loans to Staff, Loans against Public Deposit and Finance Lease Receivables. (F.Y. 2021-22 ₹ 12.28 Crore).

Credit Risk for Subsidiaries

The Trade Receivables which are Management Fees receivable as on the reporting date are generally received within 30 days from the reporting date. Hence, the Credit Risk pertaining to Trade Receivables is low.

The Credit Risk on Cash and Cash Equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and/or domestic credit rating agencies. Investments primarily includes investment in liquid mutual fund units and deposit for a specified time period.

37.4.2.1 Credit Risk Mitigation measures for Housing Finance

Independent internal legal and technical evaluation team in the Company makes credit decisions more robust and in line to manage collateral risk. The in-house Credit team conducts a credit check and verification procedure on each customer, ensuring consistent quality standards to minimize future losses. To review the adherence to laid down policies and quality of appraisal, Company's independent internal audit team conducts a regular review of files on a sample basis. A dedicated collection and recovery team manages lifecycle of transactions and monitors the portfolio quality.

Credit Norms: - Certain credit norms and policies are being followed by the Company to manage credit risk, including a standard credit appraisal policy based on customer credit worthiness. These criteria change between loan products and typically include factors such as profile of applicant, income, and certain stability factors such as the employment and dependency detail, other financial obligations of the applicant, Loan to value and the loan-to-cost ratio. Standardized credit approval process including a comprehensive credit risk assessment is in place which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower.

The Credit Policy defines parameters such as Borrower's ability to pay, Reputation of Employer, Nature of employment/ Self-employed, Qualification of Applicants, Stability of Residence, Family size and dependence on Applicants income, Insufficient sales proceeds to pay the dues in case of Project Loans due to project slowdown etc. to ensure consistency of credit quality.

Credit Risk Mitigation measures for Subsidiaries

To manage credit risk the Group periodically assessed the financial reliability of customers, taking into account the financial conditions, current economic trends and analysis of historical bad debts and ageing of accounts receivable.

Retail lending for Housing Finance:

For retail lending, credit risk management is achieved by considering various factors like:

- **Assessment of borrower's capability to pay –** A detailed assessment of borrower's capability to pay is conducted. The approach of assessment is laid down in the credit policy of the Company. Various factors considered for assessment are credit information report, analysis of bank account statement and valuation of property.

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- **Security cover –** Analysing the value of the property which is offered as security for the loan is essential for the overall underwriting of the loan. It is essential that it is valued before the disbursement of loan to arrive at a clear idea about its cost, valuation, marketability, and loan to property ratio.

- **Additional Security –** Additional Security can be by way of pledge of acceptable Additional Collaterals such as LIC Policies, FDs or immovable properties, etc. is considered. This is taken depending on nature of loan proposal and amount of risk involved.

- **Geographical region –** The Company monitors loan performance in a particular region to assess if there is any stress due to natural calamities etc. impacting the performance of the loan in a particular geographic region.

Project lending for Housing Finance:
For project lending, credit risk management is achieved by considering various factors like:

- **Promoter's strength –** A detailed assessment of borrower's capability to pay is conducted. Various factors considered for promoter's assessment are the financial capability, past track record of repayment, management and performance perspective.

- **Credit information report –** It is very essential to check the Credit worthiness of an Applicant & the Credit History of Borrower for Consumer or Commercial Loans. The Company uses this Report for taking a Decision on Credit Sanction by getting details of the Credit History of a Borrower. For Project Loans, reports from independent institutions are referred so as to get the marketability report of the project and its neighbourhood analysis.

- **Security cover –** Analysing the value of the property which is offered as security for the loan is essential for the overall underwriting of the loan. With respect to project loans, the main security taken is underlying land and structure there on. Technical appraisals are conducted to establish the life, soundness, marketability, and value of the security.

- **Additional Security –** -Additional Security – Additional Security is taken depending on nature of loan proposal and zamount of risk involved. In some cases, the hypothecation of receivables from the loan is taken. The Negative lien is marked on the flats in the project to the extent of 1.5 times or more as per merits of the case. The Company endeavours to maintain the security cover approved by the Competent Authority as per the merit of the case. Personal Guarantee of promoter directors / corporate guarantee of Company is also obtained as Security on case-to-case basis. In some cases, the Additional Collateral in the form of Fixed Deposits are also accepted. In case of Higher Risk, Debt Service Recovery Account is also maintained. The Charge on the security / Additional Collateral security is also registered in Central Registry / ROC.

Geographical region – The Company monitors loan performance in a particular region to assess if there is any stress due to natural calamities etc. impacting the performance of the loan in that geographic region.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

Derivative financial instruments:
Interest rate swaps –

The exposure of the Parent to Derivatives contracts is in the nature of interest Rate Swaps and currency swaps to manage risk associated with interest rate movement and fluctuation in currency exchange rate.

Derivative policy of the Company specifies the exposure norms with respect to single counterparty and the total underlying amount at the time of entering into the new derivative contract.

The Asset Liability Management Committee (ALCO) of the Company oversees efficient management of risk associated with derivative transactions. Company identifies, measures, monitors the exposure associated with derivative transaction.

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For effective mitigation of risk it has an internal mechanism to conduct regular review of the outstanding contracts which is reported to the ALCO & Risk Management Committee of the Board which in turn reports to the Audit Committee and to the Board of Directors.

The gain realized on early termination of swap is amortized over the balance tenor of the swap or underlying liability whichever is less. Loss if any on early termination is charged to revenue in the same year. The carry difference, between coupon rate liability and the swap contract rate is accounted quarterly on accrual basis.

39.4.2.2 Collateral and other credit enhancements

With respect to loan cases the main security taken is underlying property mortgaged by the borrower. Apart from the main security additional collaterals are also sought depending upon merits of the case. In some cases the hypothecation of receivables for the loan is also taken.

The Company after exploring all the possible measures, initiates action under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) against the mortgaged properties as a last resort to recover. Company follows the due procedure as laid down in the SARFAESI Act 2002 and accordingly takes the possession of the properties for its logical conclusion.

As the procedure involved under SARFAESI is to be followed in a time-bound manner, different loan accounts will be at various stages of SARFAESI proceedings.

The properties taken under possession through SARFAESI Act by the Company and held such properties for disposal as on 31.03.2023 included in loan portfolio amounting to ₹ 743.22 crore (FY 2021-22 ₹ 464.92 crore). Out of these, loan portfolio amounting to ₹238.89 crore (FY 2021-22 ₹ 107.38 crore) is considered under INDAS 105 (Non-current asset held for sale) being lower of the fair value of the asset possessed and the outstanding as at March 31, 2023.

39.4.2.3 Impairment Assessment for Housing Finance:

The Company applies general approach to provide for credit losses prescribed by Ind AS 109, which provides to recognise 12-months expected credit losses where credit risk has not increased significantly since initial recognition and to recognise lifetime expected credit losses for financial instruments for which there has been significant increase in credit risk since initial recognition considering all reasonable present and forward-looking information.

Definition of Default for Housing Finance:

The Company considers a financial instrument as defaulted when the borrower becomes 90 days past due on its contractual payments. Such instruments are considered Stage 3 (credit-impaired) for ECL calculations.

The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses and the calculation and presentation of interest revenue.

Stage wise Categorisation of Loan Assets

The Company categorises loan assets into stages based on the Days Past Due status:

- **Stage 1:** [0-30 days Past Due] It represents exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. The Company uses the same criteria mentioned in the standard and assume that when the days past due exceeds '30 days', the risk of default has increased significantly. Therefore, for those loans for which the days past due is less than 30 days, the Company recognises as a collective provision the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months.

- **Stage 2:** [31-90 days Past Due] The Company collectively assesses ECL on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Company recognises as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset).

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- **Stage 3:** [More than 90 days Past Due] The Company identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events, that have a detrimental impact on the estimated future cash flows of that asset have occurred. The Company use the same criteria mentioned in the standard and assume that when the days past due exceeds '90 days', the default has occurred.

Retail Loans:

Depending on the nature of the financial instruments and the credit risk information available for particular groups of financial instruments, an entity may not be able to identify significant changes in credit risk for individual financial instruments before the financial instrument becomes past due. In case of retail loans, the financial instruments are backed by sufficient margin of underlying security which absorbs the associated risks. Hence, the Company has performed the assessment of significant increases in credit risk on a collective basis for retail loans by considering information that is indicative of significant increases in credit risk on groups of financial instruments.

For the purpose of determining significant increases in credit risk and recognising loss allowance on a collective basis, the Company has grouped financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increase in credit risk identified on a timely basis.

Project Loans:

Project loans are less in number and more in terms of value per loan. The loans are also credit rated internally. However, the Company does not have any history of the loan transitioning from one rating to the other over a fairly long period of time to arrive at a reliable transition matrix. The Company has used transition matrix compiled and published by a premier rating agency in India for arriving default rate.

Accordingly, loans have been identified into different groups as given below:

Credit Quality Analysis – Classification on basis of risk pattern (Collective and Individual Basis)

(₹ in Crore)

	Stage 1		Stage 2		Stage 3		Total	
	Amount	Impairment	Amount	Impairment	Amount	Impairment	Amount	Impairment
As at March 31, 2023	2,48,798.33	677.76	14,083.07	1,171.31	12,124.74	5,381.22	2,75,006.14	7,230.29
As at March 31, 2022	2,31,791.71	579.32	7,665.50	240.11	11,616.40	5,019.68	2,51,073.61	5,839.12

39.4.2.4 ECL Model and Assumptions considered in the ECL model

The Company has through its previous experience devised methodology for estimating the probability of default on loans. Thus it is seen that receivable for an account moves through different delinquency stages every month. For example, an account in the "Regular" state this month will continue to be in the "Regular" state next month if a payment is made by the due date and will be in the "30 days past due" state if no payment is received during that month.

Further, focus is on maintaining the progression and timing of events in the path from "Regular" to "Defaulted". For example, an account in the "Regular" state doesn't suddenly become "Defaulted". Instead, an account must progress monthly from the "Regular" state to the "30 days past due" state to the "60 days past due" state and so on until foreclosure activities are completed and the collateral assets are sold to pay the outstanding debt.

The transition represents the period-by-period movement of receivables between delinquency classifications or states. The transition evaluates loan quality and loan collection practice. The loan portfolio for the past several months is analysed to arrive at the transition matrix. Each loan is traced to find out how the loan has performed over the last several months.

The occurrences of every loan over the past several months is considered to arrive at the total transitions happening from different buckets in the previous month to different buckets in the current month.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

Probability of Default

When the loan moves from stage 3 to stage 2 / stage 1 or from stage 2 to stage 1, from an ECL computation perspective there is a curing period of one quarter on such loans.

Exposure at default

The borrower's ability to raise its exposure as it nears default as well as potential early repayments are both taken into account in the Exposure at Default (EAD), which represents the gross carrying value of the financial instruments subject to impairment calculation.

Probability of default of the loan that is likely to move into buckets 90 days past due and above over next 12 months. The PD is used to measure quantum of loan that is likely to move buckets 90 days past due and above over the remaining life of the loan.

Loss given default

The loans are secured by adequate collateral. The present value of such collateral property is considered while calculating the Expected Credit Loss. The Company initiates recovery process of Non Performing accounts within the statutory time limit as per SARFAESI and other applicable laws and accordingly the realizable period has been considered for computing the Present Value of Collateral. The difference between present value of collateral and EAD is loss given default.

Forward looking information

The assumptions and estimates on the basis of which, the Expected Credit Losses (ECL) of the loan portfolio have been identified, are primarily based on the historical performance of the loan portfolio, updated to reflect current conditions including regulatory interventions

Write off policy for Housing Finance

The Company has over the period established a well-defined Credit Monitoring Mechanism for follow up of the default / delinquent accounts.

A multi-faceted approach is adopted in Credit Monitoring activities which involves participation of In-House employees as well as outsourced agencies. Each loan account is analysed based on the causative factors of becoming default and appropriate follow-up activity is undertaken. In spite of adopting an appropriate follow-up activity, some accounts continue to be delinquent. Sufficient time, as per law, is given to the borrowers to regularize their repayments and if still the accounts continue to be under the Non-Performing bracket, legal recourse is adopted.

However, there could be accounts wherein no recovery would be forthcoming despite the best efforts put in by the Company. Such accounts are critically examined on case to case basis and if there is no merit of recovery, such accounts are recommended for write-off to/through internal committees as per the policy approved by the Board

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Financial Assets written off but are still subjected to enforcement activity	934.61	400.33

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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Movement of Gross Exposures and impairment provision of the Financial Instruments (Collective and Individual Basis)

(₹ in Crore)

	Stage 1		Stage 2		Stage 3		Total	
	Amount	Impairment	Amount	Impairment	Amount	Impairment	Amount	Impairment
Gross Carrying Amount -2021	**2,07,994.88**	**117.17**	**14,336.50**	**37.17**	**9,659.13**	**3,745.19**	**2,31,990.51**	**3,899.53**
Net change in exposures	21,587.50	603.50	(1,263.48)	344.64	(697.89)	998.26	19,626.13	1,946.40
Transfer to Stage 1	8,191.76	297.42	(7,348.45)	(113.35)	(843.31)	(184.06)	-	-
Transfer to Stage 2	(3,904.25)	(3.44)	4,193.47	75.47	(289.22)	(72.03)	-	-
Transfer to Stage 3	(1,703.17)	(435.32)	(2,106.66)	(103.82)	3809.83	539.13	-	-
Changes in contractual cash flows due to modifications not resulting in derecognition	(375.01)	-	(145.88)	-	(5.97)	-	(526.86)	-
Amounts Written Off	-	-	-	-	(16.17)	(6.81)	(16.17)	(6.81)
Gross Carrying Amount- 31.03.2022	**2,31,791.71**	**579.32**	**7,665.50**	**240.11**	**11,616.40**	**5,019.68**	**2,51,073.61**	**5,839.12**
Net change in exposures	25,206.92	209.84	(8.49)	532.64	(507.84)	1,057.32	24,690.58	1,799.80
Transfer to Stage 1	3,947.04	378.04	(3,052.39)	(75.05)	(894.65)	(302.99)	-	-
Transfer to Stage 2	(10,004.97)	(401.21)	10,318.44	498.13	(313.47)	(96.92)	-	-
Transfer to Stage 3	(1,990.80)	(88.24)	(836.09)	(24.52)	2,826.89	112.76	-	-
Changes in contractual cash flows due to modifications not resulting in derecognition	(151.56)	-	(3.90)	-	(5.42)	-	(160.88)	-
Amounts Written Off	-	-	-	-	(597.17)	(408.63)	(597.17)	(408.63)
Gross Carrying Amount Closing Balance -2023	**2,48,798.33**	**677.76**	**14,083.07**	**1,171.31**	**12,124.74**	**5,381.22**	**2,75,006.14**	**7,230.29**

The movement within the tables is a combination of quarterly movements over the year. The credit impairment charge in the Statement of Profit & Loss comprises the amount arrived after addition of figures in Total column.

Transfers – transfers between stages are deemed to occur at the beginning of a quarter based on prior quarters closing balances.

Net re-measurement from stage changes – the re-measurement of credit impairment provisions arising from a change in stage is reported within the stage that the assets are transferred to.

Net changes in exposures – comprises new disbursements less repayments in the year.

39.4.2.5 Modified Loans

Where the contractual terms of a financial instrument have been modified, and this does not result in the instrument being derecognised, a modification gain or loss is recognised in the Statement of Profit or Loss representing the difference between the original cash flows and the modified cash flows, discounted at the effective interest rate. If the modification is credit-related or where the Company has granted concessions that it would not ordinarily consider, then it will be considered credit-impaired. Modifications that are not credit related will be subject to an assessment of whether the asset's credit risk has increased significantly since origination by comparing the remaining lifetime probability of default (PD) based on the modified terms to that on the original contractual terms.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

39.4.3 Market Risk

Market risk is the risk of losses in positions taken by the Group which arises from movements in market prices. Any item in the balance sheet which needs re-pricing at frequent intervals and whose pricing is decided by the market forces will be a component of market risk. There are number of items in the Group's balance sheet which exposes it to market risk like Housing loans at floating rate, loans to developers at floating rate, Non-Convertible Debentures (NCDs) with options, bank loans with option, Foreign Currency Bank Loans, Coupon Swaps, etc.

39.4.4 Interest Rate Risk

Interest Rate Risk refers to the risk associated with the adverse movement in the interest rates. Adverse movement would imply rising interest rates on liabilities and falling interest yields on the assets. This is the biggest risk which the company faces. It arises because of maturity and re-pricing mismatches of assets and liabilities

In order to mitigate the impact of this risk, the Group tracks the composition and pricing of assets and liabilities on a continuous basis

39.4.5 Operational Risk for Parent

Operational risk is "the risk of a change in value caused by the fact that actual losses, incurred for inadequate or failed internal processes, people and systems, or from external events (including legal risk), differ from the expected losses". It can be subdivided into the following categories:

A. Compliance risk is defined as the risk of legal sanctions, material financial loss, or loss to reputation the Company may suffer as a result of its failure to comply with laws, its own regulations, code of conduct, and standards of best/good practice.

The Company is regulated by RBI and supervised by NHB, registered with SEBI and has listing agreements with stock exchanges, i.e. BSE & NSE and Luxembourg. In order to ensure compliance with applicable laws, the Company has put in place adequate processes.

B. Legal risk is the cost of litigation due to cases arising out of lack of legal due diligence. Litigation can also arise out of failure or frauds in the course of business.

The main business is of lending money for/against mortgage loans and is therefore exposed to legal risk. For handling the same, there are robust legal systems for title verification and legal appraisal of related documents. Company has standards of customer delivery and the operational mechanism to adhere to such standards aimed at minimum instances of customers' grievances.

Operational Risk for Subsidiaries

Operational Risk for Subsidiaries include losses due to failure to adhere to internal policies and processes, human error or external events. Operational risk also includes information technology risk, operations risk and legal risk. The Management of the Subsidiaries identifies, assesses, monitors and controls these risks and formulates plans and processes to mitigate the same.

39.4.6. Regulatory Risk for Parent and Subsidiaries

Regulatory risk is the risk that a change in laws and regulations will materially impact the Group. Changes in law or regulations made by the government or a regulatory body can increase the costs of operating the business, and/or change the competitive landscape.

In case of the Group, the regulatory risk can arise due to change in prudential rules/norms by the regulators viz; NHB, SEBI, RBI etc. In order to mitigate the effects of same, the Group is aware of the Business and Regulatory environment and anticipate the likely regulatory changes that may come in the short and medium term so that it is able to quickly change its systems and practices to realign itself with the changed regulatory framework.

39.4.7. Competition Risk

Competition Risk is the risk to the market share and profitability arising due to competition. It is present across all the businesses and across all the economic cycle with the intensity of competition risk varying due to several factors, like, barriers to entry, industry growth potential, degree of competition, etc.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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The Company's business environment is characterized by increased youth population, growing economy, increased urbanization, Government incentives, acceptability of credit in society and rise in nuclear families. Due to all these reasons, the Housing Finance industry has seen a higher growth rate than overall economy and several other industries since past several years. This has led to increase in competition and in turn increased pressure on the existing Companies to maintain/ grow market share and profitability. In order to mitigate the risk arising due to competition, the Company has customer centric approach coupled with state of art infrastructure including IT interface.

39.4.8. Currency Risk and mitigation

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company manages itself against currency risk by taking out foreign currency swaps and converting the exposures into Indian Rupees. The Company applies cash flow hedge accounting to the foreign currency element of its floating rate dollar-denominated External Commercial Borrowings and associated cross currency interest rate swaps.

The Company converts ECB into fixed rate Indian Rupee exposures with the floating rate and principal of the hedged item matched by those of the hedging instrument. The Company considers the hedge as a hedge of more than one risk and does not split the interest rate from the principal for hedge accounting purposes.

Hedge Accounting

In December 2019 the company raised an ECB of USD 200 million in the form of a syndicated loan facility. The tenor of the facility is 3 years. The proceeds have been fully utilized in accordance with the approval granted by RBI under automatic route and is in conformity with the applicable ECB Guidelines.

As a part of its risk management, the Company has identified a series of risk categories with corresponding hedging strategies using derivative instruments.

When a hedging relationship meets the specified hedge accounting criteria set out in Ind AS 109, the Company applies one of three types of hedge accounting: fair value hedges; cash flow hedges; or hedges of a net investment in a foreign operation.

Transactions that are entered into in accordance with the Company's hedging objectives but do not qualify for hedge accounting, are referred to in these financial statements as economic hedge relationships.

The nature of risk that is needed to be hedged, the risk management objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship at inception and on an ongoing basis is recorded with reference to the economic relationship between the hedged item and the hedging instrument.

Every hedge relationship is required to be tested to assess whether the hedge relationship meets the hedge effectiveness requirements at the inception of the hedging relationship, and on an on-going basis at each reporting date. This assessment relates to expectations about hedge effectiveness and is therefore only forward looking.

Cash Flow Hedges

Cash flow hedge is a hedge of the exposure to variability in the cash flows of a specific asset or liability, or of a forecasted transaction, that is attributable to a particular risk. It is possible to only hedge the risks associated with a portion of an asset, liability, or forecasted transaction, as long as the effectiveness of the related hedge can be measured. The accounting for a cash flow hedge will be to recognize the effective portion of any gain or loss in other comprehensive income, and recognize the ineffective portion of any gain or loss in finance cost in the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

Hedge Ratio

The hedge ratio is consistent with that used for risk management purposes without a deliberate imbalance to derive an inappropriate accounting outcome.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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The Company economically hedges the risk of volatility in floating interest rate on USD External Commercial Borrowings and the Currency Risk on the principal with a Cross Currency Swap with matched terms and matched USD notional. This actual hedge ratio does not reflect an imbalance (that could result in an accounting outcome that would be inconsistent with the purpose of the hedge accounting) and hence represents an eligible hedge ratio.

Maturity interest rate risk profiles

The following table shows the maturity and interest rate risk profiles of the company's hedging instruments used in its cash flow hedges. As the Company applies one-to-one hedging ratios, the below table effectively shows the outcome of the cash flow hedges:

Maturity of cross currency swaps

(₹ in Crore)

31-Mar-23	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
(₹ in Crore)						
Micro cash flow hedges						
Cross currency interest rate swaps						
Notional principal	-	-	-	-	-	-
Average fixed rate	-	-	-	-	-	-
Average INR/$ Rate	-	-	-	-	-	-

(₹ in Crore)

31-Mar-22	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
(₹ in Crore)						
Micro cash flow hedges						
Cross currency interest rate swaps	-	-	-	-	-	-
Notional principal	-	-	1,425.73	-	-	1,425.73
Average fixed rate	-	-	7.52%	-	-	-
Average INR/$ Rate	-	-	77.72	-	-	-

Carrying Value of Derivatives used in Cash Flow Hedges

(₹ in Crore)

31-Mar-23	Carrying value assets	Carrying value liabilities	Notional amount
Derivatives used as cash flow hedges			
Cross-currency interest rate swaps	-	-	-
Total derivative financial instruments	-	-	-

(₹ in Crore)

31-Mar-22	Carrying value assets	Carrying value liabilities	Notional amount
Derivatives used as cash flow hedges			
Cross-currency interest rate swaps	79.17	-	1,425.73
Total derivative financial instruments	**79.17**	**-**	**1,425.73**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

Hedge Instrument
Fair Value of Hedging Instrument

(₹ in Crore)

31St March 2023	Changes in fair value of hedging instruments used for measuring hedge ineffectiveness						
	Carrying value			In Total	Effective portion	Hedge Ineffectiveness	Reclassified into income statement
	Notional amount	Assets	Liabilities		Recognised in OCI	Recognised in profit & loss account	
Micro cash flow hedges	-	-	-	-	-	-	-
Cross currency interest rate swaps	-	-	-	(79.17)	(79.17)	-	(79.17)
Total	**-**	**-**	**-**	**(79.17)**	**(79.17)**	**-**	**(79.17)**

(₹ in Crore)

31St March 2022	Changes in fair value of hedging instruments used for measuring hedge ineffectiveness						
	Carrying value			In Total	Effective portion	Hedge Ineffectiveness	Reclassified into income statement
	Notional amount	Assets	Liabilities		Recognised in OCI	Recognised in profit & loss account	
Micro cash flow hedges	-	-	-	-	-	-	-
Cross currency interest rate swaps	1,425.73	79.17	-	73.48	73.48	-	73.48
Total	**1,425.73**	**79.17**	**-**	**73.48**	**73.48**	**-**	**73.48**

Fair Value of Hedged Item

(₹ in Crore)

	Change in fair value of hedged item in the year used for ineffectiveness measurement	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
31-Mar-23			
Micro cash flow hedges	-	-	-
Floating rate USD notes	(79.17)	-	-
Total	**(79.17)**	**-**	**-**

(₹ in Crore)

	Change in fair value of hedged item in the year used for ineffectiveness measurement	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
31-Mar-22			
Micro cash flow hedges	-	-	-
Floating rate USD notes	73.48	-	-
Total	**73.48**	**-**	**-**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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Movement of Cash Flow Hedge

(₹ in Crore)

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Hedging net gains/(losses) arising during the year	(79.17)	73.48
Less: Recognised in the income statement	79.17	(73.48)
Income tax related to the above	-	-
Movement on cash flow hedges	-	-

Impact of Cash Flow Hedge on Balance Sheet

(₹ in Crore)

Impact of cash flow hedge on balance sheet and financial result- hedging instruments	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Nominal value		1,425.73
Carrying amount – assets		79.17
Carrying amount – liabilities	-	-
Balance Sheet item in which hedging instrument is reported	Hedging Instruments	Hedging Instruments
Change in the fair value of the hedging instrument used for estimating hedge ineffectiveness	(79.17)	73.48
Amount of hedge ineffectiveness recognised in the income statement	-	-
Profit & Loss item in which hedge ineffectiveness is reported	NA	No ineffectiveness reported

(₹ in Crore)

Impact of cash flow hedge on balance sheet and financial result - hedged items	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Impact of cash flow hedge on balance sheet and financial result- hedged item	(79.17)	73.48
Amount of change in the fair value of the hypothetical derivative representing the hedged item used for estimating the hedge ineffectiveness in the reporting period	-	-
Revaluation reserve due to cash flow hedge accounting for relationships for which hedge accounting will be continued after the end of the reporting period	-	-
Revaluation reserve due to cash flow hedge accounting for relationships for which hedge accounting is no longer applied	-	-

ADDITIONAL DISCLOSURES IN ECB

For hedging relationships to which an entity applies the temporary exceptions from applying specific hedge accounting requirements exceptions set out in paragraphs 6.8.4-6.8.12	
(a) The significant interest rate benchmarks to which the entity's hedging relationships are exposed;	NA
(b) The extent of the risk exposure the entity manages that is directly affected by the interest rate benchmark reform;	NA
(c) How the entity is managing the process to transition to alternative benchmark rates	NA
(d) A description of significant assumptions or judgments the entity made in applying these paragraphs (for example, assumptions or judgments about when the uncertainty arising from interest rate the interest rate benchmark-based cash flows); and benchmark reform is no longer present with respect to the timing and the amount of	NA
(e) The nominal amount of the hedging instruments in those hedging relationships	NA

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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39.5 Maturity Analysis of Assets and Liabilities:

The Table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled:

As at March 31, 2023

(₹ in Crore)

Particulars	Upto 12 months	More than 12 months	Amount
ASSETS			
Financial Assets			
Cash and cash equivalents	641.38	-	**641.38**
Bank Balance other than above	180.18	-	**180.18**
Derivative financial instruments	-	-	**-**
Receivables			
(I) Trade Receivables			
(II) Other Receivables	0.72		**0.72**
Loans	17,392.75	2,50,383.10	**2,67,775.85**
Investments	2,403.70	4,646.01	**7,049.71**
Other Financial assets	11	19.19	**30.09**
Non-Financial Assets			
Current Tax Assets (Net)	-	-	**-**
Deferred Tax Assets (Net)	-	1895.87	**1895.87**
Property, Plant and Equipment	-	180.91	**180.91**
Capital Work in Progress	0.84	-	**0.84**
Intangible assets under development	-	-	**-**
Right of Use Assets	-	171.12	**171.12**
Goodwill	-	0.21	**0.21**
Other Intangible Assets	-	36.24	**36.24**
Other Non-Financial Assets	356.96	-	**356.96**
Assets Held for Sale	238.89	-	**238.89**
Total Assets	20682.62	257876.35	**278558.97**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Lease Liability	50.38	133.71	**184.09**
Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	0.14	-	**0.14**
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	33.58	-	**33.58**
Debt Securities	37696.23	99263.77	**1,36,960.00**
Borrowings (Other than Debt Securities)	39,626.35	54,765.90	**94,392.25**
Deposits	8577.10	3003.66	**11580.76**
Subordinated Liabilities	-	1795.77	**1,795.77**
Other financial liabilities	5,343.16	311.77	**5,654.93**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Crore)

Particulars	Upto 12 months	More than 12 months	Amount
Non-Financial Liabilities			
Current tax liabilities (Net)	3.87	-	**3.87**
Deferred Tax liabilities (Net)		0.12	**0.12**
Provisions	54.47	122.50	**176.97**
Other non-financial liabilities	588.63	-	**588.63**
Total Liabilities	91973.91	159397.20	**251371.11**
NET	(71291.29)	98479.15	**27187.86**

As at March 31, 2022

(₹ in crore)

Particulars	Upto 12 months	More than 12 months	Amount
ASSETS			
Financial Assets			
Cash and cash equivalents	824.35	-	**824.35**
Bank Balance other than above	160.31	-	**160.31**
Derivative financial instruments	79.17	-	**79.17**
Receivables			
(I) Trade Receivables	7.28	1.10	**8.38**
(II) Other Receivables	-	-	**-**
Loans	17,754.49	2,27,480.00	**2,45,234.49**
Investments	1,634.53	4,644.86	**6,279.39**
Other Financial assets	7.65	14.32	**21.97**
Non-Financial Assets			
Current Tax Assets (Net)	-	138.18	**138.18**
Deferred Tax Assets (Net)	-	1,371.36	**1,371.36**
Property, Plant and Equipment	-	154.39	**154.39**
Capital Work in Progress	2.85	-	**2.85**
Intangible assets under development	-	1.45	**1.45**
Right of Use Assets	-	138.46	**138.46**
Goodwill	-	0.21	**0.21**
Other Intangible Assets	-	21.76	**21.76**
Other Non-Financial Assets	142.66	-	**142.66**
Assets Held for Sale	107.38	-	**107.38**
Total Assets	20,720.67	2,33,966.10	**2,54,686.77**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Lease Liability	40.14	110.09	**150.23**
Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	2.80	-	**2.80**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

(₹ in crore)

Particulars	Upto 12 months	More than 12 months	Amount
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	51.11	0.06	**51.17**
Debt Securities	33,350.77	93,991.22	**1,27,341.99**
Borrowings (Other than Debt Securities)	31,912.44	44,534.79	**76,447.23**
Deposits	11,690.21	6,331.97	**18,022.18**
Subordinated Liabilities	-	1,795.44	**1,795.44**
Other financial liabilities	5,234.46	354.38	**5,588.84**
Non-Financial Liabilities			
Deferred Tax liabilities (Net)	-	0.12	**0.12**
Provisions	63.29	110.64	**173.93**
Other non-financial liabilities	359.10	-	**359.10**
Total Liabilities	82,704.31	1,47,228.72	**2,29,933.03**
NET	(61,983.63)	86,737.38	**24,753.74**

40. SEGMENT REPORTING:

As per the Ind AS 108 dealing with 'Operating Segments', the main segments and the relevant disclosures relating there.

(₹ in Crore)

Particulars	Loans		Other Segments		Inter Segment Adjustments		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Segment Revenue	22,674.20	19,953.02	99.48	95.72	-45.47	-43.43	22,728.21	20,005.31
Segment Result	3557	2,778.15	5.83	19.56	-2.07	-10.46	3,560.77	2,787.26
Share of profit of Associates	-	-	-	-	-	-	0.24	0.69
Tax Expense	-	-	-	-	-	-	669.6	952.38
OCI adjustments	-	-	-	-	-	-	4.98	-4.92
Share of Profit/(Loss) of Non-Controlling Interest	-	-	-	-	-	-	-0.41	-0.35
Total Result	-	-	-	-	-	-	2,895.98	2,281.42
Segment Assets	2,78,173.12	2,54,460.08	292.46	286.15	-145.5	-166.84	2,78,320.08	2,54,579.39
Assets held for sale	238.89	107.38	-	-	-	-	238.89	107.38
Segment Liabilities	2,51,311.67	2,29,895.62	110.84	101.85	-51.4	-64.44	2,51,371.11	2,29,933.03
Net Assets	27,100.34	24,671.84	181.62	184.29	-94.1	-102.39	27,187.86	24,753.74
Depreciation & Amortization	65.56	52.44	3.72	4.24	-0.24	-1.5	69.04	55.19
Non Cash Expenses other Depreciation & Amortization	1,942.96	2,021.83	-	-	-	-	1,942.96	2,021.83

(i) The accounting policies adopted for segment reporting are in line with the policies of the group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

(ii) Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

(iii) Loans segment comprises of providing finance for purchase, construction, repairs, renovation of house/buildings.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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(iv) Other segments comprise of financial services segment which involves business of marketing financial products and Services on own account as well as for and on behalf of other service providers, construction Segment which establishes and operates assisted living community centres for elderly citizens in India, Asset Management segment which includes promoting and managing different schemes on behalf of LIC Mutual Fund and Trusteeship segment which supervises activities of LIC Mutual Fund.

(v) The Company does not have any material operations outside India and hence, disclosure of geographic segments is not given.

(vi) No single customer represents 10% or more of the Company's total revenue for the year ended March 31, 2023 and March 31, 2022.

41. COMMITMENTS:

a) Estimated amounts of contracts remaining to be executed on capital account and not provided for advance) - (net of are ₹ 23.76 Crore (F.Y. 2021-22 ₹ 13.23 Crore).

b) Other Commitments: Uncalled liability of ₹ 1.14 crore (F.Y. 2021-22 ₹ 1.14 crore) in respect of commitment made for contribution to LICHFL Urban Development Fund by subscription of 50,000 units (F.Y. 2021-22 50,000 units) of ₹ 10,000 face value each, paid up value being ₹ 2975.12 (F.Y. 2021-22 ₹ 2975.12) each.

c) The Company had committed a maximum of 10% of aggregate Capital Commitment but not exceeding ₹ 100.00 crore in LICHFL Infrastructure Fund managed by one of the Subsidiary of the Company, namely LICHFL Asset Management Company Limited. The outstanding investment in LICHFL Infrastructure Fund as on 31st March, 2023 is ₹ 55.60 crore (F.Y. 2021-22 ₹ 24.51 crore). The Total Capital commitment of the fund is 765 Crore.

d) Undisbursed amount of Housing and Non- Housing Loans sanctioned is ₹ 34,999.35 crore.

42. CONTINGENT LIABILITIES IN RESPECT OF:

a) Claims against the Company not acknowledged as debts ₹ 0.99 Crore (F.Y. 2021-22 ₹ 18.36 Crore).

There is an investigation going on against LICHFL Care Homes Limited by DGAP for the violation of Sec 171 of CGST act 2017.Documents in this regard have been submitted by LICHFL Care Homes Limited. Pursuant to the investigation, DGAP had submitted its report to NAA basis which NAA has issued SCN to the company alleging profiteering and proposing to impose penalty under section 171 of CGST Act. LICHFL Care Homes Limited has submitted its response to NAA, and we have received an order for hearing on 13.04.2022.

1) Bank guarantee outstanding of ₹ 88.76 Lakh (P Y ₹43.92 Lakh)

2) Pending litigation against the company:

- Two petitions have been filed the case in the Court of Civil Judge, Junior Division, Bhubaneswar, claiming the right on the part of the plot allotted to the company at Bhubaneswar, Odisha and also prayed in the court to injected/restrained from dispossessing the suit plot without due process of law and demolishing the house of plaintiff constructed over the suit plot. The case is not yet listed for hearing and the company expects a favourable result in its favour, therefore no provision has been made in the account.

- Two petitions have been filed the case in the Court of Member, Board of Revenue Odisha, Cuttak, the Company has been made a party to it, claiming the right on the part of the plot allotted to the company at Bhubaneswar, Odisha and also prayed in the court to direct the Tahasildar, who is also party to the subject petition, to record the name of petitioner in respect of suit plot exclusively and delete the name of the company from said. The case is not yet listed for hearing and the company expects a favourable result in its favour, therefore no provision has been made in the account.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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- A petition has been filed before the District Consumer Dispute Redressal Commission at Bhubneswar, Odisha against the Company, for an allotment shop which was originally allotted to her, however subsequently the allotment was cancelled, and money received has been refunded along with the interest to the petitioner and the petitioner has accepted the refund. The case is not yet listed for hearing and the company expects a favourable result in its favour, therefore no provision has been made in the account.

- A petition has been filed the case in the Court of Civil Judge, Senior Division, Bhubaneswar, Odisha, restraining the company from finalising the Memorandum of Association without obtaining the written consent of the petitioner till the disposal of the suit and have also claimed to have already formed the unregistered association. The case is not yet listed for hearing and the company does not expect in liability in the subject petition. therefore, no provision has been made in the account.

b) The Company under Direct Tax Vivad Se Vishwas Act, 2020 (3 of 2020) entered into Vivad Se Vishwas Scheme for settling its tax dispute in respect of AY 2004-05 to AY2017-18 and accordingly, received confirmation from Income tax authorities i.e. in Form 5 which is Order for full and final settlement of tax arrears under Section 5(2) read with Section 6 of under Direct Tax Vivad Se Vishwas Act, 2020 (3 of 2020) the Direct Tax Vivad Se Vishwas Rules, 2020 for all those assessment years and thereby the Company has taken conscious and practical call for settling its tax disputes resulting into finality of outcome in the above aforesaid assessment years. However, refunds for the period under VVS is still pending.

On completion of income tax assessment, the Company had received a demand of ₹ 10.64 crore for AY 2018-19 and ₹ 30.12 crore (Including interest of ₹ 1.17 Crores) for AY 2019-20 respectively. For AY 2018-19, the demand of ₹10.64 crore has been adjusted against the refund claimed whereas for AY 2019-20 the demand of ₹30.12 crore is paid. The aforesaid demands for AY 2018-19 and AY 2019-20 are disputed and the Company has preferred an appeal at the Appellate Authority.

43. MOVEMENT IN PROVISION FOR CONTINGENCIES AS UNDER:

a. Provision includes:

i. Provision for doubtful advances and provision for probable loss on account of bank reconciliation differences.

(₹ in Crore)

Provision for Doubtful Advances	**As at March 31, 2023**	**As at March 31, 2022**
Opening balance	3.53	5.23
Add: Additional provisional for doubtful advances	-	-
Less: Amounts utilized during the year / provision written back for doubtful advances	3.53	-
Less: Reversal of provision for doubtful advances	-	1.70
Closing balance	**-**	**3.53**

44. Fixed Deposits with Banks includes earmarked deposits created in favour of trustees for depositors towards maintaining Statutory Liquid Ratio amounting to ₹ 100 Crore (F.Y. 2021-22 ₹ 82.70 Crore grouped under Other Financial Asset). The Company has beneficial interest on the income earned from these deposits.

45. Temporary Book Overdraft of ₹ 627.93 Crore (F.Y. 2021-22 ₹ 544.03 Crore) represents cheques issued towards disbursements to borrowers for ₹ 576.47 Crore (F.Y. 2021-22 ₹ 523.36 Crore) and cheques issued for payment of expenses of ₹ 51.46 Crore (F.Y. 2021-22 ₹ 20.67Crore), but not encashed as at March 31, 2023.

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46. AUDITOR'S REMUNERATION*:

(₹ in Crore)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
As auditor	0.57	0.51
Tax Audit	0.12	0.08
For Quarterly Limited Reviews	0.24	0.19
In any other manner (Certification work)	0.22	0.24
Reimbursement of expenses to Auditors	0.05	0.07
Total	**1.20**	**1.10**

*Excluding GST

47. PROPOSED DIVIDEND

(₹ in Crore)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Dividends not recognized at the end of reporting period	467.70	467.69

48. The Group is in the continuous process of obtaining confirmation from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

(₹ in Crore)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
The principal amount remaining unpaid to any supplier	0.14	2.80
The interest due thereon (above principal amount) remaining unpaid to any supplier	-	-
The amount of interest paid by the buyer in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day for the year ended	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23	-	-

49. DISCLOSURE IN RESPECT OF EMPLOYEE BENEFITS:

In accordance with the Indian Accounting Standard (Ind AS 19) – "Employee Benefits", the following disclosures have been made:

Provident Fund and Pension Fund Liability

The Group has recognised ₹ 33.32 crore (Previous year ₹ 40.90 crore) in the Statement of Profit and Loss towards contribution to Provident fund in respect of company employees. In respect of LIC employees on deputation who have opted for pension, ₹ 2.76 crore (previous year ₹ 2.72 crore) have been contributed towards LIC of India (Employees) Pension Rules, 1995

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

Gratuity Liability

(₹ in crore)

Changes in the Defined Benefit Obligation:	2022-23	2021-22
Liability at the Beginning of the year	120.39	105.67
Interest Cost	8.74	7.28
Current Service Cost	6.56	6.25
Benefit Paid	(8.64)	(4.09)
Actuarial Loss/(Gain) on obligations	(5.3)	5.29
Liability at the end of the year	**121.77**	**120.42**

(₹ in crore)

Fair Value of the Plan Assets:	2022-23	2021-22
Fair Value of Plan Asset at the beginning of the year	109.32	90.57
Expected Return on Plan Assets	7.85	6.25
Contributions	7.80	17.87
Benefit paid	(1.58)	(4.09)
Actuarial Gain / (Loss) on Plan Assets	1.39	(1.29)
Fair value of Plan Assets at the end of the year	**124.77**	**109.31**
Total Actuarial Loss to be Recognized	**(6.68)**	**6.58**

(₹ in crore)

Actual Return on Plan Assets:	2022-23	2021-22
Expected Return on Plan Assets	7.93	6.25
Actuarial Gain / (Loss) on Plan Assets	1.40	(1.29)
Actual Return on Plan Assets	**9.34**	**4.96**

(₹ in crore)

Amount Recognized in the Balance Sheet:	2022-23	2021-22
Liability at the end of the year	(128.82)	(120.40)
Fair Value of Plan Assets at the end of the year	124.77	109.32
Amount recognized in the Balance Sheet	**(4.05)**	**(11.08)**

(₹ in crore)

Net Interest Cost for Current Year:	2022-23	2021-22
Present Value of Benefit Obligation at the Beginning of the Year	120.39	105.67
Fair value of Plan Assets at the Beginning of the Year	109.32	(88.10)
Net Liability/(Asset) at the Beginning of the Year	**11.08**	**15.09**
Interest Cost	8.74	7.29
Interest Income	7.95	(6.07)
Net Interest Cost for Next Year	**0.80**	**13.37**

(₹ in crore)

Expense Recognized in the Statement of Profit or Loss for Current Year :	2022-23	2021-22
Current Service Cost	6.56	6.25
Net Interest Cost	0.79	13.37
Expense recognized in the Statement of Profit or Loss under staff expenses	**7.35**	**19.62**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(₹ in crore)

Expense Recognized in Other Comprehensive Income (OCI) for Current Year :	2022-23	2022-21
Actuarial Loss/(Gain) on obligations	5.30	5.29
Return on Plan Assets, excluding Interest Income	1.39	1.29
Net (Income)/Expense for the year recognized in OCI	**6.68**	**6.58**

(₹ in crore)

Reconciliation of the Liability recognized in the Balance Sheet:	2022-23	2022-21
Opening Net Liability	11.08	15.11
Expense recognized in the Statement of Profit or Loss	7.36	7.28
Expense recognized in Other Comprehensive Income	(6.68)	6.58
Contribution by the Group	(7.80)	(17.87)
Amount recognized in the Balance Sheet under "Provision for Retirement Benefits"	**3.95**	**11.10**

Maturity Analysis of the Benefit Payments : From the Fund

(₹ in crore)

Projected Benefits Payable in Future Years From the Date of Reporting	2022-23	2021-22
Ist Following Year	8.93	7.96
2nd Following Year	6.87	6.78
3rd Following Year	13.20	8.04
4th Following Year	12.06	13.18
5th Following Year	12.87	11.39
Sum of Years 6 to 10	40.65	44.91
Sum of Years 11 and above	217.81	192.03

(₹ in crore)

Sensitivity Analysis	2022-23	2021-22
Projected Benefit Obligation on Current Assumptions	128.82	120.40
Delta Effect of +1% Change in Rate of Discounting	(17.60)	(8.11)
Delta Effect of -1% Change in Rate of Discounting	20.40	9.60
Delta Effect of +1% Change in Rate of Salary Increase	12.51	6.76
Delta Effect of -1% Change in Rate of Salary Increase	(11.99)	(6.64)
Delta Effect of +1%Change in Rate of Employee Turnover	2.08	3.65
Delta Effect of -1%Change in Rate of Employee Turnover	**(2.38)**	**(3.88)**

Assumptions:	31.03.2023	31.03.2022
Discount Rate	6.84%/7.35%/7.49%	7.29%/6.15%/7.25%
Rate of Return on Plan Assets	6.84%/7.35%/7.49%	7.29%/7.00%/7.25%
Salary Escalation	8.00%/6.90%/8.00%	8.00%/6.90%/8.00%
Attrition Rate	2.00%	2.00%

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Gratuity Premium is paid to LIC of India under Gratuity Scheme of LIC.

Actuarial Gains/Losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary Escalation and Attrition Rate are considered as advised to the Company by the Actuary; they are in line with the industry practice considering promotion and demand and supply of the employees.

Maturity Analysis of Benefit payments is undiscounted cash flows considering future salary, attrition and death in respective year for members as mentioned above.

The Group has a defined benefit gratuity plan in India (funded). The Group's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Gratuity is a defined benefit plan and the Group is exposed to the Following Risks:

Interest Risk: A fall in the discount rate which is linked to the Government Security Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance Company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

The Company's best estimate of contributions expected to be paid to the plan during the annual period beginning after April 1, 2023 is ₹ 3.40 crore (Previous Year ₹ 10.61 crore).

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Leave Encashment

(₹ in crore)

Changes in the Benefit Obligation	2022-23	2021-22
Liability at the Beginning of the year	94.15	71.63
Interest Cost	6.85	4.93
Current Service Cost	3.43	3.48
Benefit Paid	(3.21)	(3.15)
Actuarial (Gain) / Loss on obligations	2.37	17.26
Liability at the end of the year	**103.59**	**94.15**

(₹ in crore)

Amount Recognized in the Balance Sheet:	2022-23	2021-22
Liability at the end of the year	(103.28)	(94.16)
Fair Value of Plan Assets at the end of the year	0.00	0.00
Amount recognized in the Balance Sheet*	**(103.28)**	**(94.16)**

(₹ in crore)

Expense Recognized in the Statement of Profit or Loss:	2022-23	2021-22
Current Service Cost	3.43	3.48
Interest Cost	6.85	4.93
Expected Return on Plan Assets	0	0
Net Actuarial (Gain) / Loss to be recognized	2.37	17.26
Expense recognized in the Statement of Profit or Loss under staff expenses	**12.65**	**25.67**

(₹ in crore)

Reconciliation of the Liability recognized in the Balance Sheet:	2022-23	2021-22
Opening Net Liability	94.15	71.63
Expense recognized	12.65	25.67
Contribution by the Group	(3.21)	(3.15)
Amount recognized in the Balance Sheet under "Provision for Retirement Benefits"	**103.59**	**94.15**

Assumptions:	2022-23	2021-22
Retirement Age	58 Years	58 Years
Discount Rate	7.49%/7.49%	6.90%/7.25%
Salary Escalation	8.00%/8.00%	8.00%/8.00%
Attrition Rate	2.00%/2.00%	2.00%/2.00%

The estimate of future salary increases, considered in actuarial valuation, include inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the actuary and relied upon by the Auditors.

Sick Leave

The Company has recognised ₹ 2.55 crore (Previous year ₹ 5.85 crore) in the Statement of Profit and Loss towards sick leave in respect of company employees.

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50. RELATED PARTY DISCLOSURE:

a) **Details of related parties:**

(i) Enterprise having Significant Influence on the Company

Life Insurance Corporation of India

(ii) Associates by way of the Company holding shares of the following Enterprises

LIC Mutual Fund Asset Management Limited

LIC Mutual Fund Trustee Private Limited

(iii) Details of Key Management Personnel and Directors (Executive or Otherwise)

Nature of Relationship

	For the year ended March 31,2023	For the year ended March 31,2022
Key Management Personnel		
Shri Y. Viswanatha Gowd	MD & CEO	MD & CEO
Shri Ashwani Ghai	Chief Operating Officer (From 01.11.2022)	-
Smt. Varsha Hardasani	Company Secretary (From 01.06.2022)	-
Shri Nitin K Jage	Company Secretary (Resigned on 31.05.2022)	- Company Secretary
Shri Sudipto Sil	Chief Financial Officer	Chief Financial Officer
Directors (Executive or Otherwise)		
Shri M R Kumar	Chairman (Resigned on 13.03.2023)	Chairman
Shri Vipin Anand	-	Non-Executive Nominee Director (Resigned on 30.07.2021)
Shri Raj Kumar	Non-Executive Nominee Director (Resigned on 09.02.2023)	Non-Executive Nominee Director (From13.08.2021)
Shri Jagdish Capoor	Independent Director (Resigned on 23.05.2022)	Independent Director
Shri Dharmendra Bhandari	Independent Director	Independent Director
Shri V. K. Kukreja	Independent Director	Independent Director
Shri Ameet Patel	Independent Director	Independent Director
Shri P Koteswara Rao	Non Independent Director	Non Independent Director
Shri Kashi Prasad Khandelwal	Independent Director	Independent Director
Shri Sanjay Kumar Khemani	Independent Director(Designation change w.e.f. 06.02.2023)	Non Independent Director
Shri Akshay Rout	Non Independent Director	Non Independent Director
Smt. Jagennath Jayanthi	Independent Director	Independent Director
Shri Siddhartha Mohanty	Chairman	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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b) Details of transactions with related parties:

(₹ in crore)

Nature of transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
Life Insurance Corporation of India:		
Issue of Equity Shares	-	9.08
Securities Premium on Issue of Equity Shares	-	2,326.43
Repayment of non-convertible debentures	15,00.00	1,500.00
Interest expenses on Secured and Unsecured loans	1,046.28	1,130.34
Dividend Payment by LIC Housing Finance Limited to LIC of India	211.66	211.52
Dividend Payment by LICHFL Asset Management Company Limited to LIC of India	-	0.14
Rent Rates and Taxes	10.10	9.55
Reimbursement of Electricity Expenses	1.03	0.55
Payment for Staff training, Conference, etc.	-	-
Reimbursement of Expenses	0.21	0.19
Reimbursement of Gratuity, Mediclaim, GSLI and Pension Fund for staff on deputation from LIC	2.55	1.85
Net Contribution to LIC of India, P & GS, for Gratuity premium for employees (Post Employment Benefit)	9.64	18.25
Net Contribution to LIC of India, P & GS, for GTIS premium for employees (Post Employment Benefit)	0.08	-
Income from Commission	3.37	-
Rewriting Fees Income	47.69	-
Management Fees paid by LICHFL Asset management Co.	0.44	-
Balance as at year end towards Non Convertible Debentures (Credit)	11,550.00	13,050.00
Balance as at year end towards Interest Accrued on Non Convertible Debentures (Credit)	243.03	291.32
Balance as at year end-Others (Credit)	1.81	2.09
LIC Mutual Fund Asset Management Company		
Dividend Income	0.43	0.43
Shri Y. Viswanatha Gowd , MD &CEO		
*Managerial remuneration-Total	0.79	**0.84
Short Term Employment Benefits	0.77	0.83
Post-Employment Benefits	0.02	0.01
Investment in Public Deposit	0.22	(0.18)
Redemption of Public Deposit	0.06	-
Interest Expense on investment in Public Deposit by Close Members	0.02	0.01
Balance as at the year end towards investment in Public Deposit by Close Members and Accrued Interest on Public Deposit (Credit)	0.42	0.26
Shri Ashwani Ghai (From 01.11.2022)		
Outstanding Amount of Loan taken from the Company	1.30	-
Shri Nitin K Jage, Company Secretary		
Managerial remuneration-Total	0.32	**0.69
Short Term Employment Benefits	0.32	0.69
Interest Expense on investment in Public Deposit	0.00	0.00
Smt.Varsha Hardasani (from 01.06.2022)		
*Managerial remuneration-Total	0.18	-
Short term Employee Benefits	0.18	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(₹ in crore)

Nature of transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
Shri Sudipto Sil	0.48	**0.55
Managerial remuneration-Total	0.48	0.55
Short Term Employment Benefits	-	0.22
Investment in Public Deposit by Close Members of family	-	0.22
Redemption in Public Deposit by Close Members of family	0.05	0.05
Interest Expense on investment in Public Deposit by Close Members	0.65	0.61
Balance as at the yearend towards investment in Public Deposit by Close Members and Accrued Interest on Public Deposit (Credit)		
Directors (Executive or Otherwise)		
Sitting Fees Paid	0.34	0.74
Shri Jagdish Capoor, Independent Director		
Interest Expense on investment in Public Deposit	-	0.01
Redemption in Public Deposit by a Close Member	-	0.10
Balance as at the year end towards investment in Public Deposit and Accrued Interest on Public Deposit (Credit)	-	-
Shri Raj Kumar, Non-Executive Nominee Director		
Outstanding Amount of Loan taken from the Company	0.06	0.07

*As the Provision for Performance Linked Incentive (PLI) and Leave encashment is accrued for the company as a whole and not decided individually, hence not included. However, payment made during the financial year 2022-2023 has been included.

Gratuity payable by the Company to the Company Secretary and CFO is ₹ 0.20 Crore as a post-employment benefit. For the MD & CEO, an amount of 5% of Basic Salary plus DA is contributed as a post- employment benefit to LIC.

51. LEASES:

a. Actual Payment of Rent from 01.04.2022 to 31.03.2023 is ₹ 53.75 Crore (Previous Year ₹ 49.78 Crore).

b. The following is the breakup of Current and non-current portion of Lease Liability as on 31.03.2023:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Current	50.38	38.72
Non-Current	133.71	111.51
Total Lease Liability as on 31.03.2021	**184.09**	**150.23**

c . The following is the movement of Lease Liability as on 31.03.2023:-

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Value of Lease Liability as of April 1	150.23	127.63
Additions	122.79	74.71
Terminated	(46.25)	(8.18)
Interest Expense on Lease Liability	9.42	8.44
Interest Expense on Terminated Lease	0.75	0.18
Finance Income on Subleased Assets	0.18	0.07
Finance Income Receivable on Subleased Assets	0.70	(2.90)
Actual Payment of Rent	(53.75)	(49.78)
Provision on Disposals	0.02	0.06
Closing Value of Lease Liability as of March 31	**184.09**	**150.23**

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d. The Carrying Value of Right of Use Asset as of March 31, 2023:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Gross Carrying Value as of April 1, 2022	**249.08**	**197.18**
Additions	127.01	74.63
(Disposals)	(10.90)	(18.84)
ROU derecognised on subleased asset	-	(3.89)
Gross Carrying Value as of March 31,2023	**365.19**	**249.08**
Accumulated Depreciation as of April 1,2022	**92.08**	**68.32**
Depreciation for the year	49.44	42.60
(Accumulated Depreciation on Disposals)	(4.56)	(18.84)
Reversal of depreciation - sublease	(0.65)	-
Accumulated Depreciation as of March 31,2023	**136.31**	**92.08**
Terminated Leases	**57.76**	**18.54**
Carrying Value as of March 31, 2023	**171.12**	**138.46**

e. The following represents the Contractual Maturity of the Lease Liability on an undiscounted basis:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
On demand	-	-
Upto 3 months	13.60	12.05
Above 3 months to 12 months	38.20	33.74
Above 1 Year -3 Years	74.65	67.18
Above 3 Years-5 Years	44.10	39.21
Above 5 Years-10 Years	46.22	30.53
Above 10 Years	3.79	0.62
Total	**220.57**	**183.32**

As a Lessee:

f. Amount recognised in Statement of Profit and Loss:

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on lease Liabilities	5.27	8.68
Variable payments not included in measurement of lease liability	-	-
Income from subleasing ROU assets	-	-
Expenses relating to short term leases	-	-
Expenses relating to leases of low value assets, excluding short term leases of low value assets	-	-
Total amount recognised in the Statement of Profit and Loss	**5.27**	**8.68**

g. Amount recognised in the Statement of Cash Flow:

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total amount of cash outflows for leases (net of rental inflows)	53.75	49.78

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

52. EARNINGS PER SHARE:

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year as under:

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Profit after tax attributable to equity shareholders	(₹ in Crore)	2891.17	2,286.00
Weighted average number of equity shares outstanding during the year	Nos.	550063000	53,01,61,630.13
Basic and Diluted Earnings per equity share	₹	52.56	43.12
Face value per equity share	₹	2/-	2/-

53. TAXES ON INCOME:

Movement in Deferred Tax Assets / Liabilities

(₹ in Crore)

Particulars	As at April 1, 2022	Profit or Loss	Other Comprehensive Income	Total	As at March 31, 2023
Property, plant and equipment	(0.91)	(4.79)	-	(4.79)	(5.70)
Expected credit losses	1,477.27	371.26	-	371.26	1,848.52
Provisions other than those pertaining to Expected credit loss	(112.31)	87.79	-	87.79	(24.53)
Financial assets at fair value through profit or loss	14.06	0.81	-	0.81	14.87
Re-measurements of employee benefits through OCI	2.58	-	(2.53)	(2.53)	0.05
Adjustments pertaining to Income and expense recognition based on Expected Interest rate	(186.91)	(4.71)	-	(4.71)	(191.61)
Income recognition on NPA cases	(5.73)	-	-	-	(5.73)
Others	183.20	76.68		76.68	259.88
Total	**1371.24**	**527.04**	**(2.53)**	**524.51**	**1895.75**

(₹ in Crore)

Particulars	As at April 1, 2021	Profit or Loss	Other Comprehensive Income	Total	As at March 31, 2022
Property, plant and equipment	0.58	(1.49)		(1.49)	(0.91)
Expected credit losses	996.06	481.21		481.21	1,477.27
Provisions other than those pertaining to Expected credit loss	26.04	(138.36)		(138.36)	(112.31)
Financial assets at fair value through profit or loss	4.33	9.73		9.73	14.06
Remeasurements of employee benefits through OCI	0.94	-	1.64	1.64	2.58
Adjustments pertaining to Income and expense recognition based on Expected Interest rate	(201.92)	15.02		15.02	(186.91)
Income recognition on NPA cases	(5.73)	-		-	(5.73)
Others	98.30	84.90		84.90	183.20
Total	**918.60**	**451.01**	**1.64**	**452.65**	**1,371.24**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

Income Tax recognized in Statement of profit and loss:

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax		
In respect to of Current Year	1195.89	952.38
In respect of prior years	0.05	(0.12)
Deferred Tax		
In respect to of Current Year	(526.34)	(451.01)
Total Income Tax expense recognised in the current year	**669.60**	**501.25**

Reconciliation of income tax expense of the year can be reconciled to the accounting profit as follows:

(₹ in crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consolidated Profit before tax	3560.77	2,787.25
Income tax expense calculated *	903.06	707.18
Effect of expenses that are not deductible in determining taxable profit	619.57	524.95
Effect of incomes which are exempt from tax	(1.43)	(1.31)
Effect on deferred tax balances due to the changes in income tax rate	0.00	0.00
Deduction under section 36(1)(viii) of the Income tax Act, 1961	(241.55)	(211.10)
Others	(610.05)	(518.47)
Income tax expense recognized in statement of profit or loss	**669.60**	**501.25**

*The tax rate used for the reconciliations above is the corporate tax rate of ranging from 25.168% to 29.12% (Previous Year 22.88% to 29.12%) payable by the Group in India on taxable profits under tax law in Indian jurisdiction.

The new effective tax rate, which will apply to domestic companies availing the benefit of section 115BAA is 25.168%.

54. CORPORATE SOCIAL RESPONSIBILITY

Establishment and Other expenses includes ₹ 63.63 Crore for the year ended March 31, 2023 (F.Y. 2021-22 ₹ 67.55 Crore) for contribution towards Corporate Social Responsibility (CSR) in accordance with Companies Act, 2013.

Details of CSR expenditure during the financial year

a) Gross amount required to be spent by the Group during the year is ₹ 63.63 Crore (F.Y. 2020-21 ₹ 67.55 Crore).

b) Amount approved by the Board to be spent during the year is ₹ 63.80 crore.

c) Amount spent during the year:

(₹ in Crore)

Sl. No	Particulars	In cash	Yet to be paid	Total
(i)	Construction/acquisition of any asset	3.5 (9.03)	11.78 (17.45)	15.28 (26.48)
(ii)	On purposes other than (i) above	7.02 (10.39)	41.50 (30.68)	47.94 (41.07)

Figures in bracket are in respect of the previous year.

d) Details of related party transactions, e.g., contribution to a trust / society / section 8 company controlled by the company in relation to CSR expenditure as per Accounting Standard (AS) 24, Related Party Disclosures. – Nil

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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e) Provision of ₹ 53.28 crores has been made for CSR expenditure unspent by the company as on March 31, 2022 (Previous Year ₹ 48.13 crore).

f) Movements in the provision during the year should be shown separately:

Amount to be transferred to special Bank Account:

i) Company have transferred ₹53.28 crores unspent amount to a separate bank account within 30 days of the end of FY 2022-23 (transferred on 21st April 2023) and Nil unspent amount to a Fund specified in Schedule VII, a provision for liability for ₹53.28 crores representing the amount to be transferred is recognized in the financial statements for FY 2022-23.

(₹ in Crore)

Details of ongoing projects							
	Opening Balance		Amount	Amount spent during the year		Closing Balance	
Financial Year	With Company	In Separate CSR Unspent Account	required to be spent during the year	From Company's Bank Account	From Separate CSR Unspent Account	With Company	In Separate CSR Unspent Account
FY 2019-20	15.97	0	15.97	8.02	0	7.95	0
FY 2020-21	0.14	35.44	35.58	0	20.05	0.14	15.39
FY 2021-22	2.41	45.72	48.13	2.35	34.33	0.05	11.40
FY 2022-23	-	-	63.05	9.95	-	-	53.28

iii) (a) Provision created for transferring the unspent amount other than ongoing projects to the Schedule VII Fund within 6 months form the end of the Financial Year:

(₹ in Crore)

Financial Year	Opening Balance	Amount to be deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
FY 2019-20	19.23	-	19.23	3.26	15.97
FY 2020-21	56.12	8.79	56.12	20.53	35.59
FY 2021-22	-	2.29	66.97	18.84	48.13
FY 2022-23	-	-	63.05	9.95	53.28

g) The Board of Directors of the Company has disclosed the followings on its website:

- Composition of CSR Committee (https://www.lichousing.com/static-

  assets/pdf/Committees_Membership_Feb23.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true).

- CSR Policy (https://www.lichousing.com/policy-codes).

  (https://www.lichousing.com/static-assets/pdf/Corporate_Social_Responsibility_Policy.pdf?crafterSite=lichfl-corporate-website-cms)

- Projects approved by the Board on their website (https://www.lichousing.com/static-assets/pdf/List_of_CSR_Projects_Approved_by_Competent_Authority.pdf?crafterSite=lichfl-corporate-website-cms).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

55. TRANSFER TO SPECIAL RESERVES

Special Reserve has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company. Special Reserve No. I relates to the amounts transferred upto the Financial Year 1996-97, whereas Special Reserve No. II relates to the amounts transferred thereafter. In the current financial year ₹ 984.99 Crore (F.Y. 2021-22 ₹859.99 Crore) has been transferred to Special Reserve No. II in terms of Section 36(1)(viii) of the Income tax Act, 1961 and an amount of ₹ 0.01 Crore (F.Y. 2021-22 ₹ 0.01 Crore) to Statutory Reserve under Section 29C the NHB Act as per notification no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21.

As per National Housing Bank's (NHB) circular vide circular NHB(ND)/DRS/Pol. 62/2014 dated 27th May, 2014, the Company has adjusted the opening balance of reserves for creation of Deferred Tax Liability (DTL) on the Special Reserve as at April 1, 2014 created under Section 36(1)(viii) of the Income tax Act, 1961.

56. INTERESTS IN OTHER ENTITIES

Subsidiaries

The Company's Subsidiaries as at March 31, 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company.

(₹ in Crore)

Name of Entity	Place of Business	Ownership interest held by the Company		Ownership interest held by non-controlling interests		Principal Activities
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	
		%	%	%	%	
LICHFL Asset Management Company Ltd.	India	94.62	94.62	5.38	5.38	To act as Investment Manager to Venture Capital Funds and Alternative Investment Funds
LICHFL Trustee Company Private Ltd.	India	100	100	-	-	To act as Trustee to Venture Capital Funds and Alternative Investment Funds
LICHFL Financial Services Ltd.	India	100	100	-	-	To provide Financial Services to Various Clients
LICHFL Care homes Ltd.	India	100	100	-	-	To develop residential Projects for Senior Citizens

57. INDIAN ACCOUNTING STANDARD 110 – CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements is prepared in accordance with Indian Accounting Standard 110 "Consolidated Financial Statements" issued by ICAI and notified under the relevant Provision of the Companies Act, 2013.

The detailed note is included under Significant Accounting Policies and Notes to Accounts of the Consolidated Financial Statements.

Additional information, as required under Schedule III of the Companies Act, 2013, of enterprises consolidated as Subsidiaries / Associates.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

NAME OF THE ENTITY	NET ASSETS I.E Total Assets minus total liabilities		Share in profit or loss		Share of Comprehensive Income		Share of Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated OCI	Amount	As a % of consolidated Total Comprehensive Income	Amount
Parent								
LIC Housing Finance Limited	99.47%	27,042.99	102.44%	2961.67	100.57%	5.03	102.43%	2966.7
Subsidiaries								
LICHFL Asset Management Company Ltd.	0.16%	42.48	0.15%	4.21	0.00%	-	0.15%	4.21
LICHFL Care homes Ltd.	(0.12)%	(31.99)	(0.78)%	(22.62)	(0.19)%	(0.01)	(0.78)%	(22.63)
LICHFL Trustee Company Private Ltd.	0.00%	0.19	0.00%	0.16	0.00%	-	0.00%	0.16
LICHFL Financial Services Ltd.	0.25%	69.46	(1.81)%	(52.26)	(0.38)%	(0.02)	(1.80)%	(52.27)
Goodwill on Consolidation	0.00%	0.21	-	-	-	-	-	-
Associate	0.23%	61.32	-	-	-	-	-	-
Non-Controlling Interest	0.01%	3.19	-	-	-	-	-	-
	100.00%	**27187.85**	**100.00%**	**2,891.17**	**100.00%**	**5**	**100.00%**	**2,896.17**

58. THE DISCLOSURE ON THE FOLLOWING MATTERS REQUIRED UNDER SCHEDULE III AS AMENDED NOT BEING RELEVANT OR APPLICABLE IN CASE OF THE COMPANY, SAME ARE NOT COVERED SUCH AS

a. The Company has not traded or invested in crypto currency or virtual currency during the financial year.

b. There is no undisclosed transaction which have not been recorded in the books that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act,1961.

c. No proceedings have been initiated or pending against the company as the Company does not hold any Benami Property under the Benami Transactions (Prohibition) Act, 1988.

d. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

e. The Company has not entered any scheme of arrangement, which have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

f. No Registration or satisfaction of charges are pending to be filed with ROC.

g. No revaluation of any class of asset is carried out during the year.

h. Fair valuation of Investment property is not applicable to the company, as company doesn’t hold any investment property.

i. Company doesn’t hold any immovable property in the name of third party.

j. Clause (87) of section 2 of the act read with the Companies (Restriction on number of Layers) Rules, 2017 is not applicable to company.

k. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

l. No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

59. Previous year numbers have been regrouped / reclassified, wherever considered necessary, to correspond with current year presentation. There are no significant regrouping / reclassifications during the year under report.

As per our report of even date attached

For and on behalf of the Board of Directors

For SGCO & Co. LLP Chartered Accountants FRN 112081W / W100184	**For Kandelwal Jain & Co.** Chartered Accountants FRN 105049W	**Siddhartha Mohanty** Chairman DIN : 08058830	**Kashi Prasad Khandelwal** Director DIN : 00748523	**Y. Viswanatha Gowd** Managing Director & Chief Executive Officer DIN : 09048488
Suresh Murarka Partner M. No. 044739	**Bhupendra Karkhanis** Partner M.No. 108336	**Varsha Hardasani** Company Secretary FCS No: ACS50448	**Sudipto Sil** CFO	**H. J. Panchariya** General Manager (Accounts)

Place: Mumbai
Date : May 16, 2023

FORM AOC-1

Pursuant to first proviso to sub-section(3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries / associate companies.

Part 'A' Subsidiaries

Sl. No.	Name of the Subsidiary Company	Reporting period	Reporting currency	Issued, subscribed and paid up Capital	Reserves & surplus	Total assets	Liabilities (excluding share capital & reserves)	Investments	Turnover	Profit/ (Loss) before taxation	Tax Expenses/ (Credit)	Profit/ (Loss) after taxation	Proposed dividend	% of shareholding
1	LICHFL Care Homes Limited	April 2022 - March 2023	₹	500,000,000	(230,009,921)	1,133,076,652	863,086,573	7892541.47	34687845	-265736377	-52608334	(213,128,043)	Nil	100
2	LICHFL Financial Services Limited	April 2022 - March 2023	₹	95,000,000	847,616,333	1,066,111,218	123,494,886	Nil	798,141,986	222,265,693	58,903,793	163,361,900	30%	100
3	LICHFL Asset Management Company Limited	April 2022 - March 2023	₹	91,944,000	502,832,000	716,445,938	121,669,938	592,611,000	162,791,000	100,048,000	24,487,000	75,561,000	30.00%	94.62
4	LICHFL Trustee Company Private Limited	April 2022 - March 2023	₹	900,000	7,962,080	8,974,430	112,350	8,376,890	1,946,310	1,760,040	188,470	1,571,570	Nil	100
Part 'B' Associate														
1	LIC Mutual Fund Asset Management Company Limited	April 2022 - March 2023	₹	110,000,000	1,121,622,770	1,448,241,020	216,618,250	964,966,080	691,570,590	10,835,750	-	10,835,750	10%	39.30
2	LIC Mutual Fund Trustee Private Limited	April 2022 - March 2023	₹	100,000	3,907,210	4,107,210	100,000	Nil	2,145,800	159,040	58,710	100,330	Nil	35.30

LIC HOUSING FINANCE LTD

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