

# 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, 2024, 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, 2024, 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
<b>Expected Credit Loss – Impairment of carrying value of loans and advances.</b>  Assessment of impairment loss allowance on Expected Credit loss (ECL) on Loans  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 Holding 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,	<b>We performed audit procedures set out below.</b> <ul style="list-style-type: none"> <li>We understood and assessed the Holding 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.</li> <li>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 Holding Company's process on timely</li> </ul>

Key Audit Matters	How the matter was addressed in our audit
<p>current conditions and, to the extent possible, forward-looking analysis which could impact the credit quality of the Holding Company's loans and advances.</p> <p>The significant areas in the calculation of ECL where management estimates and judgements are required as under:</p> <p>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.</p> <ol style="list-style-type: none"> <li>1. Loan staging criteria.</li> <li>2. Calculation of probability of default and loss given default.</li> <li>3. Consideration of probability weighted scenarios and forward looking macro-economic factors impacting credit quality of receivables.</li> <li>4. For Project loans, assessment based on a borrower's financial performance, solvency, liquidity, industry outlook etc.</li> </ol> <p>The Holding Company has also recorded a management overlay as part of its ECL. Management overlay is based on various uncertain variables, which could result in actual credit loss being different than that being estimated.</p> <p>In view of the high degree of management's judgement involved in estimation of ECL and the overall significance of the impairment loss allowance to the standalone financial statements, it is considered as a key audit matter.</p>	<p>recognition of impairment in the loan portfolios which included assessing the accuracy of the system generated reports on defaults and ageing.</p> <ul style="list-style-type: none"> <li>• We tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2024, by reconciling it with the balances as per loan balance register and loan commitment report as on that date.</li> <li>• 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.</li> <li>• 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.</li> <li>• We performed an overall assessment of the ECL provision levels at each stage including management's assessment and provision on account of Holding Company's portfolio, risk profile, credit risk management practices.</li> <li>• Management's controls over authorization and calculation of management overlays.</li> <li>• Assessed disclosures included in the standalone financial statements in respect of expected credit losses.</li> </ul>
<p><b>IT Systems and controls</b></p> <p>The Holding Company is dependent on its Information Technology ("IT") systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems.</p> <p>Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environments. Any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data.</p> <p>On account of the pervasive use of its IT systems, the testing of the general computer controls of the IT systems used in financial reporting was considered to be a Key Audit Matter.</p>	<p>With the assistance of IT specialist, we have obtained-</p> <ol style="list-style-type: none"> <li>(a) an understanding of the Holding Company's information processing systems, IT General Controls and automated IT controls for applications, databases and operating systems relevant to our audit.</li> <li>(b) Also, obtained an understanding of the changes that were made to the IT applications during the audit period;</li> <li>(c) Also, performed following procedures:             <ol style="list-style-type: none"> <li>(i) tested the IT General Controls around user access management, changes to IT environment and segregation of duties around program maintenance and security administration relating to key financial accounting and reporting processes.</li> <li>(ii) Tested the Holding Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization; and</li> <li>(iii) Tested the automated controls like interfaces, configurations and information generated by the entity's information processing systems for loans, borrowings, deposits, interest income, interest expense and other significant financial statement items.</li> </ol> </li> </ol>

## 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:

1. 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.
2. 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
4. 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.

5. 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.
6. 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, 2024 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

1. We did not audit the financial statements and other financial information in respect of four subsidiaries, whose financial statements, before consolidation adjustments, reflect total assets of Rs. 285.07 crores as at March 31, 2024, total revenues of Rs. 83.34 crores and net cash outflows amounting to Rs. 26.95 crores for the year ended on that date, 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.
2. The Consolidated Financial Statements also include the Group's share of total net profit after tax of Rs. 4.01 crores for year ended March 31, 2024, 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.

## 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, except for the matters stated in paragraph 2(x) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- 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, 2024 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, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
- vi. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(ii) above on reporting under Section 143(3)(b) of the Act and paragraph 2(x) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- vii. 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.
- viii. 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 42 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. (i) The respective Management of the Holding Company, its subsidiary companies and associate 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.
  - (ii) The respective Management of the Holding Company, its subsidiary companies and associate 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.

- (iii) 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.
- ix. (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) As stated in Note No. 45 to the Standalone financial statements, 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.
- x. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from April 01, 2023.

Based on our examination which included test checks, and as communicated by the respective auditor of four subsidiaries, except for the instances mentioned below, the Holding Company and its subsidiary companies incorporated in India, have used accounting softwares for maintaining

its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares at application level:

- a) In case of the Holding Company, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of account relating to a) financial accounting and controlling, b) Borrowings and c) Payroll throughout the year and relating to loan lending software for the period April 01, 2023 to September 09, 2023.
- b) In case of LIC Care Homes Limited, a subsidiary incorporated in India, we refer to paragraph 6 of Report on other legal and regulatory requirements section of the Independent Auditor's Report dated April 12, 2024 issued in respect of the financial statements, and is reproduced hereunder:

*"On the basis of our examination of the accounting software maintained by the Company for its books of account, does not have a feature of recording audit trail facility and the same has not operated throughout the year for the transactions recorded in the software and the audit trail has not been preserved as per the statutory requirements for record retention."*

Further, where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with.

- xi. 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, 2024 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 read with Schedule V of the Act.

#### **For SGC & Co. LLP**

Chartered Accountants

Firm Registration Number: 112081W/W100184

#### **Suresh Murarka**

Partner

Membership Number: 044739

UDIN: 24044739BKARKT9389

Mumbai, May 15, 2024

#### **For Khandelwal Jain & Co.**

Chartered Accountants

Firm Registration Number: 105 049W

#### **S. S. Shah**

Partner

Membership Number: 033632

UDIN: 24033632BKFWHF3438

Mumbai, May 15, 2024

# ANNEXURE A

## TO INDEPENDENT AUDITORS' REPORT

**(Referred to in paragraph 2(vii) 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, 2024, we have audited the internal financial controls with reference to Consolidated Financial Statements of the 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, 2024.

### **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, 2024, 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 SGC& Co. LLP**

Chartered Accountants

Firm Registration Number: 112081W/W100184

**Suresh Murarka**

Partner

Membership Number: 044739

UDIN: 24044739BKARKT9389

Mumbai, May 15, 2024

**For Khandelwal Jain & Co.**

Chartered Accountants

Firm Registration Number: 105 049W

**S. S. Shah**

Partner

Membership Number: 033632

UDIN: 24033632BKFHWF3438

Mumbai, May 15, 2024



# CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2024

	Note	As at March 31, 2024	As at March 31, 2023
(₹ in crore)			
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and Cash Equivalents	5	1,422.82	641.38
(b) Bank Balance other than (a) above	6	232.36	180.18
(c) Receivables	7		
(I) Trade Receivables		9.94	0.72
(II) Other Receivables		-	-
(d) Loans	8	2,80,532.06	2,67,775.85
(e) Investments	9	6,337.43	7,049.71
(f) Other Financial Assets	10	31.33	30.09
<b>Total Financial Assets</b>		<b>2,88,565.94</b>	<b>2,75,677.93</b>
<b>(2) Non-Financial Assets</b>			
(a) Current Tax Assets (Net)	11	425.15	-
(b) Deferred Tax Assets (Net)	12	1,638.41	1,895.87
(c) Property, Plant and Equipment	13.1	163.39	180.91
(d) Capital Work in Progress	13.2	0.20	0.84
(e) Investment Property	13.3	29.17	-
(f) Right of Use Assets	13.4	164.14	171.12
(g) Goodwill on Consolidation		0.21	0.21
(h) Other Intangible Assets	13.5	31.88	36.24
(i) Other Non - Financial Assets	14	315.17	356.96
(j) Assets Held for Sale		-	238.89
<b>Total Non-Financial Assets</b>		<b>2,767.72</b>	<b>2,881.04</b>
<b>Total Assets</b>		<b>2,91,333.66</b>	<b>2,78,558.97</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
(a) Lease Liabilities		170.75	184.09
(b) Payables	15		
(A) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		0.02	0.14
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		70.56	33.58
(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	1,44,665.32	1,36,960.00
(d) Borrowings (Other than Debt Securities)	17	96,136.58	94,392.26
(e) Deposits	18	9,849.42	11,580.76
(f) Subordinated Liabilities	19	1,796.33	1,795.77
(g) Other Financial Liabilities	20	6,364.90	5,654.93
<b>Total Financial Liabilities</b>		<b>2,59,053.88</b>	<b>2,50,601.53</b>
<b>(2) Non-Financial Liabilities</b>			
(a) Current tax liabilities (Net)	21	-	3.87
(b) Deferred Tax liabilities (Net)	22	-	0.12
(c) Provisions	23	238.19	176.97
(d) Other Non-Financial Liabilities	24	561.53	588.62
<b>Total Non-Financial Liabilities</b>		<b>799.72</b>	<b>769.58</b>
<b>(3) EQUITY</b>			
(a) Equity Share Capital	25	110.08	110.08
(b) Other Equity	26	31,366.58	27,074.59
(c) Non Controlling Interest		3.40	3.19
<b>Total Equity</b>		<b>31,480.06</b>	<b>27,187.86</b>
<b>Total Liabilities and Equity</b>		<b>2,91,333.66</b>	<b>2,78,558.97</b>

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 Khandelwal Jain & Co.**  
Chartered Accountants  
FRN 105049W

**Siddhartha Mohanty**  
Chairman  
DIN : 08058830

**Kashi Prasad Khandelwal**  
Director  
DIN : 00748523

**T. Adhikari**  
Managing Director &  
Chief Executive Officer  
DIN : 10229197

**Suresh Murarka**  
Partner  
M. No. 044739

**Shailesh Shah**  
Partner  
M.No. 033632

**Varsha Hardasani**  
Company Secretary  
FCS No: ACS50448

**Sudipto Sil**  
CFO

**H. J. Panchariya**  
General Manager  
(Accounts)

Place: Mumbai  
Date : May 15, 2024

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2024

(₹ in crore)

	Note	Year ended as at March 31, 2024	Year ended as at March 31, 2023
<b>(1) REVENUE FROM OPERATIONS</b>			
(i) Interest Income	27	27,067.31	22,546.01
(ii) Fees and Commission Income	28	66.57	66.97
(iii) Net gain on Fair Value Changes	29	60.57	53.71
(iv) Net gain on Derecognition of Financial Instruments under amortised cost category	30	26.72	21.05
(v) Others	31	55.80	26.15
<b>Total Revenue from Operations (1)</b>		<b>27,276.97</b>	<b>22,713.89</b>
<b>(2) Other Income (Includes Dividend of ₹ 0.43 crore)</b>	32	0.83	14.32
<b>(3) Total Income (1+2)</b>		<b>27,277.80</b>	<b>22,728.21</b>
<b>(4) Expenses</b>			
(i) Finance Costs	33	18,385.09	16,134.75
(ii) Fees and Commission Expense	34	136.26	182.59
(iii) Impairment on Financial Instruments (Expected Credit Loss)	35	1,643.72	1,942.96
(iv) Employee Benefits Expense	36	649.63	516.41
(v) Depreciation, Amortization and Impairment	13.1, 13.4 & 13.5	69.23	69.04
(vi) Others Expenses	37	329.50	321.69
<b>Total Expenses (4)</b>		<b>21,213.43</b>	<b>19,167.44</b>
<b>(5) Profit Before Tax (3-4)</b>		<b>6,064.37</b>	<b>3,560.77</b>
<b>(6) Tax Expense:</b>			
- Current Tax		1,046.09	1,195.89
- Tax Expense for Earlier Years		0.06	0.05
- Deferred Tax Charge / (Credit)		258.66	(526.34)
<b>Total Tax Expenses (6)</b>		<b>1,304.81</b>	<b>669.60</b>
<b>(7) Profit after Tax (5-6)</b>		<b>4,759.56</b>	<b>2,891.17</b>
<b>(8) Other Comprehensive Income</b>			
(i) Items that will not be reclassified to Statement of Profit or Loss		(4.64)	6.69
(ii) Income Tax relating to items that will not be reclassified to statement of Profit or Loss		1.23	(1.71)
<b>Other Comprehensive Income</b>		<b>(3.41)</b>	<b>4.98</b>
<b>(9) Total Comprehensive Income for the year</b>		<b>4,756.15</b>	<b>2,896.15</b>
<b>(10) Share of Profit / (Loss) of Associates</b>		3.76	0.24
<b>(11) Share of Profit / (Loss) of Non-Controlling Interest</b>		(0.35)	(0.41)
<b>Total Comprehensive Income for the year (Comprising Profit / (Loss) and other Comprehensive Income for the year) (9+10+11)</b>		<b>4,759.56</b>	<b>2,895.98</b>
<b>Profit for the year attributable to:</b>			
Shareholders of the Company		4,759.21	2,890.77
Non-Controlling Interests		0.35	0.41
<b>Total Comprehensive Income for the year attributable to:</b>			
Shareholders of the Company		4,759.21	2,895.57
Non-Controlling Interests		0.35	0.41
<b>(12) Earnings per Equity Share</b>			
Basic (₹)		86.53	52.56
Diluted (₹)		86.53	52.56
Nominal value per Share (₹)		2.00	2.00

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 Khandelwal Jain & Co.**  
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Chairman  
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Partner  
M. No. 044739

**Shailesh Shah**  
Partner  
M.No. 033632

**Varsha Hardasani**  
Company Secretary  
FCS No: ACS50448

**Sudipto Sil**  
CFO

**H. J. Panchariya**  
General Manager  
(Accounts)

Place: Mumbai  
Date : May 15, 2024

# STATEMENT OF CONSOLIDATED CHANGES IN EQUITY

**FOR THE YEAR ENDED MARCH 31, 2024**

## A. EQUITY SHARE CAPITAL

	(₹ In crore)			
<b>Balance as at April 1, 2022</b>	<b>Changes in Equity Share Capital due to prior period errors</b>	<b>Restated balance at the beginning of the current reporting year</b>	<b>Changes in equity share capital during the year</b>	<b>Balance as at March 31, 2023</b>
110.08	-	-	-	110.08
<b>Balance as at April 1, 2023</b>	<b>Changes in Equity Share Capital due to prior period errors</b>	<b>Restated balance at the beginning of the current reporting year</b>	<b>Changes in equity share capital during the year</b>	<b>Balance as at March 31, 2024</b>
110.08	-	-	-	110.08

Shares held by promoters at March 31, 2023			
Promoter Name	No. of Shares	% of total shares	% Change during the year
Life Insurance Corporation of India	24,88,42,495	45.24	0.00%
Shares held by promoters at March 31, 2024			
Promoter Name	No. of Shares	% of total shares	% Change during the year
Life Insurance Corporation of India	24,88,42,495	45.24	0.00%

## B. OTHER EQUITY

	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 (Actuarial Gain/ (Loss)	Cash Flow Hedge Reserve	Equity attributable to shareholders of the Company	Non controlling Interests	
Balance as at April 1, 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	-
Less: Dividend of ₹ 8.50/- per equity share of ₹ 2/- each	-	-	-	-	-	-	-	(462.15)	-	-	(462.15)	(0.14)	(462.28)

# STATEMENT OF CONSOLIDATED CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2024

(₹ In crore)													
Reserve and Surplus													
Statutory Reserves	Capital Reserve	Securities Premium	General Reserve	Special Reserve I	Special Reserve II	Impairment Reserve	Other Comprehensive Income			Total Equity			
							Retained Earnings	Other items (Actuarial Gain/ (Loss)	Cash Flow Hedge Reserve	Equity attributable to shareholders of the Company	Non controlling Interests		
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)	-	-	-	-		
<b>Balance as at March 31, 2023</b>	<b>0.19</b>	<b>28.36</b>	<b>4,047.52</b>	<b>8,702.72</b>	<b>38.98</b>	<b>8,529.30</b>	<b>297.50</b>	<b>5,437.45</b>	<b>(7.42)</b>	<b>-</b>	<b>27,074.59</b>	<b>3.19</b>	<b>27,077.77</b>
<b>Balance as at April 1, 2023</b>	<b>0.19</b>	<b>28.36</b>	<b>4,047.52</b>	<b>8,702.72</b>	<b>38.98</b>	<b>8,529.30</b>	<b>297.50</b>	<b>5,437.45</b>	<b>(7.42)</b>	<b>-</b>	<b>27,074.59</b>	<b>3.19</b>	<b>27,077.77</b>
Add: Total Comprehensive Income for the year	-	-	-	-	-	-	4,759.56	(3.41)	-	-	4,756.15	-	4,756.15
Add: Share of Profit of Associates	-	-	-	-	-	-	3.76	-	-	-	3.76	-	3.76
Less : Share of Non-Controlling Interests	-	-	-	-	-	-	(0.35)	-	-	-	(0.35)	0.35	-
Less: Dividend of ₹ 8.50/- per equity share of ₹ 2 /- each	-	-	-	-	-	-	(467.55)	-	-	-	(467.55)	(0.15)	(467.70)
Transfer to Statutory Reserves	0.01	-	-	-	-	-	(0.01)	-	-	-	-	-	-
Transfer to General Reserves	-	-	1,000.00	-	-	-	(1,000.00)	-	-	-	-	-	-
Transfer to Special Reserve II	-	-	-	-	1,309.99	-	(1,309.99)	-	-	-	-	-	-
<b>Balance as at March 31, 2024</b>	<b>0.20</b>	<b>28.36</b>	<b>4,047.52</b>	<b>9,702.72</b>	<b>38.98</b>	<b>9,839.29</b>	<b>297.50</b>	<b>7,422.86</b>	<b>(10.83)</b>	<b>-</b>	<b>31,366.58</b>	<b>3.40</b>	<b>31,369.98</b>
See accompanying notes forming part of the Standalone Financial Statement 1-58													

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  
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**For Khandelwal Jain & Co.**  
Chartered Accountants  
FRN 105049W

**Siddhartha Mohanty**  
Chairman  
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**Varsha Hardasani**  
Company Secretary  
FCS No: ACS50448

**Sudipto Sil**  
CFO

**H. J. Panchariya**  
General Manager  
(Accounts)

Place: Mumbai  
Date : May 15, 2024

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2024

(₹ in crore)

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax	6,064.37	3,560.77
<b>Adjustments for</b>		
Depreciation, Amortization and Impairment (other than Financial Instruments)	69.23	69.04
Share Issue Expenses	-	-
Exchange differences on translation of assets and liabilities (Net)	0.01	(0.01)
Impairment on Financial Instruments (Expected Credit Loss)	1,643.72	1,396.21
Loss/(Gain) on disposal of Property, Plant and Equipment	0.04	(0.16)
Dividend and Interest Income classified as Investing Cash Flows	-	-
Unwinding of discount	180.92	338.20
Interest Expense	18,385.09	16,134.76
Interest Income	(27,067.32)	(22,222.00)
Share of Associates	3.76	0.24
Share of Minority	(0.35)	(0.41)
<b>Adjustments for</b>		
Movements in Provisions and Gratuity	(4.64)	6.69
Decrease in Other Financial Assets and Other Non Financial Assets	(18.89)	(247.12)
Increase in Other Financial Liabilities and Other Non Financial Liabilities	200.36	463.64
<b>Cash (used in) operations before adjustments for interest received and paid</b>	<b>(543.70)</b>	<b>(500.15)</b>
Interest Paid	(18,022.42)	(15,972.87)
Interest Received	27,254.32	21,828.87
Income Tax paid	(1,475.13)	(1,053.83)
<b>Net Cash used in Operations</b>	<b>7,213.07</b>	<b>4,302.02</b>
Loans Disbursed (Net of repayments)	(14,621.14)	(23,790.29)
Asset held for sale	257.09	(143.73)
<b>Net Cash (Used in) Operating Activities (A)</b>	<b>(7,150.98)</b>	<b>(19,632.00)</b>
<b>B. Cash Flow from Investing Activities</b>		
Payments for Purchase of Property, Plant and Equipment	(37.45)	(64.10)
Proceeds from Sale of Property, Plant and Equipment	0.80	23.56
Payments for Purchase of Investments	(88.43)	(785.61)
Proceeds from Sale of Investments	711.59	26.21
Dividends Received	-	-
Interest Received	-	-
Increase in Minority	0.35	0.27
<b>Net Cash Inflow/ (used in) Investing Activities (B)</b>	<b>586.86</b>	<b>(799.67)</b>

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2024

(₹ in crore)

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Borrowings	1,46,420.20	1,82,150.64
Repayment of Borrowings	(1,36,952.63)	(1,54,564.59)
Proceeds from issuing shares (net of issue expense)	-	-
Deposits (Net of repayments)	(1,599.68)	(6,821.78)
Payments towards Lease Liability	(53.42)	(51.16)
Transfer to Investor Protection Fund	(1.20)	(2.22)
Dividends paid to Company's Shareholders	(467.55)	(462.20)
Dividends paid to Non Controlling Interest	(0.15)	0
<b>Net Cash generated from Financing Activities (C)</b>	<b>7,345.57</b>	<b>20,248.69</b>
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(0.01)	0.01
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>781.45</b>	<b>(182.98)</b>
Cash and Cash Equivalents at the beginning of the Year	641.38	824.35
<b>Cash and Cash Equivalents at the end of the Year</b>	<b>1,422.82</b>	<b>641.38</b>
Cash and Cash Equivalents as per above comprise of the following		
(i) Cash on hand	12.03	4.44
(ii) Balances with Banks (of the nature of cash and cash equivalents)	125.06	560.72
(iii) Cheques and demand drafts on hand	1,285.73	76.22
<b>Balances as per Statement of Cash Flows</b>	<b>1,422.82</b>	<b>641.38</b>

As per our report of even date attached

For and on behalf of the Board of Directors

**For SGO & Co. LLP**  
Chartered Accountants  
FRN 112081W / W100184

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CFO

**H. J. Panchariya**  
General Manager  
(Accounts)

Place: Mumbai  
Date : May 15, 2024



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### 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.

### 2 BASIS OF PREPARATION AND PRESENTATION

The Group has prepared these Consolidated Financial Statements, which comprises the Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity 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.

#### a. Basis of Consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company, its subsidiaries (together referred to as 'the Group') and associates. 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.

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

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

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.

### 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION:

#### 3.1 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.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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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.

### 3.2 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.

### 3.3 Employee Benefits Expenses

#### 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.

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.

### 3.4 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

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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 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.

### 3.5 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 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

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- 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.

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.

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### 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 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



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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. 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

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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 38.4 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.

### 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.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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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 amortised 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.

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.

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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.

## 3.6 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.

## 3.7 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 Group.

## 3.8 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.

## 3.9 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.

### i) 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 - Credit Risk Mitigation measures.

### ii) 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

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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 38.3.

### iii) 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.

### iv) 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.

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.

### v) 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.

### 3.10 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.

### 3.11 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.

### Summary of Immaterial Accounting Policies Information:

#### 4.1 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

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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.

## 4.2 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.

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.

## 4.3 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.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2024

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.

#### 4.4 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.

#### 4.5 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 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

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

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.

### 4.6 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.

### 4.7 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.

### 4.8 Assets held for sale

To mitigate the credit risk on financial assets, the Company seeks to use collateral, where possible as per the powers conferred on the HFC under SARFAESI act.

In the normal course of business, the Company does not physically repossess properties but

engages external agents to recover funds, generally at auction, to settle outstanding debt. Any

surplus funds are returned to the customers.

As a result of this practice, the properties under legal repossession processes are not recorded on

the balance sheet and not treated as non-current assets held for sale.

### 4.9 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 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.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### 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.

### 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, 2024

Whenever there are any regulatory or statutory changes applicable in respect of the above policy, the same would automatically be effective and would become part of this policy with immediate effect..

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### NOTE 5: CASH AND CASH EQUIVALENTS

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Cash on hand	12.03	4.44
(ii) Balances with Banks*	1,285.73	560.72
(iii) Cheques, drafts on hand	125.06	76.22
<b>Total</b>	<b>1,422.82</b>	<b>641.38</b>

\*Balances with Banks includes Earnest Money Deposits amount of ₹ 61.45 crore (FY 2022-23 ₹ 2.42 crore)

### NOTE 6: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Earmarked balances with banks*	10.26	9.52
(ii) Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments**	222.10	170.66
<b>Total</b>	<b>232.36</b>	<b>180.18</b>

\*Balance with Banks includes unclaimed dividend of ₹ 9.39 crore (FY 2020-21 ₹ 9.52 crore)

\*\*Fixed Deposits with Banks includes earmarked deposits created in favour of trustees for depositors towards maintaining Statutory Liquid Ratio amounting to ₹ 100 crore (FY 2022-23 ₹ 100 crore); ₹ 10.08 crore (FY 2022-23 ₹ 9.97 crore) created for excess sale proceeds recovered under SARFAESI Act 2002. Fixed deposit placed with banks earns interest at fixed rate.

### NOTE 7: RECEIVABLES

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Trade Receivables		
(a) Trade Receivables considered good – Secured	-	0.00
(b) Trade Receivables considered good – Unsecured	9.94	0.72
(c) Trade Receivables which have significant increase in Credit Risk	0.65	0.96
(d) Trade Receivables – credit impaired	-	-
<b>Total</b>	<b>10.59</b>	<b>1.68</b>
Less: Allowance for Impairment Loss	0.65	0.96
<b>Total</b>	<b>9.94</b>	<b>0.72</b>

(₹ in crore)

Trade Receivable Ageing Schedule Particulars	Outstanding as on 31.03.2024 from due date of payment#					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	9.81	0.11	0.01	0.01	-	9.94
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	0.04	0.24	0.25	0.12	0.65
(iii) Undisputed Trade Receivables – credit impaired	-	(0.04)	(0.24)	(0.25)	(0.12)	(0.65)
(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 2023-24

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

(₹ in crore)

Trade Receivable Ageing Schedule Particulars	Outstanding as on 31.03.2023 from due date of payment#					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(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	-	0.23	0.25	0.48	-	0.96
(iii) Undisputed Trade Receivables – credit impaired	-	(0.23)	(0.25)	(0.48)	-	(0.96)
(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

### NOTE 8 : LOANS - AT AMORTISED COST

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(A)</b>		
(i) Term Loans *		
- Individual	2,69,030.15	2,52,505.39
- Others	9,722.10	10,748.14
- Corporate Bodies/ Builders	8,036.05	11,738.01
(ii) Others		
- Loans to staff	10.16	9.44
- Loans against Public Deposit	3.59	5.81
- Finance Lease Receivables	0.09	(0.64)
<b>Total - Gross (A)</b>	<b>2,86,802.14</b>	<b>2,75,006.14</b>
Less: Impairment Loss Allowance (Expected Credit Loss)	6,270.08	7,230.29
<b>Total - Net (A)</b>	<b>2,80,532.06</b>	<b>2,67,775.85</b>
<b>(B)</b>		
(i) Secured by tangible assets	2,82,744.82	2,71,971.32
(ii) Secured by intangible assets	2,893.30	1,863.13
(iii) Secured by government guarantee	516.04	778.36
(iv) Unsecured	647.98	393.33
<b>Total - Gross (B)</b>	<b>2,86,802.14</b>	<b>2,75,006.14</b>
Less: Impairment Loss Allowance (Expected Credit Loss)	6,270.08	7,230.29
<b>Total - Net (B)</b>	<b>2,80,532.06</b>	<b>2,67,775.85</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(C)</b>		
(i) Loans in India		
Individual	2,69,043.99	2,52,519.99
Commercial Real Estate Sector	8,777.14	9,681.64
Commercial Real Estate Sector- Others	944.96	1,066.50
Builder Loans	748.68	1,059.46
Corporate Loans	4,397.40	8,815.42
Other Housing Finance Companies	2,889.97	1,863.13
<b>Total - Gross (C) (i)</b>	<b>2,86,802.14</b>	<b>2,75,006.14</b>
Less: Impairment Loss Allowance (Expected Credit Loss)	6,270.08	7,230.29
<b>Total - Net (C) (i)</b>	<b>2,80,532.06</b>	<b>2,67,775.85</b>
(ii) Loans outside India	-	-
Less: Impairment Loss Allowance (Expected Credit Loss)	-	-
<b>Total - Net (C) (ii)</b>	<b>-</b>	<b>-</b>
<b>Total (C) (i+ii)</b>	<b>2,80,532.06</b>	<b>2,67,775.85</b>

\* Loans including interest and installment outstanding due from directors amounts to ₹ 0.74 crore (FY 2022-23 ₹ 1.36 crore) and other related parties ₹ 4.21 crore (FY 2022-23 ₹ 6.62 crore)

\* Retail / Project Loans are secured by any or all of the following as applicable, based on their categorisation :

- Equitable / Registered Mortgage of Property.
- Assignment of Life Insurance Policies and FD of Nationalized Bank.
- Assignment of Lease Rent Receivables.
- Company Guarantees or Personal Guarantees.
- Negative lien on unsold inventory.
- Undertaking to create a security.
- 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 36.4.2 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 CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### NOTE 9 : INVESTMENTS

(₹ in crore)

Particulars	As at March 31, 2024				As at March 31, 2023			
	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	-	-	1,636.99	1,636.99	-	-	2,291.08	2,291.08
Government Securities *	4,576.87	-	-	4,576.87	4,623.38	-	-	4,623.38
"Equity Instruments"	-	-	-	-	-	-	0.01	0.01
Subsidiaries *	-	0.00	-	0.00	-	-	-	-
Associates *	-	81.32	-	81.32	-	55.96	-	55.96
Real Estate Venture Fund	-	-	4.96	4.96	-	-	8.11	8.11
Alternative Investment Fund	-	-	37.29	37.29	-	-	71.18	71.18
<b>Total - Gross (A)</b>	<b>4,576.87</b>	<b>81.32</b>	<b>1,679.24</b>	<b>6,337.43</b>	<b>4,623.38</b>	<b>55.96</b>	<b>2,370.37</b>	<b>7,049.71</b>
(i) Investments outside India	-	-	-	-	-	-	-	-
(ii) Investments in India	4,576.87	81.32	1,679.24	6,337.43	4,623.38	55.96	2,370.37	7,049.71
<b>Total (B)</b>	<b>4,576.87</b>	<b>81.32</b>	<b>1,679.24</b>	<b>6,337.43</b>	<b>4,623.38</b>	<b>55.96</b>	<b>2,370.37</b>	<b>7,049.71</b>

\* 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 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 FY 2023-24

Investment in Associates		(₹ in crore)
<b>Opening Carrying amount of Investment (LIC MF Asset Management) as on 01.04.2023</b>		<b>55.83</b>
Add: Carrying amount of additional share of Investments		21.60
Add: Share of profit during the year		3.68
Add: Goodwill on acquisition of shares of Associates		-
<b>Closing Carrying amount of Investment (LIC MF Asset Management) as on 31.03.2024</b>		<b>81.11</b>
<b>Opening Carrying amount of Investment (LIC MF Trustee) as on 01.04.2023</b>		<b>0.13</b>
Add: Carrying amount of additional share of Investments		-
Add: Share of profit during the year		0.09
Less: Capital Reserve on acquisition of shares of Associates		-
<b>Closing Carrying amount of Investment (LIC MF Trustee) as on 31.03.2024</b>		<b>0.21</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

(₹ in crore)

Investments carried at Fair value through Profit & Loss Account	No. of Units		As at	As at
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>Other investments-Unquoted, Fully paid up</b>				
(i) Real Estate Venture Fund:**				
CIG Realty Fund - 1 ( Face Value ₹ 10/- each)	91,71,429	91,71,429	9.17	9.17
Less: Impairment Loss Allowance			9.17	9.17
			-	-
<b>Other investments-Unquoted, Partly paid up</b>				
(i) Real Estate Venture Fund:**				
LICHFL Urban Development Fund ( Face Value ₹ 10,000/- each)	50,000	50,000	12.51	14.90
LICHFL Urban Development Fund - B Units ( Face Value ₹ 1/- each)	5,29,300	5,29,300	0.02	0.03
Less: Impairment Loss Allowance			7.58	6.79
			<b>4.96</b>	<b>8.11</b>
<b>Other investments-Unquoted, Fully paid up</b>				
(i) Alternative Investment Fund:**				
LICHFL Housing and Infrastructure Fund ( Face Value ₹ 100/- each)	44,76,085	57,14,783	46.63	71.18
Less: Impairment Loss Allowance			9.34	-
			<b>37.29</b>	<b>71.18</b>

\*\*These are close ended schemes subject to lock in till the closure of the Scheme

### NOTE 10 : OTHER FINANCIAL ASSETS

(₹ in crore)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
(i) Interest Accrued But not due on Fixed Deposits with Banks	0.16	0.00
(ii) Security Deposits	15.78	14.55
(iii) Other Deposits	8.59	7.66
(iv) Dues from Subsidiaries/Associates	0.03	1.00
(v) Other dues from Staff	2.95	2.87
(vi) Fees Receivable	2.87	0.77
(vii) Unbilled Revenue	0.95	3.23
<b>Total</b>	<b>31.33</b>	<b>30.09</b>

### NOTE 11 :CURRENT TAX ASSETS (NET)

(₹ in crore)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Provision under Income Tax	425.15	-
<b>Total</b>	<b>425.15</b>	<b>-</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### NOTE 12 : DEFERRED TAX ASSETS (NET)

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Deferred Tax Assets	1,638.41	1,895.87
<b>Total</b>	<b>1,638.41</b>	<b>1,895.87</b>

### NOTE 13.1 : PROPERTY, PLANT & EQUIPMENT

The changes in carrying value of the Property, Plant & Equipment for the year ended March 31, 2024 are as follows:-

(₹ in crore)

Particulars	Freehold Land	Building	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
<b>Gross carrying value as of April 1, 2023</b>	18.69	118.46	22.41	14.65	0.82	9.50	54.76	239.29
Additions	-	-	3.68	1.20	-	1.18	27.69	33.75
(Deductions)	-	-	(4.22)	(1.48)	-	(2.95)	(5.92)	(14.58)
Transfer to investment property	(11.96)	(17.26)	-	-	-	-	-	(29.22)
Changes due to Revaluation	-	-	-	-	-	-	-	-
Transfer in	-	-	0.97	-	-	0.03	-	1.00
<b>Gross carrying value as of March 31, 2024</b>	<b>6.73</b>	<b>101.20</b>	<b>22.84</b>	<b>14.37</b>	<b>0.82</b>	<b>7.75</b>	<b>76.53</b>	<b>230.24</b>
<b>Accumulated Depreciation as of April 1, 2023</b>	-	10.48	11.32	7.47	0.30	6.37	22.45	58.38
Depreciation	-	1.87	3.01	1.62	0.14	1.26	14.11	22.01
(Accumulated Depreciation on Deductions)	-	-	(4.17)	(1.48)	-	(2.95)	(5.91)	(14.52)
Transfer Out	-	(0.03)	0.97	-	-	0.03	-	0.97
<b>Accumulated Depreciation as of March 31, 2024</b>	<b>-</b>	<b>12.32</b>	<b>11.13</b>	<b>7.60</b>	<b>0.44</b>	<b>4.71</b>	<b>30.64</b>	<b>66.85</b>
<b>Carrying Value as of March 31, 2024</b>	<b>6.73</b>	<b>88.88</b>	<b>11.71</b>	<b>6.76</b>	<b>0.38</b>	<b>3.04</b>	<b>45.89</b>	<b>163.39</b>

The Debentures are secured by mortgage on an immovable Property Owned by the Company valuing approx ₹ 4.43 crore (Book Value ₹ 0.36 crore).

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2024

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
<b>Gross carrying value as of April 1, 2022</b>	16.86	117.66	15.69	11.66	0.64	8.14	34.28	204.93
Additions	1.83	0.80	6.88	3.12	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	-	-	-	-	-	-	-	-
<b>Gross carrying value as of March 31, 2023</b>	<b>18.69</b>	<b>118.46</b>	<b>22.41</b>	<b>14.65</b>	<b>0.82</b>	<b>9.50</b>	<b>54.76</b>	<b>239.29</b>
<b>Accumulated Depreciation as of April 1, 2022</b>	-	8.49	9.42	5.94	0.40	5.29	21.00	50.54
Depreciation	-	1.99	2.06	1.66	0.11	1.34	7.14	14.30
(Accumulated Depreciation on Deductions)	-	-	(0.16)	(0.12)	(0.22)	(0.26)	(5.70)	(6.47)
<b>Accumulated Depreciation as of March 31, 2023</b>	<b>-</b>	<b>10.48</b>	<b>11.32</b>	<b>7.47</b>	<b>0.30</b>	<b>6.37</b>	<b>22.45</b>	<b>58.38</b>
<b>Carrying Value as of March 31, 2023</b>	<b>18.69</b>	<b>107.98</b>	<b>11.09</b>	<b>7.18</b>	<b>0.52</b>	<b>3.13</b>	<b>32.31</b>	<b>180.91</b>

The Debentures are secured by mortgage on an immovable Property Owned by the Company valuing approx ₹ 4.43 crore (Book Value ₹ 0.37 crore).

#### NOTE 13.2 : CAPITAL WORK IN PROGRESS

The changes in carrying value of Capital Work in Progress for the year ended March 31, 2024 are as follows :-

(₹ in crore)

Particulars	Capital Work in Progress	Intangible WIP (software under development)	Total
<b>Gross Carrying Value as of April 1, 2023</b>	2.85	0.00	2.85
Additions	0.14	0.06	0.20
(Deductions)	(2.85)	-	(2.85)
<b>Gross Carrying Value as of March 31, 2024</b>	<b>0.14</b>	<b>0.06</b>	<b>0.20</b>
<b>Accumulated Depreciation as of April 1, 2023</b>	-	-	-
Depreciation for the year	-	-	-
(Accumulated Depreciation on Deductions)	-	-	-
<b>Accumulated Depreciation as of March 31, 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying Value as of March 31, 2024</b>	<b>0.14</b>	<b>0.06</b>	<b>0.20</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2024

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
<b>Gross Carrying Value as of April 1, 2022</b>	2.85	1.45	4.30
Additions	2.33	3.20	5.53
(Deductions)	(4.34)	(4.65)	(8.99)
<b>Gross Carrying Value as of March 31, 2023</b>	<b>2.85</b>	<b>0.00</b>	<b>0.84</b>
<b>Accumulated Depreciation as of April 1, 2022</b>	-	-	-
Depreciation for the year	-	-	-
(Accumulated Depreciation on Deductions)	-	-	-
<b>Accumulated Depreciation as of March 31, 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying Value as of March 31, 2023</b>	<b>2.85</b>	<b>0.00</b>	<b>0.84</b>

#### NOTE 13.3 : INTANGIBLE ASSETS UNDER DEVELOPMENT

The changes in carrying value of Investment Property for the year ended March 31, 2024 are as follows :-

(₹ in crore)

Particulars	Land	Building	Total
<b>Gross Carrying Value as of April 1, 2023</b>	-	-	-
Transfer from PPE	28.42	0.80	29.22
Additions	-	-	-
(Deductions)	-	-	-
<b>Gross Carrying Value as of March 31, 2024</b>	<b>28.42</b>	<b>0.80</b>	<b>29.22</b>
<b>Accumulated Depreciation as of April 1, 2023</b>	-	-	-
Transfer from PPE	-	0.03	0.03
Depreciation for the year	-	0.02	0.02
(Accumulated Depreciation on Deductions)	-	-	-
<b>Accumulated Depreciation as of March 31, 2024</b>	<b>-</b>	<b>0.05</b>	<b>0.05</b>
<b>Carrying Value as of March 31, 2024</b>	<b>28.42</b>	<b>0.74</b>	<b>29.17</b>

The changes in carrying value of Investment Property for the year ended March 31, 2023 are as follows :-

(₹ in crore)

Particulars	Land	Building	Total
<b>Gross Carrying Value as of April 1, 2022</b>	-	-	-
Transfer from PPE	-	-	-
Additions	-	-	-
(Deductions)	-	-	-
<b>Gross Carrying Value as of March 31, 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accumulated Depreciation as of April 1, 2022</b>	-	-	-
Transfer from PPE	-	-	-
Depreciation for the year	-	-	-
(Accumulated Depreciation on Deductions)	-	-	-
<b>Accumulated Depreciation as of March 31, 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying Value as of March 31, 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### NOTE 13.4

The changes in carrying value of the Right of Use Assets for the year ended March 31, 2024 :-

(₹ in crore)

Particulars	Right of Use Asset	Total
<b>Gross Carrying Value as of April 1, 2023</b>	<b>365.19</b>	<b>365.19</b>
Additions	56.87	56.87
(Disposals)	(2.91)	(2.91)
ROU derecognised on subleased asset	-	-
<b>Gross Carrying Value as of March 31, 2024</b>	<b>419.15</b>	<b>419.15</b>
<b>Accumulated Depreciation as of April 1, 2023</b>	<b>136.31</b>	<b>136.31</b>
Depreciation for the year	42.64	42.64
(Accumulated Depreciation on Disposals)	(2.75)	(2.75)
Reversal of depreciation - sublease	-	-
<b>Accumulated Depreciation as of March 31, 2024</b>	<b>176.20</b>	<b>176.20</b>
<b>Terminated Leases</b>	<b>78.80</b>	<b>78.80</b>
<b>Carrying Value as of March 31, 2024</b>	<b>164.14</b>	<b>164.14</b>

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
<b>Opening Value of Right of Use Asset as of April 1, 2022</b>	<b>249.08</b>	<b>249.08</b>
Additions	127.01	127.01
(Disposals)	(10.91)	(10.91)
ROU derecognised on subleased asset	-	-
<b>Gross Carrying Value as of March 31, 2023</b>	<b>365.19</b>	<b>365.19</b>
<b>Accumulated Depreciation as of April 1, 2022</b>	<b>92.08</b>	<b>92.08</b>
Depreciation for the year	49.44	49.44
(Accumulated Depreciation on Disposals)	(4.56)	(4.56)
Reversal of depreciation - sublease	(0.65)	(0.65)
<b>Accumulated Depreciation as of March 31, 2023</b>	<b>136.31</b>	<b>136.31</b>
<b>Terminated Leases</b>	<b>57.76</b>	<b>57.76</b>
<b>Carrying Value as of March 31, 2023</b>	<b>171.12</b>	<b>171.12</b>

### NOTE 13.5 : OTHER INTANGIBLE ASSETS

The changes in carrying value of the Intangible Assets for the year ended March 31, 2024 are as follows :-

(₹ in crore)

Particulars	Software License	Total
<b>Gross Carrying Value as of April 1, 2023</b>	<b>49.54</b>	<b>49.54</b>
Additions	4.50	4.50
Deletions	(3.37)	(3.37)
<b>Gross Carrying Value as of March 31, 2024</b>	<b>50.68</b>	<b>50.68</b>
<b>Accumulated Depreciation as of April 1, 2023</b>	<b>13.30</b>	<b>13.30</b>
Depreciation for the year	8.87	8.87
Accumulated Depreciation on Deletions	(3.37)	(3.37)
<b>Accumulated Depreciation as of March 31, 2024</b>	<b>18.80</b>	<b>18.80</b>
<b>Carrying Value as of March 31, 2024</b>	<b>31.88</b>	<b>31.88</b>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2024

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
<b>Gross Carrying Value as of April 1, 2022</b>	<b>29.41</b>	<b>29.41</b>
Additions	20.13	20.13
(Deductions)	-	-
<b>Gross Carrying Value as of March 31, 2023</b>	<b>49.54</b>	<b>49.54</b>
<b>Accumulated Depreciation as of April 1, 2022</b>	<b>7.65</b>	<b>7.65</b>
Depreciation for the year	5.65	5.65
(Accumulated Depreciation on Deductions)	-	-
<b>Accumulated Depreciation as of March 31, 2023</b>	<b>13.30</b>	<b>13.30</b>
<b>Carrying Value as of March 31, 2023</b>	<b>36.24</b>	<b>36.24</b>

#### NOTE 14 : OTHER NON - FINANCIAL ASSETS

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Capital Advances	3.35	20.75
(ii) Statutory Dues	149.02	97.75
(iii) Prepaid Expenses	41.30	39.60
(iv) Sundry Advances	4.69	2.06
(v) Others	116.80	196.80
<b>Total</b>	<b>315.17</b>	<b>356.96</b>

#### NOTE 15 : PAYABLES

(₹ in crore)

Trade Payables	As at March 31, 2024	As at March 31, 2023
(i) Total outstanding dues of micro enterprises and small enterprises	0.02	0.14
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises *	70.56	33.58
<b>Total</b>	<b>70.58</b>	<b>33.72</b>

The Company has 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.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

(₹ in crore)

Trade Payable Ageing Schedule	Outstanding as on 31.03.2024 from due date of payment#				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.02	-	-	-	0.02
(ii) Others	70.56	-	-	-	70.56
(iii) Disputed dues -MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

There are no unbilled dues pending for FY 2023-24

(₹ in crore)

Trade Payable Ageing Schedule	Outstanding as on 31.03.2023 from due date of payment#				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.14	-	-	-	0.14
(ii) Others	33.58	-	-	-	33.58
(iii) Disputed dues -MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

There are no unbilled dues pending for FY 2022-23

(₹ in crore)

Other Payables	As at March 31, 2024	As at March 31, 2023
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### NOTE 16 : DEBT SECURITIES - AT AMORTISED COST

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(1) SECURED:</b>		
Non Convertible Debentures (Refer Note 16.1)	1,31,402.70	1,22,040.48
Zero Coupon Debentures (Refer Note 16.2)	1,405.92	1,405.92
<b>(2) UNSECURED:</b>		
Commercial Paper	11,856.70	13,513.60
<b>Total (A) (1+2)</b>	<b>1,44,665.32</b>	<b>1,36,960.00</b>
Debt securities in India	1,44,665.32	1,36,960.00
Debt securities outside India	-	-
<b>Total (B)</b>	<b>1,44,665.32</b>	<b>1,36,960.00</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### 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 31<sup>st</sup> March 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on 31<sup>st</sup> 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.

### 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 31<sup>st</sup> March 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on 31<sup>st</sup> 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)			
Description	Date of Redemption	Earliest Put/ Call Option Date	As at March 31, 2024
6750 ZCD's of ₹ 1000000/- each	25-04-2025 *	-	674.67
7250 ZCD's of ₹ 1000000/- each	25-04-2025 *	-	731.25
<b>TOTAL</b>			<b>1,405.92</b>

Note - Reissue premium (₹ 6.52 crore)

\* Maturity Value of ₹ 13,05,675/- per Debenture including premium.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

(₹ in crore)

Description	Date of Redemption	Earliest Put/ Call Option Date	As at March 31, 2023
6750 ZCD's of ₹ 1000000/- each	25-04-2025 *	-	674.67
7250 ZCD's of ₹ 1000000/- each	25-04-2025 *	-	731.25
<b>TOTAL</b>			<b>1,405.92</b>

Note - Reissue premium (₹ 6.52 crore)

\* Maturity Value of ₹ 13,05,675/- per Debenture including premium.

### NOTE 17 : BORROWINGS (OTHER THAN DEBT SECURITIES) - AT AMORTISED COST

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>SECURED (Refer Note 17.1)</b>		
(a) Term Loans		
(i) from Banks (Rupee Term Loans)	71,061.11	62,133.07
(ii) National Housing Bank (Refinance)	8,864.47	11,303.19
(iii) Other Financial Institutions	-	-
(b) Loans repayable on demand from Banks (Rupee Term Loans)	16,211.00	20,956.00
<b>Total (A) Borrowings in India</b>	<b>96,136.58</b>	<b>94,392.26</b>
(a) Term Loans		
(i) from Banks (ECB)	-	-
<b>Total (B) Borrowings out side India</b>	<b>-</b>	<b>-</b>
<b>Total Borrowings (A) + (B)</b>	<b>96,136.58</b>	<b>94,392.26</b>

#### 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 31<sup>st</sup> March 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on 31<sup>st</sup> 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, 2024

### NOTE 18 : DEPOSITS - AT AMORTISED COST

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>UNSECURED:</b>		
(i) Public Deposits	3,950.30	3,505.43
(ii) Corporate Deposits	5,899.12	8,075.33
<b>Total</b>	<b>9,849.42</b>	<b>11,580.76</b>

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, 2024	As at March 31, 2023
<b>UNSECURED:</b>		
(i) Subordinated Bonds	1,796.33	1,795.77
<b>Total (A)</b>	<b>1,796.33</b>	<b>1,795.77</b>
Subordinated Liabilities in India	1,796.33	1,795.77
Subordinated Liabilities outside India	-	-
<b>Total (B)</b>	<b>1,796.33</b>	<b>1,795.77</b>

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, 2024
3000 Bonds of ₹ 1,000,000 each	19-Mar-31	7.70%	-	303.43
5000 Bonds of ₹ 1,000,000 each	19-Mar-31	7.70%	-	499.03
10000 Bonds of ₹ 1,000,000 each	21-Dec-30	7.05%	-	993.87
<b>Total</b>				<b>1,796.33</b>

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, 2024, 100% (FY 2022-23 - 100 %) of the book value of the subordinated debt is considered as Tier II capital for the purpose of capital adequacy computation.

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
<b>Total</b>				<b>1,795.77</b>

Note:- Reissue premium (₹ 4.41 crore)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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% (FY 2021-22 - 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, 2024	As at March 31, 2023
(i) Interest accrued		
- Non-Convertible Debentures	4,207.60	3,693.74
- Zero Coupon Debentures	196.57	107.16
- Term Loan	114.69	97.83
- Subordinated Bonds	21.90	21.70
- Deposits	500.14	651.59
(ii) Unclaimed Dividends *	10.26	9.52
(iii) Unpaid Matured Deposits	87.54	60.25
(iv) Book Overdraft [Refer Note 44]	428.60	627.94
(v) Pre-received Interest Liability on NCD Reissuance	175.31	56.59
(vi) Miscellaneous Liabilities	622.29	328.61
<b>Total</b>	<b>6,364.90</b>	<b>5,654.93</b>

\* As required under Section 125 of the Companies Act 2013, the Company has transferred ₹ 1.20 crore (FY 2022-23 ₹ 1.30 crore) to the Investor Education and Protection Fund (IEPF) during the year.

### NOTE 21 : CURRENT TAX LIABILITIES (NET)

(₹ in crore)		
Particulars	As at March 31, 2024	As at March 31, 2023
(i) Provision under Income Tax	-	3.87
<b>Total</b>	<b>-</b>	<b>3.87</b>

### NOTE 22 : DEFERRED TAX LIABILITIES (NET)

(₹ in crore)		
Particulars	As at March 31, 2024	As at March 31, 2023
(i) Deferred Tax Liabilities	-	0.12
<b>Total</b>	<b>-</b>	<b>0.12</b>

### NOTE 23 : PROVISIONS

(₹ in crore)		
Particulars	As at March 31, 2024	As at March 31, 2023
(i) Provision for Employee Benefits	238.19	176.97
(ii) Other Provisions	0.00	-
<b>Total</b>	<b>238.19</b>	<b>176.97</b>



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### NOTE 24 : OTHER NON-FINANCIAL LIABILITIES

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Outstanding Expenses	211.71	171.71
(ii) Statutory Dues	117.57	66.08
(iii) Earnest Money Deposit	61.45	2.42
(iv) Others	170.80	348.41
<b>Total</b>	<b>561.53</b>	<b>588.62</b>

### NOTE 25

(₹ in crore)

SHARE CAPITAL	As at March 31, 2024	As at March 31, 2023
<b>AUTHORISED</b>		
750,000,000 Equity Shares of ₹ 2/- each (Previous year 750,000,000 Equity Shares of ₹ 2/- each)	150.00	150.00
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
550,063,000 Equity Shares of ₹ 2/- each ( Previous Year 550,663,000 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
	<b>110.08</b>	<b>110.08</b>

#### Note.25 (a) : Reconciliation of number of shares outstanding and amount of Share Capital at the beginning and at the end of the reporting period

(₹ in crore)

Equity Shares	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
Equity Shares outstanding as at the beginning of the year	55,00,63,000	110.01	55,00,63,000	110.01
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Add: Issued during the year	-	-	-	-
<b>Equity Shares outstanding as at the end of the year</b>	<b>55,00,63,000</b>	<b>110.01</b>	<b>55,00,63,000</b>	<b>110.01</b>

#### Note.25 (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.25 (c) : Detail of Shareholders holding more than 5% share in the company are given below

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Life Insurance Corporation of India	24,88,42,495	45.24	24,88,42,495	45.24

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### Note.25 (d) : Forfeited Shares

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Amount received on forfeited shares	0.06	0.06
	<b>0.06</b>	<b>0.06</b>

### Note.25 (e) : Shareholding of Promoters

Shares held by the Promoter at the end of the year	As at March 31, 2024		
	No. of Shares held	% of Holding	% Change during the year
Life Insurance Corporation of India	24,88,42,495	45.24	-

Name of Shareholder	As at March 31, 2023		
	No. of Shares held	% of Holding	% Change during the year
Life Insurance Corporation of India	24,88,42,495	45.24	-

### NOTE 26

(₹ in crore)

OTHER EQUITY	As at March 31, 2024	As at March 31, 2023
<b>(i) (a) Capital Reserve</b>		
As per last Balance Sheet	0.48	0.48
(b) Capital Reserve on acquisition of shares in LICHFL Care Homes	27.88	27.88
<b>(ii) Securities Premium Account</b>		
As per last Balance Sheet	4,047.52	4,047.52
<b>(iii) Cash Flow Hedge Reserve</b>		
Opening Balance	-	-
Add: Gain on ECB Cross Currency Swap	-	(79.17)
Less : Loss due to Exchange Rate Fluctuation on ECB	-	(79.17)
<b>Closing Balance</b>	<b>-</b>	<b>-</b>
<b>(iv) Special Reserve - I</b>		
In terms of Section 36(1)(viii) of Income-Tax, 1961 and Section 29C of National Housing Bank (NHB) Act, 1987 (Upto FY 1996-97)		
As per last Balance Sheet	38.98	38.98
<b>(v) Other Statutory Reserves including Special Reserve- II</b>		
<b>Balance at the beginning of the year</b>		
(i) Statutory Reserve u/s 29C of the NHB 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
<b>Total</b>	<b>8,529.49</b>	<b>7,544.49</b>
<b>Addition / Appropriation / Withdrawal during the year</b>		
<b>Add :</b>		
(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	1,309.99	984.99
<b>Less :</b>		
(i) Amount appropriated from Statutory Reserve u/s 29C of the NHB Act, 1987	-	-

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

(₹ in crore)

OTHER EQUITY	As at March 31, 2024	As at March 31, 2023
(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	-	-
<b>Balance at the end of the year</b>		
(i) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	0.20	0.19
(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	9,839.29	8,529.30
<b>Total</b>	<b>9,839.49</b>	<b>8,529.49</b>
<b>(vi) General Reserve</b>		
Opening Balance	8,702.72	7,852.72
Add: Transferred during the year	1,000.00	850.00
<b>Closing Balance</b>	<b>9,702.72</b>	<b>8,702.72</b>
<b>(vii) Impairment Reserve</b>		
Opening Balance	297.50	297.50
Add: Transferred during the year	-	-
<b>Closing Balance</b>	<b>297.50</b>	<b>297.50</b>
<b>(viii) Retained Earnings</b>		
Opening balance	5,430.02	4,831.18
Add: Total Comprehensive Income for the year	4,756.15	2,896.15
Add: Share of Profits from Associate	3.76	0.24
Less: Appropriations		
Dividend Paid and Tax on Dividend Paid	467.55	462.15
Transfer to General Reserve	1,000.00	850.00
Transfer to Special Reserve - II	1,309.99	984.99
Transfer to Statutory Reserve u/s 29C of the NHB Act, 1987	0.01	0.01
Share of profit of Non-controlling interest	0.35	0.41
<b>Closing Balance</b>	<b>7,412.03</b>	<b>5,430.02</b>
	<b>31,366.58</b>	<b>27,074.59</b>

### 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 represent, 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 up to the FY 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

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

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 FY 1997-98 (Assessment Year 1998-99). In the F.Y. 2023-24 ₹1,309.99 crore (F.Y. 2022-23 ₹984.99 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 ₹1,309.99 crore for FY 2023-24 (FY 2022-23 ₹984.99 crore) to Special Reserve No. II in terms of Section 36(1)(viii) of the Income tax Act, 1961 and ₹1.00 lakh for FY 2023-24 (FY 2022-23 ₹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 ₹1,000 crore to General Reserve (FY 2022-23 ₹ 850 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 CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### NOTE 27 : INTEREST INCOME

Particulars	(₹ in crore)	
	Year Ended March 31, 2024	Year Ended March 31, 2023
i) Interest on Loans	26,733.09	22,218.14
ii) Interest Income from Investments	320.69	320.82
iii) Interest on Deposits with Banks	12.81	6.91
iv) Other Interest Income (Net)	0.72	0.15
<b>Total</b>	<b>27,067.31</b>	<b>22,546.01</b>

### NOTE 28 : FEES & COMMISSION INCOME

Particulars	(₹ in crore)	
	Year Ended March 31, 2024	Year Ended March 31, 2023
i) Fees and Commission Income	66.57	66.97
<b>Total</b>	<b>66.57</b>	<b>66.97</b>

### NOTE 29 : NET GAIN ON FAIR VALUE CHANGES

Particulars	(₹ in crore)	
	Year Ended March 31, 2024	Year Ended March 31, 2023
Net Gain on Financial Instruments at Fair Value through Profit or (Loss)	60.57	53.71
<b>Total</b>	<b>60.57</b>	<b>53.71</b>

### NOTE 30 : NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS - UNDER AMORTISED COST CATEGORY

Particulars	(₹ in crore)	
	Year Ended March 31, 2024	Year Ended March 31, 2023
i) Gain on Derecognition of Financial Instruments	26.72	21.05
<b>Total</b>	<b>26.72</b>	<b>21.05</b>

### NOTE 31 : OTHERS

Particulars	(₹ in crore)	
	Year Ended March 31, 2024	Year Ended March 31, 2023
i) Miscellaneous Income	55.80	26.15
<b>Total</b>	<b>55.80</b>	<b>26.15</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### NOTE 32 : OTHER INCOME

(₹ in crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
i) Dividend Income from Associates	0.43	0.43
ii) Interest from Fixed Deposits	-	2.49
iii) Income from subleasing right-of-use assets	0.00	0.00
iv) Net gain on derecognition of property, plant and equipment	0.40	0.16
v) Net gain on foreign currency translation	-	11.24
<b>Total</b>	<b>0.83</b>	<b>14.32</b>

### NOTE 33 : FINANCE COSTS

(₹ in crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
i) Interest on deposits	769.67	959.90
ii) Interest on borrowings	6,992.91	5,565.29
iii) Interest on debt securities	10,477.85	9,471.88
iv) Interest on subordinated liabilities	132.86	132.42
v) Interest on Lease Liability	11.80	5.27
<b>Total</b>	<b>18,385.09</b>	<b>16,134.75</b>

### NOTE 34 : FEES AND COMMISSION EXPENSE

(₹ in crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
i) Fees and Commission	136.26	182.59
<b>Total</b>	<b>136.26</b>	<b>182.59</b>

### NOTE 35 : IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
i) Loans	1,622.88	1,935.87
ii) Others	20.84	7.09
<b>Total</b>	<b>1,643.72</b>	<b>1,942.96</b>

The details relating to movement in Impairment on Loans (Expected Credit Loss) is disclosed in Note 38.4.2.4



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2024

#### NOTE 36 : EMPLOYEE BENEFITS EXPENSES

(₹ in crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
i) Salaries and Wages	497.43	402.98
ii) Contribution to Provident and Other Funds [Refer Note 48]	78.29	49.84
iii) Staff Welfare Expenses	53.90	50.12
iv) Provision for Sick Leave and Earned Leave	18.46	12.22
v) Notional Expense on Staff Loan	1.55	1.25
<b>Total</b>	<b>649.63</b>	<b>516.41</b>

#### NOTE 37 : OTHER EXPENSES

(₹ in crore)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
i) Rent, Rates and Taxes	12.82	27.18
ii) Repairs and Maintenance - Building	2.88	2.15
iii) Repairs and Maintenance - Others	39.06	21.76
iv) Communication Costs	33.65	17.70
v) Printing and Stationery	8.48	9.50
vi) Advertisement & Publicity Expenses	33.85	43.76
vii) Director's fees, allowances and expenses	1.94	1.62
viii) Auditor's fees and expenses [Refer Note 45]	1.12	1.20
ix) Legal and Professional charges	23.10	10.15
x) Insurance Charges	0.12	0.18
xi) Travelling and Conveyance	22.98	20.08
xii) Competition Prizes & Conference Expenses	31.09	20.04
xiii) Electricity Expenses	6.51	6.07
xiv) Service Charges for Safe Custody of Documents	18.17	23.96
xv) Contribution towards CSR activities [Refer Note 53]	65.20	63.80
xvi) Miscellaneous Expenses	28.53	26.12
xvii) Compensation to allottee	-	26.45
<b>Total</b>	<b>329.50</b>	<b>321.69</b>

# NOTES FOR FOR THE YEAR

(₹ in crore)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### CORPORATE SOCIAL RESPONSIBILITY

Particulars	31.03.2024				31.03.2023			
	LICHFL	AMC	FSL	TOTAL	LICHFL	AMC	FSL	TOTAL
(a) Amount required to be spent by the company during the year	64.79	0.20	0.42	65.41	63.05	0.21	0.37	63.63
(b) Amount of expenditure incurred	13.68	0.20	0.42	14.30	9.95	0.21	0.37	10.53
(c) Shortfall at the end of the year	51.11	-	-	51.11	53.10	-	-	53.10
(d) Total of previous years shortfall	21.64	NIL	NIL	21.64	34.94	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 funds by the implementation partners. As a result of this 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.				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.			

## STATEMENTS

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

NOTES  
FOR THE YEAR  
(₹ in crore)

Particulars	31.03.2024			31.03.2023		
	LICHFL	AMC	FSL	LICHFL	AMC	FSL
(f) Nature of CSR activities,						
	The CSR activities carried out by the company during FY23-24 are:	Amount expended to	Paid ₹ 0.21Cr.	The CSR activities carried out by the company during FY22-23 are:	Amount expended to PM Care Fund	Paid to Tata Memorial centre for the purpose of promoting health care including preventive health care
	i) Promoting education including special education:	National Defence Fund	Memorial centre for the purpose of promoting health care	i) Promoting education including special education:		
	(a) Contributions to public-funded Universities	during the FY 2023-24	the purpose of promoting health care	(a) Contributions to public-funded Universities		
	(b) Imparting employment enhancing vocational skills.			(b) Imparting employment enhancing vocational skills.		
	ii) Promoting Healthcare:			ii) Promoting Healthcare:		
	(a) Including preventive health care.		including preventive health care	(a) Including preventive health care.		
	(b) Through assisting in curative treatment		Paid ₹ 0.21Cr.	(b) Through assisting in curative treatment		
	(c) Through scientific research			(c) Through scientific research		
	iii) Promoting sanitation and hygiene.			iii) Promoting sanitation and hygiene.		
	(a) Construction of a sanitation complex in the school	₹ in crores	to PM CARES fund	(a) Construction of a sanitation complex in the school		
	(b) Promotion of personal hygiene among students and rural villages.			(b) Promotion of personal hygiene among students and rural villages.		
	(c) Promotion of menstrual health among young girls in rural villages			(c) Promotion of menstrual health among young girls in rural villages		
	iv) Through vocational training and entrepreneurship development			iv) Through vocational training and entrepreneurship development		
	(a) Formation of Self-Help Group for marginal farmers and women			(a) Formation of Self-Help Group for marginal farmers and women		
	(b) Introducing innovative methods of cultivation.			(b) Introducing innovative methods of cultivation.		
	(c) Creating market linkages.			(c) Creating market linkages.		
	(d) Soft skill training on enterprises/income generation			(d) Soft skill training on enterprises/income generation		
	v) Measures for the benefit of armed forces veterans, war widows, and dependents			v) Measures for the benefit of armed forces veterans, war widows, and dependents		
	vi) Disaster relief					

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**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2024**

**NOTES FOR THE YEAR**

Particulars	31.03.2024				31.03.2023			
	LICHFL	AMC	FSL	TOTAL	LICHFL	AMC	FSL	TOTAL
	(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				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	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				

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### 38. FINANCIAL INSTRUMENTS

#### 38.1. 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 Group is calculated as below:

Particulars	(₹ in crore)	
	As at March 31, 2024	As at March 31, 2023
Debt Securities	1,44,665.32	1,36,960.00
Borrowings (Other than Debt Securities)	96,136.58	94,392.26
Deposits	9,849.42	11,580.76
Subordinated Liabilities	1,796.33	1,795.77
Interest Accrued on above	5,040.90	4,572.02
Unpaid Matured Deposit	87.54	60.25
Cash & Cash Equivalent	(1,422.82)	(641.38)
A) Total Debt	2,56,153.27	2,48,719.68
B) Total Equity-Shareholder's Funds	29,275.82	24,743.22
C) Debt Equity Ratio (A/B)	8.75	10.05

#### 38.2. Categories of Financial Instruments:

Particulars	(₹ in crore)			
	As at March 31, 2024			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
<b>Financial Assets</b>				
Cash and Cash Equivalents	1,422.82	-	-	1,422.82
Bank Balance other than above	232.36	-	-	232.36
Receivables	9.94	-	-	9.94
Loans	2,80,532.06	-	-	2,80,532.06
Investments	4,576.87	1,679.24	81.32	6,337.43
Other Financial Assets	31.33	-	-	31.33
<b>Total</b>	<b>2,86,805.38</b>	<b>1,679.24</b>	<b>81.32</b>	<b>2,88,565.94</b>
<b>Financial Liabilities</b>				
Lease Liability	170.75	-	-	170.75
Trade Payables	70.58	-	-	70.58
Debt Securities	1,44,665.32	-	-	1,44,665.32
Borrowings (Other than Debt Securities)	96,136.58	-	-	96,136.58
Deposits	9,849.42	-	-	9,849.42
Subordinated Liabilities	1,796.33	-	-	1,796.33
Other Financial Liabilities	6,364.90	-	-	6,364.90
<b>Total</b>	<b>2,59,053.88</b>	<b>-</b>	<b>-</b>	<b>2,59,053.88</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

(₹ in crore)

Particulars	As at March 31, 2023			Total
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	
<b>Financial Assets</b>				
Cash and Cash Equivalents	641.38	-	-	641.38
Bank Balance other than above	180.18	-	-	180.18
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
<b>Total</b>	<b>2,73,251.60</b>	<b>2,370.37</b>	<b>55.96</b>	<b>2,75,677.93</b>
<b>Financial Liabilities</b>				
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
<b>Total</b>	<b>2,50,601.53</b>	<b>-</b>	<b>-</b>	<b>2,50,601.53</b>

### 38.3. 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



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

**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	Valuation	Key Inputs	Significant
Financial Assets	Category	As at March 31, 2024	As at March 31, 2023	Hierarchy	Technique	for Level 2 & Level 3	unobservable input(s) for Level 3
Mutual funds	FVTPL	1,636.99	2,291.08	Level 1	Quoted Market Price	NA	NA
Initial Settlers Contribution Under Indenture Trust	FVTPL	0.002	0.002	Level 3	Book Value		
LICHFL Urban Development Fund	FVTPL	4.96	8.11	Level 3	NAV as on reporting date declared by the Fund	Refer Note below	Refer Note below
LICHFL Housing And Infrastructure Fund	FVTPL	37.29	71.18	Level 3			
Adarsh Developers	FVTPL		0.01	Level 1	Initially recognised at market price	Refer Note below	Refer Note below
<b>Non-Financial Assets</b>							
Assets Held For Sale	FVTPL	-	238.89	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.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### 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
<b>As at March 31, 2024</b>			
<b>Financial Assets</b>			
Government Securities	4,576.87	Level 1	4,449.89
Investment in Associates	81.32	Level 3	81.32
<b>As at March 31, 2023</b>			
<b>Financial Assets</b>			
Government Securities	4,623.38	Level 1	4,411.69
Investment in associates	55.96	Level 3	55.96

### 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.

The company has fully impaired its investment in one of its wholly owned subsidiary, LICHFL Care Homes Limited, as per INDAS 36- Impairment of Asset on prudent basis amounting to ₹ 50 crore, since the carrying amount of the investment exceed its value in use. The value in use was determined based on the future cash flow 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 Receivables, Trade Payables and other Financial Liabilities, the carrying value approximates the fair value.

## 38.4. Financial Risk Management

### Introduction

The Company has operations in India and representative offices in Dubai. 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.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### 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
- 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 of the Parent (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.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### **Risk Management Framework for Subsidiaries**

The respective Board of Directors have established the Risk Management Committee of each subsidiary, 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:

### **38.4.1. 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 01<sup>st</sup> 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 22<sup>nd</sup> 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.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### 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.

#### 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.

#### 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, 2024

(₹ 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
<b>Financial Liabilities</b>								
Lease Liabilities	-	13.73	38.04	72.92	42.08	31.12	3.20	201.09
Trade Payables	70.58	-	-	-	-	-	-	70.58
Debt Securities	-	7,919.00	33,230.00	46,410.10	32,528.40	25,282.30	-	1,45,369.80
Borrowings (Other than Debt Securities)	-	3,949.26	32,143.90	38,947.92	16,095.26	5,000.24	-	96,136.58
Deposits	0.64	1,849.22	4,123.16	2,871.39	1,023.62	-	-	9,868.03
Subordinated Liabilities	-	-	-	-	-	1,800.00	-	1,800.00
Other financial liabilities(to be specified)	661.39	2,584.43	2,759.57	280.38	74.57	-	-	6,360.34
<b>Total</b>	<b>732.61</b>	<b>16,315.64</b>	<b>72,294.67</b>	<b>88,582.71</b>	<b>49,763.93</b>	<b>32,113.66</b>	<b>3.20</b>	<b>2,59,806.42</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### 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
<b>Financial Liabilities</b>								
Lease Liabilities	-	13.60	38.20	74.65	44.10	46.22	3.79	220.56
Trade Payables	33.72	-	-	-	-	-	-	33.72
Debt Securities	-	8,525.00	29,741.30	52,191.90	23,513.20	23,597.40	-	1,37,568.80
Borrowings (Other than Debt Securities)	-	2,752.87	36,862.77	32,321.92	17,957.14	4,497.55	-	94,392.25
Deposits	-	2,540.08	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
<b>Total</b>	<b>432.11</b>	<b>15,936.28</b>	<b>75,357.63</b>	<b>87,604.48</b>	<b>41,989.08</b>	<b>29,945.58</b>	<b>3.79</b>	<b>2,51,268.95</b>

#### 38.4.2. Credit 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, 2024 is ₹ 2,86,802.14 crore (FY 2022-23 ₹ 2,75,006.14 crore) which best represent the maximum exposure to credit risk, the related Expected credit loss amount to ₹ 6,270.08 crore (FY 2022-23 ₹ 7,230.29 crore). The Company has right to sell the collateral in case borrower defaults. The carrying amount of loans as at March 31, 2024 includes ₹ 13.84 crore towards Loans to Staff, Loans against Public Deposit and Finance Lease Receivables. (FY 2022-23 ₹ 14.61 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.

#### 38.4.2.1. 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.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2024

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.
- **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 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 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.



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### **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. 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.

#### **38.4.2.2. 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 31.03.2024 included in loan portfolio amounting to ₹ 658.31 crore (FY 2022-23 ₹ 743.22 crore). During the year the company has reclassified the repossessed properties from “Assets Held for Sale” to Loans at amortized cost in accordance with opinion issued by expert advisory committee of ICAI.

#### **38.4.2.3 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 categories 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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2024

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).
- **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.

#### Loan Portfolio:

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. the company has grouped portfolio based on borrower type Individuals (Salaried / Non-Individuals) and based on the purpose of the loan Housing loans / Non-housing loans / Project and Corporate lending.

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

(₹ in crore)

Particulars	Stage 1		Stage 2		Stage 3		Total	
	Amount	Impairment	Amount	Impairment	Amount	Impairment	Amount	Impairment
As at March 31, 2024	2,65,359.53	625.48	11,959.22	768.34	9,483.39	4,876.26	2,86,802.14	6,270.08
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

#### 38.4.2. 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, 2024

### 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.

Lending Vertical	PD			EAD	LGD
	Stage 1	Stage 2	Stage 3		
Home Loans	The Historical data is used for computing the probability of default. Forecasted PD is estimated based on multivariate regression methodology.	100%		EAD is the Net Present Value of the Contractual Cash-Flows discounted based on the Effective Interest Rate which would be the Principal Outstanding at the date of the EAD. The value of exposure. The undrawn loan commitments is considered as part of the EAD.	LGD is computed as (1 - Recovery Rate) present value of collateral divided by computed separately.
Loan Against Property					
Lease Rental Discounting					
Developer Loans					
Other Loans					

### 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.

Particulars	(₹ in crore)	
	As at March 31, 2024	As at March 31, 2023
Financial Assets written off but are still subjected to enforcement activity	2,910.93	934.61

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### Movement of Gross Exposures and impairment provision of the Financial Instruments (Collective and Individual Basis)

(₹ in crore)

Particulars	Stage 1		Stage 2		Stage 3		Total	
	Amount	Impairment	Amount	Impairment	Amount	Impairment	Amount	Impairment
<b>Gross Carrying Amount -2022</b>	<b>2,31,791.71</b>	<b>579.33</b>	<b>7,665.50</b>	<b>240.11</b>	<b>11,616.40</b>	<b>5,019.68</b>	<b>2,51,073.61</b>	<b>5,839.12</b>
Net change in exposures	25,206.91	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)
<b>Gross Carrying Amount Closing Balance -2023</b>	<b>2,48,798.33</b>	<b>677.76</b>	<b>14,083.07</b>	<b>1,171.31</b>	<b>12,124.74</b>	<b>5,381.22</b>	<b>2,75,006.14</b>	<b>7,230.29</b>
Net change in exposures	18,165.06	(186.95)	(3,060.72)	(329.92)	(1,328.80)	879.55	13,775.54	362.68
Transfer to Stage 1	4,687.54	241.23	(4,243.18)	(95.33)	(444.36)	(145.90)	-	-
Transfer to Stage 2	(5,715.30)	(51.79)	6,547.82	220.68	(832.52)	(168.89)	-	-
Transfer to Stage 3	(576.10)	(54.77)	(1,367.77)	(198.40)	1,943.87	253.17	-	-
Changes in contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Amounts Written Off	-	-	-	-	(1,979.54)	(1,322.89)	(1,979.54)	(1,322.89)
<b>Gross Carrying Amount Closing Balance -2024</b>	<b>2,65,359.53</b>	<b>625.48</b>	<b>11,959.22</b>	<b>768.34</b>	<b>9,483.39</b>	<b>4,876.26</b>	<b>2,86,802.14</b>	<b>6,270.08</b>

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.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### 38.4.2.5. 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.

### 38.4.3. 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.

### 38.4.4. 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.

### 38.4.5 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.

### 38.4.6. 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.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2024

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.

#### 38.4.7 Strategic Risk

Strategic risk is the current and prospective impact on earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes. It is the risk to the market share and profitability arising due to competition.

#### 38.4.8. 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 Instrument

##### Fair Value of Hedging Instrument

(₹ in crore)

March 31, 2024	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				
Micro cash flow hedges	-	-	-	-	-	-
Cross currency interest rate swaps	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(₹ in crore)

March 31, 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				
Micro cash flow hedges	-	-	-	-	-	-
Cross currency interest rate swaps	-	-	(79.17)	(79.17)	-	(79.17)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(79.17)</b>	<b>(79.17)</b>	<b>-</b>	<b>(79.17)</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### Fair Value of Hedged Item

(₹ in crore)

31-Mar-24	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	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

(₹ in crore)

31-Mar-23	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)	-	-
<b>Total</b>	<b>(79.17)</b>	<b>-</b>	<b>-</b>

### Movement of Cash Flow Hedge

(₹ in crore)

Movement of cash flow hedges	As at March 31, 2024	As at March 31, 2023
Hedging net gains/(losses) arising during the year	-	(79.17)
Less: Recognised in the income statement	-	79.17
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, 2024	For the year ended March 31, 2023
Nominal value	-	-
Carrying amount – assets	-	-
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)
Amount of hedge ineffectiveness recognised in the income statement	-	-
Profit & Loss item in which hedge ineffectiveness is reported	-	NA

(₹ in crore)

Impact of cash flow hedge on balance sheet and financial result - hedged items	For the year ended March 31, 2024	For the year ended March 31, 2023
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)
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	-	-



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### 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 judgements the entity made in applying these paragraphs (for example, assumptions or judgements 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

### 38.5. 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, 2024

(₹ in crore)

Particulars	Upto 12 months	More than 12 months	Amount
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	1,422.82	-	1,422.82
Bank Balance other than above	232.36	-	232.36
Receivables			
(I) Trade Receivables	9.93	0.01	9.94
(II) Other Receivables	-	-	-
Loans	17,401.85	2,63,130.21	2,80,532.06
Investments	1,822.23	4,515.20	6,337.43
Other Financial assets	19.02	12.31	31.33
<b>Non-Financial Assets</b>			
Current Tax Assets (Net)	425.15	-	425.15
Deferred Tax Assets (Net)	-	1,638.41	1,638.41
Property, Plant and Equipment	-	163.39	163.39
Capital Work in Progress	-	0.20	0.20
Investment Property	-	29.17	29.17
Intangible assets under development	-	-	-
Right of Use Assets	-	164.14	164.14
Goodwill	-	0.21	0.21
Other Intangible Assets	-	31.88	31.88
Other Non-Financial Assets	294.50	20.67	315.17
Assets Held for Sale	-	-	-
<b>Total Assets</b>	<b>21,627.86</b>	<b>2,69,705.80</b>	<b>2,91,333.66</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

(₹ in crore)

Particulars	Upto 12 months	More than 12 months	Amount
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
Lease Liability	5.49	165.26	170.75
Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	0.02	-	0.02
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	70.56	-	70.56
Debt Securities	40,678.07	1,03,987.25	1,44,665.32
Borrowings (Other than Debt Securities)	36,093.16	60,043.42	96,136.58
Deposits	5,933.62	3,915.80	9,849.42
Subordinated Liabilities	-	1,796.33	1,796.33
Other financial liabilities	6,005.38	359.52	6,364.90
<b>Non-Financial Liabilities</b>			
Current tax liabilities (Net)	-	-	-
Deferred Tax liabilities (Net)	-	-	-
Provisions	99.87	138.32	238.19
Other non-financial liabilities	561.53	-	561.53
<b>Total Liabilities</b>	<b>89,447.70</b>	<b>1,70,405.90</b>	<b>2,59,853.60</b>
<b>NET</b>	<b>(67,819.84)</b>	<b>99,299.90</b>	<b>31,480.06</b>

**As at March 31, 2023**

(₹ in crore)

Particulars	Upto 12 months	More than 12 months	Amount
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	641.38	-	641.38
Bank Balance other than above	180.18	-	180.18
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	11.00	19.09	30.09

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

(₹ in crore)

Particulars	Upto 12 months	More than 12 months	Amount
<b>Non-Financial Assets</b>			
Current Tax Assets (Net)	-	-	-
Deferred Tax Assets (Net)	-	1,895.87	1,895.87
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
<b>Total Assets</b>	<b>21,226.42</b>	<b>2,57,332.55</b>	<b>2,78,558.97</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
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	37,696.23	99,263.77	1,36,960.00
Borrowings (Other than Debt Securities)	39,626.35	54,765.90	94,392.25
Deposits	8,577.10	3,003.66	11,580.76
Subordinated Liabilities	-	1,795.77	1,795.77
Other financial liabilities	5,343.16	311.77	5,654.93
<b>Non-Financial Liabilities</b>			
Current tax liabilities (Net)	3.87	3.87	3.87
Deferred Tax liabilities (Net)	-	-	0.12
Provisions	54.47	54.47	176.97
Other non-financial liabilities	588.63	588.63	588.63
<b>Total Liabilities</b>	<b>91,973.91</b>	<b>1,59,397.20</b>	<b>2,51,371.11</b>
<b>NET</b>	<b>(70,747.49)</b>	<b>97,935.35</b>	<b>27,187.86</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### 39. 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	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Segment Revenue	27,234.64	22,674.20	92.56	99.48	(49.40)	(45.47)	27,277.80	22,728.21
Segment Result	6,053.92	3,557.00	21.88	5.83	(11.42)	(2.07)	6,064.37	3,560.77
Share of profit of Associates	-	-	-	-	-	-	3.76	0.24
Current Tax	-	-	-	-	-	-	1,304.81	669.60
OCI adjustments	-	-	-	-	-	-	(3.41)	4.98
Share of Profit/ (Loss) of Non-Controlling Interest	-	-	-	-	-	-	(0.35)	(0.41)
Total Result	-	-	-	-	-	-	4,759.56	2,895.98
Segment Assets	2,91,204.63	2,78,173.12	285.07	292.46	(156.04)	(145.50)	2,91,333.66	2,78,320.08
Assets held for sale	-	238.89	-	-	-	-	-	238.89
Segment Liabilities	2,59,810.00	2,51,311.67	103.32	110.84	(59.72)	(51.40)	2,59,853.60	2,51,371.11
Net Assets	31,394.63	27,100.34	181.75	181.62	(96.32)	(94.10)	31,480.06	27,187.86
Depreciation & Amortization	65.42	65.56	4.13	3.72	(0.32)	(0.24)	69.23	69.04
Non-Cash Expenses other Depreciation & Amortization	1,643.72	1,942.96	-	-	-	-	1,643.72	1,942.96

- (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.
- (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, 2024 and March 31, 2023.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### 40. COMMITMENTS:

- a) Estimated amounts of contracts remaining to be executed on capital account and not provided for advance) - (net of are ₹61.85 crore (FY 2022-23 ₹ 23.76 crore).
- b) Other Commitments: Uncalled liability of ₹ 1.14 crore (FY 2022-23 ₹ 1.14 crore) in respect of commitment made for contribution to LICHFL Urban Development Fund by subscription of 50,000 units (FY 2022-23 50,000 units) of ₹ 10,000 face value each, paid up value being ₹ 2502.79 (FY 2022-23 ₹ 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 31<sup>st</sup> March, 2024 is ₹ 31.56 crore (FY 2022-23 ₹ 55.60 crore). The Total Capital commitment of the fund is 765 crore out of which LICHFL has Commitment of 10 % amounting to 76.50 crore.
- d) Undisbursed amount of Housing and Non- Housing Loans sanctioned is ₹ 28,169.46 crore.

### 41. CONTINGENT LIABILITIES IN RESPECT OF:

- a) Claims against the Company not acknowledged as debts ₹ 1.06 crore (FY 2022-23 ₹ 0.99 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.
- c) 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. Further, for AY 2020-21, the Company had received demand for ₹ 5.77 crore. The Company had also received demand of ₹ 15.01 crore for AY 2015-16 (including interest of ₹ 4.8 crore).

The aforesaid demands for AY 2018-19, AY 2019-20, AY 2020-21 and AY 2015-16 are disputed and the Company has preferred an appeal at the Appellate Authority.

- d) Care Homes :
  1. Bank guarantee outstanding of ₹ 93.50 lakh (P Y ₹ 88.76 lakh)
  2. Claims not acknowledged as debts of ₹ 1,339.56 lakh.
  3. Pending litigation against the company:
    - Two petition 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 injuncted/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 expect favourable result in its favour, therefore no provision has been made in the account.
    - Two petition have been filed the case in the Court of Member, Board of Revenue Odisha, Cuttak, the Company has been made 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 name of the company from said. The case is not yet listed for hearing and the company expect favourable result in its favour, therefore no provision has been made in the account.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

- A petition has been filed before the District Consumer Dispute Redressal Commission at Bhubneswar, Odisha against the Company, for allotment shop which was originally allotted to her, however subsequently the allotment was cancelled and money received have 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 expect 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 suit and have also claimed to have already formed the unregistered association. The case is not yet listed for hearing and the company do not expect liability in the subject petition. therefore, no provision has been made in the account.

### 42. 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, 2024	As at March 31, 2023
Opening balance	-	3.53
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	-	-
Closing balance	-	-

43. Fixed Deposits with Banks includes earmarked deposits created in favour of trustees for depositors towards maintaining Statutory Liquid Ratio amounting to ₹ 100 crore (FY 2022-23 ₹ 100) .The Company has beneficial interest on the income earned from these deposits.
44. Temporary Book Overdraft of ₹ 428.60 crore (FY 2022-23 ₹ 627.94 crore) represents cheques issued towards disbursements to borrowers for ₹ 425.73 crore (FY 2022-23 ₹ 576.47 crore) and cheques issued for payment of expenses of ₹ 2.87 crore (FY 2022-23 ₹ 51.47 crore), but not encashed as at March 31, 2024.

### 45. AUDITOR'S REMUNERATION\*:

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Audit fee	0.57	0.57
Tax Audit	0.13	0.12
For Quarterly Limited Reviews	0.28	0.24
In any other manner (Certification work)	0.08	0.22
Reimbursement of expenses	0.06	0.05
<b>Total</b>	<b>1.12</b>	<b>1.20</b>

\*Including Ineligible GST

### 46. PROPOSED DIVIDEND

(₹ in crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Dividends not recognized at the end of reporting period	495.21	467.70

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

**47.** 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.

Particulars	(₹ in crore)	
	March 31, 2024	March 31, 2023
The principal amount remaining unpaid to any supplier	0.02	0.14
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 (Ind AS 19) – “Employee Benefits”, the following disclosures have been made:

#### Provident Fund and Pension Fund Liability

The Group has recognised ₹ 36.19 crore (Previous year ₹ 33.32 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, 2.67 crore (previous year 2.76 crore) have been contributed towards LIC of India (Employees) Pension Rules, 1995.

#### Gratuity Liability

Changes in the Defined Benefit Obligation:	(₹ in crore)	
	2023-24	2022-23
Liability at the Beginning of the year	129.04	120.39
Interest Cost	9.64	8.74
Current Service Cost	6.72	6.56
Past Service Cost	23.71	-
Benefit Paid	(6.88)	(1.58)
Actuarial Loss/(Gain) on obligations	4.65	(5.30)
Liability at the end of the year	<b>166.88</b>	<b>128.83</b>

Fair Value of the Plan Assets:	(₹ in crore)	
	2023-24	2022-23
Fair Value of Plan Asset at the beginning of the year	125.10	109.32
Expected Return on Plan Assets	9.36	7.94
Contributions	22.94	7.80
Benefit paid	(6.88)	(1.58)
Actuarial Gain / (Loss) on Plan Assets	0.01	1.39
Fair value of Plan Assets at the end of the year	<b>150.53</b>	<b>124.87</b>
Total Actuarial Loss to be Recognized	<b>4.74</b>	<b>(6.68)</b>



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

(₹ in crore)

<b>Actual Return on Plan Assets:</b>	<b>2023-24</b>	<b>2022-23</b>
Expected Return on Plan Assets	9.36	7.93
Actuarial Gain / (Loss) on Plan Assets	0.01	1.40
Actual Return on Plan Assets	<b>9.37</b>	<b>9.34</b>

(₹ in crore)

<b>Amount Recognized in the Balance Sheet:</b>	<b>2023-24</b>	<b>2022-23</b>
Liability at the end of the year	(166.67)	(128.82)
Fair Value of Plan Assets at the end of the year	150.29	124.77
Amount recognized in the Balance Sheet	<b>(16.38)</b>	<b>(4.05)</b>

(₹ in crore)

<b>Net Interest Cost for Current Year</b>	<b>2023-24</b>	<b>2022-23</b>
Present Value of Benefit Obligation at the Beginning of the Year	129.05	120.39
Fair value of Plan Assets at the Beginning of the Year	(125.07)	(109.32)
Net Liability/(Asset) at the Beginning of the Year	3.98	11.07
Interest Cost	9.65	8.74
Interest Income	(9.36)	(7.95)
Net Interest Cost for Current Year	<b>0.29</b>	<b>0.79</b>

(₹ in crore)

<b>Expense Recognized in the Statement of Profit or Loss for Current Year :</b>	<b>2023-24</b>	<b>2022-23</b>
Current Service Cost	6.72	6.56
Net Interest Cost	0.30	0.79
Expected Return on Plan Assets	(0.02)	-
Past Service Cost	23.71	-
Expense recognized in the Statement of Profit or Loss under staff expenses	<b>30.72</b>	<b>7.35</b>

(₹ in crore)

<b>Expense Recognized in Other Comprehensive Income (OCI) for Current Year :</b>	<b>2023-24</b>	<b>2022-23</b>
Actuarial Loss/(Gain) on obligations	4.66	(5.30)
Return on Plan Assets, excluding Interest Income	(0.01)	(1.39)
Net (Income)/Expense for the year recognized in OCI	<b>4.65</b>	<b>(6.68)</b>

(₹ in crore)

<b>Reconciliation of the Liability recognized in the Balance Sheet:</b>	<b>2023-24</b>	<b>2022-23</b>
Opening Net Liability	3.96	11.08
Expense recognized in the Statement of Profit or Loss	30.70	7.36
Expense recognized in Other Comprehensive Income	4.65	(6.68)
Contribution by the Group	(22.92)	(7.80)
Amount recognized in the Balance Sheet under "Provision for Retirement Benefits"	<b>16.40</b>	<b>3.96</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### Maturity Analysis of the Benefit Payments : From the Fund

(₹ in crore)

Projected Benefits Payable in Future Years From the Date of Reporting	2023-24	2022-23
1 <sup>st</sup> Following Year	12.20	8.93
2 <sup>nd</sup> Following Year	11.21	6.87
3 <sup>rd</sup> Following Year	14.09	13.20
4 <sup>th</sup> Following Year	15.87	12.06
5 <sup>th</sup> Following Year	13.62	12.87
Sum of Years 6 to 10	50.81	40.65
Sum of Years 11 and above	273.45	217.81

(₹ in crore)

Sensitivity Analysis	2023-24	2022-23
Projected Benefit Obligation on Current Assumptions	164.05	128.82
Delta Effect of +1% Change in Rate of Discounting	(23.31)	(17.60)
Delta Effect of -1% Change in Rate of Discounting	27.11	20.40
Delta Effect of +1% Change in Rate of Salary Increase	22.2	12.51
Delta Effect of -1% Change in Rate of Salary Increase	(20.32)	(11.99)
Delta Effect of +1% Change in Rate of Employee Turnover	0.59	2.08
Delta Effect of -1% Change in Rate of Employee Turnover	(0.56)	(2.38)

Assumptions	2023-24	2022-23
Discount Rate	7.25%/7.21%/7.20%/7.21%	6.84%/7.35%/7.49%
Rate of Return on Plan Assets	7.21%/7.20%/7.21%	6.84%/7.35%/7.49%
Salary Escalation	5.00%/8.00%/6.90%/8.00%	8.00%/6.90%/8.00%
Attrition Rate	2%/13.25%/2%	2.00%

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:

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2024

**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, 2024 is ₹ 5.50 crore (Previous Year ₹ 3.40 crore).

#### Leave Encashment

	(₹ in crore)	
<b>Changes in the Benefit Obligation</b>	<b>2023-24</b>	<b>2022-23</b>
Liability at the Beginning of the year	103.59	94.15
Interest Cost	7.75	6.85
Current Service Cost	3.64	3.43
Benefit Paid	(0.55)	(3.21)
Actuarial (Gain) / Loss on obligations	4.60	2.37
Liability at the end of the year	119.03	103.59

	(₹ in crore)	
<b>Amount Recognized in the Balance Sheet:</b>	<b>2023-24</b>	<b>2022-23</b>
Liability at the end of the year	115.21	(103.28)
Fair Value of Plan Assets at the end of the year	-	-
Amount recognized in the Balance Sheet*	115.21	(103.28)

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

(₹ in crore)

Expense Recognized in the Statement of Profit or Loss:	2023-24	2022-23
Current Service Cost	3.64	3.43
Interest Cost	7.75	6.85
Expected Return on Plan Assets	-	-
Net Actuarial (Gain) / Loss to be recognized	4.60	2.37
Expense recognized in the Statement of Profit or Loss under staff expenses	15.99	12.65

(₹ in crore)

Reconciliation of the Liability recognized in the Balance Sheet:	2023-24	2022-23
Opening Net Liability	103.59	94.15
Expense recognized	15.99	12.65
Contribution by the Group	(0.55)	(3.21)
Amount recognized in the Balance Sheet under "Provision for Retirement Benefits"	119.03	103.59

Assumptions:	2023-24	2022-23
Retirement Age	58 Years	58 Years
Discount Rate	7.21%/7.21%	7.49%/7.49%
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.

\*Exclusive of Amount ₹0.59 crore (previous year ₹ 0.63 crore) towards additional provision made for LIC employees.

### Sick Leave

The Company has recognised ₹ 3.12 crore (Previous year ₹2.55 crore) in the Statement of Profit and Loss towards sick leave in respect of company employees.

## 49. 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

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### (iii) Details of Key Management Personnel and Directors (Executive or Otherwise)

#### Nature of Relationship

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Key Management Personnel</b>		
Shri Y. Vishwanatha Gowd	-	Managing Director & CEO(Upto 31.07.2023)
Shri T. Adhikari	Managing Director & CEO (From 03.08.2023)	-
Shri Ashwani Ghai	Chief Operating Officer (Upto 14.06.2023)	Chief Operating Officer (From 01.11.2022)
Smt. Varsha Hardasani	Company Secretary	Company Secretary(From 01.06.2022)
Shri Nitin K Jage	-	Company Secretary(Resigned on 31.05.2022)
Shri Sudipto Sil	Chief Financial Officer	Chief Financial Officer
<b>Directors (Executive or Otherwise)</b>		
Shri M R Kumar	-	Chairman (Resigned on 13.03.2023)
Shri Raj Kumar	-	Non-Executive Nominee Director (Resigned on 09.02.2023)
Shri Jagdish Capoor	-	Independent Director (Resigned on 23.05.2022)
Shri Dharmendra Bhandari	Independent Director	Independent Director
Shri V. K. Kukreja	Independent Director	Independent Director
Shri Ameet Patel	Independent Director	Independent Director
Shri Ravi Krishan Takkar	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	Independent Director (Designation change w.e.f. 06.02.2023)
Shri Akshay Rout	Non-Independent Director	Non Independent Director
Shri Jagannath Mukkavilli	Non-Executive Nominee Director	-
Smt. Jagennath Jayanthi	Independent Director	Independent Director
Shri Ramesh Adige	Independent Director	-
Shri Siddhartha Mohanty	Chairman	Chairman

#### b) Details of transactions with related parties:

(₹ in crore)

Nature of transactions	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Life Insurance Corporation of India:</b>		
Repayment of non-convertible debentures	2,000.00	15,00.00
Interest expenses on Secured and Unsecured loans	871.70	1,046.28
Dividend Payment by LIC Housing Finance Limited to LIC of India	211.52	211.66
Rent Rates and Taxes	12.86	10.10
Reimbursement of Electricity Expenses	0.46	0.78
Payment for Staff training, Conference, etc.	0.06	0.06

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

(₹ in crore)

Nature of transactions	For the year ended March 31, 2024	For the year ended March 31, 2023
Reimbursement of Expenses	-	0.21
Reimbursement of Gratuity, Medclaim, GSLI and Pension Fund for staff on deputation from LIC	1.74	1.84
Contribution to LIC of India, P & GS, for Gratuity premium for employees, renewal of group insurance.	22.95	9.05
Rewriting Fees Income	-	47.69
Balance as at year end towards Non Convertible Debentures (Credit)	9,550.00	11,550.00
Balance as at year end towards Interest Accrued on Non Convertible Debentures (Credit)	304.05	243.03
Balance as at year end- Others (Credit)	-	1.81
<b>LIC Mutual Fund Asset Management Company</b>		
Dividend Income	0.43	0.43
<b>Shri Y. Vishwanatha Gowd , MD &amp;CEO</b>		
*Managerial remuneration-Total	0.48	0.79
Post-Employment Benefits	-	0.02
Investment in Public Deposit	-	0.22
Redemption of Public Deposit	-	0.06
Interest Expense on investment in Public Deposit by Close Members	0.01	0.02
Balance as at the year end towards investment in Public Deposit by Close Members and Accrued Interest on Public Deposit (Credit)	-	0.42
<b>Shri Siddhartha Mohanty Chairman (Non-Executive Nominee Director)</b>		
Balance as at year end towards Loan outstanding	1.43	-
<b>Shri Ashwani Ghai (From 01.11.2022)</b>		
Outstanding Amount of Loan taken from the Company	-	1.30
<b>Shri T. Adhikari Managing Director and CEO (From 03.08.2023)</b>		
Interest Expense on Public Deposit	0.01	-
Balance as at year end towards Loan outstanding	0.38	-
<b>Mr. Jagannath M (Non-Executive Nominee Director)</b>		
Interest Expense on Public Deposit	0.01	-
Balance as at period end towards Public Deposit and Accrued Interest	0.11	-
Balance as at year end towards Loan outstanding	0.36	-
<b>Shri Nitin K Jage, Company Secretary</b>		
Managerial remuneration-Total	-	0.32
Short Term Employment Benefits	-	0.32
Interest Expense on investment in Public Deposit	-	-
<b>Smt.Varsha Hardasani (from 01.06.2022)</b>		
*Managerial remuneration-Total	0.26	0.18
<b>Shri Sudipto Sil</b>		
Managerial remuneration-Total	0.50	0.48
Investment in Public Deposit by Close Members of family	0.20	-
Redemption of Public Deposit	0.07	-
Interest Expense on investment in Public Deposit by Close Members	0.06	0.05

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

(₹ in crore)

Nature of transactions	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance as at the yearend towards investment in Public Deposit by Close Members and Accrued Interest on Public Deposit (Credit)	0.82	0.65
<b>Directors (Executive or Otherwise)</b>		
Sitting Fees Paid	0.27	0.34
<b>Shri Raj Kumar, Non-Executive Nominee Director</b>		
Outstanding Amount of Loan taken from the Company	-	0.06

\*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 FY 2023-24 has been included.

Gratuity payable by the Company to the Company Secretary and CFO as a post-employment benefit is as per the gratuity trust deed of the company. For the MD & CEO, an amount of 5% of Basic Salary plus DA is contributed as a post-employment benefit to LIC.

### 50 LEASES:

- Actual Payment of Rent from 01.04.2023 to 31.03.2024 is ₹ 57.56 crore (Previous Year ₹ 53.75 crore).**
- The following is the breakup of Current and non-current portion of Lease Liability as on 31.03.2024:**

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Current	5.48	50.38
Non-Current	165.27	133.71
<b>Total Lease Liability as on 31.03.2021</b>	<b>170.75</b>	<b>184.09</b>

- The following is the movement of Lease Liability as on 31.03.2024: -**

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Value of Lease Liability as of April 1	184.09	150.23
Additions	56.74	122.79
Terminated	(25.21)	(46.25)
Interest Expense on Lease Liability	11.54	9.42
Interest Expense on Terminated Lease	(0.30)	0.75
Finance Income on Subleased Assets	0.13	0.18
Finance Income Receivable on Subleased Assets	0.92	0.70
Actual Payment of Rent	(57.16)	(53.75)
Provision on Disposals	-	0.02
<b>Closing Value of Lease Liability as of March 31</b>	<b>170.75</b>	<b>184.09</b>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2024

#### d. The Carrying Value of Right of Use Asset as of March 31, 2024:

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Opening Value of Right of Use Asset as of April 1</b>	<b>365.19</b>	<b>249.08</b>
Additions	56.87	127.01
Disposals	(0.11)	(10.90)
ROU derecognised on subleased asset	-	-
<b>Gross carrying value as of March 31</b>	<b>421.95</b>	<b>365.19</b>
Accumulated Depreciation as of April 1	(136.31)	(92.08)
Depreciation	(43.35)	(49.44)
Accumulated Depreciation on Disposals	-	4.56
Reversal of depreciation- sublease	0.65	0.65
<b>Accumulated Depreciation as of March 31</b>	<b>(179.01)</b>	<b>(136.31)</b>
Terminated Cases	(78.80)	(57.76)
<b>Carrying Value as of March 31</b>	<b>164.14</b>	<b>171.12</b>

#### e. The following represents the Contractual Maturity of the Lease Liability on an undiscounted basis

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
On demand	-	-
Upto 3 months	13.73	13.60
Above 3 months to 12 months	38.04	38.20
Above 1 Year -3 Years	72.92	74.65
Above 3 Years-5 Years	42.08	44.10
Above 5 Years-10 Years	31.12	46.22
Above 10 Years	3.20	3.79
<b>Total</b>	<b>201.09</b>	<b>220.56</b>

#### As a Lessee:

#### f. Amount recognised in Statement of Profit and Loss:

(₹ in crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest on lease Liabilities	11.80	5.27
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	-	-
<b>Total amount recognised in the Statement of Profit and Loss</b>	<b>11.80</b>	<b>5.27</b>

#### g. Amount recognised in the Statement of Cash Flow:

(₹ in crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total amount of cash outflows for leases (net of rental inflows)	57.56	53.75

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### 51. 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:

(₹ in crore)

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
Profit after tax attributable to equity shareholders	(₹ in crore)	4,759.56	2,891.17
Weighted average number of equity shares outstanding during the year	Nos.	550063000	550063000
Basic and Diluted Earnings per equity share	₹	86.53	52.56
Face value per equity share	₹	2/-	2/-

### 52. TAXES ON INCOME

#### Movement in Deferred Tax Assets / (Liabilities)

(₹ in crore)

Particulars	As at April 01, 2023	Profit or Loss	OCI	Total	As at March 31, 2024
Property, plant and equipment	(5.70)	(1.12)	-	(1.12)	(6.82)
Expected credit losses	1,848.52	(272.74)	-	(272.74)	1,575.78
Provisions other than those pertaining to Expected credit loss	(24.53)	39.54	-	39.54	15.01
Financial assets at fair value through profit or loss	14.87	2.65	-	2.65	17.52
Remeasurements of employee benefits through OCI	0.05	0.08	1.16	1.24	1.29
Adjustments pertaining to Income and expense recognition based on Expected Interest rate	(191.61)	(34.38)	-	(34.38)	(225.99)
Income recognition on NPA cases	(5.73)	5.73	-	5.73	-
Others	260.00	1.62	-	1.62	261.62
<b>Total</b>	<b>1,895.87</b>	<b>(258.62)</b>	<b>1.16</b>	<b>(257.46)</b>	<b>1,638.41</b>

(₹ in crore)

Particulars	As at April 01, 2022	Profit or Loss	OCI	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	1,848.53
Provisions other than those pertaining to Expected credit loss	(112.31)	87.79	-	87.79	(24.52)
Financial assets at fair value through profit or loss	14.06	0.81	-	0.81	14.87
Remeasurements 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)	(191.62)
Income recognition on NPA cases	(5.73)	-	-	-	(5.73)
Others	183.31	76.68	-	76.68	259.99
<b>Total</b>	<b>1,371.36</b>	<b>527.04</b>	<b>(2.53)</b>	<b>524.51</b>	<b>1,895.87</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### Income Tax recognized in Statement of profit and loss:

(₹ in crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Current Tax</b>		
In respect to of Current Year	1,046.09	1,195.89
In respect of prior years	0.06	0.05
<b>Deferred Tax</b>		
In respect to of Current Year	258.66	(526.34)
<b>Total Income Tax expense recognised in the current year</b>	<b>1,304.81</b>	<b>669.60</b>

### 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, 2024	For the year ended March 31, 2023
Consolidated Profit before tax	6,064.37	3,560.77
Income tax expense calculated *	1,531.55	903.06
Effect of expenses that are not deductible in determining taxable profit	218.43	619.57
Effect of incomes which are exempt from tax	(1.48)	(1.43)
Effect on deferred tax balances due to the changes in income tax rate	-	-
Deduction under section 36(1)(viii) of the Income tax Act, 1961	(322.88)	(241.55)
Others	(120.81)	(610.05)
<b>Income tax expense recognized in statement of profit or loss</b>	<b>1,304.81</b>	<b>669.60</b>

\*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%.

### 53. CORPORATE SOCIAL RESPONSIBILITY

Establishment and Other expenses includes ₹ 65.20 crore for the year ended March 31, 2024 (FY 2022-23 ₹ 63.80 crore) for contribution towards Corporate Social Responsibility (CSR) in accordance with Companies Act, 2013.

#### Details of CSR expenditure during the financial year

- Gross amount required to be spent by the Group during the year is ₹ 65.41 crore (FY 2022-23 ₹ 63.63 crore).
- Amount approved by the Board to be spent during the year is ₹ 65.48 crore.
- Amount spent during the year:

(₹ in crore)

Sl. No	Particulars	In cash	Yet to be paid	Total
(i)	Construction/acquisition of any asset	3.65 (3.50)	5.55 (11.78)	9.20 (15.28)
(ii)	On purposes other than (i) above	10.64 (7.02)	45.62 (41.50)	56.26 (48.52)

Figures in bracket are in respect of the previous year.

- 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
- Provision of ₹51.17crore has been made for CSR expenditure unspent by the company as on March 31, 2023 (Previous Year ₹ 53.28 crore).

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

- f) Movements in the provision during the year should be shown separately:

Amount to be transferred to special Bank Account:

- i) Company have transferred ₹51.17 crore unspent amount to a separate bank account within 30 days of the end of FY 2023-24 (transferred on 29<sup>th</sup> April 2024) and Nil unspent amount to a Fund specified in Schedule VII.
- ii) A provision for liability for ₹51.17crore representing the amount to be transferred is recognized in the financial statements for FY 2023-24.

(₹ in crore)

Details of ongoing projects							
Financial Year	Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
	With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
FY 2019-20	7.95	-	7.95	2.01	-	5.94	-
FY 2020-21	0.14	15.39	15.53	0.12	15.37	0.02	0.02
FY 2021-22	0.05	11.40	11.45	0.05	7.22	-	4.18
FY 2022-23	-	53.28	53.28	-	41.80	(0.06)	11.54
FY 2023-24	65.47	-	65.47	14.30	-	-	51.17

- iii) 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 / deposited in Specified Fund of Sch.VII within 6months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
FY 2019-20	7.95	-	7.95	2.01	5.94
FY 2020-21	15.53	0.04	15.53	15.49	0.04
FY 2021-22	11.45	-	11.45	7.27	4.18
FY 2022-23	53.28	-	53.28	41.80	11.48
FY 2023-24	65.47	-	65.47	14.30	51.17

- g) The Board of Directors of the Company has disclosed the followings on its website:

- [https://www.lichousing.com/static-assets/pdf/Committees\\_Membership\\_Updated\\_SEPTMBER\\_2023.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true](https://www.lichousing.com/static-assets/pdf/Committees_Membership_Updated_SEPTMBER_2023.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&embedded=true](https://www.lichousing.com/static-assets/pdf/Corporate_Social_Responsibility_Policy.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true)
  - Projects approved by the Board on their website
- [https://www.lichousing.com/static-assets/pdf/CSR\\_Projects\\_approved\\_FY\\_23\\_24.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true](https://www.lichousing.com/static-assets/pdf/CSR_Projects_approved_FY_23_24.pdf?crafterSite=lichfl-corporate-website-cms&embedded=true)

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2024

### 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 FY 1996-97, whereas Special Reserve No. II relates to the amounts transferred thereafter. In the current financial year ₹ 1,309.99 crore (FY 2022-23 ₹984.99 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 (FY 2022-23 ₹ 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 27<sup>th</sup> 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.

### 55. INTERESTS IN OTHER ENTITIES

#### Subsidiaries

The Company's Subsidiaries as at March 31, 2024 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.

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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	
		%	%	%	%	
LICHFL Asset Management Company Ltd.	India	94.62	94.62	94.62	5.38	To act as Investment Manager to Venture Capital Funds and Alternative Investment Funds
LICHFL Trustee Company Private Ltd.	India	100.00	100.00	100.00	-	To act as Trustee to Venture Capital Funds and Alternative Investment Funds
LICHFL Financial Services Ltd.	India	100.00	100.00	100.00	-	To provide Financial Services to Various Clients
LICHFL Care Homes Ltd.	India	100.00	100.00	100.00	-	To develop residential Projects for Senior Citizens

### 56. 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, 2024

(₹ in crore)

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
<b>Parent</b>								
LIC Housing Finance Limited	99.28%	31,252.27	101.21%	4,817.07	104.58%	(3.57)	101.21%	4,813.51
<b>Subsidiaries</b>								
LICHFL Asset Management Company Ltd.	0.20%	62.95	0.11%	5.41	0.00%	0.00	0.11%	5.41
LICHFL Care homes Ltd.	0.07%	21.61	(0.39)%	(18.35)	0.59%	(0.02)	(0.39)%	(18.37)
LICHFL Trustee Company Private Ltd.	0.00%	0.36	0.00%	0.10	0.00%	0.00	0.00	0.10
LICHFL Financial Services Ltd.	0.26%	83.56	(0.93)%	(44.67)	(5.17)%	0.18	(0.93)%	(44.50)
Goodwill on Consolidation	0.00%	0.21	-	-	-	-	-	-
Associate	0.18%	55.69	-	-	-	-	-	-
Non-Controlling Interest	0.01%	3.40	-	-	-	-	-	-
	<b>100.00%</b>	<b>31,480.05</b>	<b>100.00%</b>	<b>4,759.56</b>	<b>100.00%</b>	<b>(3.41)</b>	<b>100.00%</b>	<b>4,756.15</b>

### 57. 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.

- The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- 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.
- 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.
- The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- 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.
- No Registration or satisfaction of charges are pending to be filed with ROC.
- No revaluation of any class of asset is carried out during the year.
- Fair valuation of Investment property is not applicable to the company, as company doesn't hold any investment property.
- Company doesn't hold any immovable property in the name of third party.
- Clause (87) of section 2 of the act read with the Companies (Restriction on number of Layers) Rules, 2017 is not applicable to company.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

- 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.

**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 attached report of even date

For and on behalf of the Board of Directors

**For SGCO & Co. LLP**

Chartered Accountants  
FRN 112081W / W100184

**For Khandelwal Jain & Co.**

Chartered Accountants  
FRN 105049W

**Siddhartha Mohanty**

Chairman  
DIN : 08058830

**Kashi Prasad Khandelwal**

Director  
DIN : 00748523

**T. Adhikari**

Managing Director &  
Chief Executive Officer  
DIN : 10229197

**Suresh Murarka**

Partner  
M. No. 044739

**Shailesh Shah**

Partner  
M.No. 033632

**Varsha Hardasani**

Company Secretary  
FCS No: ACS50448

**Sudipto Sil**

CFO

**H. J. Panchariya**

General Manager  
(Accounts)

Place: Mumbai  
Date : May 15, 2024