Piramal Finance

26th July 2023

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G. Block,
Bandra-Kurla Complex,
Mumbai – 400 051

BSE Limited
25th Floor,
P.J. Towers,
Dalal Street,
Mumbai – 400 001

Sub.: Annual Report for FY 2022-23 and Notice of the 39th Annual General Meeting of the Company

Dear Sir / Madam,

Pursuant to Regulation 53 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of **Piramal Capital & Housing Finance Limited** (formerly known as Dewan Housing Finance Corporation Limited) for the financial year 2022-23 along with Notice of the 39th Annual General Meeting of the Company scheduled to be held on Friday, 28th July 2023 for your records.

Kindly take the above on record and oblige.

Thanking you.

Yours faithfully,
For **Piramal Capital & Housing Finance Limited**
(formerly Dewan Housing Finance Corporation Limited)

BIPIN SINGH
Digitally signed by BIPIN SINGH
Date: 2023.07.26 10:34:42 +05'30'

Bipin Singh
Company Secretary
Membership No.: ACS 11777

Encl.: As above

PIRAMAL CAPITAL & HOUSING FINANCE LIMITED
(FORMERLY KNOWN AS DEWAN HOUSING FINANCE CORPORATION LIMITED)
CIN: U65910MH1984PLC032639, Reg. office address: 601, 6th Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, Opp. Fire Station, LBS Marg, Kurla (W), Mumbai - 400070
Toll Free No. 18002666444; Visit us at: www.piramalfinance.com;
email: cs.team@piramal.com

NOTICE

NOTICE is hereby given that the 39th Annual General Meeting ('AGM') of the Members of Piramal Capital & Housing Finance Limited ('the Company') (formerly known as Dewan Housing Finance Corporation Limited) will be held at a shorter notice on Friday, 28th July, 2023, at 5:30 p.m. Indian Standard Time (IST) at 10th Floor, Piramal Tower, Peninsula Corporate Park, G. K. Marg, Lower Parel, Mumbai - 400013, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company on Standalone and Consolidated basis for the financial year ended 31st March, 2023 and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Dr. (Mrs.) Swati A. Piramal (DIN: 00067125) who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. Issue of Non-Convertible Debentures on Private Placement basis.

   To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and Operational Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/ or Commercial Paper (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to compliance with such other provisions of law as may be applicable, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall include its duly empowered Committee(s) constituted/to be constituted by the Board from time to time to exercise its powers including the powers conferred by this resolution), to offer or invite subscriptions for secured/unsecured non-convertible debentures ('Debentures'), in one or more series/tranches, on private placement basis, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company, including as to when the Debentures be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected therewith or incidental thereto PROVIDED THAT the total amount that may be so raised in the aggregate, by such offer or invitation for subscriptions of the Debentures, and outstanding at any point of time, shall be within the overall borrowing limits as approved by the Members under Section 180(1)(c) of the Act;

RESOLVED FURTHER THAT approval of the Members be and is hereby accorded to the Board to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

4. Amendment of Articles of Association of the Company

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable rules framed thereunder ('the Act'), applicable provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force) and other laws and regulations as may be applicable from time to time, approval of the Members be and is hereby accorded for the following alterations to the Articles of Association of the Company:

Clause 97(iii): If it is provided by any Trust Deed, securing or otherwise, in connection with any issue of debentures of the Company, The Board of Directors of the Company shall appoint the person nominated by the Debenture Trustee(s) in terms of clause (e) of sub regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 , as may be amended from time to time, as a Nominee Director of the Company within the time period as specified under Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and other applicable provisions or regulations and modifications, including any amendments thereto.

A Nominee Director may be replaced by another Nominee Director at any time by the person or persons, in whom, for the time being, is vested the power under which he was appointed. The Nominee Director shall not be liable to retire by rotation nor required to hold any qualification shares. The cessation of office of a Nominee Director so appointed, may be made consequential to the remediation of defaults as contained in the aforesaid applicable law.

RESOLVED FURTHER THAT approval of the Members of the Company be and is hereby accorded to the Board of Directors (which term shall include its duly empowered Committee(s) constituted / to be constituted by it to exercise its powers including the powers conferred by this resolution) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

5. Payment of Commission to Non-Executive Directors of the Company

   To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Companies Act, 2013 ('the Act') and the applicable Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Members of the Company be and is hereby accorded for payment of commission to the Non-Executive Directors (including Independent Directors) of the Company upto an amount not exceeding 1 (one) percent of the net profits of the Company computed in the manner provided under sections 197 and/or 198 of the Act in case of profits and in case of no profits/ inadequate profits in accordance with the limits prescribed under Schedule V to the Act or a sum not exceeding Rs. 10 crores in aggregate, whichever would be higher, and the same be paid to and distributed amongst the said Non-Executive Directors (including Independent Directors) of the Company in such amounts or proportions and in such manner as may be directed by the Board of Directors of the Company ('the Board' which term shall include its duly empowered Committee(s) constituted/to be constituted by it to exercise its powers including the powers conferred by this resolution) at the end of each financial year for a period of 3 years commencing from the financial year ended on 31st March, 2023;

   RESOLVED FURTHER THAT the above commission shall be in addition to fees payable to the Director(s) for attending the meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings;

   RESOLVED FURTHER THAT approval of the Members be and is hereby accorded to the Board of Directors (which term shall include its duly empowered Committee(s) constituted / to be constituted by it to exercise its powers including the powers conferred by this resolution) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

By Order of the Board

Place: Mumbai
Date: 26th July 2023

Bipin Singh
Company Secretary
ACS No.: 11777

NOTES:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The instrument appointing the proxy is enclosed herewith as **Annexure 'A'** should be deposited at the registered office of the Company.

2. Corporate Members intending to send their Authorized Representative to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.

3. Members/ Proxies should bring the attendance slips enclosed as **Annexure 'B'** duly filled in and signed for attending the Meeting.

4. The Registers of Directors and Key Managerial Personnel (KMP) and their shareholding and Register for Contracts or Arrangements in which Director are interested, maintained under Section 170 and 189 of the Companies Act, 2013 respectively will be available for inspection by the members at the AGM.

5. Route map giving directions to reach the venue of the 39th AGM is given at the end of the Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3

Issue of Non-Convertible Debentures on Private Placement basis

In terms of Sections 42 and 71 of the Companies Act, 2013 ('the Act') read with Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, in case an offer of or invitation to subscribe to Non-Convertible Debentures ('NCDs') is made by the Company on a private placement basis, the Company is required to seek the prior approval of its Members by means of a Special Resolution, on an annual basis for all the offers or invitations for such debentures during the year.

As per Chapter XII of Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated 10th August 2021 (updated as on 13th April 2022) issued by the Securities and Exchange Board of India ('SEBI'), as amended from time to time, a Large Corporate is mandatorily required to raise at least 25% of its incremental borrowing during the financial year subsequent to the financial year in which it is identified as a Large Corporate, by way of issuance of debt securities as defined under SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021. At the end of the financial year 2022-23, the Company has been identified as a Large Corporate and accordingly the Company is required to raise at least 25% of its incremental borrowing through issuance of debt securities.

For availing financial assistance (including borrowings) for its business or operations, the Company may offer or invite subscription to secured / unsecured NCDs on private placement basis (within the meaning of the Section 42 of the Act) in one or more series/ tranches. Hence, the Board of Directors seek your approval to offer or invite subscription to NCDs, within the overall borrowing limits under Section 180(1)(c) of the Act, as may be required by the Company, from time to time, for a year.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval of the Members.

ITEM NO. 4

Amendment of Articles of Association of the Company

SEBI vide its notification bearing reference no. SEBI/LAD-NRO/GN/2023/119 dated February 02, 2023 amended the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("SEBI NCS Regulations") wherein it mandated that the Articles of Association ("AOA") of an issuer of debt securities should contain a clause authorizing the Board of Directors to appoint a person nominated by the Debenture Trustee(s) in terms of Regulation 15(1)(e) of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 ('SEBI DT Regulations') as a director on its Board under one of the following circumstances:

i. two consecutive defaults in payment of interest to the debenture holders; or
ii. default in creation of security for debentures; or
iii. default in redemption of the debentures.

In case of an issuer company whose securities are already listed on the date of the SEBI NCS Regulations, the existing AOA would need to be amended to include the provision for appointing a nominee director by the Debenture Trustee as per Regulation 15(1)(e) of the SEBI DT Regulations, within the timeline specified in the notification referred to above. Since the existing AOA of the Company, does not contain this provision, the Board of Directors of the Company at its meeting held on 5th May 2023, *inter alia*, approved and recommended for approval of the Members, the amendment to the AOA of the Company to insert Clause 97(iii) as contained in the Special Resolution set out at Item No. 4 of the Notice.

In line with the provisions of Section 5 and 14 of the Companies Act, 2013, the amendment of the AOA requires approval of the shareholders of the Company by way of a special resolution at a general meeting.

The draft Articles of Association is available for inspection of the shareholders of Company at the registered office of Company on all working days (during business hours) upto the date of Annual General Meeting.

None of the Directors or Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

ITEM NO. 5

Payment of Commission to Non-Executive Directors of the Company

Considering the professional expertise and business exposure of the eminent personalities on the Board of the Company ('the Board' which term shall include its duly empowered Committee(s) constituted/to be constituted by it to exercise its powers for this purpose), the Board, subject to the approval of the Members at the ensuing AGM, approved payment of commission to the NEDs (including IDs) of the Company, in case of profits as well as in case of no profits/inadequate profits in accordance with the limits specified in the resolution, at the end of each financial year for a period of 3 years commencing from the financial year ended on 31st March 2023. The remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board and shall be in addition to the fees payable to the Directors for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings.

Information as required under Section II of Part II of the Schedule V ofthe Act is provided as Annexure 1 to this Notice.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

All the NEDs including IDs are deemed to be concerned or interested in this resolution to the extent of the commission that may be received by them.

The Board considers the commission proposed to be paid to NEDs/IDs as reasonable and commensurate with the experience, expertise, skills and time devoted by them for the business affairs of the Company and recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

By Order of the Board

Place: Mumbai
Date: 26th July 2023

Bipin Singh
Company Secretary
ACS No.: 11777

ANNEXURE 1

Information for the Members pursuant to Section II of Part II of Schedule V to the Companies Act, 2013

<table>
<tr><td>I.</td><td colspan="2">General information:</td></tr>
<tr><td>1.</td><td>Nature of industry</td><td>Housing Finance Company registered with National Housing Bank (NHB) engaged in providing financial services.</td></tr>
<tr><td>2.</td><td>Date or expected date of commencement of commercial production</td><td>Under the Corporate Insolvency Resolution Process of Dewan Housing Finance Corporation Limited ('DHFL'), erstwhile PCHFL ('e-PCHFL') was chosen as the successful resolution applicant in terms of the provisions of the Insolvency and Bankruptcy Code, 2016.

In June 2021, Hon'ble National Company Law Tribunal, Mumbai ('NCLT') vide its Order dated 7th June 2021 had approved the merger of e-PCHFL into DHFL in terms of the Resolution Plan approved by NCLT.

As part of the insolvency process of DHFL approved by the NCLT, e-PCHFL reverse merged into DHFL with effect from 30th September 2021, as contemplated under the resolution plan submitted by e-PCHFL ('Reverse Merger'). In terms of the above, DHFL has been acquired by the Piramal Group and consequent to the Reverse Merger, the name of the surviving entity i.e. DHFL has been changed to 'Piramal Capital & Housing Finance Limited' with effect from 3rd November 2021. Consequent to the Reverse Merger, the Board of Directors of the Company was constituted with effect from 30th September 2021, who took over the operations and management of the Company.</td></tr>
<tr><td>3.</td><td>In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus</td><td>Not Applicable</td></tr>
<tr><td>4.</td><td>Financial performance based on given indicators</td><td>Rs. in lakhs<table><tr><th>Particulars</th><th>2022-23</th><th>2021-22</th><th>2020-21</th></tr><tr><td>Total Income</td><td>665,029</td><td>610,472</td><td>508,790</td></tr><tr><td>Net Profit</td><td>(742,483)</td><td>52,575</td><td>103,444</td></tr></table></td></tr>
<tr><td>5.</td><td>Foreign investments or collaborations, if any.</td><td>Not Applicable</td></tr>
<tr><td>II.</td><td colspan="2">Information about the appointee is stated in Enclosure 1 of this Notice</td></tr>
<tr><td>III.</td><td colspan="2">Other information:</td></tr>
</table>

6.	Reasons of loss or inadequate profits	At present, the Company is earning operating profits which may be deemed inadequate for the purpose of payment of Commission
7.	Steps taken or proposed to be taken for improvement	The Company has various strategic plans to improve the performance.
8.	Expected increase in productivity and profits in measurable terms	The Company would pursue and implement its strategies to strengthen its financial performance.
IV.	**Disclosures:**	The disclosures as required on all elements of remuneration package such as salary, benefits, bonuses, pensions, details of fixed components and performance-linked incentives along with performance criteria, service contract details, notice period, severance fees, etc. have been made in the Report on Corporate Governance forming part of this Annual Report.

ENCLOSURE 1

Name of Director	Mr. Ajay Piramal	Mr. Anand Piramal	Dr. (Mrs.) Swati A. Piramal	Mr. Puneet Dalmia	Mr. Suhail Nathani	Mr. Gautam Doshi
Background Details and Recognition or awards and Job profile and his suitability	Refer Enclosure II	Refer Enclosure II	Refer Enclosure II	Refer Enclosure II	Refer Enclosure II	Refer Enclosure II
Past remuneration	NA	NA	NA	3,50,000	11,50,000	9,00,000
Remuneration proposed	As stated in the resolution at Item No. 5 of this Notice					
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company, the profile, knowledge, skills and expertise the Non-Executive Directors bring to the Board, the commission proposed to be paid to them is commensurate with the remuneration/ commission drawn by similar positions in other companies.					
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Ajay Piramal, Dr. (Mrs.) Swati Piramal and Mr. Anand Piramal are related to each other. They don't receive any remuneration including sitting fees and commission.			The Non-Executive Directors do not have any pecuniary relationship with the Company except to the extent of Sitting Fees as applicable and reimbursement of out of pocket expenses, if any, received by them for attending the meetings.		

ENCLOSURE II

Mr. Ajay G Piramal (Chairman)

Mr. Ajay Piramal is one of India's leading industrialists and philanthropists. As the Chairman of the Piramal Group, he has led its transformation into a US$10 billion global business conglomerate. The Group has diverse interests in financial services, pharmaceuticals and real estate. Under Mr. Piramal's leadership, the Group has developed a strong track record of robust sustained partnerships with several marquee global investors and partners.

Mr. Piramal led the Group's acquisition and merger of Dewan Housing Finance Limited (DHFL) in September 2021, marking the first successful resolution under the IBC route in the financial services sector. In value terms, the transaction is amongst the largest resolutions till date, setting the precedent for future resolutions in the sector.

Mr. Piramal is also an ardent promoter of social entrepreneurship. He is deeply invested in unblocking and further strengthening India's socioeconomic potential through the Piramal Foundation, and actively steers the Group's involvement in various social impact initiatives to develop innovative, long-term, sustainable and scalable solutions to resolve issues that are critical roadblocks towards unlocking India's economic potential. The Foundation currently works across 27 states and 2 union territories, and has impacted over 113 million lives, mostly in partnership with the Central and state governments. The Foundation has partnered with NITI Aayog, India's foremost think-tank, in 25 Aspirational Districts across 7 states in India, to improve human development indicators across Healthcare and Nutrition, and Education, amongst the marginalised sections of society.

In 2022, Mr. Piramal received an honorary Commander of the Order of the British Empire (CBE) by Her Late Majesty The Queen, for services to the UK-India trade relationship as India Co-Chair of the UK-India CEO Forum. He was also the recipient of the 'Deal Maker Hall Of Fame' award at the Mint India Investment Summit 2022, recognised for his lifetime achievement and service in creating and unlocking value through investing and crafting deals. Mr. Piramal holds key positions on the boards of several companies and prestigious institutions. He serves on the Harvard Business School's Board of Dean's Advisors, is the co-Chair of the UK-India CEO Forum, and the Non-Executive Director of Tata Sons Ltd. He is passionate and enthusiastic about contributing to India's education sector, and serves as the President and Chairman of Anant National University, and the Chairman of the Pratham Education Foundation.

Mr. Piramal holds an Honours degree in Science from Mumbai University and a Master's degree in Management Studies from the Jamnalal Bajaj Institute of Management Studies. He has completed an Advanced Management Programme from the Harvard Business School and has been conferred with an Honorary Doctor of Science (Honoris Causa) Degree by IIT-Indore and an Honorary Doctorate in Philosophy (D. Phil) by Amity University, India.

Mr. Anand A. Piramal

Mr. Anand Piramal currently runs the financial services businesses of the group. Piramal's financial services business is one of India's largest and most diversified NBFCs in the country with strong capabilities in affordable home lending, SME lending, construction finance and digital embedded finance. Anand also oversees Piramal's Alternatives business which counts CDPQ, Bain Capital, CPPIB, IFC and Apollo as it's partners.

Mr. Anand Piramal also runs Piramal Realty, the real estate arm of the group. Piramal Realty, is one of Mumbai's leading developers with prime residential and commercial developments across Mahalaxmi, Bhyculla, Thane, Mulund, Kurla, Lower Parel and Worli. Piramal Realty also counts Warburg Pincus and Goldman Sachs as it's investors. Mr. Anand Piramal was conferred with the Hurun Real Estate Unicorn of the Year Award (2017) by Hurun India and Young Business Leader Award by Hello! Magazine (2018).

Mr. Anand Piramal also founded a rural healthcare start-up called 'Piramal eSwasthya', Today 'Piramal Swasthya' is India's largest private primary healthcare initiative. Its 2,260 plus employees and over 140 doctors serve around 25,000 patients daily across 28 states with the help of health hotlines, mobile medical units and telemedicine centres. Piramal Swasthya has impacted over 129.5 million lives since inception.

Mr. Anand piramal holds a Master's Degree in Business Administration from Harvard Business School and a Bachelor's Degree in Economics from the University of Pennsylvania. He was also the youngest President of the Youth Wing of the 100-year-old Indian Merchant Chambers.

Dr. (Mrs.) Swati A. Piramal

Dr. Swati Piramal is the Vice-Chairperson of Piramal Group, a global business conglomerate with diverse interests in pharmaceuticals, financial services and real estate. Dr. Piramal is amongst India's leading scientists and industrialists whose contributions to innovations, new medicines and public health services have touched many lives.

Over the past three decades, Dr. Piramal's efforts towards providing cost-effective and science-based healthcare globally have significantly contributed in shaping the Indian pharmaceutical industry. She founded the Gopikrishna Piramal Memorial Hospital in Mumbai and was instrumental in launching several pan-India public health campaigns against chronic diseases. Dr. Piramal has authored several books on nutrition and health, including one for patients with renal disease and related disorders, and has written public policy papers on topics such as patent protection, intellectual property and data protection. Her strong influence on important public policies and governance on healthcare and related issues, is widely recognized and has led to major policy changes that have helped reduce the burden of disease.

As the Director of Piramal Foundation, the philanthropic arm of Piramal Group, Dr. Piramal is deeply involved in developing innovative long-term and scalable solutions to resolve issues that are critical roadblocks towards unlocking India's economic potential. She spearheads the efforts of the Foundation towards effective public policy and governance that enables successful private-public-partnerships (PPP models) to effectively solve problems and help meet India's Sustainable Development Goals (SDGs). Dr. Piramal has played a significant role in establishing avenues that promote primary healthcare in rural India, developing frameworks for women empowerment and enabling systemic transformation of India's public education system by realizing the potential of young leaders of tomorrow, Internal Use--Confidential and promoting sustainable models for facilitating access to safe drinking water. Under the leadership of Dr. Piramal, the initiatives of Piramal Foundation work cohesively with the central and state governments, as well as through collaborations with NITI Aayog, The Rockefeller Foundation and The Bill and Melinda Gates Foundation, amongst several others.

In 2022, Dr. Piramal was awarded with the Chevalier de la Légion d'Honneur (Knight of the Legion of Honour) for her contributions in the fields of business and industry, science, medicine, and towards strengthening Indo-French ties. She is a recipient of numerous awards and honors, including the Padma Shri in 2012, and the Chevalier de l'Ordre National du Mérite (Knight of the Order of Merit), France's second highest civilian honour, in 2006.

Dr. Piramal holds key positions on the boards of several companies and prestigious institutions. She is a Director on the Board of Nestle India, Allergan India and EssilorLuxottica; and is a Board Member of Dean's Advisors to the Harvard Business School and the Harvard School of Public Health. Dr. Piramal has also served on various advisory council boards of industry, trade, science and research, art and technology, as well as on the boards of Indian and international academic institutions that include IIT Bombay, Xavier's College, Mumbai, University of Pennsylvania, IITB-Monash, Harvard School of Public Health and the Harvard Business School. She has served as the First Woman President of India's Apex Chamber of Commerce (ASSOCHAM), in 90 years.

Dr. Piramal holds a Master's Degree in Public Health from the Harvard Business School, in addition to a Medical Degree (M.B.B.S) and a Bachelor's Degree in Medicine and Surgery from University of Mumbai, India.

Mr. Puneet Dalmia

Mr. Puneet Dalmia is the Managing Director of the Dalmia Bharat Group and has been the driving force behind the exponential growth witnessed by the Dalmia Bharat Group since he took over the reins in 2004.

He has transformed the organisation and built a professional team that led it on a path of accelerated growth, while maintaining the core values which have been the foundation of this 80-year old conglomerate with interests in cement, sugar and refractories.

Prior to leading Dalmia Bharat Group, Mr. Dalmia co-founded JobsAhead.com in 1999, one of the few successful dotcom companies. Jobs Ahead had a market share of close to 50% before it was sold to Monster.com.

Mr. Dalmia is very passionate about his country and strives to create a better India. He firmly believes that a good business must be a force for good in society. He's enthusiastic about investing in young businesses and entrepreneurs and is motivated by human values.

Amongst various other accolades, Mr. Dalmia has been recognised as the EY Entrepreneur of the Year 2017 in the manufacturing category He has served as an Advisory Board Member of NS Raghavan Center for Entrepreneurship, IIM-B and the Young Presidents' Organization, Delhi Chapter. In 2021, Mr. Dalmia has also been appointed by the Government of India as Chairman of the Development Council for the Cement Industry. He has a keen interest in education and serves as a Founder and Trustee of the Ashoka University.

A gold-medallist MBA from IIM-Bangalore and holds a B. Tech degree from the prestigious IIT-Delhi.

Mr. Suhail Nathani

Mr. Suhail Nathani is a co-founding partner at Economic Laws Practice (ELP). He has over 3 decades of experience as a lawyer. He has appeared for the Government of India before the WTO Panel and Appellate Body in Geneva, has represented the Competition Commission of India and the Securities and Exchange Board of India at the Supreme Court and various other courts in India.

He earned his Master's Degree at Cambridge University, England and has also received an LL.M. from Duke University, USA. Besides India, he is also admitted to the New York Bar.

He is widely recognised by global publications as a leading lawyer in his fields of practice.

Mr. Gautam Doshi

Mr. Gautam Doshi, a Chartered Accountant and Masters in Commerce, has been in professional practice for over 45 years. He advises various business groups and families and also serves as a director on the boards of listed and unlisted companies.

Mr. Doshi's experience covers wide range of areas including advisory services in the field of accounting, taxation, corporate and commercial laws and regulatory matters. He has been actively involved in conceptualizing and implementing a number of mergers and restructuring transactions both domestic and cross border, involving many of the top 20 listed companies on the BSE as also those forming part of FTSE 100.

A prolific speaker, Mr. Doshi has addressed several seminars and conferences within and outside of India and courses organized by the Institute of Chartered Accountants of India, International Fiscal Association, Other professional bodies and Chambers of Commerce.

He has served on the Councils of Western Region as also All India level of the Institute of Chartered Accountants of India which has the task of development and regulation of profession of accountancy in India. During his tenure on the Council, he served on several committees and contributed significantly to the work of Board of Studies which is responsible for education and system of training of students. He also served as Chairman of Committees on direct and indirect taxation of Indian Merchants' Chamber.

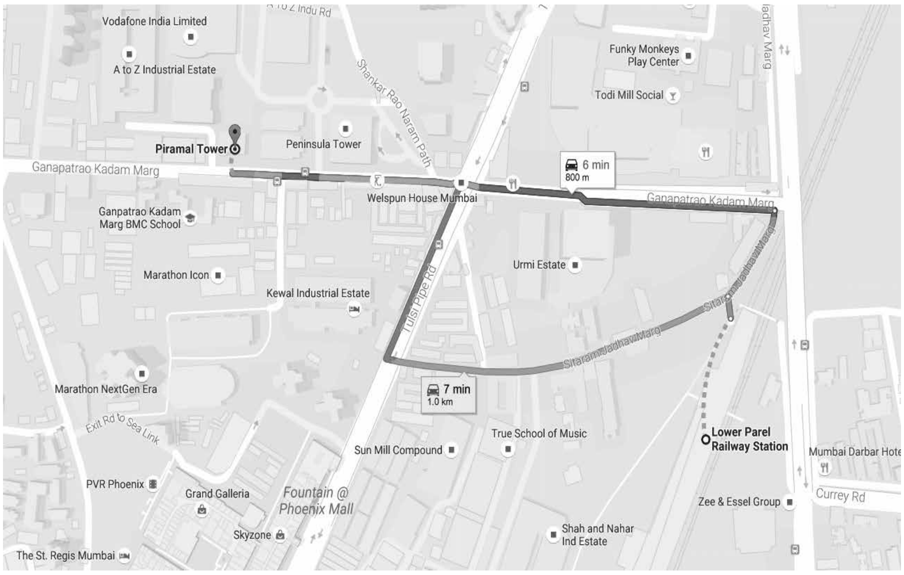
Annexure 2

Details of Director seeking appointment/ re-appointment at the Annual General Meeting
(In pursuance of Secretarial Standard - 2 on General Meetings)

Name of the Director & DIN	**Dr. Swati A. Piramal (DIN: 00067125)**
Date of Birth (Age)	28^{th} March 1956 67 years
Date of first Appointment	30^{th} September 2021
Brief resume/ expertise in specific functional areas	Dr. Swati A. Piramal holds a bachelor's degree of medicine and a bachelor's degree of surgery (MBBS) degree from the University of Bombay and a master's Degree in public health from the Harvard University. She also holds certificate of registration from the Maharashtra Medical Council. She is a member of the Dean's Advisor to Harvard Business School & Public Health and was also a member of Harvard Board of Overseers. Dr. Swati Piramal has been honoured with the Padma Shri by the President of India for work in the field of medical research.
Skills and capabilities required for the role as an Independent Director and manner of meeting requirement	Not Applicable
Qualifications	1. M.B.B.S. 2. Masters in Public Health from the Harvard Business School 3. D.I.M, College of Physicians & Surgeons, Industrial Medicine, Bombay
Directorships held in other companies (excluding Section 8 and foreign companies) as on 31^{st} March 2023	1. Piramal Enterprises Limited 2. Piramal Glass Private Limited 3. Nestle India Limited 4. Allergan India Private Limited 5. PEL Management Services Private Limited
Committee position held in other companies as on 31^{st} March 2023 (Statutory Committees)	1. Nestle India Limited – Chairperson of Corporate Social Responsibility Committee 2. Piramal Enterprises Limited – Member of Corporate Social Responsibility Committee
Listed entities from which the person has ceased to be Director in the past three years	Nil
No. of shares held	1 (as a nominee of Piramal Enterprises Ltd.)
Number of Board Meetings Attended	6
Terms and Conditions of appointment/reappointment, including remuneration	Non-Executive Director, liable to retire by Rotation. Remuneration - As per the terms that may be decided by the Board of Directors

Remuneration last drawn	Nil
Relationship between Directors inter-se and Key Managerial Personnel of the Company	Mr. Ajay A. Piramal - Spouse Mr. Anand A. Piramal – Son

<u>Route Map to the venue of AGM</u>



Venue:
10th Floor, Piramal Tower,
Peninsula Corporate Park,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai - 400013

Annexure 'A'

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):………………………………………………………………………………………..
Registered Address:...
....
E-mail Id:...
Folio No./ Client ID:..DPID:...
I/We, being the member(s) holding... shares of the above named Company, hereby appoint

1. Name:..Address:...
   E-mail Id: ………………………………….Signature……………………………or failing him/her
2. Name:..Address:...
   E-mail Id: ………………………………….Signature……………………………or failing him/her
3. Name:..Address:...
   E-mail Id: ………………………………….Signature……………………………

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 39th Annual General Meeting of the Company to be held at 10th Floor, Piramal Tower, Peninsula Corporate Park, G.K. Marg, Lower Parel, Mumbai – 400 013 at 5:30 p.m. (IST) on Friday, 28th July, 2023 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I/We wish my above proxy (ies) to vote in the manner as indicated in the box below:

Sr. No.	Resolutions	For	Against	Abstain
1.	To receive, consider and adopt the Audited Financial Statements on Standalone and Consolidated basis for the financial year ended 31st March 2023 and the Reports of the Board of Directors and Auditors thereon.			
2.	To appoint Director in place of Dr. (Mrs.) Swati A. Piramal (DIN: 00067125) who retires by rotation and being eligible, offers herself for re-appointment.			
3.	Issue of Non-Convertible Debentures on Private Placement Basis			
4.	Amendment of Articles of Association of the Company			
5.	Payment of Commission to Non-Executive Directors of the Company			

Signed this...................................day of................................. 2023.

Affix revenue stamp

Signature of shareholder

Signature of first proxy holder   Signature of second proxy holder   Signature of third proxy holder

** This is only optional. Please put a '√' in the appropriate column against the resolutions indicated in the Box. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave all the columns blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company.
2. A proxy need not be a member of the Company.
3. In case the appointer is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorized by it and an authenticated copy of such authorisation should be attached to the proxy form.
4. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
7. Please affix Revenue Stamp before putting Signature.
8. All alterations made in the proxy form should be fully signed.
9. In case of multiple proxies, the proxy later in time shall be accepted.

Annexure 'B'

ATTENDANCE SLIP

I/We hereby record my/our presence at the 39th Annual General Meeting of the Company held at 10th Floor, Piramal Tower, Peninsula Corporate Park, G.K. Marg, Lower Parel, Mumbai – 400 013 at 5:30 p.m. (IST) on Friday, 28th July 2023.

DP ID*	Folio No.
Client ID*	No. of Shares

<table>
<tr><td colspan="3">Name and Address of the Shareholder(s)

</td></tr>
<tr><td rowspan="3">If Shareholder(s), please sign here</td><td colspan="2">If Proxy, please mention name and sign here</td></tr>
<tr><td>Name of Proxy</td><td>Signature</td></tr>
<tr><td></td><td></td></tr>
</table>

*Applicable for shareholders holding shares in electronic form.

Note:

Shareholder/Proxy holder, as the case may be, is requested to produce the attendance slip duly signed at the entrance of the Meeting venue.

Piramal Capital & Housing Finance Limited

(Formerly known as Dewan Housing Finance Corporation Limited)

Annual Report for FY 2022-23

CORPORATE INFORMATION

THE BOARD OF DIRECTORS	BANKERS
Mr. Ajay Piramal (Chairman) Non- Executive **Dr. (Mrs.) Swati Piramal** (Director) Non- Executive **Mr. Anand Piramal** (Director) Non- Executive **Mr. Jairam Sridharan** (Managing Director) **Mr. Gautam Doshi** Director (Independent) **Mr. Suhail Nathani** Director (Independent) **Mr. Puneet Yadu Dalmia** Director (Independent) **CHIEF FINANCIAL OFFICER** Mr. Vikash Singhla **COMPANY SECRETARY** Mr. Bipin Singh **INFORMATION FOR SHAREHOLDERS** **REGISTRAR & TRANSFER AGENTS** Link Intime India Private Limited C 101, 247 Park, L. B. S Marg, Vikhroli (West), Mumbai – 400083 Tel. No.: +91 22-49186000 Fax No.: +91 22-49186060 e-mail: rnt.helpdesk@linkintime.co.in website: www.linkintime.co.in **STATUTORY AUDITOR** M/s. Walker Chandiok & Co LLP M/s. T R Chadha & Co LLP	Axis Bank Limited Bank of Baroda Bank of India Bank of Maharashtra Canara Bank Central Bank of India Citibank, N. A. Credit Suisse AG CSB Bank Limited HSBC Limited IDFC First Bank Limited Indian Bank Indian Overseas Bank Indusind Bank Limited Karnataka Bank Limited Karur Vyasa Bank Limited Punjab & Sind Bank Punjab National Bank RBL Bank Limited South Indian Bank Limited State Bank of India Suryoday Small Finance Bank Limited SVC Co-operative Bank Limited The Federal Bank Limited UCO Bank Union Bank of India **DEBENTURE TRUSTEES** Catalyst Trusteeship Limited IDBI Trusteeship Services Limited **REGISTERED OFFICE** 601, 6th Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, Opp. Fire Station, LBS Marg, Kurla West Mumbai - 400070 Email id: cs.team@piramal.com Tel No. +91 22 6918 1100 F +91 22 6151 3444 CIN: U65910MH1984PLC032639

BOARD'S REPORT

Dear Members,

Your directors are pleased to present the 39th Annual Report on the business and operations of Piramal Capital & Housing Finance Limited ('the Company') and the Audited Financial Statements for the Financial Year ended 31st March 2023.

Financial Highlights (Standalone and Consolidated)

(Rs. in Lakhs)

Particulars	Consolidated		Standalone	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Revenue from operations	6,60,631	6,03,861	6,59,178	6,03,861
Other Income	6,284	6,614	5,851	6,611
Total Income	6,66,915	6,10,475	6,65,029	6,10,472
Expenses	5,65,960	1,85,864	5,65,130	1,86,342
EBIDTA	1,00,955	4,24,611	99,899	4,24,130
Less:				
Finance Costs	3,46,997	3,33,706	3,45,333	3,33,224
Depreciation, amortisation and impairment	9,725	5,236	9,497	5,236
Profit before Exceptional Items and Tax	(2,55,767)	85,669	(2,54,931)	85,670
Add: Share of net profit of joint ventures	2,096	1,441	-	-
Less: Exceptional Items	10,25,681	14,272	10,25,681	14,272
Profit before Tax	(12,79,352)	72,838	(12,80,612)	71,398
Less:				
Tax expenses				
Current	91	56,325		56,325
Reversal of tax provisions – Earlier year	(3,32,754)	-	(3,32,754)	-
Deferred	(2,06,553)	(37,502)	(2,05,375)	(37,502)
Profit after Tax	(7,40,136)	54,015	(7,42,483)	52,575
Other Comprehensive Income for the year	1,681	(6,381)	8,749	1,346
Income tax relating to Other Comprehensive Income	(2,207)	(339)	(2,202)	(339)
Total Comprehensive Income for the year	(7,40,662)	47,295	(7,35,936)	53,582
Earnings Per Equity Share (Basic) (Rs.)	(3.46)	0.25	(3.48)	0.25
Earnings Per Equity Share (Diluted) (Rs.)	(3.46)	0.25	(3.48)	0.25

RESERVES

As required u/s 29C of the National Housing Bank Act, 1987 for Housing Finance Companies, the Company is required to transfer 20% of profit to statutory reserves. Since the company has incurred loss during the financial year ended 31st March 2023, the same is not applicable.

DIVIDEND

During the year under review, the Board had not declared any interim dividend. Further, the Board do not recommend any final dividend for the financial year ended 31st March 2023.

SHARE CAPITAL

Authorized Share Capital

During the financial year under review, the Authorized Share Capital of the Company stood at Rs. 2,60,90,39,00,240/- (Rupees Twenty Six Thousand Ninety Crores Thirty Nine Lakhs Two Hundred and Forty) divided into:

(a) 25,84,03,90,024 (Two Thousand Five Hundred Eighty Four Crores Three Lakhs Ninety Thousand and Twenty Four) Equity Shares of Rs 10 (Rupees Ten) each; and
(b) 25,00,000 (Twenty Five Lakhs) Non-Convertible Redeemable Cumulative Preference Shares of Rs. 1,000 (Rupees One Thousand) each.

Issued, Subscribed and Paid-up Share Capital

(a) Equity Share Capital

The total issued, subscribed and paid-up equity share capital of the Company as on 31st March 2023, stood at Rs. 2,13,64,69,17,510 (Rupees Twenty One Thousand Three Hundred and Sixty Four Crores Sixty Nine Lakhs Seventeen Thousand Five Hundred and Ten) divided into 21,36,46,91,751 (Two Thousand One Hundred Thirty Six Crores Forty Six Lakhs Ninety One Thousand Seven Hundred Fifty One) equity shares of Rs. 10 (Rupees Ten) each.

(b) Preference Share Capital - No preference shares have been issued by the Company so far.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company is a wholly owned subsidiary of Piramal Enterprises Limited. As on 31st March 2023, the Company has seven wholly owned subsidiaries viz., DHFL Advisory & Investments Private Limited, DHFL Investments Limited, DHFL Holdings Limited, DHFL Changing Lives Foundation, Piramal Payment Services Limited (Incorporated on 29th April 2022), Piramal Finance Sales and Service Private Limited (w.e.f 22nd September 2022) and PRL Agastya Private Limited (w.e.f 13th December 2022). It has one joint venture company called Pramerica Life Insurance Limited (formerly known as DHFL Pramerica Life Insurance Company Limited) and one associate company called DHFL Ventures Trustee Company Private Limited.

FINANCIAL DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ('the Act'), statement containing salient features of the financial statements of subsidiaries, joint venture and associate companies in Form AOC-1 is attached to the financial statements.

The separate financial statements of the subsidiaries are available on the website of the Company and can be accessed at https://www.piramalfinance.com/

SIGNIFICANT EVENT DURING THE YEAR ENDED 31st MARCH 2023, IF ANY:

(i) During the year, the Company has formed a new wholly owned subsidiary company in the name of 'Piramal Payment Services Limited'.

(ii) During the year, the Company has acquired:
   a. 'Piramal Finance Sales and Service Private Limited' (wholly owned subsidiary Company) from Piramal Enterprises Limited (Holding Company).
   b. 'PRL Agastya Private Limited' (wholly owned subsidiary company) from PRL Developers Private Limited (Group Company).

OPERATIONAL REVIEW

Financial performance for FY 2022-23 is summarised in the following table:

Standalone:

(Rs. in lakhs)

Particulars	2022-23	2021-22
Net interest income and other income	3,19,696	2,77,248
Operating expenses	5,90,555	1,28,853
Provisions and contingencies	(15,928)	62,725
Profit before tax	(12,80,612)	71,398
Profit after tax	(7,42,483)	52,575
Other Comprehensive Income / (Loss)	6,547	1,007
Total Comprehensive Income	(7,35,936)	53,582

Consolidated:

(Rs. in lakhs)

Particulars	2022-23	2021-22
Net interest income and other income	3,19,918	2,76,769
Operating expenses	5,91,613	1,28,375
Provisions and contingencies	(15,928)	62,725
Profit before tax	(1,279,352)	72,838
Profit after tax	(740,136)	54,015
Other Comprehensive Income / (Loss)	(526)	(6,720)
Total Comprehensive Income	(740,662)	47,295

DEPOSITS FROM PUBLIC

The Company is registered as a Non-Deposit taking Housing Finance Company. Therefore, the Company did not hold any public deposits nor has accepted any public deposit during the year under review.

STATUTORY AUDITORS AND AUDITORS' REPORT

The Auditors Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended 31st March 2023. The notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. Further, there were no fraud reported by the auditors under Section 143(12) of the Act, therefore no comment by the Board thereon is required.

In terms of Section 139(2) of the Act, M/s. Walker Chandiok & Co LLP, Chartered Accountants, (Firm Registration No. 001076N/N500013) hold office as one of the joint Statutory Auditors of the Company for a period of three consecutive years to hold office from 2nd December 2021 until the conclusion of the 40th Annual General Meeting of the Company to be held in year 2024 and M/s. T R Chadha & Co. LLP (Firm Registration No. 006711N/ N500028), Chartered Accountants hold office as a joint Statutory Auditors of the Company for a period of three consecutive years from the conclusion of the 38th AGM held in 2022 until the conclusion of the 41st AGM of the Company to be held in year 2025.

In terms of Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Walker Chandiok & Co. LLP and M/s. T R Chadha & Co. LLP have certified that they are eligible to continue as Statutory Auditors of the Company.

CORPORATE SOCIAL RESPONSIBILITY

The annual report on Corporate Social Responsibility ('CSR') containing, details of CSR Policy, composition of CSR Committee, CSR projects undertaken and web-link thereto on the website of the Company, as required under Companies (Corporate Social Responsibility Policy) Rules, 2014, is set out in **Annexure 1** of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING / OUTGO

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

The foreign exchange earnings for financial year ended 31st March 2023 is reported as nil and the foreign exchange outgo during the year in terms of actual outflows is Rs. 560 Lakhs.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return (Form MGT-7) as on 31st March 2023 is available on the Company's website at https://www.piramalfinance.com/.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Company's Board lays down the strategic objectives of the Company and guides the management in meeting interests of the shareholders. The following changes have taken place in the composition of the Board, during FY 2022-23:

Mr. Khushru Jijina (DIN: 00209953), has resigned as the Non-Executive Director of the Company with effect from 31st August 2022. The Board places on record its sincere appreciation and gratitude for the wise counsel, guidance and enormous contributions made by Mr. Khushru Jijina to the board over the years by sharing his rich experience, knowledge and varied expertise.

In line with the provisions of the Act and the Articles of Association of the Company, Dr. (Mrs.) Swati Ajay Piramal (DIN: 00067125) will retire by rotation at the ensuing AGM and being eligible, have offered herself for re-appointment. The Board recommends her re-appointment for the consideration of the Members of the Company at the ensuing AGM.

The shareholders of the Company may refer to the Notice convening the 39th AGM for brief profile of Dr. (Mrs.) Swati Ajay Piramal.

The Company has received declarations from all its Independent Directors, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 alongwith rules frmaed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended. In the opinion of the Board, the Independent Directors are persons with integrity and possess requisite experience, expertise and proficiency required under applicable laws and the policies of the Company.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered with the databank maintained by the Indian Institute of Corporate Affairs ("IICA"). The Independent Directors are also required to undertake online proficiency self-assessment test conducted by the IICA, within a period of 2 (two) years from the date of inclusion of their names in the data bank, unless they meet the criteria specified for exemption.

The following were the Key Managerial Personnel (KMP) of the Company, as on 31st March, 2023:

Key Managerial Personnel	Designation
Mr. Jairam Sridharan	Managing Director
Mr. Vikash Singhla	Chief Financial Officer
Mr. Bipin Singh	Company Secretary

BOARD EVALUATION

Evaluation of performance of all Directors is undertaken annually. The Company has implemented a system of evaluating performance of the Board of Directors and of its Committees and the Non-Executive Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects. The performance of the Executive Director is evaluated on the basis of achievement of their Key Result Area.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year, six Board Meetings were convened and held, details of which are given in the Report on Corporate Governance forming part of the Annual Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY FOR DIRECTORS AND EMPLOYEES

The Company has established a Vigil Mechanism, which includes a Whistle-Blower Policy, for its directors, employees, customers and general public to provide a framework to facilitate responsible and secure reporting of concerns of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics. The details of establishment of Vigil Mechanism/Whistle-Blower Policy are posted on the website of the Company and can be accessed at https://www.piramalfinance.com/stakeholders/policies. No director/employee has been denied access to the Audit Committee.

AUDIT COMMITTEE

The Audit Committee was constituted on 1st October, 2021 and comprises of the following:

Name	Category
Mr. Gautam Doshi – Chairman	Non-Executive, Independent
Mr. Suhail Nathani	Non-Executive, Independent
Mr. Jairam Sridharan	Executive – Managing Director

The Company earlier had a combined Audit & Risk Management Committee which discharged functions of both the Committees. During the year under review, the Audit & Risk Management Committee was re-constituted and the nomenclature was changed to Audit Committee and a separate Risk Management Committee ('RMC') of the Board was constituted, thereby segregating the functions of both the Committees and further details of Audit Committee and RMC are given in the Report on Corporate Governance forming part of this Annual Report.

NOMINATION AND REMUNERATION POLICIES

The Board has approved a Policy which lays down a framework for selection and appointment of Directors and Senior Management and for determining qualifications, positive attributes and independence of Directors.

The Board has also approved a Policy relating to remuneration of Directors, Key Managerial Personnel and other Employee.

Details of the Nomination Policy and the Remuneration Policy are given in **Annexure 2** to this Report and is available on the website of the Company at https://www.piramalfinance.com/stakeholders/policies.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company being a Housing Finance Company, the disclosure regarding particulars of loans made, guarantees given and securities provided in the ordinary course of its business is exempted as per the provisions of Section 186(11) of the Companies Act, 2013. Details of the investments made by the Company pursuant to the provisions of Section 186 of the Companies Act, 2013 are given in the Note No. 6 in the Notes to accounts forming part of the audited (standalone) financial statements for the financial year ended 31st March 2023.

RELATED PARTY TRANSACTIONS

During the year under review, all contracts/arrangements/transactions entered into by the Company during the financial year with related parties were in ordinary course of business and on arm's length basis, the details of which are included in the notes forming part of the financial statements. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act, in Form AOC-2 is not applicable.

Systems are in place for obtaining prior omnibus approval of the Audit Committee on an annual basis for transactions with related parties which are of a foreseeable and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all transactions with related parties are placed before the Audit Committee for their review on a periodic basis.

The Policy on Related Party Transactions is attached as **Annexure 3** to this Report and is available on the website of the Company at https://www.piramalfinance.com/stakeholders/policies.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No specific material changes and commitments, except as disclosed in this Report, affecting the financial position of your Company have occurred between the end of the financial year under review, i.e. 31st March 2023 and the date of this Report.

CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company.

MATERIAL SUBSIDIARIES, IF ANY OF THE COMPANY

The Company does not have any material subsidiary.

MANAGERIAL REMUNERATION

A. Remuneration to Directors and Key Managerial Personnel ('KMP')

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during FY 2023 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2023 are as under:

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director/KMP/for FY 2023 (Rs. In Lakhs)	% Increase / Decrease in Remuneration in FY 2023	Ratio of Remuneration of each Whole – Time Director to Median Remuneration of Employees
1.	Mr. Ajay G. Piramal (Chairman)	-	N.A.	N.A.
2.	Dr. (Mrs.) Swati A. Piramal (Non-Executive Director)	-	N.A.	N.A.
3.	Mr. Anand Piramal (Non-Executive Director)	-	N.A.	N.A.
4.	Mr. Jairam Sridharan (Managing Director)	342.56	-17.79%^	0.522
5.	Mr. Suhail Nathani (Independent Director)	11.5	N.A.	N.A.
6.	Mr. Gautam Doshi (Independent Director)	9	N.A.	N.A.
7.	Mr. Puneet Dalmia* (Independent Director)	3.5	N.A.	N.A.
8.	Mr. Khushru Jijina# (Non-Executive Director)	-	N.A.	N.A.
9.	Mr. Vikash Singhla$ (Chief Financial Officer)	100	N.A.	N.A.
10.	Mr. Bipin Singh (Company Secretary)	-	N.A.	N.A.

Notes:

a) Independent Directors are entitled to sitting fees within the limits specified under the Act. Remuneration details for Independent Directors in the above table comprises of sitting fees. Details in the corresponding columns are applicable for Managing Director and KMPs.
b) Non-Executive Directors do not receive any sitting fees or any other remuneration.
c) #Resigned as the Director of the Company, w.e.f 31st August 2022.
d) *Appointed as an Additional Director w.e.f 31st March, 2022 and was regularized as an Independent Director w.e.f 30th June, 2022.
e) $ Appointed w.e.f. 31st March 2022.

f) ^Remuneration amount of Rs. 416.71 lakhs paid last year included one-time payouts

2. The median remuneration of employees of the Company during FY 2023 was Rs. 655 lakhs;

3. In the financial year, there was 1.5% decrease in the median remuneration of employees;

4. There were 4819 permanent employees on the rolls of the Company as on 31st March 2023;

5. Average percentage increase made in the salaries of employees other than the managerial personnel for the FY 2023 was 5% for KMPs and 8.1% for Employees. As regards, comparison of Managerial Remuneration of FY 2023 over FY 2022, details of the same are given in the above table at Sr. No. 1;

6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

B. Employee Particulars

Details of employee remuneration as required under provisions of Section 197(12) of the Act read with Rules 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report and will be provided upon request by a Member. Further, having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, this Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection on all working days, during business hours, at the Registered Office of the Company. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act, and the Rules made thereunder, the Company has appointed M/s. N L Bhatia & Associates, Practicing Company Secretaries as the Secretarial Auditor of the Company. The Secretarial Audit Report in form no. MR-3 and in compliance with Regulation 24A of Listing Regulations, is annexed as **Annexure 4** and forms an integral part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

CERTIFICATIONS FROM COMPANY SECRETARY IN PRACTICE

A certificate has been received from M/s. N L Bhatia & Associates, Practising Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The certificate is attached as **Annexure 5** to this Report.

The Report on Corporate Governance as stipulated in the Listing Regulations forms part of the Annual Report. The requisite certificate from M/s. N L Bhatia & Associates, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations is annexed hereto as **Annexure 6** to this Report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report as mandated by the RBI Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 vide Master Directon No. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 and pursuant to the Listing Regulations is annexed as **Annexure 7**.

RISK MANAGEMENT FRAMEWORK

The Company has a robust Risk Management framework to identify, measure and mitigate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business strategy and enhance the Company's competitive advantage. This risk framework thus helps in managing market, credit, operational and fraud risks and quantifies potential impact at a Company level.

Further information on the risk management process of the Company is contained in the Management Discussion & Analysis Report which is annexed as **Annexure 7**.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and systems of compliance which are established and maintained by the Company, audits conducted by the Internal, Statutory and Secretarial Auditors including audit of internal financial controls over financial reporting by the Statutory Auditors and reviews by the Management and the relevant Board Committees, including the Audit Committee and Risk Management Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2023.

The Directors confirm to the best of their knowledge and ability, that:

a. in the preparation of the annual financial statements for the year ended 31st March 2023, the applicable accounting standards have been followed with no material departures;

b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2023 and of the profits/(losses) of the Company for the year ended on that date;

c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the Directors have prepared the annual financial statements on a going concern basis;

e. the Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has always believed in providing a safe and harassment free workplace for every individual working in Company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place a robust policy on prevention of sexual harassment at workplace which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee ('ICC') has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy and the policy is gender neutral. ICC has its presence at corporate office as well as at site locations.

During the year under review, 4 complaints were received during the year and all were disposed off. No cases were pending for more than 90 days.

EMPLOYEES STOCK OPTION SCHEME (ESOP)/ EMPLOYEE STOCK APPRECIATION

Pursuant to the Resolution plan all the equity shares (including any right to subscribe to, or be allocated such equity shares, including any employee stock options, pre-emptive subscription rights or convertible instruments held by any person) held by the shareholders of e-DHFL or any other person were extinguished and cancelled.

ASSET LIABILITY MANAGEMENT (ALM)

The Company had a total borrowing of Rs. 40,61,117 Lakhs as on 31st March 2023. The Company has a robust Asset Liability Committee (ALCO) and meetings are as per the ALM policy and it continuously monitors asset-liability mismatches to ensure it as per prescribed RBI/ NHB Guidelines. The Asset Liability Management (ALM) position of the Company is based on the maturity buckets as per the guidelines issued by RBI/ NHB. The Company also assesses behaviouralised maturity pattern of its assets and liabilities and maintains adequate liquidity for its business.

CREDIT RATING

Below are the rating assigned by Credit Rating Agencies as at 31st March 2023:

Instruments	Credit Rating		
	ICRA	CARE	CRISIL
Non-Convertible Debentures / Long Term Bank Facilities / Retail NCD	ICRA AA (Stable)	CARE AA (Stable)	-
Market Linked Debentures	PP-MLD ICRA AA (Stable)	CARE PP-MLD AA (Stable)	-
Subordinated Bonds (Tier 11)	ICRA AA (Stable)	CARE AA (Stable)	-
Commercial Paper	-	CARE A1+	CRISIL A1+
Fund Based Short Term (Inter Corporate Deposit)	-	CARE A1+	-

DETAILS ON THE NON-CONVERTIBLE DEBENTURES ISSUED BY THE COMPANY PURSUANT TO THE MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY – HOUSING FINANCE COMPANY (RESERVE BANK DIRECTIONS) 2021

1. The total number of Non-Convertible Debentures which have not been claimed by the Investors or not paid by the Company after the date on which the Non-Convertible Debentures became due for redemption – Nil;

2. The total amount in respect of such debentures remaining unclaimed or unpaid beyond the date referred to in clause (1) as aforesaid – Nil

OTHERS

The Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to issue of sweat equity shares and shares with differential rights as to dividend, voting or otherwise, since there was no such issue of shares;
2. Details of deposits which are not in compliance with the requirements of Chapter V of the Act;
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company’s operations in future.
4. Neither any application was made, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 against the Company.

ACKNOWLEDGEMENTS

We take this opportunity to thank the employees for their dedicated service and contribution to the Company.

We also thank our banks, business associates, members and other stakeholders for their continued support to the Company.

By order of the Board of the Directors

Ajay G. Piramal
Chairman
(DIN: 00028116)

Date: 24th May 2023
Place: Mumbai

Annual Report on Corporate Social Responsibility activities for the financial year 2022-23

1. Brief outline on CSR Policy of the Company:

The CSR initiatives of the Company are either undertaken as projects or programs or activities, whether new or ongoing and in line with the CSR Policy. During the year ended March 31, 2023, the Company discharged its CSR obligations through projects and programs of Piramal Foundation for Education Leadership (‘PFEL’), Kaivalya Education Foundation (‘KEF’), Piramal Foundation (‘PF’) and Piramal Swasthya Management and Research Institute (‘PSMRI’) (collectively referred to as “CSR entities”) in the education and health sector respectively.

The CSR entities develop innovative solutions to resolve issues that are critical roadblocks towards improving India’s health and education issues. The CSR entities believes that considerable positive change can occur, when we collaborate with likeminded partners and nurture projects that are scalable ensuring a long term impact.

The CSR policy of the Company is guided by the core values of the Group, namely, Knowledge, Action, Care and Impact.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Suhail Nathani	Chairman	2	2
2	Mr. Ajay G. Piramal	Member	2	2
3	Mr. Anand Piramal	Member	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

a. Composition of the CSR committee and CSR policy: https://www.piramalfinance.com/stakeholders/csr-committee

b. CSR projects: https://www.piramalfinance.com/stakeholders/policies

4. **Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:**
   Impact assessment report was not applicable in FY 2022-23 for the CSR projects undertaken by the Company.

5. **(a)Average net profit of the Company as per Section 135(5):** Rs. 1526.26 Crores
   (b) Two percent of average net profit of the company as per section 135(5) – Rs. 30.53 Crores
   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil
   (d) Amount required to be set off for the financial year, if any – Nil
   (e) Total CSR obligation for the financial year (b+c-d) – Rs. 30.53 Crores

6. **(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) -** Rs. 54.67 Crores
   (b) Amount spent in Administrative overheads. - Nil
   (c) Amount spent on Impact Assessment, if applicable - Nil
   (d) Total amount spent for the Financial Year [(a)+(b)+(c)]. - Rs. 54.67 Crores
   (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (Rs. In Crores)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
54.67	Nil	NA	NA	Nil	NA

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

Sl. No.	Particular	Amount Rs. In Crores
1.	Two percent of average net profit of the company as per Section 135(5)	30.53
2.	Total amount spent for the Financial Year	54.67
3.	Excess amount spent for the financial year [(ii)-(i)]	24.14
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	24.14

7. **Details of Unspent CSR amount for the preceding three financial years**:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (Rs. in crores)	Balance Amount in unspent CSR Account under section 135 (6) (Rs. in crores)	Amount spent in the reporting Financial Year (Rs. in crores)	Amount transferred to a fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding financial years. (Rs. in crores)	Deficiency, if any
					Amount (Rs. In crores)	Date of transfer		
1	FY 2021-22	2.41	Nil	2.41	Nil	-	Nil	-

8. **Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year:** Yes

   If Yes, enter the number of Capital assets created / acquired: 59

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

Sr. No.	Short particulars of the property or assets [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity / Authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1.	Lenovo IdeaPad 3 Chromebook Celeron Dual (Hyderabad, Telangana)	500016	23 November 2022	20,750	CSR00000217		3rd floor No.6-3-1112, Oyster

2.	Intel Xeon Silver 4216 Server Spec. (Hyderabad, Telangana)	500016	31 March 2023	14,12,460		Piramal Swasthya Management Research Institute	Complex, Greenlands Road, Somajiguda, Begumpet, Hyderabad - 500016, Telangana
3.	Rack automatic transfer switch APC (Hyderabad, Telangana)	500016	01 August 2022	89,680			
4.	3 KVA Online UPS with 30min back up (Araku , Andhra Pradesh)	531151	06 September 2022	44,800			
5.	1.5 KVA inverter with Battery (Araku , Andhra Pradesh)	531151	16 November 2022	26,100			
6.	Printer for Ultrasound Scanning Machine (Araku , Andhra Pradesh)	531151	06 September 2022	40,880			
7.	Laptops- 10 nos.	400070	25 August 2022	5,22,740	CSR00000617	Kaivalya Education Foundation	2nd floor, Piramal Ananta, Piramal Agastya Corporate Park, Kurla West, Near Kamani Junction, Mumbai- 400070.
8.	Laptops- 2 nos.	400070	07 December 2022	1,69,000			
9.	Laptops- 15 nos.	400070	09 December 2022	8,11,545			
10.	Application development for Fellows	400070	31 January 2023	10,24,240			
11.	Software development/Website development- for Fellows	400070	16 February 2023	3,36,020			
12.	Software development/Website development- for Fellows	400070	21 March 2023	7,94,612			
13.	Printer -1 Nos	400070	22 November 2022	1,07,380	CSR00006603	Piramal Foundation	2nd floor, Piramal
14.	Laptop -4 Nos	400070	07 October 2022	3,37,000			

15.	Laptop- 16 Nos	400070	14 April 2022	8,65,648			Ananta, Piramal Agastya Corporate Park, Kurla West, Near Kamani Junction, Mumbai-400070.
16.	Laptop- 19 Nos	400070	31 July 2022	10,31,320			
17.	Tablet -55 Nos	400070	31 July 2022	12,99,804			
18.	Computer & Peripherals	400070	04 August 2022	3,592			
19.	Laptop - 1 Nos	400070	28 August 2022	82,900			
20.	Laptop - 15 Nos	400070	30 November 2022	8,05,350			
21.	Vehicle -8 Nos	400070	28 December 2022	1,74,222			
22.	Vehicle -2 Nos	400070	06 January 2023	1,81,484			
23.	Vehicle -1 Nos	400070	07 January 2023	95,587			
24.	Printer -1 Nos	400070	30 January 2023	14,450			
25.	Laptop - 34 Nos	400070	03 February 2023	18,77,616			
26.	Laptop - 27 Nos	400070	08 February 2023	14,73,525			
27.	Vehicle -2 Nos	400070	14 February 2023	1,63,858			
28.	Tablet -35 Nos	400070	15 February 2023	4,72,500			
29.	Vehicle -1 Nos	400070	16 February 2023	1,07,387			
30.	Vehicle -4 Nos	400070	25 February 2023	3,41,969			
31.	Vehicle -5 Nos	400070	28 February 2023	3,95,727			
32.	Vehicle -4 Nos	400070	01 March 2023	3,52,976			
33.	Vehicle -1 Nos	400070	03 March 2023	88,244			
34.	Vehicle -1 Nos	400070	10 March 2023	80,116			
35.	Projector and Laptop	400070	31 March 2023	1,82,200			
36.	Office Equipment	400070	31 March 2023	40,320			
37.	Pottery Wheel Machine	400070	31 March 2023	22,000			
38.	Cooler -1 -nos.	400070	16 July 2022	16,000			
39.	Laptops- 77 nos.	400070	25 August 2022	34,50,084			
40.	Hard Disk	400070	06 September 2022	17,800			
41.	Office furniture	400070	14 October 2023	2,51,380			
42.	Office furniture	400070	16 October 2023	2,71,905			
43.	Laptops- 10 nos.	400070	21 October 2023	5,99,558			
44.	Tablet - 2 nos.	400070	10 November 2023	30,000			

45.	Refreshable Display & Kit	400070	18 November 2023	1,05,000	CSR00000717	Piramal Foundation For Education Leadership	2nd floor, Piramal Ananta, Piramal Agastya Corporate Park, Kurla West, Near Kamani Junction, Mumbai-400070.
46.	Vehicle -12 nos.	400070	29 November 2023	11,32,655			
47.	Laptops- 11 nos.	400070	07 December 2022	3,55,015			
48.	Laptops- 10 nos.	400070	07 December 2022	270515			
49.	Vehicle -16 nos.	400070	01 December 2022	21,76,093			
50.	Vehicle -1 nos.	400070	01 January 2023	82465			
51.	Vehicle -5 nos.	400070	01 January 2023	4,29,662			
52.	Digital Device-6 Nos	400070	17 January 2023	3,07,823			
53.	Tablet - 10 nos.	400070	27 January 2023	1,35,000			
54.	Laptops- 20 nos.	400070	28 January 2023	11,31,780			
55.	Vehicle -1 nos.	400070	28 January 2023	77,690			
56.	Vehicle -6 nos.	400070	30 January 2023	4,73,764			
57.	Office Equipment	400070	31 January 2023	5,70,078			
58.	Vehicle -1 nos.	400070	31 January 2023	89,766			
59.	Laptops- 8 nos.	400070	01 February 2023	4,41,792			

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal office/Municipal Corporation/Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5)** – N.A.

Sd/-
Jairam Sridharan
(Managing Director)

Sd/-
Suhail Nathani
(Chairman - CSR Committee)

Annexure 2

Piramal Capital & Housing Finance Limited

NOMINATION POLICY

Effective Date: 7th October 2021

NOMINATION POLICY

I. Preamble

The Nomination and Remuneration Committee (NRC) of Piramal Housing Finance Limited (the "Company"), has adopted the following policy and procedures with regard to identification and nomination of persons who are qualified to become directors and who may be appointed in senior management.

This policy is framed in compliance with the applicable provisions of Section 178 and other applicable provisions of the Companies Act, 2013.

II. Criteria for identifying persons for appointment as Directors and Senior Management:

A. Directors

1. Candidates for Directorship should possess appropriate qualifications, skills and expertise in one or more fields of finance, law, general corporate management, financial services and other disciplines as may be identified by the NRC and/or the Board from time to time, that may be relevant to the Company's business.

2. Such candidates should also have a proven record of professional success.

3 Every candidate for Directorship on the Board should have the following positive attributes:

   a) Possesses a high level of integrity, ethics, credibility and trustworthiness;

   b) Ability to handle conflict constructively and possess the willingness to address critical issues proactively;

   c) Is familiar with the business of the Company and the industry in which it operates and displays a keen interest in contributing at the Board level to the Company's growth;

   d) Possesses the ability to bring independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management and resource planning;

   e) Displays willingness to devote sufficient time and attention to the Company's affairs;

f) Values Corporate Governance and possesses the skills and ability to assist the Company in implementing good corporate governance practices;

g) Possesses leadership skills and is a team player;

4. Criteria for Independence applicable for selection of Independent Directors

a) Candidates for Independent Directors on the Board of the Company should comply with the criteria for Independence as stipulated in the Companies Act 2013, as amended or re-enacted or notified from time to time. Such candidates should also comply with other applicable regulatory requirements relating to Independence or as may be laid down by the Board from time to time.

b) Such Candidates shall submit a Declaration of Independence to the NRC / Board, initially and thereafter, annually, based upon which, the NRC / Board shall evaluate compliance with this criteria for Independence.

5. Change in status of Independence

Every Independent Director shall be required to inform the NRC / Board immediately in case of any change in circumstances that may put his or her independence in doubt, based upon which, the NRC / Board may take such steps as it may deem fit in the best interest of the organization.

B. Members of Senior Management

1. For the purpose of this Policy, the term 'Senior Management' means Managing Director (MD), Chief Financial Officer (CFO) and any other persons in charge of material functions.

2. The eligibility criteria for appointments to Senior Management and continuity thereof shall include integrity and ethics, in addition to possessing qualifications, expertise, experience and special competencies relevant to the position for which purpose the executive is being or has been appointed.

3. Any candidate being considered for the post of Senior Management should be willing to comply fully with the Company's – Code of Conduct and other applicable policies, in force from time to time.

III. Process for identification & shortlisting of candidates

A. Directors

1. The NRC shall identify the need for appointment of new Directors on the Board on the basis of the evaluation process for Board as a whole and of individual Directors or as it may otherwise determine.

2. Candidates for Board membership may be identified from a number of sources, including but not limited to past members of the Board and Directors database.

3. NRC shall evaluate proposals for appointment of new Directors on the basis of qualification criteria and positive attributes referred to hereinabove and make its recommendations to the Board.

B. Members of Senior Management

1. The NRC shall consider the recommendations of the management while evaluating the selection of executives in senior management. The NRC may also identity potential candidates for appointment to Senior Management through referrals and recommendations from past and present members of the Board or from such other sources as it may deem fit and proper.

2. The NRC shall evaluate proposals for appointments to Senior Management on the basis of eligibility criteria referred to hereinabove and refer to such inquiries and background checks as it may deem appropriate.

3. Based on such evaluation, the NRC shall shortlist the desired candidate and make its recommendations to the Board for appointment.

IV. Removal

A. Directors

1. If a Director incurs any disqualification mentioned under the Companies Act, 2013 or any other applicable law, regulations, statutory requirements, the NRC may recommend to the Board with reasons recorded in writing, the removal of the said Director subject to the provisions of and compliance with the statutory provisions.

2. Such recommendations may also be made on the basis of performance evaluation of the Directors or as may otherwise be thought fit by the NRC.

B. Members of Senior Management

1. The NRC shall consider the recommendations of the management while making recommendations to the Board for dismissal / removal of those in Senior Management.

2. Such recommendations may also be made on the basis of performance evaluation of members of Senior Management to the extent applicable or as may otherwise be thought fit by the NRC.

V. Review

1. The NRC shall periodically review the effectiveness of this Policy and recommend any revisions that may be required to this Policy to the Board for consideration and approval.

Piramal Capital & Housing Finance Limited

REMUNERATION POLICY

Original Effective Date: 7th October 2021
[Last Updated: 31st March 2023]

REMUNERATION POLICY

1. Preamble:

The Remuneration Policy is framed in line with the requirement of the Section 178 and other applicable provisions of the Companies Act, 2013, Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Reserve Bank of India ('RBI') Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs, dated 29th April 2022 and other applicable circulars/ guidelines/ notifications/ directions issued by RBI, from time to time.

This Policy reflects the Company's core values viz. Knowledge, Action, Care and Impact.

2. Definitions:

"Act" means the Companies Act, 2013 as prevailing from time to time.

"Board of Directors" or **"Board"** means the Board of Directors of the Company.

"Company" means Piramal Capital & Housing Finance Limited.

"Clawback" is a contractual agreement between the employee and the Company in which the employee agrees to return, forego, compensate to the Company in cash, kind or any other manner previously paid or vested remuneration, perquisites, benefits, amenities, facility to the Company under certain circumstances.

"Nomination and Remuneration Committee" or "NRC" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

"Independent Director" means a Director of the Company who satisfies criteria for independence under the Act and the Regulations.

"Key Managerial Personnel" or "KMP" means persons as defined under the Act.

"Malus" is an arrangement that permits the Company to prevent vesting of all or part of the amount of a deferred remuneration, perquisite, benefit, amenities or facility.

"Listing Regulations" shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

"Senior Management" shall mean the personnel of the Company as laid down under Explanation to Section 178 of the Act and the Listing Regulations.

"Policy" means this Remuneration Policy.

3. Objective:

The Policy aims to provide a framework to create, modify and maintain appropriate compensation programs including to attract and retain talent, and to ensure long term sustainability of talented managerial persons, and processes with adequate supervision and control.

4. Framework:

The NRC shall have the constitution, powers, functions and duties as laid down in Section 178 of the Act and Listing Regulations.

The NRC shall be responsible to oversee the framing, review and implementation of Compensation Policy of the Company approved by the Board.

The NRC shall work in close coordination with Risk Management Committee of the Company to achieve effective alignment between compensation and risks.

The NRC shall ensure that compensation levels are supported by the need to retain earnings of the Company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP). The NRC shall also ensure 'fit and proper' status of proposed/existing Directors and that there is no conflict of interest in appointment of directors on the Board, KMPs and Senior Management.

Further, the NRC shall determine the remuneration of Directors, KMPs and Senior Management and make recommendation to the Board for approval.

5. Designing of Remuneration Packages:

While designing remuneration packages of employees including Key Managerial Personnel (KMPs) and Senior Management, the following principles for compensation shall be taken into consideration:

a) **Components and Risk Alignment:** The compensation of Key Managerial Personnel (KMPs) and Senior Management shall be to be reasonable, recognising all relevant factors including adherence to statutory requirements and industry practices. The compensation packages may comprise of fixed and variable pay components aligned effectively with prudent risk taking to ensure that compensation is adjusted for all types of risks, the compensation outcomes are symmetric with risk outcomes, compensation pay-outs are sensitive to the time horizon of the risks, and the mix of cash, equity and other forms of compensation are consistent with risk alignment.

b) **Composition of Fixed Pay:** All the fixed items of compensation, including the perquisites and contributions towards superannuation/retiral benefits, may be treated as part of fixed pay. All perquisites that are reimbursable may also be included in the fixed pay so long as there are monetary ceilings on these reimbursements. Monetary equivalent of benefits of non-monetary nature (such as free furnished house, use of company car, etc.) may also be part of fixed pay.

c) **Variable Pay**:

i **Composition of Variable Pay:** The variable pay may be in the form of Cash or share-linked instruments, or a mix of cash and share-linked instruments. It shall be ensured that the share-linked instruments are in conformity with relevant statutory provisions.

ii **Proportion:** The proportion of variable pay in total compensation (fixed and variable pay) shall be commensurate with the role and prudent risk-taking profile of KMPs/ Senior Management. At higher levels of responsibility, the proportion of variable pay shall be higher. There shall be proper balance between the cash and share-linked instruments in the variable pay in case the variable pay contains share linked instruments. The variable pay shall be truly and effectively variable and can be reduced to zero based on performance at an individual, business-unit and company-wide level. The Company has Pay for Performance philosophy which ensures that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

iii **Deferral of variable pay:** Not all the variable pay awarded after performance assessment may be paid immediately. Certain portion of variable pay, as decided by the NRC, may be deferred to time horizon of the risks. The portion of deferral arrangement may be made applicable for both cash and non-cash components of the variable pay. Deferral period for such an arrangement shall be decided by the NRC.

iv **Control and assurance function personnel:** KMPs and Senior Management engaged in financial control, risk management, compliance and internal audit shall be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the Company. Accordingly, such personnel may have higher proportion of fixed compensation. However, a reasonable proportion of compensation may be in the form of variable pay, so that exercising the options of malus and/or clawback, when warranted, is not rendered infructuous.

d) **Guaranteed Bonus:** Guaranteed bonus may not be paid to KMPs and Senior Management. However, in the context of new hiring joining/sign-on bonus could be considered by the Company. The said bonus will neither be considered part of fixed pay nor of variable pay.

6. Remuneration to Directors:

A. Non-Executive Directors / Independent Directors:

The **Non-Executive Directors / Independent Directors** are entitled to the following:

i. **Sitting Fees:** The **Non-Executive Directors / Independent Directors** receive remuneration in the form of sitting fees for attending meetings of Board or Committee thereof of the Company and its subsidiaries where such Director may be so appointed. Provided that the amount of such fees shall not exceed such amount per meeting as may be stipulated under applicable regulatory requirement.

ii. **Commission:** The Board may at its discretion pay commission subject to compliance with applicable regulatory requirements.

B. Remuneration to Whole – Time / Executive / Managing Director(s)

i. The remuneration to be paid to the Whole – Time / Executive / Managing Director(s), when applicable, shall be in compliance with the applicable regulatory requirements, including such requisite approvals as may be required by law.

ii. Increments may be recommended by the NRC to the Board, subject to the limits specified under the applicable laws and regulatory requirements.

iii. The Board may at the recommendation of the NRC and in its discretion, consider the payment of such additional remuneration within the framework of applicable laws and regulatory requirements.

7. Malus and Clawback

Malus & Clawback clauses shall be applied basis informed judgement of the NRC.

The Malus and Clawback shall be applicable to variable pay (Cash/Deferred Cash/Share Linked Instruments) and shall be actioned and reviewed by NRC in the event of any/some/all of the following conditions :-

i employee convicted of a felony;

ii employee wilfully engages in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company or its subsidiaries or affiliates, including competition with the Company or its subsidiaries or affiliates;

iii employee in breach of Code of Conduct & Ethics Policy published by the company;

iv employee found guilty under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

v employee has wilfully and continually failed to perform the employee's duties with the Company, its subsidiaries or affiliates following written notice specifically identifying the nature of the non-performance and demanding specific substantial performance; and,

vi subdued or negative financial performance of the Company and/or the relevant line of business or employee misconduct in any year.

The Malus & Clawback period shall be applicable for 5 years from the date of pay-out or reward (as applicable).

8. Disclosure

The disclosures as required under the relevant provisions of the Act and the rules made thereunder, Listing Regulations, and RBI circulars/ guidelines/ notifications/ directions, issued from time to time, shall be made by the Company.

9. Review

The NRC shall periodically review the effectiveness of this Policy and recommend any revisions that may be required to this Policy to the Board for consideration and approval.

PIRAMAL CAPITAL & HOUSING FINANCE LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

1. INTRODUCTION

The Board of Directors (the "Board") of erstwhile Piramal Capital & Housing Finance Limited, had adopted the following policy and procedures with regard to Related Party Transactions ("Policy") as defined below, on 30th March 2018. Thereafter, pursuant to reverse merger of Piramal Capital & Housing Finance Limited with Dewan Housing Finance Corporation Limited ("DHFL"), the Board of Directors of merged entity i.e. Piramal Capital & Housing Finance Limited (formerly DHFL) (the "Company" or "PCHFL") adopted the said Policy at its Board meeting held on 7th October 2021. The Audit & Risk Management Committee will review this policy from time to time and suggest amendments to the Board for its approval.

This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable on the Company.

2. PURPOSE

This policy is framed in compliance with the provisions of Regulation 23 and other applicable provisions, if any, of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations') and Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules 2014, as amended or re-promulgated and in force from time to time (collectively referred to as 'Applicable Regulatory Provisions').

The Policy is intended to ensure the proper approval and reporting of all Related Party Transactions as required by the Applicable Regulatory Provisions.

3. DEFINITIONS

"Act" means the Companies Act, 2013.

"Audit Committee" or "Audit and Risk Management Committee" or "Committee" means a committee of the Board of Directors of the Company constituted under provisions of the Companies Act, 2013.

"Board" means the Board of Directors of the Company

"Key Managerial Personnel" shall have the meaning as defined in section 2(51) of the Companies Act, g2013, as per which, the term, at present, means:

(i) the Chief Executive Officer or the Managing Director or the Manager;
(ii) the Company Secretary;
(iii) the Whole-time Director;
(iv) the Chief Financial Officer;
(v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
(vi) such other officer as may be prescribed.

"Material Related Party Transaction" shall have the meaning as defined in the Applicable Regulatory Provisions. Without prejudice to the foregoing, at present, as per the explanation to Regulation 23(1) of the Regulations, this term means a transaction with a related party if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds Rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

A transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

"Policy" means this Policy on Related Party Transactions.

"Relative" means a relative as defined under Section 2(77) the Companies Act, 2013 and Companies (Specification of definitions details) Rules, 2014 and includes anyone who is related to another, if –

i. They are members of a Hindu undivided family;
ii. They are husband and wife; or
iii. Father (including step-father)
iv. Mother (including step-mother)
v. Son (including step-son)
vi. Son's wife
vii. Daughter
viii. Daughter's husband
ix. Brother (including step-brother)
x. Sister (including step-sister)

"**Related Party**" means a related party as defined in section 2(76) of the Act and Regulation 2(1)(zb) of the Regulations. Without prejudice to the foregoing, at present, as per the Act and the Regulations, 'related party' has the following meaning:

A. Section 2(76) of the Act read with Rule 3 of the Companies (Specification of Definition Details) Rules, 2014, defines the term Related Party as follows:

(i) a director or his relative;

(ii) a key managerial personnel or his relative;

(iii) a firm, in which a director, manager or his relative is a partner;

(iv) a private company in which a director or manager or his relative is a member or director;

(v) a public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital;

(vi) anybody corporate whose Board of Directors, managing director, or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;

(vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

(viii) anybody corporate which is –

(A) a holding, subsidiary or an associate company of the Company; or
(B) a subsidiary of a holding company, to which it is also a subsidiary; or
(C) an investing company or the venturer of the Company

Explanation – For the purpose of this clause "the investing company or the venturer of a company" means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

(ix) Director (other than an Independent Director) or key managerial personnel of the Company's holding company (if any) or his relative;

B. Regulation 2(1)(zb) of the Regulations defines the term Related Party as follows:

"Related Party" means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards;

Provided that:
(a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
(b) any person or any entity, holding equity shares:
(i) of twenty per cent or more; or
(ii) of ten per cent or more, with effect from April 1, 2023;
in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Act, at any time, during the immediate preceding financial year;
shall be deemed to be a related party;

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s).

C. For the purpose of Regulation 2(1)(zb) of the Regulations, Indian Accounting Standard 24 defines the term Related Party as follows:

A related party is a person or entity that is related to the entity that is preparing its financial statements [in this Standard referred to as the 'reporting entity']) as follows:

(a) A person or a close member of that person's family is related to a reporting entity if that person:
(i) has control or joint control over the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:
(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

For the purpose of this Policy, the term 'reporting entity' shall cover the Company and its subsidiaries which prepares its financial statements as per the Indian Accounting Standards.

The term Related Party for the purpose of this Policy shall be interpreted accordingly.

"**Related Party Transaction**" refers to those transactions that are covered under the scope of section 188 of the Act and Regulation 2(1)(zc) of the Regulations, except those Related Party Transactions (described below) which are:

- Excluded under the Regulations
- Exempt under the Act
- Exempt under the Regulations
- Other Exclusions under the Policy

A. Related Party Transactions that are covered under section 188 of the Act are as follows:
   i) sale, purchase or supply of any goods or materials;
   ii) selling or otherwise disposing off or buying property of any kind;
   iii) leasing of property of any kind;
   iv) availing or rendering of any services;
   v) appointment of any agent for purchase or sale of goods, materials, services or property;
   vi) related party's appointment to any office or place of profit in the company, its subsidiary or associate company;
   vii) underwriting the subscription of any securities or derivatives thereof of the Company.

B. In terms of Regulation 2(1)(zc) of the Regulations, a Related Party Transaction means a transaction involving a transfer of resources, services or obligations between:

   (i) A listed entity (i.e. the Company) or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
   (ii) The Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries, with effect from April 1, 2023;

   regardless of whether a price is charged.

   The term 'transaction' with a related party includes a single transaction or a group of transactions in a contract.

   "**Related Party Transactions which are Excluded / Exempt**"

   A. Exclusions under the Regulations (i.e. transactions that shall not be treated as Related Party Transactions):

   a) the issue of specified securities on a preferential basis under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

b) Following corporate actions by the Company which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
   - payment of dividend;
   - subdivision or consolidation of securities;
   - issuance of securities by way of a rights issue or a bonus issue; and
   - buy-back of securities.

c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same as per the Regulations.

B. Exempt under the Act (i.e. those Related Party Transactions which fulfil the following two criteria and which are exempt from the requirements of Board and Shareholder approvals):

a. Such transaction is undertaken in the ordinary course of business; and

b. Such transaction is undertaken on an arm's length basis (i.e. the transaction is conducted between the related parties as if they were unrelated, so that there is no conflict of interest);

C. **Exempt under the Regulations** (i.e. those Related Party Transactions which are exempt from the requirements of prior Audit Committee and Shareholder approvals, viz:

a) Transactions between the Company and its wholly-owned subsidiary, whose accounts are consolidated with that of the Company and placed before the shareholders at the general meeting for approval;

b) Transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval;

c) Transactions between two Government Companies *(not applicable to the Company)*;

"**Ordinary course of business**" includes those activities carried out in the normal course of business practice, or which have been undertaken historically or frequently as commercial practice or activities related to the business or come within the ambit of business as envisaged in the Memorandum of Association, as amended from time to time, of the Company and its subsidiaries.

"Material Modification" means modification to a Related Party Transaction which would change the nature of the transaction and in case monetary thresholds are applicable, which has the effect of change in the value involved, by 25% of the originally approved Related Party Transaction.

Words in this Policy which are not included in the Definition Clause shall have the same meaning as defined in the **Applicable Regulatory Provisions**. Also, in case of a conflict between the terms defined hereinabove and the definition thereof in the Applicable Regulatory Provisions, the definitions in the Applicable Regulatory Provisions shall prevail.

4. POLICY

4.1 Disclosure by Directors and Key Managerial Personnel of interests or potential interests in any Related Party Transaction

Each Director and Key Managerial Personnel shall disclose to the Audit Committee, any interest that he or his Relative or any entity in which he may be concerned or interested, may have in a transaction or proposed transaction by the Company and its subsidiaries, wherever applicable, that is or is likely to be a Related Party Transaction.

4.2 Review and Approval of Related Party Transactions

This Policy sets out the requisite authorizations for Related Party Transactions in line with Applicable Regulatory Provisions and the provisions for review thereof in Annexure A hereto.

4.3 Criteria for approving Related Party Transactions

(i) The Audit Committee (and where applicable, the Board) shall consider, *inter alia*, the following criteria, while approving Related Party Transactions:

a) Whether the Transaction covered by the Related Party Transaction is in the ordinary course of business of the Company/ subsidiary and/or is required for the business of the Company/ subsidiary or is otherwise beneficial to the Company/ subsidiary;

b) Whether the Related Party Transaction is on an arm's length basis. For determining arm's length basis, the following criteria shall be considered in addition to any other criteria that the Audit Committee / Board may deem fit:

Categories of Related Party Transaction	Arms-Length Criteria
Sale of Goods	Adequate Profit Margins on Sales earned under transfer pricing rules / Uncontrolled comparable prices
Purchase of Goods	Adequate Profit Margins on Resale / Sales earned under transfer pricing rules / Uncontrolled comparable prices
Services rendered	Adequate Profit Earned under transfer pricing rules /Uncontrolled comparable prices
Services Availed	At Uncontrolled Market (Comparable) Rates / as per transfer pricing rules
Remuneration to KMP, their relatives	At Uncontrolled Market (Comparable) Rates, within the limits approved by the Shareholders and in compliance with Applicable Regulatory Provisions.
Loans / Financial Assistance and interest thereon	Loans / financial assistance are governed under other relevant sections of the Act. As regards the Regulations, loans / financial assistance to wholly owned subsidiary companies are exempt thereunder. For loans / financial assistance to other Related Parties, the same shall be extended on rates which shall be at arm's

	length.
Rent	At Uncontrolled Comparable Market Rates
Royalty	At Uncontrolled Market (Comparable) Rates / As per Industry practices
Others	At Uncontrolled Market (Comparable) Rates / As per Industry practices / As per transfer pricing rules

c) Whether the Related Party Transaction is reasonable and in the interest of the Company/ subsidiary.

(ii) Only those members of the Audit Committee who are independent directors shall approve all Related Party Transactions.

4.4 Omnibus Approval of Related Party Transactions by Audit Committee

In accordance with the enabling provisions of Regulation 23(3) of the Regulations, the Audit Committee may grant omnibus approval to Related Party Transactions, which are proposed to be entered into by the Company or any of its subsidiaries (in cases where applicable), subject to compliance with the conditions specified therein, which are as follows:

a) The Audit Committee shall lay down the criteria for granting such omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature;

b) The Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company/ subsidiary;

c) Such omnibus approval shall specify the following:

(i) the names of the Related Party,
(ii) the nature of the transaction, period of transaction and the maximum amount for which the transaction can be entered into;
(iii) the indicative base price / current contracted price and the formula for variation in the price if any; and
(iv) such other conditions as the Audit Committee may deem fit;

Provided however that where the need for the Related Party Transaction cannot be foreseen and aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction and subject to such overall limit as may be approved by the Audit Committee from time to time;

d) The Audit Committee shall review, at least on a quarterly basis, the details of the Related Party Transaction entered into pursuant to each of the omnibus approval so given;

e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year. For the purpose of this condition, reference to 'year' shall be to the financial year of the Company and the validity of such omnibus approval granted during any financial year shall be upto the end of that financial year or upto the date of the fresh approval, if any, granted by the Audit Committee in the immediately following financial year, which shall not be later than May 31, whichever is later;

Proviso to Section 177(4) of the Companies Act, 2013 also provides for omnibus approval for proposed related party transactions.

5. Related Party Transactions not approved under this Policy

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Audit Committee under this Policy, and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy, including without limitation, to ratify Related Party Transactions.

6. Disclosures

The Company shall comply with such disclosure requirements relating to this Policy as may be stipulated under Applicable Regulatory Provisions. This Policy shall be uploaded on the website of the Company at www.piramalfinance.com and a web link thereto shall be provided in the section on corporate governance in the Annual Report.

7. Review of the Policy

The Board shall review this policy at least once in every three years on the basis of recommendations made by the Audit Committee.

******

Annexure – A

Approval Matrix for all Related Party Transactions

In line with Applicable Regulatory Provisions, the approvals from the below governing bodies are required prior to undertaking the RPT:

Audit Committee	Board	Shareholders
- All RPT undertaken by the Company; - RPT undertaken by a subsidiary, where the Company is not a party if the value of RPT is: > 10% of consolidated T/O as per last audited F/S of the Company; > 10% of standalone T/O as per last audited F/S of the subsidiary [w.e.f. April 1, 2023] - Subsequent Material Modifications to the above RPT;	- Specified RPT u/s 188 of the Act which are not in ordinary course of business or not at arm's length; - RPT requiring Shareholders' approval;	- All material RPT; - RPT not in ordinary course of business or not at arm's length basis and crossing threshold limits as prescribed u/s 188 of the Act and the Rules thereunder; - RPT for brand usage or royalty if value exceeds 5% of annual consolidated T/O as per last audited F/S of the Company; - Subsequent Material Modifications to Material RPT;

Notes:
1. Only members of the Audit Committee who are Independent Directors shall approve RPT.
2. No related party shall vote to approve relevant shareholders' resolutions irrespective of whether the entity is a related party to the particular transaction or not.
3. Audit Committee shall annually review / approve all the RPTs including Related Party Transactions exempt under the Act and Related Party Transactions exempt under the Regulations.

Legends:
RPT – Related Party Transactions
T/O – Turnover
F/S – Financial Statements

N L BHATIA & ASSOCIATES
PRACTISING COMPANY SECRETARIES

Tel. : 91-022-2510 0718
Tel. : 91-022-2510 0698
E-mail : navnitlb@hotmail.com
brupadhyay@hotmail.com
Website : www.nlba.in

To,
The Members,
Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

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

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.

2. We have followed the auditing standards issued by the Institute of Company Secretaries of India (ICSI) and audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. We believe that the processes and practices, we have followed are aligned with Auditing Standards issued by the Institute of Company Secretaries of India (ICSI) provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events, etc.

5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.

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

Place: Mumbai
Date: 24th May 2023

For N L Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
P/R No.: 700/2020

N.L. BHATIA & ASSOCIATES CS

Bharat Upadhyay
Partner
FCS: 5436
CP. No. 4457
UDIN: F005436E000369558

Address : 507, Skyline Wealth Space, 5th Floor, C2 Wing, Skyline Oasis Complex, Premier Road, Near Vidyavihar Station, Ghatkopar (W), Mumbai - 400 086.

N L BHATIA & ASSOCIATES
PRACTISING COMPANY SECRETARIES

Tel. : 91-022-2510 0718
Tel. : 91-022-2510 0698
E-mail : navnitlb@hotmail.com
brupadhyay@hotmail.com
Website : www.nlba.in

SECRETARIAL AUDIT REPORT
FORM NO. MR-3
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Piramal Capital & Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited) (hereinafter called '**the Company**'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

i. The Companies Act, 2013 ('the Act') and the Rules made there under including any amendments and re-enactments there under;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
iv. Foreign Exchange Management Act, 1999 ('FEMA') and the Rules and Regulations made there under to the extent applicable;
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') read with the notifications, guidelines and circulars issued by Securities and Exchange Board of India or Stock Exchanges in this regards, to the extent applicable to the Company:
   a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
   b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (up to August 15, 2021) and The Securities and Exchange Board of

N.L. BHATIA & ASSOCIATES CS

India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from August 16, 2021);

c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

d. The Securities and Exchange Board of India (Debenture trustee) Regulation, 1993 to the extent applicable;

e. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to the extent applicable;

f. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable;

g. Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;

Amongst the various laws which are applicable to the Company, based on the nature of business activities of the Company, following are the laws which are specifically applicable to the Company:

(a) The National Housing Bank Act, 1987 and all the Rules, Regulations, Circulars, Directions and Guidelines prescribed thereunder;

(b) Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021;

(c) The Prevention of Money-Laundering Act, 2002 and the Prevention of Money Laundering (Maintenance of Records, etc.) Rules, 2005.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) with respect to Board and General Meetings.

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

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

Adequate notice was given to all Directors to schedule the Board Meetings and Board Committee Meetings, agenda and detailed notes on agenda were sent in accordance with the Secretarial Standard-1 and in compliance with the applicable laws, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Meetings of the Board of Directors and of the Committees thereof were carried out unanimously.

We further report that, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines. All the notices and orders received by the Company pursuant to the abovementioned laws have been adequately dealt with/ duly replied/ complied with.

We further report that, the members in the Extra-Ordinary General Meeting held on 30th June, 2022 approved appointment of Mr. Puneet Yadu Dalmia (DIN: 00022633) as an Independent Director of the Company by passing special resolution.

We further report that, the members in the Extra-Ordinary General Meeting held on 30th June, 2022 approved the following ordinary resolutions:

- Material Related Party Transaction with PHL Fininvest Private Limited, a fellow subsidiary of the Company.
- Material Related Party Transaction with Piramal Fund Management Private Limited, a fellow subsidiary of the Company.
- Material Related Party Transaction with India Resurgence ARC Private Limited, a Piramal Group Company.

We further report that, the members in the Annual General Meeting held on 13^{h} August, 2022 approved issue of Non-Convertible Debentures on Private Placement Basis by passing special resolution.

Place: Mumbai
Date: 24th May 2023

For N L Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
P/R No.: 700/2020

N.L. BHATIA & ASSOCIATES CS

Bharat Upadhyay
Partner
FCS: 5436
CP. No. 4457
UDIN: F005436E000369558

N L BHATIA & ASSOCIATES
PRACTISING COMPANY SECRETARIES

Tel. : 91-022-2510 0718
Tel. : 91-022-2510 0698
E-mail : navnitlb@hotmail.com
brupadhyay@hotmail.com
Website : www.nlba.in

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Schedule V Para-C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)
601, 6th Floor, Amiti Bldg, Agastya Corporate Park
Kamani Junction,Opp.Fire Station, LBS Marg,
Kurla(W), Mumbai - 400070

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Piramal Capital & Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited)** having CIN U65910MH1984PLC032639 and having registered office at 601, 6th Floor, Amiti Bldg, Agastya Corporate Park, Kamani Junction, Opp.Fire Station, LBS Marg, Kurla(W), Mumbai - 400070 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Schedule V Para-C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Ajay G. Piramal	00028116	30/09/2021
2.	Dr. (Mrs.) Swati A. Piramal	00067125	30/09/2021
3.	Mr. Anand Piramal	00286085	30/09/2021
4.	Mr. Suhail A. Nathani	01089938	30/09/2021
5.	Mr. Puneet Dalmia	00022633	31/03/2022
6.	Mr. Gautam Doshi	00004612	30/09/2021
7.	Mr. Jairam Sridharan	05165390	07/10/2021

N.L. BHATIA & ASSOCIATES CS

Address : 507, Skyline Wealth Space, 5th Floor, C2 Wing, Skyline Oasis Complex, Premier Road, Near Vidyavihar Station, Ghatkopar (W), Mumbai - 400 086.

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

Place: Mumbai
Date: 24th May 2023

For N L Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
P/R No. 700/2020

N.L. BHATIA & ASSOCIATES CS

Bharat Upadhyay
Partner
FCS: 5436
CP. No. 4457
UDIN: F005436E000369756

Annexure 6

N L BHATIA & ASSOCIATES
PRACTISING COMPANY SECRETARIES

Tel. : 91-022-2510 0718
Tel. : 91-022-2510 0698
E-mail : navnitlb@hotmail.com
brupadhyay@hotmail.com
Website : www.nlba.in

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Piramal Capital & Housing Finance Limited
(formerly known as Deewan Housing Finance Limited)

We have examined all the relevant records of Piramal Capital & Housing Finance Limited (formerly known as Dewan Housing Finance Limited) ('the Company') for the purpose of certifying compliance of the conditions of Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period from April 01, 2022 to March 31, 2023. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in the Listing Regulations.

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

Place: Mumbai
Date: 24th May 2023

For N L Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
P/R No. 700/2020

N.L. BHATIA & ASSOCIATES CS

Bharat Upadhyay
Partner
FCS: 5436
CP. No. 4457
UDIN: F005436E000369822

Management Discussion and Analysis Report

MARKET SCENARIO

Indian economy was resilient in the face of this global turmoil and on the path to recovering to pre pandemic levels. Projected to be one of the fastest growing economies at 6.5%-7.0%[1] in FY23, India has revived on the back of private consumption and capital formation. The first eight months of FY23 saw an increase of 63.4%[2] in Central Government's Capital Expenditure, coupled with increase in private Capex resulted in strengthening corporates' balance sheets thereby increasing credit financing.

Buoyant consumption, release of pent-up demand saw accelerated growth in not only personal loans but also in the housing market. Housing bank credit growth witnessed an uptick as housing inventories continue to decline. Consequently, improved financial health of corporates have resulted in increased credit demand in both the Banking sector and NBFCs.

The NBFC landscape continues to evolve rapidly adapting to economic challenges, regulatory changes, and weathering industry volatility. NBFCs play a very important role in the financial sector as evident in the increase in industry AUM[3] from INR 3.6 lakh crore in March 2008 to INR 27 lakh crore in March 2022. Improving macro-economic fundamentals will continue to drive the NBFC space given the visible improvement in asset quality and balance sheet strength post pandemic. While competition from Banks continue in the traditional segments of home loans and new vehicle finance, there is substantial growth in NBFCs in other non-traditional segments like MSMEs, Personal Loans etc. Digital thrust, use of technology, partnerships, and recovery in asset quality have all led to stronger fundamentals. FY24 expects to see NBFCs AUM grow at 13%-14%[4]. Retailisation and diversification of portfolio strategies will help retail focused NBFCs grow at 12-14% according to ICRA reports. Additionally, improved collections, controlled slippages, stable operating costs, and moderation of credit costs will help drive sector profitability.

Note: (1, 2) The Economic Survey 2022-2023

(3, 4) Crisil Assocham Report on NBFCs

CHALLENGES AND OPPORTUNITIES

The global economy has seen continued shocks and substantial slowdown since 2020. Covid-19 had a significant impact, followed by the Russia-Ukraine conflict which caused a steep rise in inflation and commodity prices. Since then, the different world economies are striving to fight inflationary pressures, causing them to continuously hike rates, resulting in a slowdown in growth. IMF too lowered its growth forecast for 2022 and 2023. In January 2023, the World Economic Outlook Update projects that global growth will fall to 2.9 percent in 2023 but rise to 3.1 percent in 2024.

The residential market has been on a strong recovery path over the past 18 months as the economy emerged from the pandemic's shadow. The residential sector witnessed a robust demand revival with the year expected to register a decadal high in-home sale. The market registered strong sales backed by robust consumer demand and quality launches by developers. As per ICRA- new launches are expected to be at a six-year high of 400 Mn sft in FY2023, showing improvement from the previous two years which were impacted by the Covid-19 pandemic.

The housing finance market is valued as ~₹ 25 lakhs as of Mar 22 and is expected to expand at a compound annual growth rate (CAGR) of 20.58% during the FY 2022 – FY 2027 period. Increasing urbanization, affordable mortgage rates, rising disposable income, demand from first-time home buyers are some of the key factors propelling the growth of the housing finance market. It is estimated that India's urban population is expected to grow to 814 million by 2050 as compared to 410 million in 2014. Furthermore, it is estimated that 25 million units of affordable housing will be required by 2030.

According to a report by BCG, in FY 2023, the market share of NBFCs remained stable across most product segments – 34% in housing loan, 20% in personal loans, 19% in MSME loans, 47% in auto loans, 2% in gold loans.

NBFCs/HFCs are strongly positioned to meet the evolving needs of the customers with last-mile reach, domain expertise, and lower turn-around-time (TAT), enabled by improved risk management capabilities, adequate growth capital, and 'next-gen' tech infrastructure.

Furthermore, HFCs and NBFCs have also been facing increased regulatory oversight and push towards convergence with banks through various measures, such as scale-based regulation, realignment in asset quality classification, and Prompt Corrective Action norms. These will aid in better governance practices and structural strengthening of the sector, resulting in further harmonisation of the regulatory landscape across banks and NBFCs.

BUSINESS OVERVIEW/OPERATIONAL PERFORMANCE

During the FY2023, income has increased to Rs. 6,650 Crores as compared to Rs. 6,105 Crores in the previous year, on account of Increase in retail revenue due to increased operations partially off-setted by lower revenue in wholesale due to book run down and non-accrual of interest / reversal on NPAs.

Lending Operations

The Company's AUM reduced by 3% YoY to Rs. 50,427 Crores as of March 2023 versus Rs. 51,808 Crores as of March 2022. As of March 2023, the Company had a diversified exposure across both retail and wholesale financing through its presence in the following sub-segments:

a. <u>Retail Lending</u>

- A multi-product retail lending platform that is 'digital at the core'
- Significant increase in size and scale, post the DHFL acquisition
- Retail loan book of Rs. 29,374 Crores, accounted for 64% of overall loan book as of March 2023

b. <u>Wholesale Lending:</u>

- Loans for residential and commercial real-estate developers as well as corporates in select sectors
- Real Estate Developer financing loan book stood at Rs. 14,080 Crores
- Corporate lending book stood at Rs. 616 Crores
- DHFL wholesale book stood at Rs. 653 Crores

Market Borrowings

During the year, the average borrowing cost improved reflecting the progress made on our strategic priorities during the year, including strengthening of the balance sheet and granularization of the wholesale loan book.

Capital Adequacy Ratio

As of March 31, 2023, Company's Capital adequacy ratio was 27% and Tier I ratio was also 27%. Corresponding figures as on March 31, 2022 were 22.03% and 21.12% respectively. These are well above the minimum regulatory requirement prescribed by the regulators.

ALM

The Asset Liability Management (ALM) was within the stipulated norms. The Company maintains surplus funds to manage liquidity requirements for the near term.

RISK AND CONCERNS

An independent risk management function formalizes the risk measurement & management process at the Company. The risk management philosophy is embedded into all activities of the entity, including comprehensive internal control and assurance processes to manage key risks. The risk management function mainly deals with credit, operational and liquidity & interest rate risk.

The Risk Management function plays a critical role in development and update of the credit policy which forms the basis of underwriting the loans. The Risk management function also analyses the liquidity & interest rate risk at portfolio level.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal controls and processes in place with respect to its financial statements, which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. These controls and processes are driven through various policies and procedures. The processes and controls are reviewed periodically. The Company has a mechanism of testing the controls at regular intervals for their design and operating effectiveness to ascertain the reliability and authenticity of financial information.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Financial performance for fiscal 2023 is summarised in the following table:

(Rs in crores)

Particulars	2022-23	2021-22
Net interest income and other income	3,197	2,772
Operating expenses	1,868	848
Net loss on fair value changes & derecognition of financial instruments	4,038	440
Provisions and contingencies	(159)	627
Exceptional item	10,257	143
Profit before tax	(12,806)	714
Profit after tax	(7,425)	526
Other Comprehensive Income / (Loss)	65	10
Total Comprehensive Income	(7,359)	536

Net interest income and other income: YoY increase driven by increase in retail operations, gradual decline in cost of borrowings and higher fee-income in retail lending.
Operating Expenses: Opex increased primarily on account of increase in retail operations.

Credit costs: Credit costs increased primarily due to provisions & fair valuation losses in Wholesale business. We continue to remain vigilant across our portfolio and maintain conservative provisioning to take care of contingencies arising in the future.

Exceptional Item: One time impact related to impairment of good will pertaining to wholesale business.

PAT: YoY decline majorly on account of exceptional items of Goodwill Write-Off, Higher Provisioning & FV losses in Wholesale, Increase in Operating Expenses due increased retail operations partially offsetted by Reversal of Tax Liability, higher net income due to increased retail operations

STRATEGY OF BUSINESS:

Transformation Agenda:

The transformation journey of our financial services business, over the last 2-3 years, could be categorised under three phases. With the acquisition and integration of DHFL, which was a major step in this transformation journey, we have now completed Phase I and II of this journey and have embarked on Phased III.

Phase I – Consolidation:

In Phase I, we build a resilient business model in the wake of liquidity tightening, COVID-19 and other macro-economic headwinds. During this phase, the business focused on: (i) improving capital adequacy and deleveraging; (ii) making the wholesale book more granular; (iii) increasing provisions; and (iv) strengthening liabilities side.

Phase II - Transition + quantum growth:

In Phase II, between June 2021 and March 2022, the business transitioned from a wholesale-driven to a diversified business, post DHFL acquisition. There were three components to this phase:

(i) Organic build-out of the retail lending business: In 2020, we embarked on the journey of building a technology led retail lending business, which is 'digital at its core' and 'phygital' (i.e., physical, as well as digital) at the customers' end. In November 2020, we launched our multi-product retail-lending platform and pivoted the business towards affordable and mass-affluent categories, in tier 2 / 3 cities, while making the book more granular.

(ii) Significant loan book growth and scale through the DHFL acquisition: In September 2021, we completed the acquisition of DHFL, which led to significant increase in retail loans (~4x increase in book post-merger) and loan book diversification – as the share of retail loans increased to 41% (post-merger) versus 16% as of March 2021. The acquisition also created a platform with pan-India presence, with 301 branches across 24 states / union territories, and access to a customer pool of ~1 million (life-to-date).

(iii) Increased loan book granularity: Improved the granularity of the wholesale book, by reducing single-borrower exposures.

Phase III – Sustainable growth and profitability:

With the DHFL acquisition and integration now complete, we are now embarking on 'Phase 3' of our transformation journey and have put in place the appropriate levers for improved performance in future.

In Phase III, the focus will be delivering sustainable growth and profitability. Our approach to building and managing the financial services business will be focused on creating a balance between the three principal vectors of the business – growth, risk, and profitability.

- **Scale-up the Retail AUM**
    - ✓ INR 29,374 Cr. in FY 23 versus INR 21,040 Cr. in FY 22

- **Leverage DHFL's platform to cross-sell**
    - ✓ Cross Sell Disbursements of INR 2,483 Cr. over last one year.

- **Significantly increase retail loans share to two-third**
    - ✓ Constantly moving towards the guidance of two-third retail loans share, Wholesale : Retail mix stood at 50 : 50 in Q4 FY23.

- **Demerger and Simplification of Corporate Structure**
    - ✓ Completed the demerger and simplified the Corporate Structure; Created two separate listed Entities for Financial Services (Piramal Enterprises Ltd.) and Pharmaceuticals (Piramal Pharma Ltd.)

One Year of DHFL Acquisition:

During FY23 PEL completed one year of DHFL's acquisition and integration into Piramal Capital Housing Finance Limited (PCHFL). Piramal Capital & Housing Finance Limited (PCHFL) merged into DHFL with effect from September 30, 2021 pursuant to the reverse merger as per the resolution plan. Consequently, the name of the Company was changed from 'Dewan Housing Finance Corporation Limited' to 'Piramal Capital & Housing Finance Limited' with effect from November 3, 2021.

Consideration paid for the DHFL acquisition:
The total consideration paid by the Piramal Group of ~Rs. 34,250 Crores at the completion of the acquisition, includes an upfront cash component of ~Rs. 14,717 Crores and issuance of debt instruments of ~Rs. 19,532 Crores (10-year NCDs at 6.75% p.a. on a half-yearly basis).

A value-accretive acquisition:
The acquisition was carried out at a very attractive purchase price of <0.4x of DHFL's assets. PEL being well capitalised, this acquisition was achieved without infusing or raising any additional equity. The yields of the acquired retail book were >11% whereas the cost of

borrowings was ~7%, making the deal accretive from the onset. Off-balance sheet, fee-earning securitised pool of assets worth ₹18,747 Crores (as of March 2022) was acquired in addition to the loan book. The deal factored in any foreseen asset quality risks and so far, has been in line with expectations, providing significant upside from the recoveries of the POCI book. The cumulative recoveries from the POCI book stood at ₹XX Crores as on March 2023.

(A) Retail Lending:

We are building a well-diversified loan book across the product categories and customer segment, catering to the unserved financing needs of the 'Bharat' market. As of March 2023, the Retail loan AUM increased by 40% to Rs. 29,374 Crores from Rs. 21,040 Crores as of March 2022.

Retail loans accounted for 64% of PCHFL's loan book as of March 2023 as compared to 42% as of March 2022.

'Twin Engine' Strategy for Retail Lending:

We adopted a twin-engine approach to build our multi-product retail business, in line with the stated strategy to diversify our loan book and make it more granular to reduce the concentration risk.

(i) Engine #1 - 'Phygital' secured lending:

'Phygital' lending encompasses traditional branch-led secured affordable housing and MSME lending business, catering to the budget customers of 'Bharat,' while being digital at the core. It is characterised by high-touch intensity model with a higher proportion of self-employed customers. Furthermore, it constitutes the major (~90%) part of the overall retail AUM. Secured lending will continue to build the AUM as these are long duration loans.

The business leverages the widespread network of branches in tier II and tier III cities across India to bridge the lending gap in the under-served 'Bharat' market, while serving self-employed, cash salaried, small business owners, and salaried customers. We have a pan-India distribution network, with extensive presence in the 'Bharat' market. Further, we have made significant progress on re-activation of DHFL branches.

(ii) Engine #2: Digital lending-originated through digital assets and partnerships

Our second engine of growth in the retail lending business is digital embedded finance. This includes small ticket and short-duration loans (such as personal loans, purchase finance, merchant buy-now-pay-later, etc.), originating through digital channels and partnerships, which act as a customer acquisition engine, adding over 90% of new customers. We aim to be preferred lending partners for the consumer-tech ecosystem, offering personalised financing solutions to customers.

We continue to diversify across product categories, business models, and partners. As of March 2023, we had launched 20 diverse programs with fintech NBFCs, transaction platforms, ed-techs, MSME platforms, and gold collateral companies. The categories in focus include consumer fintech, pre-owned cars, education, healthcare services, merchant commerce, digital personal loans, and gold loans.

Investing in capability-building initiatives:

In order to build a sustainable business supported by a superior technology architecture and the right talent, we are committed to invest across technology / analytics, talent, and branch network.

In the past few months, we have managed to bring our entire business on cloud, assembled a future-ready tech stack, with a combination of off-the-shelf and internally engineered technology.

The business is using modular, next-gen capabilities to re-imagine the entire customer journey. Also, we have on-boarded a healthy mix of experienced, diverse, and tech-native management professionals to drive execution of the retail lending business, going forward. In addition, the Company plans to significantly expand its branch network over the next 5 years.

(A) Wholesale Lending:

Increasing the granularity of the wholesale financing loan book

Significant consolidation has taken place in the NBFC sector, especially in the wholesale lending / developer financing business. We are among one of the few NBFCs that have continued to remain strong even after this prolonged crisis environment. Hence, there exists a significant gap in a large addressable market, having only a few credit providers.

Our new approach, as part of ‘wholesale lending 2.0’, will be more calibrated, with focus on smaller loans; granular book, and cash-flow backed lending. It will be based on superior risk management. We will create focused, analytics-driven underwriting vertical. Also, there would be pro-active asset monitoring with early warning signals. Furthermore, high-yields loans will be done under fund structures, going forward.

(B) Asset Quality:

The GNPA ratio stood at 3.5% as of March 2023 versus 2.3% as of March 2022, and the net NPA ratio stood at 1.9% as of March 2023 versus 1.2% as of March 2022.

Total Provisions were Rs. 2,980 Crores as on March 2023 (equivalent to 6% of AUM) as compared to Rs. 2,755 Crores as on March 2022 (equivalent to 5.3% of AUM).

(C) Liabilities side:

Focus on lowering the cost of borrowings, driven by diversification of loan book growth and funding sources.

We continue to diversify the borrowing mix towards stable, long-term funding sources, which has significantly strengthened our ALM profile.

With a significant share of our borrowings as 'fixed rate liabilities' and a bulk of assets at floating rate, as of March 2023, the Company is well positioned to navigate the rising interest rate environment.

(D) Capital:

Further optimise capital utilisation through loan book growth and inorganic initiatives.

As of March 31, 2023, Company's Capital adequacy ratio was 27% and Tier I ratio was 27%. Corresponding figures as on March 31, 2022 were 22.03% and 21.12% respectively. The year-on-year change in capital adequacy reflects the impact of DHFL acquisition, which was a major step towards efficiently optimising and deploying capital.

FUTURE OUTLOOK

Larger HFCs / NBFCs with liquidity support have continued to drive the sector's overall credit growth. Between FY2019 and FY2023, large HFCs / NBFCs have outpaced the overall sector, in terms of credit growth each year. HFCs / NBFCs with strong parentage will continue to have better access to funding and are well-positioned to navigate the changing regulatory environment.

Furthermore, the sector will witness further consolidation, as NBFCs with a strong capital base, low leverage, and high on-balance sheet liquidity, will continue to gain market share.

Key strategic priorities for the Company:

- Transforming into a well-diversified business, with the aim to achieve a loan book mix of ~2/3rd retail and ~1/3rd wholesale in 5 years

- Focus on lowering cost of borrowings, driven by diversification of loan book growth and funding sources
- Further optimise capital utilisation through loan book growth and inorganic initiatives
- Maintaining adequate provision to manage future contingencies
- Improve profitability through growth, lower borrowing costs, change in retail product mix and capital optimisation

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

The Company has been in the growth phases and the focus was on building a world class team. We have hired 2,850 employees in a span of one year. We have hired a young and talented workforce from within the industry. Our average age of employees is 33 years. We have built a platform for imparting functional training that enables job readiness for our hires. The focus in future will also be attracting and retaining the best talent and building processes that nurture talent.

REPORT ON CORPORATE GOVERNANCE

A report for the financial year ended 31st March 2023 on compliance by the Company with the Corporate Governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and regulations made thereunder, is furnished below:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a combination of voluntary practices and compliance with laws and regulations leading to effective control and better management of the organisation. Good Corporate Governance leads to enhanced long-term stakeholder value and enhances interests of all stakeholders. It brings into focus the fiduciary and trusteeship role of the Board to align and direct the actions of the organisation towards creating wealth and stakeholder value.

The Company's essential character is shaped by the values of transparency, customer satisfaction, integrity, professionalism and accountability. The Company continuously endeavours to improve on these aspects. The Board views Corporate Governance in its widest sense. The main objective is to create and adhere to a corporate culture of integrity and consciousness. Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. The Company's philosophy on Corporate Governance is guided by the Company's philosophy of Knowledge, Action, Care and Impact.

The Board fully supports and endorses the Corporate Governance practices as envisaged in the Listing Regulations.

2. BOARD OF DIRECTORS

A. Profile of Directors

Mr. Ajay G Piramal (Chairman)

Mr. Ajay Piramal is one of India's leading industrialists and philanthropists. As the Chairman of the Piramal Group, he has led its transformation into a US$10 billion global business conglomerate. The Group has diverse interests in financial services, pharmaceuticals and real estate. Under Mr. Piramal's leadership, the Group has developed a strong track record of robust sustained partnerships with several marquee global investors and partners.

Mr. Piramal led the Group's acquisition and merger of Dewan Housing Finance Limited (DHFL) in September 2021, marking the first successful resolution under the IBC route in the financial services sector. In value terms, the transaction is amongst the largest resolutions till date, setting the precedent for future resolutions in the sector.

Mr. Piramal is also an ardent promoter of social entrepreneurship. He is deeply invested in unblocking and further strengthening India's socioeconomic potential through the Piramal Foundation, and actively steers the Group's involvement in various social impact initiatives to develop innovative, long-term, sustainable and scalable solutions to resolve issues that are critical roadblocks towards unlocking India's economic potential. The Foundation currently works across 27 states and 2 union territories, and has impacted over 113 million lives, mostly in partnership with the Central and state governments. The Foundation has partnered with NITI Aayog, India's foremost think-tank, in 25 Aspirational Districts across 7 states in India, to improve human development indicators across Healthcare and Nutrition, and Education, amongst the marginalised sections of society.

In 2022, Mr. Piramal received an honorary Commander of the Order of the British Empire (CBE) by her Late Majesty The Queen, for services to the UK-India trade relationship as India Co-Chair of the UK-India CEO Forum. He was also the recipient of the 'Deal Maker Hall Of Fame' award at the Mint India Investment Summit 2022, recognised for his lifetime achievement and service in creating and unlocking value through investing and crafting deals.

Mr. Piramal holds key positions on the boards of several companies and prestigious institutions. He serves on the Harvard Business School's Board of Dean's Advisors, is the co-Chair of the UK-India CEO Forum, and the Non-Executive Director of Tata Sons Ltd. He is passionate and enthusiastic about contributing to India's education sector and serves as the President and Chairman of Anant National University, and the Chairman of the Pratham Education Foundation.

Mr. Piramal holds an Honours degree in Science from Mumbai University and a Master's degree in Management Studies from the Jamnalal Bajaj Institute of Management Studies. He has completed an Advanced Management Programme from the Harvard Business School and has been conferred with an Honorary Doctor of Science (Honoris Causa) Degree by IIT-Indore and an Honorary Doctorate in Philosophy (D. Phil) by Amity University, India.

Mr. Anand A. Piramal

Mr. Anand Piramal currently runs the financial services businesses of the group. Piramal's financial services business is one of India's largest and most diversified NBFCs in the country with strong capabilities in affordable home lending, SME lending, construction finance and digital embedded finance. Mr. Anand Piramal also oversees Piramal's Alternatives business which counts CDPQ, Bain Capital, CPPIB, IFC and Apollo as it's partners.

Mr. Anand Piramal also runs Piramal Realty, the real estate arm of the group. Piramal Realty, is one of Mumbai's leading developers with prime residential and commercial developments across Mahalaxmi, Byculla, Thane, Mulund, Kurla, Lower Parel and Worli. Piramal Realty also counts Warburg Pincus and Goldman Sachs as it's investors. Mr. Anand Piramal was conferred with the Hurun Real Estate Unicorn of the Year Award (2017) by Hurun India and Young Business Leader Award by Hello! Magazine (2018).

Mr. Anand piramal also founded a rural healthcare start-up called 'Piramal eSwasthya', today 'Piramal Swasthya' is India's largest private primary healthcare initiative. Its 2,260 plus employees and over 140 doctors serve around 25,000 patients daily across 28 states with the help of health hotlines, mobile medical units and telemedicine centres. Piramal Swasthya has impacted over 129.5 million lives since inception.

Mr. Anand Piramal holds a Master's Degree in Business Administration from Harvard Business School and a Bachelor's Degree in Economics from the University of Pennsylvania. He was also the youngest President of the Youth Wing of the 100-year-old Indian Merchant Chambers.

Dr. (Mrs.) Swati A. Piramal

Dr. Swati Piramal is the Vice-Chairperson of Piramal Group, a global business conglomerate with diverse interests in pharmaceuticals, financial services and real estate. Dr. Piramal is amongst India's leading scientists and industrialists whose contributions to innovations, new medicines and public health services have touched many lives.

Over the past three decades, Dr. Piramal's efforts towards providing cost-effective and science-based healthcare globally have significantly contributed in shaping the Indian pharmaceutical industry. She founded the Gopikrishna Piramal Memorial Hospital in Mumbai and was instrumental in launching several pan-India public health campaigns against chronic diseases. Dr. Piramal has authored several books on nutrition and health, including one for patients with renal disease and related disorders, and has written public policy papers on topics such as patent protection, intellectual property and data protection. Her strong influence on important public policies and governance on healthcare and related issues, is widely recognized and has led to major policy changes that have helped reduce the burden of disease.

As the Director of Piramal Foundation, the philanthropic arm of Piramal Group, Dr. Piramal is deeply involved in developing innovative long-term and scalable solutions to resolve issues that are critical roadblocks towards unlocking India's economic potential. She spearheads the efforts of the Foundation towards effective public policy and governance that enables successful private-public-partnerships (PPP models) to effectively solve problems and help meet India's Sustainable Development Goals (SDGs). Dr. Piramal has played a significant role in establishing avenues that promote primary healthcare in rural India, developing frameworks for women empowerment and enabling systemic transformation of India's public education system by realizing the potential of young leaders of tomorrow, Internal Use--Confidential and promoting sustainable models for facilitating access to safe drinking water. Under the leadership of Dr. Piramal, the initiatives of Piramal Foundation work cohesively with the central and state governments, as well as through collaborations with NITI Aayog, The Rockefeller Foundation and The Bill and Melinda Gates Foundation, amongst several others.

In 2022, Dr. Piramal was awarded with the Chevalier de la Légion d'Honneur (Knight of the Legion of Honour) for her contributions in the fields of business and industry, science, medicine, and towards strengthening Indo-French ties. She is a recipient of numerous awards and honors, including the Padma Shri in 2012, and the Chevalier de l'Ordre National du Mérite (Knight of the Order of Merit), France's second highest civilian honour, in 2006.

Dr. Piramal holds key positions on the boards of several companies and prestigious institutions. She is a Director on the Board of Nestle India, Allergan India and Essilor Luxottica; and is a Board Member of Dean's Advisors to the Harvard Business School and the Harvard School of Public Health. Dr. Piramal has also served on various advisory council boards of industry, trade, science and research, art and technology, as well as on the boards of Indian and international academic institutions that include IIT Bombay, Xavier's College, Mumbai, University of Pennsylvania, IITB-Monash, Harvard School of Public Health and the Harvard Business School. She has served as the First Woman President of India's Apex Chamber of Commerce (ASSOCHAM), in 90 years.

Dr. Piramal holds a Master's Degree in Public Health from the Harvard Business School, in addition to a Medical Degree (M.B.B.S) and a Bachelor's Degree in Medicine and Surgery from University of Mumbai, India.

Mr. Puneet Dalmia

Mr. Puneet Dalmia is the Managing Director of the Dalmia Bharat Group and has been the driving force behind the exponential growth witnessed by the Dalmia Bharat Group since he took over the reins in 2004.

He has transformed the organisation and built a professional team that led it on a path of accelerated growth, while maintaining the core values which have been the foundation of this 80-year old conglomerate with interests in cement, sugar and refractories.

Prior to leading Dalmia Bharat Group, Mr. Dalmia co-founded JobsAhead. com in 1999, one of the few successful dotcom companies. JobsAhead had a market share of close to 50% before it was sold to Monster.com.

Mr. Dalmia is very passionate about his country and strives to create a better India. He firmly believes that a good business must be a force for good in society. He's enthusiastic about investing in young businesses and entrepreneurs and is motivated by human values.

Amongst various other accolades, Mr. Dalmia has been recognised as the EY Entrepreneur of the Year 2017 in the manufacturing category. He has served as an Advisory Board Member of NS Raghavan Center for Entrepreneurship, IIM-B and the Young Presidents' Organization, Delhi Chapter. In 2021, Mr. Dalmia has also been appointed by the Government of India as Chairman of the Development Council for the Cement Industry. He has a keen interest in education and serves as a Founder and Trustee of the Ashoka University.

A gold-medallist MBA from IIM-Bangalore and holds a B. Tech degree from the prestigious IIT-Delhi.

Mr. Suhail Nathani

Mr. Suhail Nathani is a co-founding partner at Economic Laws Practice (ELP). He has over 3 decades of experience as a lawyer. He has appeared for the Government of India before the WTO Panel and Appellate Body in Geneva, has represented the Competition Commission of

India and the Securities and Exchange Board of India at the Supreme Court and various other courts in India.

He earned his Master's Degree at Cambridge University, England and has also received an LL.M. from Duke University, USA. Besides India, he is also admitted to the New York Bar.

He is widely recognised by global publications as a leading lawyer in his fields of practice.

Mr. Gautam Doshi

Mr. Gautam Doshi, a Chartered Accountant and Masters in Commerce, has been in professional practice for over 45 years. He advises various business groups and families and also serves as a director on the boards of listed and unlisted companies.

Mr. Doshi's experience covers wide range of areas including advisory services in the field of accounting, taxation, corporate and commercial laws and regulatory matters. He has been actively involved in conceptualizing and implementing a number of mergers and restructuring transactions both domestic and cross border, involving many of the top 20 listed companies on the BSE as also those forming part of FTSE 100.

A prolific speaker, Mr. Doshi has addressed several seminars and conferences within and outside of India and courses organized by the Institute of Chartered Accountants of India, International Fiscal Association, Other professional bodies and Chambers of Commerce.

He has served on the Councils of Western Region as also All India level of the Institute of Chartered Accountants of India which has the task of development and regulation of profession of accountancy in India. During his tenure on the Council, he served on several committees and contributed significantly to the work of Board of Studies which is responsible for education and system of training of students. He also served as Chairman of Committees on direct and indirect taxation of Indian Merchants' Chamber.

Mr. Jairam Sridharan, Managing Director

Mr. Jairam Sridharan is the MD of Piramal Capital & Housing Finance Limited. He has over two decades of rich domain experience and specializes in setting up and scaling new businesses.

Before joining Piramal, Mr. Jairam Sridharan was the Chief Financial Officer (CFO) of Axis Bank. He has handled a variety of roles at the Bank and was previously President, Retail Lending & Payments. In this role, he was responsible for driving growth in the retail lending and payments businesses comprising retail lending products (home, car, personal & other loans), cards business (credit, debit & prepaid) and the agriculture & rural lending business. In his 5 years in this role, Axis Bank saw industry leading, 6X growth and emerged as one of the top 5 retail lending institutions in the country.

Prior to Axis, Mr. Jairam Sridharan served Capital One Financial, a consumer bank based in Richmond, VA (USA) as Head – 'New to Credit' Card Acquisitions in the US Cards Business.

At the start of his career with ICICI Bank, he played a key role in their initial foray into the retail lending businesses, serving as Head – Business Intelligence Unit.

Mr. Jairam Sridharan holds a Bachelor of Technology degree in Chemical Engineering from IIT Delhi and Post Graduate Diploma in Management from IIM Kolkata where he was awarded a Roll of Honour for academic excellence.

In 2022, he was awarded the 'FE Pillar of the BFSI Industry' award at the FE BFSI Summit. In 2019, Institutional Investor magazine named Jairam "Best CFO" in their All-Asia Executive team for Banks, based on Sell-Side analyst votes. In 2015, he was chosen by The Economic Times as a part of their "40 Under 40" list of India's hottest business leaders.

B. Composition and size of the Board

The Board is entrusted with the ultimate responsibility of the management, direction and performance of the Company. The Board has an optimum combination of Executive, Non-Executive and Independent Directors with demonstrated skill sets and relevant experience. As on 31st March 2023, the composition of the Company's Board comprises of 7 Directors, as given in the table below. There are no nominee directors representing any institution on the Board of the Company.

Name of Directors, DIN and Date of appointment	**Directorships as on 31st March 2023**[1]		**Membership of Other Board Committees as on 31st March 2023**[2]		**Directorships in Listed Companies and Category of Directorship as on 31st March 2023**[3]
	as Director	**as Chairman**	**as Member**	**as Chairman**	
Non – Executive, Non-Independent Director – Promoter Group					
Mr. Ajay G. Piramal DIN: 00028116 Date of appointment: 30th September 2021	7	2	1	-	Piramal Enterprises Limited (Executive Director)
Dr. (Mrs.) Swati A. Piramal DIN: 00067125 Date of appointment: 30th September 2021	6	-	-	-	Nestle India Limited (Independent Director) Piramal Enterprises Limited (Executive Director)
Mr. Anand Piramal	7	-	-	-	Piramal Enterprises

Name of Directors, DIN and Date of appointment	Directorships as on 31st March 2023[1]		Membership of Other Board Committees as on 31st March 2023[2]		Directorships in Listed Companies and Category of Directorship as on 31st March 2023[3]
	as Director	as Chairman	as Member	as Chairman	
DIN: 00286085 Date of appointment: 30th September 2021					Limited (Non-Executive Director)
Executive Director					
Mr. Jairam Sridharan DIN: 05165390 Date of appointment: 7th October 2021	4	1		-	-
Non-Executive, Independent Directors					
Mr. Gautam Doshi DIN: 00004612 Date of appointment: 30th September 2021	10	-	7	3	Sun Pharmaceutical Industries Limited (Independent Director) Suzlon Energy Limited (Independent Director) Piramal Enterprises Limited (Independent Director)
Mr. Suhail Nathani DIN: 01089938 Date of appointment: 30th September 2021	4	-	2	1	Mahindra CIE Automotive Limited (Independent Director) Piramal Enterprises Limited

Name of Directors, DIN and Date of appointment	Directorships as on 31st March 2023[1]		Membership of Other Board Committees as on 31st March 2023[2]		Directorships in Listed Companies and Category of Directorship as on 31st March 2023[3]
	as Director	as Chairman	as Member	as Chairman	
					(Independent Director)
Mr. Puneet Dalmia DIN: 00022633 Date of appointment: 31st March 2022	8	-	1	-	SRF Limited (Independent Director) Piramal Enterprises Limited (Independent Director) Dalmia Bharat Limited (Managing Director)

Notes:

1. This excludes directorships in foreign companies and companies licensed under Section 8 of the Companies Act, 2013 ('the Act').
2. This relates to membership of Committees referred to in Regulation 26(1) of the Listing Regulations, viz. Audit Committee and Stakeholders Relationship Committee of all public limited companies, whether listed or not and excludes private limited companies, foreign companies, companies licensed under Section 8 of the Act and high value debt listed entities as well.
3. Excludes directorship in the Company.
4. Mr. Khushru Jijina has resigned as Non-Executive Director w.e.f 31st August 2022.

Details of change in composition of the Board during the current and previous financial year:

Sr No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment)	Reason for Resignation (if applicable)	Effective date
Change in Composition in financial year 2021-22					
1.	Ajay G. Piramal	Chairman, Non - Executive Director	Appointment	-	30/09/2021

2.	Swati Piramal	Non - Executive Director	Appointment	-	30/09/2021
3.	Anand A. Piramal	Non - Executive Director	Appointment	-	30/09/2021
4.	Khushru Jijina	Non - Executive Director	Appointment	-	30/09/2021
5.	Suhail Nathani	Independent Director	Appointment	-	30/09/2021
6.	Gautam Doshi	Independent Director	Appointment	-	30/09/2021
7.	Jairam Sridharan	Executive Director	Appointment	-	07/10/2021
8.	Puneet Dalmia	Independent Director	Appointment	-	31/03/2022
Change in Composition in financial year 2022-23					
1.	Khushru Jijina	Non - Executive Director	Resignation	Due to personal reasons	31/08/2022

I. Key Board qualifications, skills, expertise and attributes

In the context of the Company's business and activities, the Board has identified that skills/expertise/competencies in the areas of General Corporate Management, Public Policy, Entrepreneurship, Business Leadership, Strategy, Finance, Economics, Banking, Financial Services, Risk and Governance and Human Resources are needed for it to function effectively.

The Company's Board is comprised of individuals who are reputed in these skills, competence and expertise that allow them to make effective contribution to the Board and its Committees. From time to time, Members of the Board have also received recognition from the Government, various Industry Bodies and Business Associations for the contribution made in their respective areas of expertise.

The specific areas of expertise/skills of an individual Board Member, associated with the Company as of 31st March 2023, are as under:

Name of Directors	General Corporate Management including Human Resources	Entrepreneurship including Strategy and Public Policy	Business Leadership	Finance, Economics, Banking, Financial Services, Risk and Governance
Mr. Ajay G. Piramal	✓	✓	✓	✓
Dr. (Mrs.) Swati A. Piramal	✓	✓	✓	✓
Mr. Anand Piramal	✓	✓	✓	✓
Mr. Gautam Doshi	✓	✓	✓	✓
Mr. Suhail Nathani	✓	✓	✓	✓
Mr. Puneet Dalmia	✓	✓	✓	✓

Name of Directors	General Corporate Management including Human Resources	Entrepreneurship including Strategy and Public Policy	Business Leadership	Finance, Economics, Banking, Financial Services, Risk and Governance
Mr. Jairam Sridharan	✓	✓	✓	✓

Mr. Khushru Jijina resigned w.e.f 31st August 2022

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and competence required for it to function effectively.

II. Role of Independent Directors

Independent Directors play a key role in the decision-making process of the Board and in shaping various strategic initiatives of the Company. The Independent Directors are committed to act in what they believe is in the best interests of the Company and its stakeholders. The wide knowledge in their respective fields of expertise and best-in-class boardroom practices helps foster varied, unbiased, independent and experienced perspective.

The Company benefits immensely from their inputs in achieving its strategic direction.

All Statutory Committees of the Board viz. Audit Committee, Risk Management Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee are chaired by Independent Directors.

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfil the conditions specified in the Act and the Listing Regulations and are independent of the Management.

III. Meeting of Independent Directors

The Company's Independent Directors met on 8th February 2023 in absence of Non-Independent Directors and Members of Management. At this meeting, the Independent Directors reviewed the following:

1. Performance of the Chairman;
2. Performance of the Independent and Non-Independent Directors;
3. Performance of the Board as a whole and its Non-Administrative Committees.

They also assessed the quality, quantity and timeliness of flow of information between the Management and the Board.

IV. Familiarization Programme for Independent Directors

The Company has established a Familiarisation Programme for Independent Directors. The framework together with the details of the Familiarisation Programme imparted during the financial year under review has been uploaded on the website of the Company and can be accessed at https://www.piramalfinance.com/stakeholders/policies.

The familiarization programme aims to provide Independent Directors with the socio-economic environment, in which the Company operates, the business model, the operational and financial performance of the Company, to update the Independent Directors on a continuous basis on significant developments so as to enable them to take well-informed decisions in a timely manner.

Periodic presentations were made at the Board meetings apprising the Board Members about the finer aspects of the Company's businesses, the challenges posed and an overview of future business plans.

V. Inter-se relationships among Directors

Mr. Ajay G. Piramal and Dr. (Mrs.) Swati A. Piramal are the parents of Mr. Anand Piramal. Except for this, none of the other Directors of the Company are inter-se related to each other.

VI. Board Evaluation

Evaluation of performance of all Directors is undertaken annually. The Company has implemented a system of evaluating performance of the Board of Directors as a whole and of its Committees and Non-Executive Directors on the basis of a structured questionnaire which comprises evaluation criteria based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India ('SEBI'). The performance of the Executive Directors is evaluated on the basis of achievements of their Key Result Areas.

The Board of Directors had discussed the feedback and expressed its satisfaction with the evaluation process.

VII. Certification from Company Secretary in Practice

A certificate has been received from M/s. N. L. Bhatia & Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI, Ministry of Corporate Affairs or any other statutory authorities. The Certificate is attached to the Board's Report forming part of the Annual Report.

C. Board Meetings and Procedures

The yearly calendar for the Board/Committee meetings are fixed well in advance and are in confirmation with the availability of the Directors, so as to facilitate active and consistent participation of all Directors in the Board/Committee meetings. Minimum four pre-scheduled Board Meetings are held every year (once every quarter). Additional Board Meetings are convened to address the specific needs of the Company. In case of business exigencies or matters of urgency, resolutions are passed by circulation, as permitted by law. Video conferencing facilities are provided to enable active participation by Directors who are unable to attend the meetings in person.

The Board has unrestricted access to all Company related information. Detailed presentations are made to the Board regularly which cover operations, business performance and related details. All necessary information including but not limited to those mentioned in Part A of Schedule II to the Listing Regulations, are placed before the Board. The Members of the Board are at liberty to bring up any matter for discussions at the Board Meetings and the functioning of the Board is democratic. Members of the Senior Management team are invited to attend the Board Meetings, who provide additional inputs to the agenda items discussed by the Board. The Company has a well-established process in place for reporting compliance status of various laws applicable to the Company.

There was no instance during the financial year 2022-23, where the Board of Directors had not accepted the recommendation of any Committee of the Board which was mandatorily required.

I. Meetings Held

During the year 2022-23, six (6) Board Meetings were held. Necessary quorum was present at all meetings and the gap between two Board Meetings did not exceed one hundred and twenty days.

Dates of meetings held during the year and attendance of Directors are as follows:

Dates of the Board Meetings	**No. of Directors Present at the Meeting**
26th May 2022	8
29th July 2022	7
22nd September 2022	6
9th November 2022	6
8th February 2023	7
31st March 2023	7

II. Details of Directors attendance at Board Meetings held during the year as on 31st March 2023 and at the last Annual General Meeting (‘AGM’) held on 13th August 2022 are given in the following table:

Name of Directors	**Board Meetings**		**Attended last AGM**
	Held during tenure	**Attended**	
Mr. Ajay G. Piramal	6	6	Yes
Dr. (Mrs.) Swati A. Piramal	6	6	Yes
Mr. Khushru Jijina#	2	2	No
Mr. Anand Piramal	6	5	Yes
Mr. Gautam Doshi	6	5	No
Mr. Suhail Nathani	6	6	No
Mr. Jairam Sridharan	6	6	Yes
Mr. Puneet Dalmia	6	5	No

Resigned with effect from 31st August 2022

A. Shareholding of Non-Executive Directors

The individual shareholding of Non-Executive Directors as on 31st March 2023 is given below:

Name of Directors	No. of shares held*
Mr. Ajay G. Piramal	1
Dr. (Mrs.) Swati A. Piramal	1

* Shares held as nominee of Piramal Enterprises Limited.

3. STATUTORY BOARD COMMITTEES

The Board Committees are set up by the Board and are governed by its terms of reference which exhibit the scope, composition, tenure, functioning and reporting parameters. The Board Committees play a crucial role in the governance structure of the Company and they deal with specific areas of concern for the Company that need a closer review. The Committees operate under the direct supervision of the Board, and Chairperson of the respective Committees report to the Board about the deliberations and decisions taken by the Committees. The recommendations of the Committees are submitted to the Board for approval. The minutes of the meetings of all Committees of the Board are placed before the Board for noting.

The Company has following Statutory Committees in terms of Companies Act, 2013, Listing Regulations and Reserve Bank of India ('RBI')/National Housing Bank ('NHB') regulations:

A. Audit Committee$
B. Risk Management Committee$
C. Nomination and Remuneration Committee
D. Stakeholders Relationship Committee
E. Corporate Social Responsibility Committee.
F. Information Technology Strategy Committee
G. Asset Liability Management Committee
H. Wilful Defaulters Review Committee

$The Audit and Risk Management Committee has been split into 'Audit Committee' and 'Risk Management Committee' with effect from 1st November 2022.

Meetings of Statutory Committees held during the year and Directors' attendance are as under:

Committees of the Company	**Audit Committee**	**Risk Management Committee**	**Nomination and Remuneration Committee**	**Stakeholders Relationship Committee**	**Corporate Social Responsibility Committee**	**Information Technology Strategy Committee**
Number of Meetings held	7	6^	2	2	2	1
Directors / Members Attendance						
Mr. Ajay G. Piramal	-	-.	2	-	2	-
Mr. Khushru Jijina	-	-	-	-	-	-

Committees of the Company	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee	Information Technology Strategy Committee
Mr. Anand Piramal	-	-	-	-	2	-
Mr. Gautam Doshi	7	4@	1	2	-	1
Mr. Suhail Nathani	7	6	2	2	2	-
Mr. Jairam Sridharan	7	6	-	2	-	1
Mr. Puneet Dalmia	-	1&	-	-	-	-
Mr. Kamalakar Nayak	-	-	-	-	-	1
Mr. Rahul Vaidya	-	-	-	-	-	1

^The Audit and Risk Management Committee has been split into 'Audit Committee' and 'Risk Management Committee' with effect from 1st November 2022.
@Member of the Committee upto 1st November 2022.
&Appointed as member of the Committee w.e.f. 1st November 2022.

During the year under review, Dr. (Mrs.) Swati A. Piramal was not a member of any Statutory Committee.

A. Audit Committee

I. Constitution of the Committee

The Company earlier had a combined Audit & Risk Management Committee which discharged functions of both the Committees. Pursuant to RBI Guidelines on Scale Based Regulations (SBR): 'A Revised Regulatory Framework for NBFCs' introduced on 22nd October 2021, the Company was required to constitute a separate Risk Management Committee of the Board of Directors which would be responsible for evaluating the overall risks faced by the NBFC including liquidity risk.

During the year under review, the Audit & Risk Management Committee was re-constituted with effect from 1st November 2022 and the nomenclature was changed to Audit Committee and a separate Risk Management Committee ('RMC') of the Board was constituted, thereby segregating the functions of both the Committees.

The Audit Committee ('AC') comprises of three members as per details in the following table:

Name	Category	Date of appointment in Committee
Mr. Gautam Doshi – Chairman	Non-Executive, Independent	1st October 2021
Mr. Suhail Nathani	Non-Executive, Independent	1st October 2021
Mr. Jairam Sridharan	Executive	7th October 2021

All the members of the AC have sound knowledge of finance, accounts and business management. The Chairman of the AC, Mr. Gautam Doshi has extensive accounting and related financial management expertise.

The composition of AC is in compliance with the requirements of Section 177 of the Act and Regulation 18 of the Listing Regulations.

II. Terms of Reference

The terms of reference of AC are aligned with the terms of reference provided under Section 177(4) of the Act, Part C of Schedule II of the Listing Regulations as under:

1. oversight of financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
   - changes, if any, in accounting policies and practices and reasons for the same;
   - major accounting entries involving estimates based on the exercise of judgment by management;
   - significant adjustments made in the financial statements arising out of audit findings;
   - compliance with listing and other legal requirements relating to financial statements;
   - disclosure of any related party transactions;
   - modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

8. approval or any subsequent modification of transactions of the listed entity with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
21. to consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
22. to review the management discussion and analysis of financial condition and results of operations;
23. to review management letters / letters of internal control weaknesses issued by the statutory auditors;
24. to review internal audit reports relating to internal control weaknesses;
25. to review the appointment, removal and terms of remuneration of the head of the internal auditor;
26. to review statement of deviations of quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ('Listing Regulations');
27. to review statement of deviations of annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations;
28. to examine financial statement and the auditors' report thereon;
29. to review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time), at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively;
30. primarily responsible for overseeing the internal audit function in the organization.
31. to review the performance of Risk Based Internal Audit (RBIA);

32. to approve the RBIA plan to determine the priorities of the internal audit function based on the level and direction of risk, as consistent with the entity's goals;
33. to formulate and maintain a quality assurance and improvement program that covers all aspects of the internal audit function;
34. to promote the use of new audit tools/ new technologies for reducing the extent of manual monitoring /transaction testing / compliance monitoring, etc.;
35. meet the head of internal audit at least once in a quarter, without the presence of the senior management (including the MD & CEO/WTD);
36. review and monitoring of all the frauds involving an amount of Rs. 1 crore and above;
37. ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the applicable NBFCs;
38. to ensure that an appropriate Compliance Policy is in place in the Company and to oversee the management of compliance risk and implementation of the Compliance Policy across the Company;
39. to review the reports received from the Chief Compliance Officer on compliance risk management activities;
40. to review the Compliance Policy annually;
41. to review and approve any adjustments to the ECL model output (i.e. a management overlay);
42. monitoring of system of internal audit of all outsourced activities; and
43. undertake such other functions as may be entrusted to it by the Board or prescribed under applicable statutory / regulatory requirements from time to time.

III. Meetings Held

AC met 7 times during the financial year 2022-23, on 26th May 2022, 19th July 2022, 28th July 2022, 22nd September 2022, 9th November 2022, 8th February 2023 and 17th March 2023.

The frequency of AC Meetings was more than the minimum limit prescribed under applicable regulatory requirements and the gap between two Committee Meetings was not more than one hundred and twenty days.

The functional/business representatives also attend the meetings periodically and provide such information and clarifications as required by the Members, which provides a deeper insight into the respective business and functional areas of operations. The Internal Auditors attend the respective AC Meetings where internal audit reports are discussed.

B. Risk Management Committee

I. Constitution of the Committee

The Company earlier had a combined Audit & Risk Management Committee which discharged functions of both the Committees. Pursuant to RBI Guidelines on Scale Based Regulations (SBR): 'A Revised Regulatory Framework for NBFCs' introduced on 22nd October 2021, the Company was required to constitute a separate Risk Management Committee of the Board of Directors which would be responsible for evaluating the overall risks faced by the NBFC including liquidity risk.

During the year under review, the Audit & Risk Management Committee was re-constituted with effect from 1st November 2022 and the nomenclature was changed to Audit Committee and a separate Risk Management Committee ('RMC') of the Board was constituted, thereby segregating the functions of both the Committees.

The Risk Management Committee (‘RMC’) comprises of three members as per details in the following table:

Name	Category	Date of appointment in Committee
Mr. Suhail Nathani – Chairman	Non-Executive, Independent	1st November 2022
Mr. Puneet Dalmia	Non-Executive, Independent	1st November 2022
Mr. Jairam Sridharan	Executive/Managing Director	1st November 2022

The composition of RMC is in compliance with the requirements of Regulation 21, Para C of Part D of Schedule II of the Listing Regulations, 2015 and RBI Scale Based Regulations.

II. Terms of Reference

The terms of reference of RMC are aligned with the terms of reference provided under Para C of Part D of Schedule II of the Listing Regulations, 2015 and RBI Scale Based Regulations as under:

1. to identify, monitor and measure the risk profile of the Company. To evaluate overall risks faced by the Company and determining the level of risks which will be in the best interest of the Company. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems during normal as well as stress scenarios;
2. to ensure that Company has a framework for identification of various internal and external risks including credit risk, operational risk, information security risk, liquidity, interest rate risk etc. and the integrated risks;
3. to ensure that the risk policies clearly spell out the quantitative prudential limits on various segments of Company’s operations;
4. to implement measures for risk mitigation including systems and processes for comprehensive internal controls to mitigate the identified risks;
5. to ensure that appropriate methodology, processes and systems are in place to effectively monitor and evaluate business related risks commensurate with the size and complexity of the Business;
6. to periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics, evolving complexity and emerging risks;
7. to review the progress made in putting in place a proactive risk management system and risk management policy and strategy followed by the Company;
8. to hold the line management accountable for the risks under their control, and the performance of the Company in that area;
9. to provide an independent and objective view of the information presented by management on various risks and mitigation plan;
10. to keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

11. to review appointment, removal and terms of remuneration of the Chief Risk Officer;
12. to review and assess the nature, role, responsibility and authority of risk management function within the Company and outline the scope of risk management work;
13. to coordinate its activities with other committees, in instances where there is any overlap with activities of such committees; and
14. to undertake such other functions as may be entrusted to it by the Board or prescribed under applicable statutory / regulatory requirements from time to time.

III. Meetings Held

RMC met 6 times during the financial year 2022-23, on 26th May 2022, 19th July 2022, 28th July 2022, 22nd September 2022, 8th November 2022 and 17th March 2023.

The frequency of RMC Meetings was more than the minimum limit prescribed under applicable regulatory requirements and the gap between two Committee Meetings was not more than one hundred and eighty days.

C. Nomination & Remuneration Committee

I. Constitution of the Committee

The Nomination & Remuneration Committee ('NRC') was constituted by the Board of Directors at the meeting held on 1st October 2021 and comprises of three members as per details in the following table:

Name	**Category**	**Date of appointment in Committee**
Mr. Suhail Nathani – Chairman	Non – Executive, Independent	1st October 2021
Mr. Gautam Doshi	Non – Executive, Independent	1st October 2021
Mr. Ajay G. Piramal	Non – Executive, Non-Independent	1st October 2021

The composition of NRC is in compliance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations.

II. Terms of Reference

The terms of reference of the NRC are aligned with the terms of reference provided under Section 178 of the Act and Para A of Part D of Schedule II of the Listing Regulations as under:

The NRC shall have such powers and fulfill such functions as prescribed under Section 178 of the Act, the Listing Regulations or any other applicable legislation that may be in force or modified/ implemented from time to time;

The NRC authorised and empowered to perform all acts, deeds, matters and things as may be necessary for effectively discharging its functions in accordance with the said section, with further power to delegate any of its powers to any one or more persons as it may deem fit.

III. Meetings Held

NRC met two times during the financial year 2022-23 on 25th May 2022 and 31st March 2023.

IV. Performance Evaluation Criteria for Independent Directors

The Performance Evaluation Criteria for Independent Directors is comprised of certain parameters like professional qualifications, experience, knowledge and competency, active participation at the Board/Committee meetings, ability to function as a team, initiative, availability and attendance at meetings, commitment and contribution to the Board and the Company, integrity, independence from the Company and other Directors and whether there is any conflict of interest, voicing of opinions freely, etc. These are in compliance with applicable laws, regulations and guidelines.

V. Compliance with Fit & Proper Criteria for Directors

The Committee, in accordance with the Policy on 'Fit and Proper' Criteria for Directors, ensures the "Fit and Proper" status of Directors at the time of appointment and on a continuing basis, as prescribed by the Reserve Bank of India.

D. Stakeholders Relationship Committee

I. Constitution of the Committee

The Stakeholders Relationship Committee ('SRC') was constituted by the Board of Directors at the meeting held on 7th October 2021 and re-constituted on 1st November 2022 and comprises of three members, as per details in the following table:

Name	Category	Date of appointment in Committee
Mr. Suhail Nathani – Chairman	Non - Executive, Independent	7th October 2021
Mr. Jairam Sridharan	Executive/ Managing Director	7th October 2021
Mr. Gautam Doshi	Non - Executive, Independent	1st November 2022

Mr. Gautam Doshi was appointed in place of Mr. Khushru Jijina on 1st November 2022. The composition of SRC is in compliance with the requirements of Section 178 of the Act and Regulation 20 of the Listing Regulations.

II. Terms of Reference

SRC reviews and ensures the existence of a proper system for timely resolution of grievances of the security holders of the Company.

The terms of reference of SRC are aligned with those provided under Section 178 of the Act and Para B of Part D of Schedule II of the Listing Regulations as under:

The SRC shall consider and resolve the grievances of security holders of the Company and shall have such powers and fulfill such functions as prescribed under the Act or any other applicable legislation that may be in force or modified/ implemented from time to time;

The SRC is authorised and empowered to act in accordance with Section 178 of the Companies Act, 2013 and to perform all acts, deeds, matters and things as may be necessary for effectively discharging its functions in accordance with the said section, with further power to delegate any of its powers to any one or more persons as it may deem fit.

III. Meetings Held

SRC met two times during the financial year 2022-23, on 9th November 2022 and 8th February 2023.

IV. Stakeholders Grievance Redressal

There were no complaints pending at the beginning of the year. 14, 26 and 3 complaints belonging to the equity shareholders, debenture holders and others respectively, pertaining to the Company / eDHFL entity were received and redressed to their satisfaction, during the year under review. No complaints were outstanding as on 31st March 2023.

The Registrar and Share Transfer Agent ('RTA'), Link Intime India Private Limited, attend to all grievances of Debenture holders (Public Issue). Grievances received from other debenture holders and stakeholders are resolved in-house.

The Company maintains continuous interaction with the RTA and takes proactive steps and actions for resolving shareholder complaints/queries. Likewise, the Company also has regular interaction with the Debenture Trustees to ascertain the grievances, if any, of the Debenture holders. There was no grievance received from the Debenture Trustees or from any of the Debenture holders during the financial year 2022-23.

V. Compliance Officer

Mr. Bipin Singh, Company Secretary, is the Compliance Officer w.e.f. 1st October 2021. The Company has designated the email ID cs.team@piramal.com to enable stakeholders to email their queries/grievances.

E. Corporate Social Responsibility Committee

I. Constitution of the Committee

The Corporate Social Responsibility Committee ('CSR Committee') was constituted by the Board of Directors at the meeting held on 7th October 2021 and comprises of three members, as per details in the following table:

Name	Category	Date of appointment in Committee
Mr. Suhail Nathani – Chairman	Non-Executive, Independent	7th October 2021
Mr. Ajay G. Piramal	Non-Executive, Non-Independent	7th October 2021
Mr. Anand Piramal	Non-Executive, Non- Independent	7th October 2021

The composition of CSR Committee is in compliance with Section 135 of the Companies Act, 2013.

II. Terms of Reference

The terms of reference of the Corporate Social Responsibility Committee are aligned with those provided under Section 135 of the Act and the rules framed thereunder as under:

a. formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company;
b. recommend the amount of expenditure to be incurred on the CSR activities;
c. monitor the CSR Policy of the Company from time to time;
d. implement and monitor approved CSR activities;
e. undertake such activities and carry out such functions as may be provided by section 135 of the Companies Act 2013 and the Rules prescribed thereunder, upon its notification and coming into force.

III. Meetings Held

CSR Committee met two times during the financial year 2022-23 on 26th May 2022 and 17th March 2023.

F. Information Technology Strategy Committee

I. Constitution of the Committee

The IT Strategy Committee was constituted by the Board of Directors at the meeting held on 7th October 2021 and comprises of four members, as per details in the following table:

Name	Category / Designation	Date of appointment in Committee
Mr. Gautam Doshi – Chairman	Non-Executive, Independent	7th October 2021
Mr. Jairam Sridharan	Executive	7th October 2021
Mr. Kamalakar Nayak	Chief Compliance Officer	7th October 2021
Mr. Rahul Vaidya	Joint Vice President, Information Technology	7th October 2021

The composition of IT Strategy Committee is in compliance with the applicable regulations.

II. Terms of Reference

The terms of reference of the IT Strategy Committee are aligned with those provided under applicable regulations as under:

a. IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
b. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
c. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
d. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
e. Ensuring proper balance of IT investments for sustaining NBFC’s growth and becoming aware about exposure towards IT risks and controls.

The IT Strategy Committee shall have such powers and functions as prescribed by the National Housing Bank or under any other applicable laws or regulatory provisions that may be in force or modified/ implemented from time to time.

III. Meetings Held

IT Strategy Committee met once during the financial year 2022-23 on 25th January 2023.

G. Asset Liability Management Committee

The Asset Liability Management Committee (‘ALCO’) was constituted by the Board of Directors at the meeting held on 7th October 2021. The composition of ALCO is in compliance with the applicable regulations.

The terms of reference of the ALCO are aligned with those provided under applicable regulations as under:

a. Monitor the Liquidity and Funding Risk;
b. Monitor the Interest Rate Risk;
c. Review and advice on issues relating to Pricing of lending and borrowing rates;
d. Review and advice on issues relating to Pricing Risk in relation to interest rate fluctuations;
e. Review and advice on issues relating to Allocation of resources.

During the financial year, the meetings of the ALCO were held on 29th June 2022, 5th August 2022, 8th December 2022 and 24th March 2023.

H. Wilful Defaulters Review Committee

The Wilful Defaulters Review Committee was constituted by the Board of Directors at the meeting held on 7th October 2021. The composition and terms of reference of Wilful Defaulters Review Committee is in compliance with the applicable regulations.

During the financial year, no meetings of the Wilful Defaulters Review Committee were held.

4. REMUNERATION OF DIRECTORS

A. Remuneration to Executive Directors:

Remuneration payable to the Executive Director is recommended by the NRC, approved by the Board and is subject to the overall limits approved by the shareholders.

Details of remuneration paid to the Executive Director as approved by the Board for the year ended 31st March 2023 is given below:

Name of Directors	Designation	Total
Mr. Jairam Sridharan	Managing Director	Rs. 3,42,56,256

The variable component of remuneration (Performance Linked Incentive) for Executive Directors are determined on the basis of several criteria including their individual performance as measured by achievement of their respective key result areas, strategic initiatives taken and being implemented, their respective roles in the organization, fulfilment of their responsibilities and performance of the Company. This is in accordance with the Company's Remuneration Policy.

No remuneration is paid to Non-executive directors of the Company during the financial year 2022-23.

B. Sitting fees paid to Independent Directors

Details of sitting fees paid to the Independent Directors for the financial year 2022-23 are given below. These are within the limits prescribed under the Act:

(Amount in Rs.)

Name of Independent Director	Sitting Fees
Mr. Gautam Doshi	9,00,000
Mr. Suhail Nathani	11,50,000
Mr. Puneet Dalmia	3,50,000

Notes for Directors' Remuneration:

a. Mr. Ajay G. Piramal, Dr. (Mrs.) Swati A. Piramal, Mr. Anand Piramal and Mr. Khushru Jijina, Non-Executive Directors, do not receive any sitting fees or any other remuneration. Mr. Khushru Jijina resigned with effect from 31st August 2022.

b. The terms of appointment of Mr. Jairam Sridharan, Executive Director, as approved by shareholders, contains payment of basic salary, perquisites and allowances, and performance linked incentive in addition to total fixed pay.

c. No amount by way of loan or advance has been given by the Company to any of its Directors.

d. There was no pecuniary relationship or transactions with Non – Executive Directors vis-à-vis the Company other than sitting fees, if any, that is paid to the Non – Executive Independent Directors.

e. During the financial year ended 31st March 2023, Non-Executive, Independent Directors were paid sitting fees of Rs. 50,000 for attending each meeting of the Board and of all the Committees.

f. No commission was paid to any director during the financial year.

5. GENERAL BODY MEETINGS

A. Details of the AGMs held during the preceding 3 years and Special Resolutions passed there at are given below:

AGM	Date	Time	Venue	Details of Special Resolutions passed
38th AGM	13th August 2022	11.00 am.	601, 6th Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, Opp. Fire Station, LBS Marg, Kurla (W), Mumbai 400070	Issue of Non-Convertible Debentures on Private Placement Basis
37th AGM	30th November 2021	3.00 p.m.	Piramal Tower, Peninsula Corporate Park Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013	Issue of non-convertible debentures on private placement basis
36th AGM	30th September 2020	10.00 a.m.	Video Conferencing/ Other Audio Visual means	None

B. Details of the Extra Ordinary General Meetings ('EOGM') held during the year and Special Resolutions passed there at are given below:

EOGM	Date	Time	Venue	Details of Special Resolutions passed
1/2022-23	30th June 2022	11.30 a.m.	Piramal Tower, Peninsula Corporate Park Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013	Appointment of Mr. Puneet Yadu Dalmia (DIN: 00022633) as an Independent Director of the Company.

C. Postal Ballot

The Company was not required to pass any resolution through Postal Ballot during the financial year 2022-23.

6. DISCLOSURES

A. Related Party Transactions

a) All transactions entered into with Related Parties in terms of provisions under the Act and Regulation 23 of the Listing Regulations during the financial year 2022-23 were undertaken in compliance with the aforesaid regulatory provisions;

b) There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company;

c) Suitable disclosures as required by the Indian Accounting Standards (IND AS 24) have been made in Note No. 40 of the standalone financial statements, which forms part of this Annual Report;

d) The 'Policy for Related Party Transactions' is available on the website of the Company at https://www.piramalfinance.com/stakeholders/policies;

e) The Register of Contracts/statement of related party transactions is placed before the Board/Audit Committee regularly.

B. Details of non-compliance, penalties, strictures imposed by the Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets during the last 3 years

SEBI vide adjudication order SR/SM/2020-21/7791/25 dated 29.05.2020 ('SEBI Order') had imposed penalty of Rs. 20,00,000/- (Rupees Twenty Lakhs) on e-DHFL for violation of provisions of regulation 16(1) of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 read with rule 18(7)(b)(ii) and rule 18(7)(c) of Companies (Share Capital and Debentures) Rules, 2014 and regulation 52(1) and 52(4) of the Listing Regulations, broadly relating to maintenance of Debenture Redemption Reserve ('DRR') and Debenture Redemption Fund ('DRF'). e-DHFL filed an appeal before Securities Appellate Tribunal ('SAT') (Appeal No. 196/2020) against the penalty imposed under the SEBI Order. SAT vide its order dated October 9, 2020 ('SAT Order') quashed the SEBI Order. SEBI has filed an appeal with the Supreme Court of India against the SAT Order which had quashed the penalty imposed by SEBI on e-DHFL for non-maintenance of DRR and DRF and the same remains sub-judice.

No other penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter relating to capital markets during the last 3 years.

C. Details of non-compliance with the requirements of the Companies Act, 2013:

There was no default in compliance with the requirements of the Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.

D. Listing Fees

Listing fees for financial year 2023-24, shall be paid within the due dates to the Stock Exchanges on which the debt securities of the Company are listed.

E. Vigil Mechanism / Whistle Blower Policy for Directors and employees

The Company has established a Vigil Mechanism, which includes a Whistle-Blower Policy, for its directors, employees, customers and general public to provide a framework to facilitate responsible and secure reporting of concerns of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics. The details of establishment of Vigil Mechanism/Whistle-Blower Policy are posted on the website of the Company and can be accessed at https://www.piramalfinance.com/stakeholders/policies. No director/employee has been denied access to the Audit Committee.

F. Compliance with mandatory/non-mandatory requirements

a. The Company has complied with all the applicable mandatory requirements of the Listing Regulations.

b. During the year under review, there is no audit qualification in your Company's financial statements. The Company continues to adopt best practices to ensure regime of financial statements with unmodified audit opinion.

G. Details of total fees paid to Statutory Auditors

M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) was appointed as one of the joint Statutory Auditors for a period of 3 consecutive years i.e. until the conclusion of the 40th Annual General Meeting of the Company, to be held in the year 2024.

M/s. T R Chadha & Co LLP, Chartered Accountants (Firm Registration No. 006711N/N500028) was appointed as the other joint Statutory Auditors, in place of M/s. K.K. Mankeshwar & Co., for a period of 3 consecutive years i.e. until the conclusion of the 41st Annual General Meeting of the Company, to be held in the year 2025.

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditor is a part, are as follows:

Statutory Auditors	Category of Audit Fees	Audit Fees for FY 2022-2023*
M/s. Walker Chandiok & Co LLP	Audit Fees	20,000,000
	Sept'22 special audit	4,000,000
	Cost over run	2,500,000
M/s. T R Chadha & Co LLP	Audit Fees	16,200,000
	Sept'22 special audit	4,000,000
M/s. K.K. Mankeshwar & Co.	Audit Fees	3,800,000

Statutory Auditors	Category of Audit Fees	Audit Fees for FY 2022-2023*
(Upto 38th Annual General Meeting)		
		50,500,000

Exclusive of certification issued from time to time

H. Disclosures under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The details of number of complaints filed and disposed off during the year and pending as on 31st March 2023 are given in the Board's Report.

7. MEANS OF COMMUNICATION

The Company recognizes the importance of two-way communication with shareholders and of giving a balanced reporting of results and progress and responds to questions and issues raised in a timely and consistent manner. Shareholders seeking information may contact the Company directly throughout the year. They also have an opportunity to ask questions at the Annual General Meeting. Some of the modes of communication are mentioned below:

A. Financial Results:

The Company's quarterly / half-yearly / annual financial results are filed with the Stock Exchanges and are generally published in Business Standard (all editions) (English), within forty-eight hours of the conclusion of the Board Meeting. They are also displayed on the Company's website https://www.piramalfinance.com/

B. Website:

The Company's website https://www.piramalfinance.com/ contains a separate dedicated section for Stakeholders, where all information and relevant policies to be provided under applicable regulatory requirements, are available in a user friendly form.

C. Annual Report:

The Annual Report containing *inter-alia* the Audited Standalone and Consolidated Financial Statements, Board's Report, Auditors' Report, Corporate Governance Report and other important information is circulated to Members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report. The Annual Report is also available on the website of the Company.

D. Designated exclusive Email ID:

The Company has designated the Email ID cs.team@piramal.com exclusively for investor servicing.

E. SEBI Complaints Redress System (SCORES):

A centralised web-based complaints redressal system, which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports by the Company, and facilitates online filing of the complaint by the investors and subsequently viewing of actions taken on the complaint and its current status.

F. NSE Electronic Application Processing System ('NEAPS') and BSE Corporate Compliance & Listing Centre ('BSE Listing Centre')

NEAPS and BSE Listing Centre are web-based application systems for enabling corporates to undertake electronic filing of various periodic compliances, inter alia, shareholding pattern, corporate governance report, results, press releases, etc. Various compliances as required / prescribed under the Listing Regulations are filed through these systems.

8. GENERAL INFORMATION FOR SHAREHOLDERS

A. Company Registration Details

The Company is registered in the State of Maharashtra, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U65910MH1984PLC032639.

B. Annual General Meeting

Day, Date and Time: Friday, July 28, 2023 at 5:30 p.m.

C. Financial Calendar

The financial year of the Company starts on April 1 and ends on March 31 of next year.

D. Book Closure Period and Dividend Payment Date

During the year under review, the Board had not declared any dividend therefore, there was no requirement of Book Closure.

E. Listing on Stock Exchanges

a. Equity Shares

The equity shares are not listed on any stock exchanges.

b. Debt Securities

Non-Convertible Debentures issued by the Company from time to time are listed on the Wholesale Debt Market Segment (WDM) of National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE').

c. Commercial Papers

Commercial Papers issued by the Company are listed on NSE.

F. Debenture Trustees

IDBI Trusteeship Services Limited
Universal Insurance Building, Ground Floor,
Sir PM Road, Fort, Mumbai- 400 001
Tel: +91 22 4080 7015

Catalyst Trusteeship Limited
Office No. 604, 6th floor, Windsor,
C.S.T. Road, Kalina,
Santacruz (East), Mumbai 400 098
Tel: +91 22 49220555

G. Contact Details for Investor Correspondence

Share Transfer Agents
Link Intime India Pvt. Ltd. ('Link Intime') is the Share Transfer Agent of the Company and the contact details are given below:

Link Intime India Pvt. Ltd.
C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083
Tel: +91-22-49186000
Fax: +91-22-4918 6060
E-mail ID: rnt.helpdesk@linkintime.co.in

Contact details of the Company:
601, 6th Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, Opp. Fire Station, LBS Marg, Kurla(W) Mumbai 400 070
Tel. No.: +91-22-6230 9200
Fax No.: +91-22-6151 3444
E-mail ID: cs.team@piramal.com

H. Distribution of Shareholding by size and shareholding pattern as on 31st March 2023

The Company is a wholly owned subsidiary of Piramal Enterprises Limited (PEL) which holds 21,36,46,91,751 equity shares of the Company, along with its nominees.

I. Dematerialisation of shares

As on 31st March 2023, 21,36,46,91,751 equity shares (100% of the total number of shares) are in dematerialized form.

J. Outstanding GDRs / ADRs / Warrants or any Convertible instruments conversion date and likely impact on Equity

The Company has not issued any GDRs / ADRs / Warrants or any Convertible instruments during the financial year under review and the Company has no outstanding GDRs / ADRs / Warrants or any Convertible instruments.

K. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company is exposed to Currency Risk arising from its trade exposures and Capital receipt/payments denominated, in other than the Functional Currency. The Company has a detailed policy which includes setting of the recognition parameters, and the boundaries within which the treasury has to perform the hedging activities. It also lays down the checks and controls to ensure the continuing success of the treasury function.

The Company has defined strategies for addressing the risks for each category of exposures (e.g., for exports, for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

The Company is also exposed to interest rate risks, on foreign currency loans, which are based on floating rate pegged to LIBOR and the centralised treasury function hedges the same basis its view on interest rate movement.

The Forex Risk Management Committee of the Company regularly reviews the forex exposure and hedging strategy for the same.

L. Credit Ratings for Debt Instruments

The Credit Ratings reaffirmed/assigned to the debt instruments of the Company during the financial year 2022-23 are given below:

Instruments	Credit Rating		
	ICRA	CARE	CRISIL
Non-Convertible Debentures / Long Term Bank Facilities / Retail NCD	ICRA AA (Stable)	CARE AA (Stable)	-
Market Linked Debentures	PP-MLD ICRA AA (Stable)	CARE PP-MLD AA (Stable)	
Subordinated Bonds (Tier 11)	ICRA AA (Stable)	CARE AA (Stable)	
Commercial Paper	-	CARE A1+	CRISIL A1+
Fund Based Short Term (Inter Corporate Deposit)	-	CARE A1+	-

Details relating to these Credit Ratings are also available on the website of the Company.

M. Plant Locations

As the Company is engaged in the business of housing finance/ financial services, there is no plant location.

N. Transfer of Unpaid / Unclaimed Dividend and Shares to Investor Education and Protection Fund

Pursuant to the provisions of Sections 124, 125 and other applicable provisions, if any, of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (hereinafter referred to as 'IEPF Rules'), the amount of dividend remaining unpaid/unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund ('the IEPF').

In terms of the CIRP initiated by the RBI against e-DHFL and the subsequent order of NCLT, a Moratorium was imposed on e-DHFL in terms of the provisions of IBC, w.e.f. from December 3, 2019.

On account of Moratorium, alienation of any assets of e-DHFL was prohibited until the completion of the insolvency process. Consequently, the Administrator decided that the amount lying in the bank accounts of e-DHFL (including unclaimed dividend accounts) shall not be alienated or transferred in any manner, and that any such alienation/transfer, while Moratorium is in force, would result in violation of Section 14 of the Code. Further, all bank accounts of e-DHFL, including unclaimed dividend accounts, were frozen for any debit transactions.

The implementation of the insolvency resolution plan, as approved by the NCLT, was completed on September 30, 2021, subsequent to which the Company was able to take practical steps to reactivate the relevant unclaimed dividend accounts.

During the financial year under review all the relevant unclaimed dividend accounts were reactivated in the month of March 2022 and April 2022 after following the due process and the Company (in coordination with Registrar and Transfer Agents and Banks) and transferred unclaimed/unpaid dividends to the IEPF account as per details given below:

Financial Year	Total Amount (in Rs.)	Date of Transfer to IEPF
2012-2013 (Interim Dividend)	5,75,692.00	20/08/2022
2012-2013 (Final Dividend)	7,57,422.00	25/08/2022
2013-2014 (Interim Dividend)	17,58,243.00	24/08/2022
2013-2014 (Final Dividend)	12,46,115.00	25/08/2022
2014-2015 (Interim Dividend)	11,55,008.00	20.08.2022
2014-2015 (Final Dividend)	6,33,442.00	14.09.2022
2015-2016 (Interim Dividend)	20,14,626.00	05.12.2022

9. SUBSIDIARY COMPANIES

The subsidiaries of the Company function independently, with an adequately empowered Board of Directors.

Policy for Material Subsidiaries

A Policy for determining Material Subsidiaries has been formulated in compliance with the requirements of Regulation 16 of the Listing Regulations. This Policy has been uploaded on the website of the Company and can be accessed at https://www.piramalfinance.com/stakeholders/policies

10. CODE OF CONDUCT

The Board has laid down a Code of Conduct and Ethics for the Board Members and Senior Management Personnel of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for financial year 2022-23. Requisite declaration signed by Mr. Jairam Sridharan to this effect is given below:

"I hereby confirm that the Company has obtained from all the Members of the Board and Senior Management Personnel, affirmation that they have complied with the Code of Conduct and Ethics for Directors and Senior Management of the Company in respect of the financial year 2022-23."

Jairam Sridharan
Executive Director
Mumbai

Copies of the aforementioned Code have been put on the Company's website and can be accessed at https://www.piramalfinance.com/stakeholders/policies

11. CODE FOR PREVENTION OF INSIDER TRADING

The Company has adopted the revised Code of Conduct to regulate, monitor and report trading by designated persons in securities of the Company and code of practices and procedures for fair disclosures of unpublished price sensitive information in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

12. CERTIFICATE ON CORPORATE GOVERNANCE

The certificate issued by M/s. N. L. Bhatia & Associates, Practising Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under Listing Regulations, is attached to the Board's Report forming part of the Annual Report.

Walker Chandiok & Co LLP
Chartered Accountants
11th Floor, Tower Ii, One International Center
S B Marg, Prabhadevi (W)
Mumbai - 400 013

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon, Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park, Lower Parel
Mumbai - 400 013

Independent Auditor's Report

To the Members of Piramal Capital & Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **Piramal Capital & Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited)** ('the Company'), which comprise the Balance Sheet as at **31 March 2023**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter – Business Combination

4. We draw attention to Note 39B to the accompanying standalone financial statements with respect to approval of the resolution plan submitted by the erstwhile Piramal Capital & Housing Finance Limited ('ePCHFL') in respect of the Corporate Insolvency Resolution Process of Dewan Housing Finance Corporation Limited ("DHFL") under Section 31 of the Insolvency and Bankruptcy Code, 2016, consequent to which ePCHFL had merged into DHFL with effect from 30 September 2021 (hereinafter referred to as 'the business combination'). As is more fully described in the aforesaid note, the aforesaid business combination had been given effect in the accompanying Statement for the year ended 31 March 2022 in line with the accounting principles prescribed for reverse acquisition business combinations under Ind AS 103, Business Combinations, and other applicable Indian Accounting Standards, except to the extent effect given in accordance with the accounting treatment prescribed in the resolution plan approved by the National Company Law Tribunal vide their order dated 7 June 2021. Based on the opinion of legal and tax experts, the Company had not recognized certain deferred tax assets and had recognized a provision against contingent tax liabilities pertaining to income tax

obligation of DHFL for the year ended 31 March 2020 and 31 March 2021, while determining the fair value of assets and liabilities acquired by way of the business combination. As explained in Note 39B to the accompanying standalone financial statements during the year ended 31 March 2023, the Company received assessment order from Income Tax Department completing the assessment proceedings u/s 143(3) of the Income Tax Act, 1961 for the financial year ended 31 March 2021 wherein Company's submissions relating to uncertain tax position of DHFL were accepted by the assessing officer. Further, in view of the management, the tax assessment for the financial year ended 31 March 2020 is time barred. Accordingly, as disclosed in the said Note 32, the Company has reversed the contingent tax provision of Rs. 3,32,754 lakhs in the current year and disclosed the same as "Reversal of Tax Provision – Earlier Years" in the standalone financial statement.

Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Expected Credit Loss allowance on financial assets Refer note 2.(iv) for significant accounting policy and note 44.4 for financial disclosures in the accompanying financial statements As at 31 March 2023, the Company has reported gross loan assets of Rs. 4,715,148 lakhs against which an impairment loss allowance of Rs. 720,488 lakhs has been recognised based on the Expected Credit Loss ("ECL") approach as laid down under 'Ind AS 109 – Financial Instruments' (Ind AS 109). The estimation of ECL on financial assets is complex and involves significant management judgement and estimates, including the following: • Models used to estimate ECL are inherently judgmental with high estimation uncertainty which involves determining Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). • Completeness and accuracy of the data from internal and external sources used in the models.	Our audit focused on assessing the appropriateness of the models used including management's judgment and estimates used in the expected credit loss assessment through procedures that included, but were not limited to the following: • Considered the Company's accounting policies for expected credit loss of financial assets and assessed compliance of the policies in terms of Ind AS 109. • Understood management's processes, systems and controls implemented in relation to ECL allowance process. Evaluated the design and tested the operating effectiveness of key internal financial controls over such process. • Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on external data, we assessed whether the same were relevant and representative of current circumstances.

Key audit matter	How our audit addressed the key audit matter
• Ind AS 109 requires the Company to measure ECLs on a forward-looking basis reflecting future economic conditions. Significant management judgement is applied in determining the economic scenario used. • Qualitative adjustments are made by the Management to the results obtained from ECL models to address any identified impairment or emerging trends as well as risks not captured by models. These adjustments are inherently subjective and significant management judgement is involved in estimating these amounts. • In respect of purchased or originated credit impaired financial assets, cumulative changes, at the portfolio level, in lifetime expected credit losses since initial recognition are recognised as a loss allowance. Significant management judgement is applied to assess such changes. The disclosures prescribed under Ind AS 107 and RBI directives is also an area of focus for the management and auditors. Considering the significance of ECL to the overall financial statements and the degree of management's estimates and judgments involved in this matter that requires significant auditor attention, we have considered expected credit loss allowance on financial assets to be a key audit matter.	• Assessed the critical assumptions and input data used in the estimation of expected credit loss for specific key credit risk parameters, such as the classification of loan assets into stages as described in the accounting policy, Exposure at default (EAD), probability of default (PD) or loss given default (LGD); • On sample basis tested the completeness and accuracy of the input data used for calculation of ECL by applying the PD and LGD rates and agreed the data with the underlying books of accounts and records; • Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant accounting standards and confirmed that the calculations are performed in accordance with the approved methodology, including mathematical accuracy of the workings. • Assessed the appropriateness and adequacy of the related presentation and disclosures made in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and guidelines.
Information Technology (IT) systems and controls impacting financial reporting The IT environment of the Company is complex and involves a number of independent and interdependent IT systems used in the operations of the Company for processing and recording a large volume of transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Company.	Our audit procedures with respect to this matter included, but were not limited to the following: In assessing the controls over the IT systems of the Company, we involved our technology specialists to obtain an understanding of the IT environment, IT infrastructure and IT systems. We evaluated and tested relevant IT general controls and IT application controls of the "in-scope" IT systems identified as relevant for our audit of the standalone financial statements and financial reporting process of the Company.

Key audit matter	How our audit addressed the key audit matter
Appropriate IT general controls and IT application controls are required to ensure that such IT systems are able to process the data as required, completely, accurately, and consistently for reliable financial reporting. We have identified certain key IT systems ("in-scope" IT systems) which have an impact on the financial reporting process and the related control testing as a key audit matter because of the high level of automation, significant number of systems being used by the Company for processing financial transactions, the complexity of the IT architecture and its impact on the financial records and financial reporting process of the Company.	On such "in-scope" IT systems, we have tested key IT general controls with respect to the following domains: a. Program change management, which includes that program changes are moved to production environment as per defined procedures and relevant segregation of environment is ensured. b. User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating system and databases in the production environment were granted only to authorized personnel. c. Other areas that were assessed under the IT control environment included backup management, interface, batch processing and monitoring. We also evaluated the design and tested the operating effectiveness of key IT application controls within key business processes, which included testing automated calculations, automated accounting procedures, system interfaces, system reconciliation controls and key system generated reports, as applicable. Where control deficiencies were identified, we tested compensating controls or performed alternative audit procedures, where necessary.
Principal Business Criteria and Impairment Assessment of Goodwill Refer note 2.(xviii) for the accounting policy and note 49 for the disclosures in the accompanying financial statements As disclosed in note 39A, the Company had recognized Rs. 1,025,681 lakhs as Goodwill arising from the merger of erstwhile Piramal Housing Finance Limited with Piramal Finance Limited and Piramal Capital Limited on 31 March 2018 in line with the scheme of arrangement approved by the NCLT. Further, the Company has impaired Goodwill amounting to Rs. 1,025,681 lakhs in the current financial year as mentioned in note 49.	Our audit procedures on impairment assessment of Goodwill and compliance with Principal Business Criteria included, but were not limited to, the following: • Assessed the management's identification of CGU, the allocation of assets and the methodology adopted by the management in its impairment assessment of Goodwill with reference to the requirements of the prevailing accounting standards;

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co LLP MUMBAI Chartered Accountants

Key audit matter	How our audit addressed the key audit matter
As per the requirements of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ('RBI Directions') a Housing Finance Company ('HFC') is required to comply with the Principal Business Criteria ('PBC') to be eligible to continue to hold the Housing Finance Company license. In order to meet the PBC, the Company has adopted a revised business strategy to reduce the Assets under Management ('AUM') in the wholesale lending business, acquired as above, as further described in Note 49. In accordance with the requirements of Ind AS 36 Impairment of Assets, the Company tests Goodwill allocated to various cash generating units (CGUs) for impairment annually, or more frequently when there is an indication that the Goodwill may be impaired. In performing such impairment assessment, management compared the carrying value of the separately identifiable CGU with the respective value in use based on discounted cash flow forecast to determine if any impairment loss should be recognised. The management of the Company has used an external valuation specialist in assessing the recoverable amount of the cash generating unit as aforesaid. The preparation of discounted cashflow forecasts for the purpose of assessing impairment of Goodwill involves estimating future cash flows, growth rates and discount rates considering the impact of revision in business strategy to maintain PBC criteria which are judgmental and inherently uncertain. Given the complexity and judgement involved in assessment of impairment of Goodwill made by the Company and the criticality of meeting the PBC for a HFC, these matters have been considered of most significance and hence, the same has been considered as key audit matter. The above matter is also considered to be fundamental to the understanding of the users of the financial statements.	• Evaluated the assumptions adopted in the preparation of the cash flow forecasts for the purpose of the impairment assessment of the Goodwill, including projected future growth rates for income and expenses. Further, ensured such forecasts are consistent with the business plans approved by the Board of Directors; • Obtained the revised business strategy of the Company approved by the Board of Directors in order to achieve the PBC threshold as stated in the RBI Directions. Compared this with actual reduction in AUM of wholesale lending business and increase in retail housing business to evaluate management's assessment of meeting such criteria within the time period allowed by RBI; • Obtained and reviewed the external valuation reports, considered by the Company for its impairment assessment and assessed the competence, capabilities and objectivity of the experts engaged; • Involved our valuation specialists to assess the appropriateness of the valuation methodology used for calculation of the recoverable value in the valuation report obtained by the management. • Assessed the impact of changes in the key assumptions, i.e., growth rates and the discount rates, adopted in the discounted cash flow forecasts on the conclusions reached in the impairment assessments and assessed whether there were any indicators of the management bias in the selection of these assumptions; • Tested the arithmetical accuracy of the computation of recoverable amounts of cash generating units; • Evaluated the adequacy of financial statement disclosures, including disclosures of key assumptions and judgements in accordance with applicable accounting standards.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co LLP MUMBAI Chartered Accountants

Information other than the Financial Statements and Auditor's Report thereon

7. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 financial statements.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co LLP MUMBAI Chartered Accountants

12. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

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

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

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

14. 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.

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

Other Matter

16. The audit of the standalone financial statements of the Company for the year ended 31 March 2022-was carried out and reported jointly by K. K. Mankeshwar & Co. and Walker Chandiok & Co LLP, who have expressed an unmodified opinion vide audit report dated 26 May 2022 which has been furnished to T R Chadha & Co LLP, the incoming joint statutory auditor of the Company and has been relied upon by them for the purpose of their joint audit of the standalone financial statements.

    Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

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

19. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) The standalone financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines'), note 39B to the extent effect given in accordance with the accounting treatment prescribed in the resolution plan approved by the National Company Law Tribunal vide their order dated 7 June 2021 as is more fully described in the said Note;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and

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

i. The Company, as detailed in note 36(a) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023;

ii. The Company, as detailed in note 45 to the standalone financial statements, has made provision as at 31 March 2023, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. The following delays were noted in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023

Amount (₹ in Lakhs)	Due date	Date of payment
5.75	28 December 2019	19 August 2022
7.57	28 September 2020	23 August 2022
17.58	28 March 2021	23 August 2022
12.46	29 September 2021	23 August 2022
11.55	27 December 2021	19 August 2022

Refer Note 17 for reasons of delay in transferring the above amounts.

iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 51(vii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 51(viii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co LLP MUMBAI Chartered Accountants

Walker Chandiok & Co LLP **Chartered Accountants** **11th Floor, Tower II, One International Center** **S B Marg, Prabhadevi (W)** **Mumbai - 400 013**	**T R Chadha & Co LLP** **Chartered Accountants** **502, Marathon Icon, Off. Ganpatrao Kadam Marg** **Opp. Peninsula Corporate Park, Lower Parel** **Mumbai - 400 013**

v. The Company has not declared or paid any dividend during the year ended 31 March 2023.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP** Chartered Accountants Firm's Registration No:001076N/N500013	For **T R Chadha & Co LLP** Chartered Accountants Firm's Registration No:006711N/N500028
Rakesh Rathi Partner Membership No:045228	**Hitesh Garg** Partner Membership No:502955
UDIN:23045228BGYRWS6401	**UDIN:23502955BGQPWH8087**
Place: Mumbai Date: 05 May 2023	Place: Mumbai Date: 05 May 2023

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co LLP MUMBAI Chartered Accountants

Walker Chandiok & Co LLP
Chartered Accountants
11th Floor, Tower II, One international Center
S B Marg, Prabhadevi (W)
Mumbai - 400 013

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon, Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park, Lower Parel
Mumbai - 400 013

Annexure A referred to in Paragraph 18 of the Independent Auditor's Report of even date to the members of Piramal Capital & Housing Finance Limited on the standalone financial statements for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

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

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

(b) The property, plant and equipment and right of use assets, have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 11 to the standalone financial statements are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment including Right of Use assets or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in note 14 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of Rs. 5 crore by banks and financial institutions based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and/or financial institutions and such statements are in agreement with the books of account of the Company for the respective periods, which were subject to audit/review.

(iii) (a) The Company is a Housing Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.

(b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

TR Chadha & Co ★ MUMBAI ★ Chartered Accountants

Annexure A (Contd)

('c) The Company is a Housing Finance Company ('HFC'), registered under provisions of the National Housing Bank Act, 1987 and rules made thereunder and is regulated by various regulations, circulars and norms issued by the Reserve Bank of India including Master Circular – Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances. In respect of loans and advances in the nature of loans granted by the Company, we report that the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular except for instances as below:

Particulars – Days past due	Total amount due (INR in Lakhs)	No. of Cases
1-29 days	159,885	79,935
30-59 days	60,347	23,084
60-89 days	99,974	11,193
90 or more days	163,512	24,195
Purchased or Originated Credit Impaired	98,268	37,324
Total	**581,986**	**175,731**

Above figures are net of Fair Value adjustments on account of business combination (refer note no. 39B to the financial statements). Further, the above table does not include loans which are classified as fair value through profit or loss.

(d) According to the information and explanations given to us, the total amount which is overdue for more than 90 days in respect of loans and advances in the nature of loans given in course of the business operations of the Company aggregates to Rs 163,512 lakhs as at 31 March 2023 in respect of 24,195 number of loans. Further, reasonable steps as per the policies and procedures of the Company have been taken for recovery of such principal and interest amounts overdue.

('e) The Company is a Housing Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.

(iv) The Company is a Housing Finance Company and engaged in the business of financing. Accordingly, the provision of Section 185 is not applicable to the Company. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 186(1) of the Act in respect of loans and investments made. The other provisions of Section 186 are not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

Annexure A (Contd)

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/ services/ business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in Lakhs)	Amount paid under Protest (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
The Income Tax Act, 1961	Income tax	24	-	Assessment year 2014-15	Income Tax Appellate Tribunal	-
The Income Tax Act, 1961	Income tax	3,968	-	Assessment year 2017-18	Assessing Officer	-
The Income Tax Act, 1961	Income tax	6,747	-	Assessment year 2018-19	Commissioner of Income Tax (Appeal)	-
The Income Tax Act, 1961	TDS	5,534	435	Assessment year 2017-18	Commissioner of Income Tax (Appeal)	-
The Income Tax Act, 1961	TDS	511	40	Assessment year 2018-19	Commissioner of Income Tax (Appeal)	-
The Income Tax Act, 1961	TDS	510	40	Assessment year 2019-20	Commissioner of Income Tax (Appeal)	-

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co LLP MUMBAI Chartered Accountants

Annexure A (Contd)

Name of the statute	Nature of dues	Gross Amount (₹ in Lakhs)	Amount paid under Protest (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
The Income Tax Act, 1961	TDS	1,268	100	Assessment year 2020-21	Commissioner of Income Tax (Appeal)	-
The Income Tax Act, 1961	Income tax	2,735	-	Assessment year 2020-21	Commissioner of Income Tax (Appeal)	-
The Income Tax Act, 1961	Income tax	5,004	-	Assessment year 2022-23	Rectification request filed with CPC	-
The Income Tax Act, 1961	Disallowances of expenses & exemptions availed	726	-	Assessment year 2017-18	Income Tax Appellate Tribunal	-
The Income Tax Act, 1961	Disallowances of expenses & exemptions availed	1,238	-	Assessment year 2021-22	Bombay High court	-
Goods and Service Tax Act, 2017	Variation in RCM Liability and Input Tax Credit	21	-	Financial Year 2017-18	Adjudicating Officer	-

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of account.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

Annexure A (Contd)

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained, though idle funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint venture or associate company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT- 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

<u>Annexure A (Contd)</u>

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is a Housing Finance Company having a valid Certificate of Registration under Section 29A of the NHB Act, 1987 and is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 in terms of exemption granted under Master Direction - Exemptions from the provisions of RBI Act, 1934 dated 25 August 2016 (as amended). Accordingly, reporting under clause 3(xvi) (a) and (b) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has only one CIC as part of the Group.

(xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

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

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co LLP MUMBAI Chartered Accountants

Walker Chandiok & Co LLP **Chartered Accountants** **11th Floor, Tower II, One International Center** **S B Marg, Prabhadevi (W)** **Mumbai - 400 013**	**T R Chadha & Co LLP** **Chartered Accountants** **502, Marathon Icon, Off. Ganpatrao Kadam Marg** **Opp. Peninsula Corporate Park, Lower Parel** **Mumbai - 400 013**

Annexure A (Contd)

(xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

Rakesh Rathi
Partner
Membership No:045228

UDIN:23045228BGYRWS6401

Place: Mumbai
Date: 05 May 2023

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

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

Hitesh Garg
Partner
Membership No:502955

UDIN:23502955BGQPWH8087

Place: Mumbai
Date: 05 May 2023

TR Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Walker Chandiok & Co LLP
Chartered Accountants
11th Floor, Tower II, One International Center
S B Marg, Prabhadevi (W)
Mumbai - 400 013

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon, Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park, Lower Parel
Mumbai - 400 013

Annexure B to the Independent Auditor's Report of even date to the members of Piramal Capital & Housing Finance Limited (formerly Dewan Housing Finance Corporation Limited) on the standalone financial statements for the year ended 31 March 2023

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of **Piramal Capital & Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited)** ('the Company') as at and for the year ended **31 March 2023**, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI Chartered Accountants

Annexure B (Contd)

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

Rakesh Rathi
Partner
Membership No:045228

UDIN:23045228BGYRWS6401

Place: Mumbai
Date: 05 May 2023

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

Hitesh Garg
Partner
Membership No:502955

UDIN:23502955BGQPWH8087

Place: Mumbai
Date: 05 May 2023

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Standalone Balance Sheet
as at March 31, 2023

(Currency : Rs in lakhs)

		Note	As at March 31, 2023	As at March 31, 2022
	ASSETS			
1	**Financial assets:**			
(a)	Cash and cash equivalents	3	191,533	461,860
(b)	Bank balances other than (a) above	4	68,145	54,038
(c)	Derivative financial instruments	45	9,811	2,749
(d)	Loans	5	4,183,582	4,756,018
(e)	Investments	6	1,317,495	1,391,395
(f)	Other financial assets	7	84,773	112,535
2	**Non- financial assets:**			
(a)	Current tax assets (net)	8	72,393	62,106
(b)	Deferred tax assets (net)	9	142,427	-
(c)	Property, Plant and Equipment	11	32,307	38,517
(d)	Right-of-use assets	11	23,945	12,171
(e)	Intangible assets under development	11	353	1,217
(f)	Goodwill	11	-	1,025,681
(g)	Other intangible assets	11	11,648	5,678
(h)	Other non-financial assets	10	36,385	46,255
	Total Assets		**6,174,797**	7,970,220
	LIABILITIES AND EQUITY			
	Liabilities			
1	**Financial liabilities:**			
(a)	Payables			
	Trade payables			
	(i) Total outstanding dues of micro and small enterprises	12	243	134
	(ii) Total outstanding dues of creditors other than micro and small enterprises	12	28,764	51,875
(b)	Debt securities	13	2,552,399	2,871,266
(c)	Borrowings (other than debt securities)	14	1,464,478	1,491,055
(d)	Deposits	15	31,552	266,600
(e)	Subordinated debt liabilities	16	12,688	12,660
(f)	Other financial liabilities	17	166,502	89,925
2	**Non- financial liabilities:**			
(a)	Current tax liabilities (net)	18	59,208	340,889
(b)	Provisions	19	6,099	10,200
(c)	Deferred tax liabilities (net)	9	-	60,746
(d)	Other non- financial liabilities	20	362,877	548,949
	Equity			
(a)	Equity share capital	21	2,136,469	2,136,469
(b)	Other equity	22	(646,482)	89,452
	Total Liabilities and Equity		**6,174,797**	7,970,220

Significant accounting policies — *2*

The notes referred to above forms an integral part of the financial statements.

As per our report of even date attached.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh Rathi
Partner
Membership No: 045228

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

Hitesh Garg
Partner
Membership No: 502955

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

Jairam Sridharan
Managing Director
DIN: 05165390

Ajay Piramal
Chairman
DIN: 00028116

Vikash Singhla
Chief Financial Officer

Bipin Singh
Company Secretary

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Mumbai, May 5, 2023

External Public

Piramal Capital & Housing Finance Limited

(formerly known as Dewan Housing Finance Corporation Limited)

Standalone Statement of Profit and Loss

For the year ended March 31, 2023

(Currency : Rs in lakhs)

	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations			
Interest income	*23*	632,243	590,332
Rental income		118	118
Fees and commission income	*24*	26,817	13,411
Total Revenue from operations		**659,178**	603,861
Other income	*25*	5,851	6,611
Total Income		**665,029**	610,472
Expenses			
Finance costs	*26*	345,333	333,224
Fees and commission expenses	*27*	2,988	1,645
Net loss on fair value changes	*28*	77,211	41,808
Net loss on derecognition of financial instruments under amortised cost category	*29(a)*	326,553	2,206
Impairment on financial instruments	*29(b)*	(15,928)	62,725
Employee benefits expenses	*30*	56,104	29,469
Depreciation, amortisation and impairment	*11*	9,497	5,236
Other expenses	*31*	118,202	48,489
Total Expenses		**919,960**	524,802
Profit/(Loss) before exceptional items and tax		(254,931)	85,670
Less: Exceptional items			
Impairment of Goodwill	*49*	1,025,681	-
Transaction Cost on Merger	*39B*	-	14,272
Profit/(Loss) before tax		**(1,280,612)**	**71,398**
Less: Tax Expenses	*32*		
Current tax		-	56,325
Reversal of tax provisions – Earlier years		(332,754)	-
Deferred tax		(205,375)	(37,502)
		(538,129)	18,823
Profit/(Loss) for the year		**(742,483)**	52,575
Other comprehensive income			
Items that will not be reclassified to Statement of profit or loss			
Remeasurement of the defined benefit plan		130	47
Equity Instruments Measure through OCI		8,981	-
Income tax relating to items that will not be reclassified to Statement of profit or loss		(2,293)	(12)
Items that will be reclassified to Statement of profit or loss			
Remeasurement gain/(loss) on hedge accounting		1,343	1,299
Debt Instruments Measure through OCI		(1,705)	-
Income tax relating to items that will be reclassified to Statement of profit or loss		91	(327)
Net other comprehensive income		**6,547**	1,007
Total comprehensive income for the year		**(735,936)**	53,582
Earnings per equity share (Basic and Diluted) (Rs.)	*33*	**(3.48)**	0.25
Significant accounting policies	*2*		

The notes referred to above forms an integral part of the financial statements.

As per our report of even date attached.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh Rathi
Partner
Membership No: 045228

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

Hitesh Garg
Partner
Membership No: 502955

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

Jairam Sridharan
Managing Director
DIN: 05165390

Ajay Piramal
Chairman
DIN: 00028116

Vikash Singhla
Chief Financial Officer

Bipin Singh
Company Secretary

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI Chartered Accountants

Mumbai, May 5, 2023

External Public

Piramal Capital & Housing Finance Limited

(formerly known as Dewan Housing Finance Corporation Limited)

Standalone Cash Flow Statement

For the year ended March 31, 2023

(Currency : Rs in lakhs)

		For the year ended March 31, 2023	For the year ended March 31, 2022
A.	**Cash flow from operating activities**		
	Profit / (loss) before tax	**(1,280,612)**	71,398
	Gain on Sale of Investments	(8,374)	(8,220)
	Interest income from fixed deposits	(4,837)	(251)
	Provision for Doubtful Advances	13,399	-
	Goodwill written off	1,025,681	-
	(Gain)/Loss on fair valuation	85,585	50,029
	Allowance for expected credit loss on loans and loan commitments	(15,928)	62,725
	Interest on lease payment	1,972	523
	Finance Cost	345,333	333,224
	Change in provision for gratuity and compensated absence	517	416
	Loss on derecognition of financial assets/Liabilities	326,553	2,206
	Gain on sale of fixed assets	(262)	-
	Depreciation and amortisation	9,497	5,235
	Operating cash flow before working capital changes	**498,524**	**517,285**
	Decrease / (Increase) in Loans	159,381	376,503
	Decrease / (Increase) in Investments	(256,111)	(58,418)
	Decrease / (Increase) in other financials assets	27,762	67,189
	Decrease / (Increase) in other Non financials assets	(3,529)	(4,440)
	Increase / (Decrease) in Trade Payables	(3,002)	11,123
	Increase / (Decrease) in Provisions	130	(2,799)
	Increase / (Decrease) in other financials liabilities	63,685	4,725
	Increase / (Decrease) in other non financials liabilities	6,978	(971)
	Cash (used in)/from operations	**493,818**	**910,197**
	Less: Income taxes (paid) / refund	40,787	(41,693)
	Net cash (used in)/from operating activities (a)	**534,605**	**868,504**
B	**Cash flow from investing activities**		
	Purchase of Fixed assets	(14,475)	(4,597)
	Sale proceeds from Fixed assets	11,540	-
	Investments/Additional investment in Subsidiaries	(9,613)	-
	Payment of consideration for business acquisition (refer below note)	-	(191,847)
	Investments in mutual funds	(5,244,200)	(1,015,500)
	Redemptions from mutual funds	5,385,714	1,081,659
	Interest income from fixed deposits	4,837	1,002
	Investment in fixed deposits	(104,208)	(338,643)
	Redemption from fixed deposits	90,025	435,422
	Net cash (used in)/ from investing activities (b)	**119,620**	**(32,504)**
C	**Cash flow from financing activities**		
	Payment of Lease Liability	(5,972)	(2,882)
	Borrowings taken during the year	810,925	891,899
	Borrowings repaid during the year	(1,729,505)	(1,727,983)
	Net cash (used in)/from financing activities (c)	**(924,552)**	**(838,966)**
	Net (decrease) in cash and cash equivalents (a+b+c)	**(270,327)**	**(2,966)**

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Standalone Cash Flow Statement

For the year ended March 31, 2023

(Currency : Rs in lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash and cash equivalents as at beginning of the year	**461,860**	355,901
Add: Cash and cash equivalent transferred under Scheme of merger	-	108,924
Cash and cash equivalents as at end of the year	**191,533**	461,860
Cash and Cash Equivalents Comprise of:		
Cash on hand	-	574
Balances with banks in current accounts	191,533	186,819
Fixed deposits (with original maturity less than 3 months)	-	274,467
	191,533	461,860

The standalone cash flow statement has been prepared under the 'Indirect Method' set out in Indian Accounting Standard-7, "Statement of cash flow"

Note: During the previous year, the Company has paid Rs.1,471,747 lakhs in cash of which Rs.1,280,000 lakhs paid out of acquired cash and has issued Rs.1,953,252 lakhs of NCD as part of resolution plan approved by NCLT dated June 7, 2021. (Refer note 39B)

The notes referred to above forms an integral part of the financial statements.

As per our report of even date attached.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh Rathi
Partner
Membership No: 045228

Mumbai, May 5, 2023

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

Hitesh Garg
Partner
Membership No: 502955

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

Jairam Sridharan
Managing Director
DIN: 05165390

Ajay Piramal
Chairman
DIN: 00028116

Vikash Singhla
Chief Financial Officer

Bipin Singh
Company Secretary

External Public

Piramal Capital & Housing Finance Limited

(formerly known as Dewan Housing Finance Corporation Limited)

Standalone Statement of changes in equity

For the year ended March 31, 2023

(Currency : Rs in lakhs)

A. Equity Share Capital:

Particulars	Amount
Balance as at March 31, 2021	**1,928,372**
Less: Cancellation of shares upon business combination (Refer Note 39B)	(1,928,372)
Add: Issue of shares pursuant to business combination (Refer Note 39B)	2,136,469
Balance as at March 31, 2022	**2,136,469**
Add: Issues during the year	-
Balance as at March 31, 2023	**2,136,469**

B. Other Equity:

Particulars	Reserves and Surplus					Other Comprehensive Income			Total
	Amalgamation Adjustment Reserve	Statutory Reserve	Capital Reserve	Securities Premium	Retained Earnings	Debt Instruments Measured through OCI	Equity Instruments Measured through OCI	Cash flow hedging reserve	
Balance as at March 31, 2021	-	50,150	3	16,080	155,655	-	-	(1,596)	220,292
Add/(Less): Transfer during the year	-	10,515	-	-	-	-	-	972	11,487
Add: Profit during the year	-	-	-	-	52,574	-	-	-	52,574
Less: Other Comprehensive Income (net of tax)	-	-	-	-	35	-	-	-	35
Less: Transfer to statutory reserve fund	-	-	-	-	(10,515)	-	-	-	(10,515)
Add: Transfer on account of reverse merger (Refer Note 39B)	(398,370)	183,899	17,263	220,885	-	-	-	-	23,676
Less: Transfer to Share Capital on account of reverse merger (Refer Note 39B)	-	-	(3)	(16,080)	(192,015)	-	-	-	(208,098)
Balance as at March 31, 2022	**(398,370)**	**244,564**	**17,263**	**220,885**	**5,734**	**-**	**-**	**(624)**	**89,452**
Add/(Less): Transfer during the year	-	-	-	-	-	(1,276)	6,720	1,005	6,449
Add: Profit during the year	-	-	-	-	(742,483)	-	-	-	(742,483)
Add: Other comprehensive income (net of tax)	-	-	-	-	100	-	-	-	100
Balance as at March 31, 2023	**(398,370)**	**244,564**	**17,263**	**220,885**	**(736,649)**	**(1,276)**	**6,720**	**381**	**(646,482)**

The notes referred to above forms an integral part of the financial statements.

As per our report of even date attached.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh Rathi
Partner
Membership No: 045228

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

Hitesh Garg
Partner
Membership No: 502955

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

Jairam Sridharan
Managing Director
DIN: 05165390

Ajay Piramal
Chairman
DIN: 00028116

Vikash Singhla
Chief Financial Officer

Bipin Singh
Company Secretary

Mumbai, May 5, 2023

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

1A. GENERAL INFORMATION

Piramal Capital & Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited) (the Company) was incorporated in India on April 11, 1984 and has been carrying on, as its main business of providing loans to customers for construction or purchase of residential property, loans against property, loans to real estate developers, loans to SMEs, etc. The company is registered with National Housing Bank (NHB) under Section 29A of the National Housing Bank Act, 1987. The registered office of the Company is in Unit No.601, 6th Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, Opp. Fire Station, LBS Marg, Kurla West, Mumbai City, 400070.

Also, refer to note 39B with respect to business combination pursuant to Resolution Plan and order passed by Hon'ble National Company Law Tribunal ("NCLT"). From the implementation date i.e. September 30, 2021, as specified in the NCLT order, along with other developments as explained below, the Company became the wholly-owned subsidiary of Piramal Enterprises Limited.

These standalone financial statements issued under the name of Piramal Capital & Housing Finance Limited represent the continuation of the financials of erstwhile Piramal Capital & Housing Finance Limited (ePCHFL)(accounting acquirer), as more fully explained in the note 39B.

The Company is a public limited company and its debts are listed on the Bombay Stock Exchange (BSE India) and the National Stock Exchange (NSE), India.

The standalone financial statements were authorised by the Board of Directors for issue in accordance with resolutions passed on May 5, 2023.

1B. Basis of Preparation

i) Statement of compliance and basis of preparation and presentation of standalone financial statements

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 ('the Act') read with note 39B to the extent effect given in accordance with the accounting treatment prescribed in the resolution plan approved by the National Company Law Tribunal vide their order dated June 7, 2021 as is more fully described in the said note. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The standalone financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter ("Ind AS") on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained below and accounting for business combination carried out by the Company during the year (as more fully explained in note 39B), the relevant provisions of the Companies Act, 2013 (the "Act") and the guidelines and directives issued by the Reserve Bank of India (RBI) and National Housing Bank ("NHB") to the extent applicable.

The standalone Balance Sheet, the standalone Statement of Profit and Loss and the standalone statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 (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 Balance Sheet, Statement of Profit and Loss, Statement of Cash Flow, Statement of Changes in Equity, summary of the significant accounting policies and other explanatory information are together referred as the financial statements of the Company.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
All amounts included in the standalone financial statements are reported in lakhs of Indian rupees (Rs. in lakhs) except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

ii) Basis of Accounting

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period and accounting for business combination carried out by the Company during the year (as more fully explained in note 39B). The standalone financial statements are prepared and presented on going concern basis.

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

(Currency : Rs in lakhs)

iii) Use of Estimates and Judgements

The preparation of the standalone 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 standalone 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 standalone 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.

Following areas entail a high degree of estimate and judgement or complexity in determining the carrying amount of certain assets and liabilities.

1. Business Combination - Note 39B
2. Measurement of defined benefit obligations; key actuarial assumptions – Note 41
3. Fair Valuation of financial assets and liabilities - Note 42
4. Impairment of financial assets – Note 44
5. Impairment of Goodwill – Note 49
6. Income tax - Note 2(xii)
7. Evaluation of business Model - Note 2 (iv)
8. Provision and Liabilities - Note 2(vii)
9. Useful Life of Property, Plant and Equipment (PPE) and Intangible assets - Note 2 (i)

2. SIGNIFICANT ACCOUNTING POLICIES

i) Property, plant and equipment

All Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any, except for fair valued assets on business combination (Refer note 39B). Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation.
The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
Subsequent expenditures related to an item of Property, Plant and Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets less their residual values specified in Schedule II of the Companies Act, 2013.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Individual Property, Plant and Equipment costing less than Rupees five thousand are depreciated fully in the year of purchase or acquisition.

The estimated useful lives of Property, Plant and Equipment are as stated below:

Building	60 years
Office Equipment	5 years
Furniture and fixtures	10 years
Computers Servers and Network	6 years
Computer - End user device	3 years
Motor Vehicle	8 years (Refer note below)
Leasehold Improvements	Amortised on SLM over lease tenure or 5 years whichever is lower

The Company has determined the remaining useful life of the PPE acquired on date of acquisition, as per Companies Act 2013. The value of PPE acquired is depreciated/amortised over such remaining useful life determined on straight line method basis which best reflects the usage of asset to the accounting acquirer.

For vehicles given to employee as a perquisite and forming the part of their employment, amortisation is done basis the employment agreement which may vary between 3 to 5 years.

(Currency : Rs in lakhs)

ii) Intangible Assets

Intangible assets are stated at acquisition cost except for fair valued assets on business combination (Refer note 39B), net of accumulated amortisation and accumulated impairment losses, if any.
Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss.

Intangible assets not ready for use on the date of Balance Sheet is disclosed as 'Intangible assets under development'.
Intangible Assets other than Goodwill are amortized on a straight line basis over their finite useful lives over the following period:

Computer Software	6 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Individual intangible assets costing less than Rupees five thousand are depreciated fully in the year of purchase or acquisition.
Goodwill on acquisition is included in intangible assets. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.
Goodwill is carried at cost less accumulated impairment losses.

Self generated software
The Company recognises internally generated intangible assets when it is certain that the future economic benefit attributable to the use of such intangible assets are probable to flow to the Company and the expenditure incurred for development of such intangible assets can be measured reliably. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Company. The intangible assets including those internally generated are amortised using the straight line method over a period of five years, which is the Management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate

iii) Impairment of non financial assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

iv) Financial instruments
Recognition and initial measurement
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.
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) 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 profit or loss.

Financial assets
Financial assets that meet the following conditions are subsequently measured at amortised cost:
• the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through Other Comprehensive Income (FVTOCI):
• the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit and loss (FVTPL).

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

iv) Financial instruments *(Continued)*

Debt and other instruments

Subsequent measurement of debt and other instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt and other instruments:

Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding ("SPPI") and the business model test. The Company determines the business model at a level that reflects how the Company's financial instruments are managed together to achieve a business objective.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Effective interest rate method

Income is recognised on an effective interest rate basis for financial assets other than those financial assets classified as at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

– the gross carrying amount of the financial asset; or
– the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired ('POCI') assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset other than purchase or originated credit impaired are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through Interest income in the statement of profit and loss. In respect of purchased or originated credit impaired assets, such positive or negative adjustment to the carrying amount of the asset is reflected through change in lifetime ECL since initial recognition. Favourable changes in lifetime ECL are recognised as an impairment gain, even if the favourable changes are more than the amount, if any, previously recognised in profit or loss account as impairment losses.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

The Company considers only DSA cost while calculating interest income for retail loans by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. Since the processing fees income collected from the customers approximately equates to the corresponding file cost incurred, the same is not considered for EIR computation.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Changes in the fair value of financial assets at FVTPL are recognised in the statement of profit and loss.
Wholesale loan book acquired through business combination is accounted as FVTPL instruments.

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

iv) Financial instruments *(Continued)*

Fair value through Other Comprehensive Income (FVTOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is

reclassified from equity to the statement of profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value measurement

Fair value measurements under Ind AS are categorised into fair value hierarchy 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 measurement in its entirety, which are described as follows:

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

For assets and liabilities that are recognized in the standalone Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of financial assets

The Company applies the expected credit loss ("ECL") model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables and other contractual rights to receive cash or other financial asset.

Wholesale lending:

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. The Company has a dedicated Asset Monitoring team which evaluates asset performance on a continued basis to flag of early warning signals. Probability of default have been adjusted with forward looking inputs from anticipated change in future macro-economic conditions to comply with IndAS 109. The forward looking macro-economic conditions based adjustment is driven through a multi linear regression model which forecasts systemic gross non-performing assets under baseline future economic scenarios. Accordingly, the financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days or OTR cases and Stage 3 – Default Assets with overdue for more than 90 days.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Default assets wherein the management does not expect any realistic prospect of recovery are written off to the Statement of Profit and Loss.

Retail lending:

The Company uses ECL allowance for financial assets measured at amortised cost, which are not individually significant, and comprise of a large number of homogeneous loans that have similar characteristics. The expected credit loss is a product of exposure at default, probability of default and loss given default. Due to lack of 5-year internal PD/LGD data, the Company uses external PD/LGD data from credit bureau agency (TransUnion for Mar-22) for potential credit losses. Further, the estimates from the above sources have been adjusted with forward looking inputs from anticipated change in future macro-economic conditions to comply with IndAS 109. The forward looking macro-economic conditions based adjustment is driven through a multi linear regression model which forecasts systemic gross non-performing assets under baseline future economic scenarios.

Financial liabilities and equity instruments

The financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue for more than thirty days to 90 days or OTR cases and Stage 3 – Default Assets with overdue for more than 90 days.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk (as represented by days past due status of the individual accounts) since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Default assets wherein the management does not expect any realistic prospect of recovery are written off to the Statement of Profit and Loss.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

iv) Financial instruments *(Continued)*

Impairment - POCI Financial Assets

POCI financial assets are assets that are credit-impaired on initial recognition. For POCI assets, lifetime ECL are incorporated into the calculation of the effective interest rate on initial recognition. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognised as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset. A favourable change for such assets create an impairment gain.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.
On derecognition of financial assets in entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, is recognised in the statement of profit and loss.

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery.

Reclassification of financial assets and liabilities

After initial recognition of financial assets and liabilities, no re-classification is made except for financial assets where there is a change in the business model for managing those assets. The Company's management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Sale of Financial assets measured at Amortised Cost

Entity reclassifies financial assets if the entity changes its business model for managing those financial assets. Such changes are expected to be very infrequent. Such changes are determined by the entity's senior management as a result of external or internal changes and must be significant to the entity's operations and demonstrable to external parties. Accordingly, a change in an entity's business model will occur only when an entity either begins or ceases to perform an activity that is significant to its operations;

The Company may occasionally sale portfolio classified under amortised pool for liquidity management, recovery management in case of stressed pool or for any specific regulatory compliance which will not lead to change in business model.
Further, if the sales are infrequent or insignificant in value, the sale of amortised cost pool will also not lead to Change in Business Model.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instrument

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (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 financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

iv) Financial instruments *(Continued)*

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit and loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the Company and the lender of debt and other instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Resulting gain/loss due to subsequently remeasurement of derivatives is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability

Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Embedded foreign currency derivatives

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

- the functional currency of any substantial party to that contract,
- the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,
- a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency)

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss. The Company currently does not have any such derivatives which are not closely related.

Hedge accounting

The Company designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. The Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

iv) Financial instruments *(Continued)*

Hedges that meet the criteria for cash flow hedge accounting are accounted as follows:

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the statement of profit and loss.

The amount recognised in the cash flow hedge reserve is reclassified from OCI to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the statement of profit or loss.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. If the hedged cash flows are no longer expected to occur, then the Company immediately reclassifies the cumulative amount in the hedging reserve from OCI to the statement of profit or loss.

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.

v) Assets held for sale

Assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

vi) Employee Benefits

Employee benefits include provident fund, compensated absences and gratuity. In case of Provident fund, contributions are made to the Regional Provident Fund Office.

Defined Contribution Plans

The Company's contribution to provident fund to the Regional Provident Fund office are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

Defined Benefit Plans

The Company contributes to Defined Benefit Plans comprising of Gratuity and Compensated absences.

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences

Employee Share-based payments

The Holding company has issued stock options to certain employees of the Company. These transactions are recognised as equity-settled share based payment transactions. The stock compensation expense is determined based on fair value of options and the holding company's estimate of options that will eventually vest and is recognised over the vesting period in the statement of profit and loss with corresponding increase in liability payable to holding company as the cost is recovered by the holding company in entirety.

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Piramal Capital & Housing Finance Ltd. ★

vii) Provisions, Contingent Liabilities and Commitments

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of 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). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

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.

viii) Revenue recognition

Interest income from a financial asset (including Lease rental discounting assets) 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 time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Loan processing fees income is accounted for on effective interest basis except for processing fees income collected from the customers which approximates to the corresponding file cost incurred. Arranger fees income is accounted for on accrual basis.

Delayed payment interest (penal interest and the like) levied on customers for delay in repayments/ non payment of contractual cashflows is recognised on realisation.

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of dividend income can be measured reliably).

The gain / loss on account of redemption of units of mutual funds is recognised in the period in which redemption occurs.

ix) Foreign Currency Transactions

In preparing the standalone financial statement, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

x) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as exceptional items.

xi) Leases

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

(Currency : Rs in lakhs)

xii) Taxes on Income

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.
While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position.

xiii) Cash and Cash Equivalents

In the cash flow statement, Cash and cash equivalent comprises cash in hand ,demand deposits and time deposits with original maturity of less than three months held with bank and debit balance in cash credit account. Credit balance in cash credit account are shown within borrowings in financial liabilities in the balance sheet.

xiv) Borrowing Costs

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those fixed assets which necessarily take a substantial period of time to get ready for their intended use) are capitalised.
Borrowing costs include interest expense calculated using the EIR method. EIR includes interest, amortization of ancillary cost, incurred in connection with the borrowing of funds. Other borrowing costs are recognised as an expense in the period in which they are incurred.

xv) Earnings per share

Basic earnings per share
The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

Diluted earnings per share
Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

xvi) Segment accounting

In accordance with Ind AS 108, Segment Reporting, the Chief Executive Officer and Managing Director is the Company's chief operating decision maker ("CODM"). The Company has identified only one reportable business segment as it deals mainly in provision of lending business.

xvii) Securitization and direct assignment

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

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

xviii) Business Combinations and Goodwill

The acquisition method of accounting is used to account for all business combinations except under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any impairment loss for goodwill is recognised in the statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised as capital reserve in other equity.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

xix) Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the Initial recognition exemption of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The definition of a "change in accounting estimates" has been replaced with a definition of "accounting estimates". Accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP
MUMBAI
Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Notes to the Standalone Financial Statements *(Continued)*

as at March 31, 2023

(Currency : Rs in lakhs)

		As at March 31, 2023	As at March 31, 2022
3	**Cash and cash equivalents**		
	Cash on hand*	-	574
	Balances with banks in current accounts	191,533	186,819
	Fixed deposits (with original maturity less than 3 months)	-	274,467
	Total	**191,533**	**461,860**

*Amount below 0.50 lakhs has been considered as 0.

4	**Bank balances other than (a) above**		
	Fixed deposits (with original maturity more than 3 months)	1,259	-
	Earmarked balances with banks*	66,788	53,863
	Unclaimed dividend Accounts	98	175
	Total	**68,145**	**54,038**

*(i) Deposits with banks to the extent of Rs. 66,788 lakhs (March 31, 2022 - Rs.53,863 lakhs) offered as security against the borrowings and guarantees.
(ii) Net of fair valuation loss of Rs. 22,978 lakhs (March 31, 2022 - Rs. 15,007 lakhs) on account of adjustment in cash collateral for securitised pool.

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd.

(Currency: Rs in lakhs)

	5 Loans	**As at March 31, 2023** At amortised cost	At FVTPL	At FVTOCI	Total	**As at March 31, 2022** At amortised cost	At FVTPL	At FVTOCI	Total
	Loans in India - Term Loans								
A	(a) Secured by tangible assets	3,783,273	133,868	-	3,917,141	4,791,241	282,873	-	5,074,114
	(b) Unsecured	950,796	-	-	950,796	436,289	-	-	436,289
	Gross	4,734,069	133,868	-	4,867,937	5,227,530	282,873	-	5,510,403
	Less : Allowance for impairment loss (expected credit loss allowance)	(684,355)	-	-	(684,355)	(754,385)	-	-	(754,385)
	Total	**4,049,714**	**133,868**	-	**4,183,582**	4,473,145	282,873	-	4,756,018
B	Considered good								
	- to Related party	27,100	-	-	27,100	70,075	-	-	70,075
	- to Others	3,689,319	133,868	-	3,823,187	3,645,433	282,873	-	3,928,306
	Less : Allowance for impairment loss (expected credit loss allowance)	(122,675)	-	-	(122,675)	(94,508)	-	-	(94,508)
	Significant increase in Credit Risk	341,858	-	-	341,858	256,073	-	-	256,073
	Less : Allowance for impairment loss (expected credit loss allowance)	(96,273)	-	-	(96,273)	(40,745)	-	-	(40,745)
	Credit impaired	426,792	-	-	426,792	650,275	-	-	650,275
	Less : Allowance for impairment loss (expected credit loss allowance)	(358,906)	-	-	(358,906)	(359,957)	-	-	(359,957)
	Purchased or Originated Credit Impaired Assets (POCI)	249,000	-	-	249,000	605,675	-	-	605,675
	Less : Allowance for impairment loss (expected credit loss allowance)	(106,501)	-	-	(106,501)	(259,176)	-	-	(259,176)
	Total	**4,049,714**	**133,868**	-	**4,183,582**	4,473,145	282,873	-	4,756,018
	Loan to Public Sectors				-				-
	Loan to Others				4,183,582				4,756,018
	Total				**4,183,582**				**4,756,018**

Note: During the current and prior reporting periods, there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made due to change in business model.

As per merger scheme of DHFL (refer note 39B), retail loans are grossed up by Rs. 773,498 lakhs as on March 31, 2023 (March 31, 2022 - Rs. 1,137,049 lakhs). ECL provisions are grossed up by Rs. 427,700 lakhs (March 31, 2022 - Rs. 598,200 lakhs) and balance grossup is being reflected under Fair Value Adjustment on Merger under Note 20 for Rs. 345,798 lakhs as on March 31, 2023 (Rs. 538,849 lakhs)

During the year, the Company has sold certain loans classified under amortised cost as part of Direct assignment transaction basis the board approval to meet Principal business criteria and liquidity criteria as per NHB and RBI guidelines. Also, the Company has sold certain stressed portfolio classified under amortised cost for liquidity and recovery management strategy of the Company. Such sale of loans will not lead to change in business model as per the company's board approved policy and management's evaluation of business model

Collateral held: The Company holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralised against equitable mortgage of property, pledge of shares, hypothecation of assets, corporate guarantees, hypothecation over receivables from funded project or other projects of the borrower or escrow account undertaking to create security

Refer note 46 for details of securitisation transactions

	6 Investments	**As at March 31, 2023** At amortised cost	At FVTPL	At FVTOCI	At Cost	Total	**As at March 31, 2022** At amortised cost	At FVTPL	At FVTOCI	At Cost	Total
	Investments within India										
	Equity investment in subsidiaries:										
	DHFL Advisory & Investments Private Limited	-	-	-	-	-	-	-	-	-	-
	Piramal Payment Services Limited	-	-	-	550	550	-	-	-	-	-
	DHFL Holding Limited	-	-	-	1	1	-	-	-	1	1
	DHFL Investments Limited	-	-	-	102,064	102,064	-	-	-	102,043	102,043
	Piramal Finance Sales and Services Private Limited	-	-	-	30	30	-	-	-	-	-
	PRL Agastya Private Limited	-	-	-	6,712	6,712	-	-	-	-	-
	Equity Instruments (Others than subsidiaries)	-	-	67	-	67	-	-	2	-	2
	Preference Shares (in PRL Agastya Private Limited)	-	2,300	-	-	2,300	-	-	-	-	-
	Preference Shares (Others than subsidiaries)	-	-	17,752	-	17,752	-	-	3,232	-	3,232
	Project Receivables	-	161,740	-	-	161,740	-	181,060	-	-	181,060
	Alternative Investment Funds	-	215,642	-	-	215,642	-	198,824	-	-	198,824
	Venture Capital Fund	-	1,399	-	-	1,399	-	1,588	-	-	1,588
	Security Receipts	-	302,241	-	-	302,241	-	43,399	-	-	43,399
	Optionally Convertible Debentures	-	34,000	-	-	34,000	-	30,947	-	-	30,947
	T-Bill	-	-	9,497	-	9,497	-	-	-	-	-
	Redeemable Bonds *	-	-	50,726	-	50,726	66,223	-	-	-	66,223
	Government Securities/Redeemable Bonds	104,031	-	-	-	104,031	4	-	-	-	4
	Redeemable Non Convertible Debentures	306,373	18,000	-	-	324,373	658,786	28,105	-	-	686,891
	Investment in Mutual Funds	-	-	-	-	-	-	132,068	-	-	132,068
	Pass Through certificates	20,504	-	-	-	20,504	28,067	25,100	-	-	53,167
	Gross	430,908	735,322	78,042	109,357	1,353,629	753,080	641,091	3,234	102,044	1,499,449
	Less: Allowance for impairment loss (expected credit loss allowance)	(36,134)	-	-	-	(36,134)	(108,054)	-	-	-	(108,054)
	Total	**394,774**	**735,322**	**78,042**	**109,357**	**1,317,495**	645,026	641,091	3,234	102,044	1,391,395

* During the year, the Company has changed its Business model for Redeemable Bonds from "Held for collection till maturity" to "held for collection of contractual cash flows and for selling the financial assets" with effect from April 1, 2022 considering change in intention to hold such assets till maturity and liquidate basis market condition. Consequently, the Company has re-classified the same from amortised cost to FVTOCI

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Piramal Capital & Housing Finance Ltd

(Currency : Rs in lakhs)

		As at March 31, 2023	As at March 31, 2022
7	**Other financial assets**		
	Security deposits	10,369	14,259
	Interest strip asset on assignment	30,242	50,946
	Other receivable*	50,262	47,330
	Less: Provision for Other Financial Assets	(6,100)	-
	Total	**84,773**	112,535

* Majorly includes receivable on account of securitisation transactions.

8	**Current tax assets (Net)**		
	Advance Tax (net of Provision of Rs. 36,423 lakhs, March 31, 2022 Rs. 207,298 lakhs)	72,393	62,106
	Total	**72,393**	62,106

(Currency : Rs in lakhs)

	As at March 31, 2023	As at March 31, 2022
9 Deferred tax Assets / liabilities (net)		
Deferred tax assets	173,965	209,884
Deferred tax liabilities	(31,538)	(270,630)
Total	**142,427**	**(60,746)**

Movement in deferred tax balances:	Opening balance as at April 1, 2022	Recognised in profit or loss	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2023
Property Plant & Equipment	(4,188)	10,079	-	5,891
Intangible Assets - Other than Goodwill	(307)	(2,625)	-	(2,932)
Intangible Assets - Goodwill	(258,164)	258,164	-	-
Capital Gain Tax on balance of Unclaimed Goodwill	115,026	(115,026)	-	-
Expected Credit Loss	61,711	18,537	-	80,248
Provisions other than those pertaining to expected credit loss	883	(406)	-	477
Financial Asset at FVTPL	17,828	22,938	-	40,766
Re-measurement of employee benefits	836	1,292	(33)	2,096
Adjustments pertaining to Income and expense recognition based on expected interest rate	(1,278)	(17,547)	-	(18,825)
Lease Liability / ROU	563	(29)	-	534
Receivable on Assigned loans	3,261	(10,873)	-	(7,612)
Transaction Cost	2,874	(1,666)	-	1,208
Business loss	209	42,536	-	42,745
Hedge Effectiveness	-	-	(338)	(338)
Instrument through OCI	-	-	(1,831)	(1,831)
Total	**(60,746)**	**205,375**	**(2,202)**	**142,427**

Movement in deferred tax balances:	Opening balance as at April 1, 2021	Recognised in profit or loss	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2022
Property Plant & Equipment	919	(5,107)	-	(4,188)
Intangible Assets - Other than Goodwill	(895)	588	-	(307)
Intangible Assets - Goodwill	(258,164)	-	-	(258,164)
Capital Gain Tax on balance of Unclaimed Goodwill	115,026	-	-	115,026
Expected Credit Loss	45,923	15,788	-	61,711
Provisions other than those pertaining to expected credit loss	328	555	-	883
Financial Asset at Fair Value through Profit & Loss	4,273	13,556	-	17,828
Re-measurement of employee benefits through OCI	194	654	(12)	836
Adjustments pertaining to Income and expense recognition based on expected interest rate	(7,162)	5,884	-	(1,278)
Lease Liability / ROU	179	384	-	563
Receivable on Assigned loans	-	3,261	-	3,261
Transaction Cost	-	2,874	-	2,874
Hedge Effectiveness	1,470	(934)	(327)	209
Total	(97,909)	37,502	(339)	(60,746)

Note: As explained in detailed in note 39B, the Company has not recognised deferred tax assets relating to the fair value adjustments due to uncertainty associated with allowability of such adjustments. Based on the tax position taken by the Company, the potential unrecognised deferred tax assets as at March 31, 2023 stands at Rs. 412,000 lakhs.

	As at March 31, 2023	As at March 31, 2022
10 Other non-financial assets		
Capital advance	966	725
Goods and service tax credit receivable	29,973	23,742
Prepaid expenses	1,641	2,630
Advance for expenses	2,683	3,990
Employee Advance	-	15
Gratuity Funded Assets (refer Note 41)	227	-
Advance processing fees paid	14,294	15,153
Less: Provision for doubtful advances	(13,399)	-
Total	**36,385**	**46,255**

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

T R CHADHA & CO LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Piramal Capital & Housing Finance Limited
(forme m

Notes to the Financial Statements *(Continued)*
as at March 31, 2023

(Currency : Rs in lakhs)

11 Property, plant and equipment, Intangible Assets and Intangibles under development

Particulars	Gross Block: Opening As at April 1, 2022	Acquisition through business combination (net) (Refer Note 39B)	Additions during the year	Deduction/ write offs/ impairment	As at March 31, 2023 (A)	Depreciation / Amortisation: Opening As at April 1, 2022	Charge for the year	Deduction/ write offs/ impairment	As at March 31, 2023 (B)	Net Block As at March 31, 2023 (A-B)
Tangible Assets										
Land & Building	**36,668**	-	-	11,541	**25,127**	**439**	723	338	824	**24,303**
Office Equipment	**720**	-	2,127	61	**2,786**	**489**	361	53	797	**1,989**
Computer	**1,531**	-	4,089	7	**5,613**	**864**	1,158	6	2,016	**3,597**
Computer Server	**371**	-	-	-	**371**	**241**	59	-	300	**71**
Furniture	**305**	-	929	73	**1,161**	**130**	136	39	227	**934**
Motor Car	**288**	-	50	49	**289**	**104**	35		139	**150**
Leasehold Improvements	**2,854**	-	1,121	770	**3,205**	**1,952**	543	552	1,943	**1,262**
Total (I)	**42,737**	**-**	**8,316**	**12,500**	**38,552**	**4,219**	**3,016**	**988**	**6,247**	**32,307**
Intangible Asset										
Goodwill on amalgamation (II) *	**1,025,681**	-	-	1,025,681	**-**	**-**	-	-	-	**-**
Other Intangible Asset										
Computer software	**6,961**	-	1,014	1	**7,974**	**1,283**	1,255	1	2,538	**5,436**
Self generated software	**-**	-	6,242	-	**6,242**	**-**	30	-	30	**6,212**
Total (III)	**6,961**	**-**	**7,256**	**1**	**14,216**	**1,283**	**1,285**	**1**	**2,568**	**11,648**
Right to Use Assets - Premises (IV)	**17,983**	-	17,845	3,861	**31,967**	**5,812**	5,196	2,985	8,022	**23,945**
Intangibles under development (V)	**1,217**	-	6,392	7,256	**353**	**-**	-	-	-	**353**
Grand Total (I+II+III+IV+V)	**1,094,579**	**-**	**39,809**	**1,049,298**	**85,088**	**11,314**	**9,497**	**3,974**	**16,837**	**68,253**

* Refer note 39A for creation of goodwill and note 49 on impairment of goodwill
Certain property, plants and equipments are placed as collateral against borrowings, the details related to which have been described in note 13 to 16.

Amount in Intangible assets under development as at March 31, 2023

CWIP	Less then 1 year	1 - 2 years	2 - 3 years	3 years and above	Total
Projects in progress	345	8	-	-	353
Project temporarily suspended	-	-	-	-	-

Amount in Intangible assets under development to be completed in

CWIP	Less then 1 year	1 - 2 years	2 - 3 years	3 years and above	Total
Projects in progress	353	-	-	-	353
Project temporarily suspended	-	-	-	-	-

There have been no project overruns exceeding the original planned expenditure
Title Deeds of all the immovable properties are in the name of the Company except certain properties which were transferred on account of business combination and are in the name of erstwhile Dewan Housing Finance Corporation Limited

Piramal Capital & Housing Finance Limited
(forme m

Notes to the Financial Statements ***(Continued)***
as at March 31, 2023

(Currency : Rs in lakhs)

11 Property, plant and equipment, Intangible Assets and Intangibles under development

Particulars	Gross Block Opening As at April 1, 2021	Acquisition through business combination (net) (Refer Note 39B)	Additions during the year	Deduction/ write offs/ impairment	As at March 31, 2022 (A)	Depreciation / Amortisation Opening As at April 1, 2021	Charge for the year	Deduction/ write offs/ impairment	As at March 31, 2022 (B)	Net Block As at March 31, 2022 (A-B)
Tangible Assets										
Land & Building	30	36,638	-	-	36,668	-	439	-	439	36,229
Office Equipment	682	-	39	-	720	359	131	-	489	231
Computer	774	-	758	-	1,531	579	285	-	864	667
Computer Server	371	-		-	371	177	65	-	241	130
Furniture	303	-	1	-	305	100	30	-	130	175
Motor Car	239	49		-	288	74	31	-	104	184
Leasehold Improvements	2,829	-	25	-	2,854	1,533	419	-	1,952	902
Total (I)	5,229	36,687	823	-	42,737	2,820	1,399	-	4,219	38,517
Intangible Asset										
Goodwill on amalgamation	1,025,681	-	-	-	1,025,681	-	-	-	-	1,025,681
Computer software	3,885	-	3,076	-	6,961	331	952	-	1,283	5,678
Total (II)	1,029,565	-	3,076	-	1,032,642	331	952	-	1,283	1,031,359
Right to Use Assets (III)	7,125	8,627	2,356	124	17,983	3,009	2,884	81	5,812	12,171
Intangibles under development (IV)	753	-	3,638	3,174	1,217	-	-	-	-	1,217
Grand Total (I+II+III+IV)	1,042,672	45,314	9,892	3,298	1,094,579	6,159	5,236	81	11,314	1,083,264

Amount in Intangible assets under development as at March 31, 2022

CWIP	Less then 1 year	1 - 2 years	2 - 3 years	3 years and above	Total
Projects in progress	857	158	161	41	1,217
Project temporarily suspended	-	-	-	-	-

Amount in Intangible assets under development to be completed in

CWIP	Less then 1 year	1 - 2 years	2 - 3 years	3 years and above	Total
Projects in progress	1,217	-	-	-	1,217
Project temporarily suspended	-	-	-	-	-

(Currency : Rs in lakhs)

		As at March 31, 2023	As at March 31, 2022
12	**Trade payables**		
(i)	Total outstanding dues of micro enterprises and small enterprises (Refer note 35)	243	134
	Total	**243**	**134**
(ii) (a)	Total outstanding dues of creditors other than micro enterprises and small enterprises	28,227	49,950
(b)	Trade payables to related parties (refer note 40)	537	1,925
	Total	**28,764**	**51,875**

Note :

Trade payables ageing as at March 31, 2023

Particulars	Unbilled Amount	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	-	236	7	-	-	243
Others	25,677	2,849	27	32	180	28,764
Disputed dues -MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	25,677	3,085	34	32	180	29,007

Trade payables ageing as at March 31, 2022

Particulars	Unbilled Amount	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	-	134	-	-	-	134
Others	18,900	32,644	57	20	254	51,875
Disputed dues -MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	18,900	32,778	57	20	254	52,009

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

T R Chadha & Co LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

(Currency : Rs in lakhs)

		As at March 31, 2023	As at March 31, 2022
13	**Debt Securities**		
	Debt securities in India		
	Measured at amortised cost		
	Redeemable Non Convertible Debentures (secured)	2,552,399	2,871,266
	Total	**2,552,399**	2,871,266
14	**Borrowings (Other than Debt Securities)**		
	Borrowings in India, unless otherwise specified		
	Measured at amortised cost		
	Term Loans (secured)		
	-From banks	997,124	1,116,621
	-From Others	74,632	-
	-FCNR Loan (from outside India)	62,951	56,940
	Securitised Borrowings (Secured)	109,157	266,965
	Working capital demand loan/short term borrowings (secured)		
	-From banks	-	15,064
	-From others	76,845	-
	Commercial Paper (unsecured)	143,769	35,465
	Total	**1,464,478**	1,491,055
15	**Deposits**		
	Deposits in India		
	Measured at amortised cost		
	Intercorporate deposit from related party (Unsecured) (Refer note 40)	31,552	266,600
	Total	**31,552**	266,600
16	**Subordinated Liabilities**		
	Subordinated Liabilities in India		
	Measured at amortised cost		
	Redeemable Non Convertible Debentures (unsecured)	12,688	12,660
	Total	**12,688**	12,660

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Notes to the Standalone Financial Statements (Continued)
as at March 31, 2023

(Currency : Rs in lakhs)

13 Debt Securities

A. Redeemable Non Convertible Debentures (secured)

Particulars	Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date	First Instalment payment date
1,666 (Previous Year : 3,333) (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable in 3 equal tranches starting from July 30, 2021	16,660	33,330	July 31, 2023	July 31, 2021
18,48,28,062 (Previous Year - 19,53,25,290) (payable semi annually) 6.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value 925 (Previous Year Rs 975)	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable at 2.5% semi-annually for first 5 years and at 7.5% semi-annually for the next 5 years from the date of allotment	1,709,660	1,904,422	September 26, 2031	March 28, 2022
8,125 (payable annually) 9.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 8,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after three years three months from the date of allotment	-	65,000	April 15, 2022	NA
625 (payable annually) 9.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 8,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after three years three months from the date of allotment	-	5,000	April 21, 2022	NA
1,750 (payable annually) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	-	17,500	May 19, 2022	NA
1,500 (payable annually) 9.5% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 3 years from the date of allotment	-	15,000	September 16, 2022	NA
1,500 (payable on maturity) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	-	15,000	October 7, 2022	NA
509 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 22 months from the date of allotment	-	5,090	January 23, 2023	NA
1,700 (payable on maturity) 8.25% Secured, Rated, Listed, Redeemable Principal Protected Market Linked Non-Convertible Debentures(NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 24 months from the date of allotment	17,000	17,000	April 14, 2023	NA
2,500 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 3 years from the date of allotment	25,000	25,000	May 12, 2023	NA
3,250 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 35 months from the date of allotment	32,500	32,500	May 31, 2023	NA
4,95,486 (payable on maturity) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 26 months from the date of allotment	4,955	4,955	September 23, 2023	NA
52,480 (payable annually) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 26 months from the date of allotment	525	525	September 23, 2023	NA
34,66,413 (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 26 months from the date of allotment	34,664	34,664	September 23, 2023	NA

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Piramal Capital & Housing Finance Ltd.

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Notes to the Standalone Financial Statements (Continued)
as at March 31, 2023

(Currency : Rs in lakhs)

13 Debt Securities (Continued)

A. Redeemable Non Convertible Debentures

Particulars	Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date	First Instalment payment date
12,300 (payable on maturity) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 26 months from the date of allotment	123	123	September 23, 2023	NA
250 (payable annually) 9.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are repayable after 1826 days from the date of allotment	2,500	2,500	November 2, 2023	NA
1,800 (payable semi annually) 10% Secured, Rated, Unlisted, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	900 NCD's (50%) each of a face value of Rs 10,00,000 are repayable after 53 months from the date of allotment & balance 900 (50%) after 65 months from the date of allotment	18,000	18,000	November 8, 2024	November 8, 2023
50 (payable annually) 8.95% Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 2555 days from the date of allotment.	500	500	March 8, 2024	NA
250 (payable annually) 8.75% Secured, Rated, Listed , Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 2556 days from the date of allotment	2,500	2,500	May 3, 2024	NA
13,770 (payable annually) 8.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 36 months from the date of allotment	138	138	July 23, 2024	NA
15,42,637 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 36 months from the date of allotment	15,426	15,426	July 23, 2024	NA
20,000 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable in 4 equal instalments starting from 12 June 2025	200,000	200,000	March 12, 2026	June 12, 2025
20,500 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable in 4 equal instalments starting from 19 June 2025	205,000	205,000	March 19, 2026	June 19, 2025
5,000 (payable monthly) 7.96% Secured, Rated , Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are redeemable at par in three instalments : 8th year-167 crore; 9th year-167crore; 10th year-166 crore	50,000	50,000	September 20, 2027	September 19, 2025
350 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are repayable after 2555 days from the date of allotment	3,500	3,500	October 3, 2025	NA
1,07,455 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 60 months from the date of allotment	1,075	1,075	July 23, 2026	NA
8,08,680 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 60 months from the date of allotment	8,087	8,087	July 23, 2026	NA
5,000 (payable annually) 9.27% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are redeemable at par in three instalments : 8th year-167 crore; 9th year-167crore; 10th year-166 crore	50,000	50,000	December 19, 2028	December 18, 2026

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Notes to the Standalone Financial Statements (Continued)
as at March 31, 2023

(Currency : Rs in lakhs)

13 Debt Securities (Continued)

A. Redeemable Non Convertible Debentures (Continued)

Particulars	Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date	First Instalment payment date
15,000 (payable annually) 9.51% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable in 3 equal instalment of Rs 50000 lakhs each payable after 8th year, 9th year, 10th year from the date of allotment	150,000	150,000	March 9, 2029	March 11, 2027
500 (payable annually) 9.32% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 10 years from the date of allotment	5,000	5,000	November 1, 2030	NA
250 (payable annually) 9.00% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 10 years from the date of allotment	2,500	2,500	March 28, 2031	NA
200 (payable annually) 8.85% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 10 years from the date of allotment	2,000	2,000	June 27, 2031	NA
1,150 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 120 months from the date of allotment	12	12	July 23, 2031	NA
15,40,084 (payable annually) 9.00% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 120 months from the date of allotment	15,401	15,401	July 23, 2031	NA

The contractual rate of interest for the above loans are in the range of 6.75% to 10% per annum

14 Borrowings (Other than Debt Securities)

A. 1 Rupee Term Loan from Banks

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date	First Instalment payment date
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in nineteen quarterly instalments commencing after a moratorium period of 3 months from the date of drawdown	228	4,433	May 28, 2023	August 31, 2018
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment in equal half yearly instalments	-	1,250	April 20, 2022	October 20, 2018
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in sixteen quarterly instalments with a holiday period of 1 year from the drawdown date.	-	10,114	December 28, 2022	November 28, 2018
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment of principal in 47 equal monthly instalment of Rs. 1042 lakhs each and 48th instalment of Rs. 1050 lakhs after drawdown.	-	8,562	December 29, 2022	January 29, 2019
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment of principal in 47 equal monthly instalment of Rs. 1042 lakhs each and 48th instalment of Rs. 1050 lakhs after drawdown	-	9,645	February 2, 2023	March 2, 2019
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in eight half yearly instalments commencing after initial moratorium period of 12 months	-	2,748	March 25, 2023	March 26, 2019
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in eight half yearly instalments commencing after 12th month from the drawdown date	-	2,444	March 25, 2023	March 26, 2019
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in sixteen quarterly instalments with a holiday period of 1 year from the drawdown date.	-	6,883	August 28, 2022	March 28, 2019
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in twelve quarterly instalments Commencing from 25th month from date of drawdown	-	12,500	June 9, 2022	June 9, 2019
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment of principal in 16 equal quarterly instalment after moratorium of three year from drawdown date	54,844	67,500	May 17, 2026	June 17, 2019

(Currency : Rs in lakhs)

14 Borrowings (Other than Debt Securities) (Continued)

A. 1 Rupee Term Loan from Banks (Continued)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date	First Instalment payment date
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment of principle in 16 quarterly instalment of Rs. 623 lakhs after moratorium period of 3 months from the date of 1st drawdown	2,500	4,972	September 27, 2023	June 27, 2019
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment of principle in 18 quarterly instalment after moratorium period of 6 months from the date of 1st drawdown	44,443	88,890	January 19, 2024	July 31, 2019
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment of principle in 12 quarterly instalment of Rs. 4167 lakhs after moratorium period of 6 months from the date of 1st drawdown	-	12,452	November 26, 2022	August 26, 2019
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in twelve equal quarterly instalments commencing from 25 months from date of drawdown	-	2,931	June 27, 2022	September 30, 2019
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in six equal half yearly instalments with moratorium period of one year from drawdown date	-	6,100	September 30, 2022	September 30, 2019
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 18 equal quarterly instalments after the moratorium period of 6 months from the drawdown date	17,717	28,829	December 24, 2024	June 29, 2020
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in six equal half yearly instalments with moratorium period of one year from drawdown date	-	7,585	December 31, 2022	June 30, 2020
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 60 months in 9 equal half yearly instalments commencing after initial moratorium of 6 months	-	16,403	September 19, 2024	September 16, 2020
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment of principal in 12 equal quarterly instalment after moratorium period of one year from drawdown date	-	2,735	March 26, 2023	September 26, 2020
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term Loan to be repaid in 19 equal quarterly instalments starting from 1 quarter from date of first disbursement.	21,059	31,592	March 31, 2025	September 30, 2020
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term Loan repayment in 16 equal quarterly instalments after a moratorium period of 1 year.	19,271	29,279	December 26, 2024	March 26, 2021
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term Loan repayment in 24 equal quarterly instalments after a moratorium period of 1 year.	33,317	41,652	January 30, 2027	March 29, 2021
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment of Principle in 12 equal quarter instalment of Rs. 2500 lakhs after moratorium period of the 2 years from the date of drawdown	9,978	19,979	March 26, 2024	June 30, 2021
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 20 equal quarterly instalments.	44,738	59,738	March 30, 2026	June 30, 2021
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term Loan Repayment in 16 equal quarterly instalments post moratorium period of 1 year.	28,079	37,463	April 2, 2025	July 3, 2021
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term Loan repayment in 24 quarterly instalments post moratorium period of 1 year.	135,250	191,250	April 4, 2027	July 4, 2021
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term Loan Repayment in 16 equal quarterly instalments post moratorium period of 1 year.	-	8,748	August 31, 2025	November 30, 2021
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 20 equal quarterly instalments.	35,000	44,989	September 28, 2026	December 27, 2021
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term Loan Repayment in 16 equal quarterly instalments post moratorium period of 1 year.	3,436	4,686	December 11, 2025	March 11, 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 60 months including moratorium period of 1 year and post that payable in 16 equal quarterly instalments.	24,062	32,812	December 28, 2025	March 28, 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 28 equal quarterly instalments.	20,535	24,107	December 29, 2028	March 31, 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 20 equal quarterly instalments after the moratorium period of 24 months from the drawdown date	16,673	20,866	March 31, 2027	June 17, 2022

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Piramal Capital & Housing Finance Ltd.

Notes to the Standalone Financial Statements (Continued)
as at March 31, 2023

(Currency : Rs in lakhs)

14 Borrowings (Other than Debt Securities) (Continued)

A. 1 Rupee Term Loan from Banks (Continued)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date	First Instalment payment date
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in eighteen quarterly instalments of Rs. 800 lakhs each and last instalment of Rs. 600 lakhs after a holiday period of 3 months from date of drawdown	11,800	15,000	December 24, 2026	June 27, 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 12 equal quarterly instalments.	6,667	10,000	March 30, 2025	June 30, 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 20 equal quarterly instalments.	15,999	20,000	March 30, 2027	June 30, 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 18 months from drawdown date	-	16,700	July 11, 2022	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 12 equal quarterly instalments from date of drawdown	30,000		May 12, 2025	August 13, 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in ten quarterly instalments with moratorium period of 6 months from date of drawdown	17,499	25,000	November 30, 2024	August 31, 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 19 quarterly instalments with moratorium period of 3 months from date of drawdown	6,316	7,500	March 30, 2027	September 30, 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 19 quarterly instalments with moratorium period of 3 months from date of drawdown	25,263	30,000	March 30, 2027	September 30, 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 16 quarterly instalments with moratorium period of 6 months from date of drawdown	8,750	10,000	September 30, 2026	December 31, 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term loan repayable in 20 equal quarterly instalments	4,750	-	October 31, 2027	January 31, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term loan repayable in 20 quarterly instalments from the end of the quarter of the first disbursement	9,498	-	October 31, 2027	January 31, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in eight half yearly instalments after a moratorium period of 1 year from date of drawdown	13,121	14,996	August 31, 2026	February 28, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term loan repayable in 20 equal quarterly instalments from the end of the quarter of the first disbursement	71,250	-	December 19, 2027	March 19, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	18 equal quarterly instalments after 6M moratorium	19,644	-	June 30, 2027	March 31, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term loan repayable in quarterly instalments over a period 15 years with NIL moratorium	4,916	-	December 30, 2037	March 31, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Bullet payment on maturity	25,000	-	May 25, 2023	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 24 months from drawdown date	-	23,000	May 26, 2023	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	18 equal quarterly instalments after 6M moratorium	26,700	-	September 26, 2027	June 26, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 24 quarterly instalments with moratorium period of 1 year from date of drawdown	20,000	20,000	March 29, 2029	June 30, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 18 months from drawdown date	-	17,500	June 20, 2023	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	9 equal quarterly install after 9 month moratorium	10,000	-	August 4, 2025	August 4, 2023

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Piramal Capital & Housing Finance Ltd.

Notes to the Standalone Financial Statements (Continued)
as at March 31, 2023

(Currency : Rs in lakhs)

14 Borrowings (Other than Debt Securities) (Continued)

A. 1 Rupee Term Loan from Banks (Continued)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date	First Instalment payment date
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 12 equal quarterly instalments after 1 year moratorium	23,000	-	May 30, 2026	August 31, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 12 equal quarterly instalments after 1 year moratorium	17,500	-	June 2, 2026	September 2, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	12 equal quarterly install after 1 year moratorium	16,700	-	July 31, 2026	October 31, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 14 quarterly instalments with moratorium period of 18 months from date of drawdown	50,000	50,000	March 7, 2027	December 7, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	16 equal quarterly instalments after 12 month moratorium	5,000	-	September 30, 2027	December 31, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Bullet payment on maturity	30,000	-	January 17, 2024	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 24 months from drawdown date	-	25,000	March 3, 2024	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 12 quarterly instalments with moratorium period of 1 year from date of drawdown	25,000	-	March 9, 2027	June 9, 2024

The contractual rate of interest for the above loans are in the range of 6.50% to 10.15 % per annum

A. 2 Rupee Term Loan from Others

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date	First Instalment payment date
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term loan repayable in 120 Equated Monthly Instalments	75,000	-	March 1, 2033	May 1, 2023

A.3 FCNR Loan

Nature of Securities	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date	First Instalment payment date
First pari-passu charge on the standard assets including receivables present and future	Repayable after 53 months from drawdown date	30,816	26,132	June 14, 2023	NA
First pari-passu charge on the standard assets including receivables present and future	Repayable after 65 months from drawdown date	30,816	26,132	June 14, 2024	NA

The rate of interest for the above loans is 9.30% per annum

B.1 Securitised Borrowings

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date	First Instalment payment date
Specific loan cash flows & underlying that are part of the Assignment pool	Repayable in 356 months from drawdown date	4,657	7,278	July 20, 2049	November 20, 2019
Specific loan cash flows & underlying that are part of the PTC pool	Repayable in 188 months from drawdown date	2,870	4,090	August 31, 2035	October 11, 2019
Specific loan cash flows & underlying that are part of the PTC pool	Repayable in 99 months from drawdown date	-	6,045	February 20, 2028	November 20, 2019
Specific loan cash flows & underlying that are part of the PTC pool	Repayable in 292 months from drawdown date	25,413	-	June 13, 2047	April 13, 2023

The contractual rate of interest for the above loans are in the range of 8.20% to 8.90% per annum

C.1 Working Capital Demand Loan from banks/short term borrowings:

Nature of Security	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	10,000
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	5,000

The rate of interest for the above loans is 7.35% to 7.90% per annum

(Currency : Rs in lakhs)

14 Borrowings (Other than Debt Securities) (Continued)

C.2 Working Capital Demand Loan from Others:

Nature of Security	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022
Exclusive charge on Government Securities	76,734	-

The contractual rate of interest for the above loans are in the range of 6.90% to 6.95% per annum

D.1 Commercial Paper:

Particulars	Terms of Repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date
Commercial Paper	Repayable within 365 days from date of disbursement	148,500	35,900	Various

The effective costs for the above loans are in the range of 7.25% to 9.00 % per annum

15 Deposits

Intercorporate deposit from related party

Particulars	Terms of Repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date	First Instalment payment date
Intercorporate deposit	Repayable after Eighteen months from drawdown date	-	36,900	June 30, 2022	NA
Intercorporate deposit	Repayable after Sixty months from drawdown date	30,000	229,700	June 25, 2025	NA

The rate of interest for the above loans is 8.25% per annum

16 Subordinated Liabilities

Redeemable Non Convertible Debentures

Particulars	Terms of Repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date	First Instalment payment date
1,276 (payable annually) 9.55% Unsecured, Subordinated, Tier II, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value	The NCD's are repayable after 10 years from the date of allotment	12,760	12,760	March 8, 2027	NA

The rate of interest for the above loans is 9.55% per annum

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

(Currency : Rs in lakhs)

		As at March 31, 2023	As at March 31, 2022
17	**Other financial liabilities**		
	Lease liability	26,066	13,097
	Payable to employees	9,413	9,217
	Unclaimed dividend@	98	175
	Security and other deposits received	5	202
	Amounts payable on Securitised Loans	63,248	54,719
	Others*	67,672	12,515
	Total	**166,502**	89,925

* includes liability towards sold portfolio etc.

Also, during the year ended March 31, 2023, the Company has recovered Rs. 30,914 lakhs from 6 parties, against whom Avoidance Applications were filed by the Administrator, by way of settlement agreements entered by the Company with these parties under Section 7 of Insolvency and Bankruptcy Code, 2016 as full and final settlement of financial dues and withdrawal of all pending cases against these parties in connection with the disputes and / or finance documents and / or financial debt, if any, before any forum / court / tribunal / authority and / or otherwise, under any / all applicable laws. The management is of the considered view that these amounts are not required to be paid to Committee of Creditors (CoC) and continues to pursue for recovery against these parties w.r.t. Avoidance Application filed by the administrator. However, considering the complexity of the matter, amount of Rs. 27,495 lakhs (after adjustment of recovery against Section 66) has not been recognized as income and shown as liability in financial statements.

@ As at March 31, 2022, amount of Rs.53 lakhs of unclaimed dividend which was due for payment to the investor education and protection fund under section 125 of the Companies Act 2013 was paid during the year.

Pursuant to the corporate insolvency resolution process initiated by the Reserve Bank of India (RBI) in the Company (i.e. the erstwhile Dewan Housing Finance Corporation Limited (DHFL)) and the subsequent order of the Hon'ble National Company Law Tribunal (NCLT), a Moratorium was imposed on DHFL in terms of the Insolvency and Bankruptcy Code, 2016 (Code) w.e.f. from December 3, 2019.

On account of Moratorium, alienation of any assets of DHFL was prohibited until the completion of the insolvency process. Consequently, the Administrator decided that the amount lying in the bank accounts of DHFL (including unclaimed dividend accounts) shall not be alienated or transferred in any manner, and that any such alienation/transfer, while Moratorium is in force, would result in violation of Section 14 of the Code. Further, all bank accounts of DHFL, including unclaimed dividend accounts, were frozen for any debit transactions.

The implementation of the insolvency resolution plan, as approved by the NCLT, was completed on September 30, 2021 and the new board of directors was instated on September 30, 2021 subsequent to which the Company was able to take practical steps to reactivate the relevant unclaimed dividend accounts.

As on March 31, 2023, the Company is in compliance of requirements and there is no delays.

		As at March 31, 2023	As at March 31, 2022
18	**Current tax liabilities**		
	Net provision for tax (net of advance tax of Rs. 162,576 Lakhs, March 31, 2022 Rs. 40,788 Lakhs)	59,208	340,889
	Total	**59,208**	340,889
19	**Provisions**		
	Provision for Employee Benefits (refer Note 41)	606	89
	Allowance for impairment on commitments (refer note 44.4(b))	5,493	10,111
	Total	**6,099**	**10,200**
20	**Other non- financial liabilities**		
	Statutory dues payable	3,036	2,740
	Deferred income on fair valuation of deposit taken	-	10
	Fair Valuation Adjustment on Merger (Refer Note 39B)	345,798	538,849
	Advance received	14,043	7,350
	Total	**362,877**	548,949

(Currency : Rs in lakhs)

		As at March 31, 2023	As at March 31, 2022
21	**Equity Share Capital**		
	Authorized share capital:		
	Opening balance: 25,840,390,024 (March 31, 2022: 25,000,000,000) equity shares of Rs. 10 each	2,584,039	2,500,000
	Add: Nil (March 31, 2022: 840,390,024) equity shares transfer on account of reverse merger (Refer Note 39B)	-	84,039
	Total	**2,584,039**	2,584,039
	250,000 (March 31, 2022: 250,000) Non-Convertible Redeemable Cumulative Preference Shares of Rs. 1000 each transfer on account of reverse merger (Refer Note 39B)	25,000	25,000
	Total	**25,000**	25,000
	Issued, subscribed and fully paid up equity share capital:		
	Opening balance	2,136,469	1,928,372
	Less: Cancellation of Shares upon business combination (Refer Note 39B)	-	(1,928,372)
	Add: Issue of shares pursuant to business combination (Refer Note 39B)	-	2,136,469
	Total	2,136,469	2,136,469

Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	March 31, 2023		March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	21,364,691,751	2,136,469	19,283,718,397	1,928,372
Less: Cancellation of Shares upon business combination (Refer Note 39B)	-	-	(19,283,718,397)	(1,928,372)
Add: Issue of shares pursuant to business combination (Refer Note 39B)	-	-	21,364,691,751	2,136,469
Outstanding at the end of the year	**21,364,691,751**	**2,136,469**	**21,364,691,751**	**2,136,469**

Details of shares held by Promoter

Particulars	March 31, 2023		March 31, 2022	
	No. of shares	% Holding	No. of shares	% Holding
Piramal Enterprises Limited	21,364,691,751	100%	21,364,691,751	100%

Details of shareholder holding more than 5% shares in the Company

Particulars	March 31, 2023		March 31, 2022	
	No. of shares	% Holding	No. of shares	% Holding
Piramal Enterprises Limited	21,364,691,751	100%	21,364,691,751	100%

Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the balance sheet date:

Particulars	Financial year	No. of shares
Equity shares of Rs. 10 each allotted as fully paid-up pursuant to business combination (Refer Note 39B)	2021-22	21,364,691,751

The Company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

There were no shares allotted as fully paid-up by way of bonus shares. There were no shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment. There were no shares forfeited during the year.

In the event of liquidation of the Company, the holders of equity shares will be entitled to remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

22 Other equity

Capital Reserve (refer note 22.1)	17,263	17,263
Securities Premium (refer note 22.2)	220,885	220,885
Cash flow hedging reserve (refer note 22.3)	381	(624)
Statutory reserve fund (refer note 22.4)	244,564	244,564
Amalgamation Adjustment Reserve (refer note 22.5)	(398,370)	(398,370)
Debt Instruments Measure through OCI (refer note 22.6)	(1,276)	-
Equity Instruments Measure through OCI (refer note 22.7)	6,720	-
Retained earnings (refer note 22.8)	(736,649)	5,734
Total	**(646,482)**	**89,452**

22.1 Capital reserve

Opening balance (Refer note 39B)	17,263	3
Less: Transfer to Share Capital on account of reverse merger (Refer Note 39B)	-	(3)
Add: Transfer on account of reverse merger (Refer Note 39B)	-	17,263
Closing Balance	**17,263**	**17,263**

Capital reserve has been created on account of business combination (refer note 39B) completed during the year 2021-22.

External Public

(Currency : Rs in lakhs)

		As at March 31, 2023	As at March 31, 2022
22.2	**Securities Premium**		
	Opening balance	220,885	16,080
	Less: Transfer to Share Capital on account of reverse merger (Refer Note 39B)	-	(16,080)
	Add: Transfer on account of reverse merger (Refer Note 39B)	-	220,885
	Closing Balance	**220,885**	**220,885**

Securities premium reserve is used to record the premium 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.

22.3	**Cash flow hedging reserve**		
	Opening Balance	(624)	(1,596)
	Addition during the year (Refer note 45)	1,005	972
	Closing Balance	**381**	(624)

The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated with variable interest rate borrowings, investment in floating rate bonds. For hedging foreign currency risk, the Company uses foreign currency forward contracts, which are designated as cash flow hedges. For hedging interest rate risk, the Company uses interest rate swaps which is also designated as cash flow hedges. To the extent these hedges are effective; the changes in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amount recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects Statement of profit or loss (e.g. interest payments).

22.4	**Statutory reserve fund**		
	Reserve fund U/s 29C of the NHB Act, 1987		
	Opening Balance	244,564	50,150
	Add: Transfer on account of reverse merger (Refer Note 39B)	-	183,899
	Addition during the year	-	10,515
	Closing Balance	**244,564**	**244,564**

Reserve Fund is required to be maintained u/s 29C of the NHB Act, 1987 for Housing Finance Companies. During the year ended March 31, 2023, the Company has transferred an amount of Rs. NIL during the year. (March 31, 2022 Rs. 10,515 Lakhs being 20% of profit after tax)

22.5	**Amalgamation Adjustment Reserve**		
	Opening Balance	(398,370)	-
	Addition during the year (refer note 39B)	-	(398,370)
	Closing Balance	**(398,370)**	(398,370)

Amalgamation adjustment reserve has been created on account of business combination (refer note 39B) done during the year 2021-22

22.6	**Debt Instruments Measure through OCI**		
	Opening Balance	-	-
	Addition during the year	(1,276)	-
	Closing Balance	**(1,276)**	-

The Company recognises changes in the fair value of debt instruments held with a dual business objective of collect and sell in other comprehensive income. These changes are accumulated in the FVTOCI debt investments reserve. The Company transfers amounts from this reserve to Statement of profit or loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.

22.7	**Equity Instruments Measure through OCI**		
	Opening Balance	-	-
	Addition during the year	6,720	-
	Closing Balance	**6,720**	-

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in the FVTOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

22.8	**Retained earnings**		
	Opening Balance	5,734	155,654
	Net profit/(loss) for the year	(742,483)	52,575
	Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	100	35
	Less: Transfer to Share Capital on account of reverse merger (Refer Note 39B)	-	(192,015)
	Less: Transfer to statutory reserve fund	-	(10,515)
	Closing Balance	**(736,649)**	**5,734**

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve and dividends paid to investors. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirely.

(Currency : Rs in lakhs)

		For the year ended March 31, 2023	For the year ended March 31, 2022
23	**Interest income**		
	Interest income on financial assets measured at amortised cost:		
	- on investments	69,421	70,728
	- on loans and advances	506,397	448,909
	Interest income- on investments measured at FVTPL	40,860	65,595
	Interest income- on investments measured at FVTOCI	10,728	-
	Interest income on Fixed deposits	4,837	5,100
	Total	**632,243**	590,332
24	**Fees and commission Income**		
	- processing / arranger fees	16,101	7,234
	- other operating Income	10,716	6,177
	Total	**26,817**	13,411
25	**Other income**		
	Other non-operating income	1,853	6,611
	Net gain on sale of fixed assets	262	-
	Interest on income tax refund	3,736	-
	Total	**5,851**	6,611
26	**Finance cost**		
	Interest expense on financial liabilities measured at amortised cost:		
	Interest on deposits	12,808	19,328
	Interest on borrowings	108,223	131,809
	Interest on debt securities	223,055	178,948
	Interest on subordinated liabilities	1,247	3,139
	Total	**345,333**	333,224
27	**Fees and commission expense**		
	Other borrowing cost*	2,988	1,645
	Total	**2,988**	1,645
	* includes interest cost on lease liability.		
28	**Net loss on fair value changes**		
	Loss on investments measured at FVTPL	213,760	50,028
	Loss/(gain) on loans and advances measured at FVTPL	(128,175)	-
	Realised gain on sale of investments	(8,374)	(8,048)
	Unrealised gain on sale of investments	-	(172)
	Total	**77,211**	41,808

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

		For the year ended March 31, 2023	For the year ended March 31, 2022
29(a)	**Net loss on derecognition of financial instruments-under amortised cost category**		
	Loss on derecognition of financial assets*	359,489	2,206
	Gain on derecognition of financial Liabilities**	(32,936)	-
	Total	**326,553**	2,206

*This includes, amounts prudentially written off (technical write off) as per the Board approved policy of the Company. During the year ending March 31, 2023, the Company has prudentially written off certain loans from wholesale sector amounting to Rs 94,365 Lakhs (net of recovery of Rs 4,150 Lakhs) and from retail sector amounting to Rs 6,754 Lakhs (net of recovery of Rs 529 Lakhs).
** This includes, gain on derecognition of financial Liabilities on buyback of 6.75% 10,497,228 Non-convertible debentures having face value of Rs. 950 with buyback prices of Rs 823.28 per debentures (including Accrued Interest of Rs. 14.76). Due to such buyback, the Company has recognised Rs. 12,936 lakhs as gain on de-recognition of financial liability.

29(b)	**Impairment on financial instruments**		
	Measured at Amortised Cost		
	Loans	59,910	10,322
	Investments	(71,919)	51,600
	Commitments	(4,619)	803
	Others	700	-
	Total	**(15,928)**	62,725
30	**Employee benefits expense**		
	Salaries and wages	48,759	27,999
	Contribution to provident and other funds (refer note 41)	2,492	1,096
	Provision for leave encashment (refer note 41)	1,346	(1,261)
	Staff welfare expenses	2,730	1,195
	Provision for gratuity (refer note 41)	777	440
	Total	**56,104**	29,469
31	**Other expenses**		
	Corporate social responsibility expenses (refer note 50)	5,467	4,921
	Rent (refer note 34)	193	679
	Rates and taxes, excluding taxes on income	1,116	35
	Travelling and conveyance	1,595	277
	Legal and professional fees	74,113	28,554
	Royalty	5,341	4,430
	Electricity expense	990	421
	Repairs and maintenance	2,428	4,385
	Business promotion and advertisement expenses	4,331	1,059
	Postage and communication	1,619	697
	Printing and stationery	633	315
	Provision for non-financial assets	13,399	-
	Other expenses	6,393	2,365
	Payments to auditors		
	- as auditor	550	345
	- for other services	2	4
	- for reimbursement of expenses	32	2
	Total	**118,202**	48,489

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

(Currency : Rs in lakhs)

32 Income Taxes

	Year ended March 31, 2023	Year ended March 31, 2022
a. Recognised in the statement of profit and loss		
Current Tax		
In respect of the current year	-	56,325
In respect of the previous years (Refer foot note (ii))	(332,754)	-
Deferred Tax		
In respect of the current year	(205,375)	(37,502)
Total	**(538,129)**	18,823

b. The income tax expense for the year can be reconciled to the accounting profit as follows:

	Year ended March 31, 2023	Year ended March 31, 2022	**Effective tax rate reconciliation** **Year ended March 31, 2023**	Year ended March 31, 2022
Profit before tax from continuing operations	(1,280,612)	71,398		
Income tax expense calculated at 25.17% (previous year at 25.17%)	(322,330)	17,971	25.17%	25.17%
Tax effect:				
Effect of expenses that are not deductible in determining taxable profit -Donation	1,376	1,238	-0.11%	1.73%
Reversal of Deferred tax asset on account of impairement of Goodwill	115,026	-	-8.98%	-
Others	553	(386)	-0.04%	-0.54%
Total	**(205,375)**	18,823	**16.04%**	26.36%
Tax reversal for earlier years	(332,754)	-		
Income tax expense recognised in the statement of profit and loss	**(538,129)**	18,823		
Effective Tax Rate	**16.04%**	26.36%		

Note:

i. The tax rate used for the reconciliations above is the corporate tax rate of 25.17% as per new tax regime.

ii. As given in note 39B, contingent tax liabilities of Rs. 343,700 lakhs pertaining to financial years ended March 31, 2020 and March 31, 2021, were recognized pursuant to uncertain tax positions as on the acquisition of DHFL.

During the year, the Company had received an Assessment Order under section 143(3) of the Income Tax Act, 1961 from Income Tax Department for the financial year ended March 31, 2021 wherein Company's submissions relating to the above said matters were accepted by the Assessing Officer. Further, for financial year ended March 31, 2020, the assessment is time barred as per Section 153 of the Income Tax Act 1961. Accordingly, the Company has reversed the provision of Rs. 332,754 lakhs (Out of the total contingent tax liabilities provided earlier of Rs. 343,700 lakhs) and disclosed the same as "Reversal of tax provisions – Earlier years" in these financial statements.

Walker Chandiok & Co LLP Mumbai Chartered Accountants

T.R. Chadha & Co. LLP Mumbai Chartered Accountants

Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

33 Earnings per share (EPS)

Basic and diluted EPS is computed in accordance with Ind AS 33 'Earnings Per Share' specified under section 133 of the Companies Act, 2013.

The computation of earnings per share is set out below:

Description	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit/(loss) attributable to equity shareholders	(742,483)	52,575
Weighted average number of equity shares outstanding during the year for calculation of EPS	21,364,691,751	21,364,691,751
Basic and Diluted EPS of face value of Rs. 10	(3.48)	0.25

The basic and diluted EPS is same as there are no potential dilutive equity shares.

34 Lease disclosure as lessee

Ind AS 116 introduced a single, on balance sheet accounting model for lessees. As a result, the Company, as a lessee, has recognised the right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments.
At transition, for leases classified as operating leases under Ind AS 17, lease liabilities were measured at the present value of the outstanding lease payments, discounted at the Company's incremental borrowing rate as at April 01, 2019. The respective right-of-use asset was recognised at an amount equal to the lease liability, adjusted by the amount of any prepaid/advance lease payments or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.
The Company's significant operating lease arrangements are mainly in respect of office/branch premises. These lease arrangements are for a period exceeding three to nine years and are in most cases renewable by mutual consent, on mutually agreeable terms. Details for the operating lease as lessee are as under:

Right-of-use assets
Right-of-use assets related to lease properties

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	12,171	4,116
Amortisation on ROU during the year	(5,196)	(2,884)
Addition to right-of-use assets	17,845	10,982
Derecognition of right-of-use assets (net)	(875)	(43)
Closing Balance	**23,945**	12,171

Amount recognised in statement of profit and loss - Lease under Ind AS - 116

Particulars	As at March 31, 2023	As at March 31, 2022
Interest on lease liabilities	1,972	530
Income from sub-leasing right-of-use assets presented in 'Other Revenue'	118	118
Expenses Related to short-term lease	193	679
Expenses related to leases of low-value assets, excluding short-term lease of low-value assets	-	-
Amortisation on ROU during the year	5,196	2,884

Amount recognised in the statement of cash flow

Particulars	As at March 31, 2023	As at March 31, 2022
Total Cashflow for lease	5,972	3,267

Contractual maturities of lease liabilities on an undiscounted basis

Particulars	As at March 31, 2023	As at March 31, 2022
Less than 1 year	6,817	4,765
1-3 years	11,572	8,792
3-5 years	8,278	1,734
More than 5 years	7,133	757

(Currency : Rs in lakhs)

35 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, ('MSMED') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with company including confirmations sought from suppliers on registration with specified authority under MSMED, the amount of principal and interest outstanding during the year is given below.

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	243	134
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	5,984	1,044
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

36(a) Contingent liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Claim against the Company not acknowledged as debt		
Dues towards Income Tax for AY 2014-2015	23	23
Dues towards Income Tax for AY 2017-2018	5,534	5,534
Dues towards Income Tax for AY 2018-2019	511	511
Dues towards Income Tax for AY 2019-2020	510	510
Dues towards Income Tax for AY 2020-2021	1,268	1,268
Guarantees provided by bank on behalf of Company	11,700	-
Claims against the Company not acknowledged as debts	959	1,752

The Company is of the view that the above demands may not devolve on the Company and hence no provision has been made.

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At year end the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of account.

The Company has also reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

36(b) Capital commitment

Particulars	As at March 31, 2023	As at March 31, 2022
Undisbursed loan commitments	328,730	316,583
Other Capital Commitments	2,060	1,112
Total	**330,790**	317,695

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

37 Segment reporting

The chief operational decision maker monitors its principle business segment i.e. 'financing segment' for the purpose of making decision about resource allocation and performance assessment. The Company is operating in a single reportable and geographical segment in accordance with Ind AS 108 - Operating Segments as notified u/s 133 of the Companies Act, 2013 and accordingly the same is not applicable to the Company.
Further, no clients individually accounted for more than 10% of the revenue in financial year ended March 31, 2023.

38 Significant transactions during the year

(i) During the year, the Company has formed a new wholly owned subsidiary company in the name of "Piramal Payment Services Limited".

(ii) During the year, the Company has acquired:
a. "Piramal Finance Sales and Service Private Limited" (wholly owned subsidiary Company) from Piramal Enterprises Limited (Holding Company).
b. "PRL Agastya Private Limited" (wholly owned subsidiary Company) from PRL Developers Private Limited (Group Company).

39 A Amalgamation of Piramal Finance Limited and Piramal Capital Limited with Piramal Housing Finance Limited erstwhile Piramal Housing Finance Private Limited

1 The Board of Directors of Piramal Capital Limited (PCL) and the board of Directors of and Piramal Finance Limited (PFL) had at their respective meetings held on October 12, 2017, had approved the Scheme of Amalgamation ("Scheme") of PFL and PCL (together referred as "Transferor Companies") with Piramal Housing Finance Limited (PHFL) (referred as "Transferee Company") effective from March 31, 2018 ("Appointed date"). The National Company Law Tribunal , Mumbai Bench ("NCLT") at its hearing held on April 06, 2018, have sanctioned the Scheme of Amalgamation of the Transferor Companies PFL and PCL with the Transferee Company PHFL. The certified copy of the NCLT, sanctioning the Scheme was filed with the Registrar of Companies, Maharashtra, Mumbai on May 23, 2018 (the "Effective Date").

In accordance with the said Scheme and as per the approval of the National Company Law Tribunal :

a) The amalgamation has been accounted for under the "Purchase Method" as prescribed by AS 14 - Accounting for Amalgamations as specified under section 133 of the Companies Act 2013 and as per the specific provisions of the Scheme. Accordingly, the Scheme has been given effect to in these financial statements. All assets, liabilities, rights and obligations, income and expenditure of the Transferor Companies stand transferred to and vested in the Transferee Company.

b) The purchase consideration of Rs 1,804,452 lakhs for acquisition of Transferor Companies is being discharged by way of issue of 18,044,517,320 equity shares of Rs 10/- each at face value per share to the shareholder of PFL and PCL as per following share exchange ratio (without payment being received in cash) and Rs. 4,256 lakhs on account of stamp duty has been paid.

i) 483 equity shares of face value of Rs. 10 each for every 100 equity shares of face value of Rs. 10 each held in PFL pre amalgamation.

ii) 1 equity shares of face value of Rs. 10 each for every 5 equity shares of face value of Rs. 2 each held in PCL pre amalgamation.

2 Consequent to the Scheme becoming effective, net assets of Transferor Companies aggregating to Rs. 783,027 lakhs as at the Appointed date have been transferred to the Transferee Company at their respective fair values as determined by an independent Valuer. The balance amount of Rs 1,025,681 lakhs has been recorded as goodwill on amalgamation and Rs. 3 lakhs as capital reserve.

3 The Company has increased its Authorised Share Capital to Rs. 19,99,800 lakhs w.e.f. May 02, 2018. Thus, w.e.f. the Effective Date, i.e. May 23, 2018, the Authorised Share Capital of the Company shall be Rs 2,500,000 lakhs.

Break down of the purchase consideration into net assets and goodwill is as under:

(Rs. in Lakhs)

	Particulars	PFL	PCL	Total
I.	Consideration paid for acquisition*	1,808,508	200	1,808,708
II.	Net assets acquired on Appointed date	782,824	203	783,027
III.	**Goodwill (I - II)**	**1,025,684**	**(3)**	**1,025,681**

(* includes Stamp Duty of Rs. 4,256 lakhs)

4 The amalgamation has been accounted under the "Purchase Method" as prescribed by AS 14 - Accounting for Amalgamations as specified under section 133 of the Companies Act 2013 and as per the specific provisions of the Scheme. If the same would have been accounted as per IndAS 103 - Business Combinations, results would have been different.

5 The Company has fully impaired Goodwill during the year ended March 31, 2023 (Refer note 49).

39 B. Amalgamation of Dewan Housing Finance Corporation Limited with erstwhile Piramal Capital & Housing Finance Limited

Vide Order dated June 7, 2021, the Mumbai bench of the Hon'ble National Company Law Tribunal ("NCLT") approved the Resolution Plan submitted by Piramal Capital & Housing Finance Limited ("PCHFL"), wholly-owned subsidiary of the Piramal Enterprises Limited, for the Corporate Insolvency resolution process of Dewan Housing Finance Corporation Limited ("DHFL") under Section 31 of the Insolvency and Bankruptcy Code, 2016. After receiving necessary approvals, PCHFL has discharged its obligation under the resolution plan by paying Rs. 3,425,000 lakhs on September 28, 2021 through cash consideration of Rs. 1,471,747 lakhs (of which Rs. 1,280,000 lakhs paid out of acquired cash) and issue of Debentures of Rs. 1,953,253 lakhs and further, pursuant to the Resolution plan, PCHFL merged into DHFL to conclude acquisition on September 30, 2021 (Implementation Date).

The acquisition of DHFL fits well into the Company's strategy to diversify the loan book and helps achieve scale its retail lending business.

The business combination has been treated as a reverse acquisition for financial reporting purposes in accordance with Ind AS 103, with PCFHL as the accounting acquirer and DHFL as the accounting acquiree/legal acquirer.

Accordingly, these standalone financial statements issued represent the continuation of the financials of PCHFL (accounting acquirer) and reflects the assets and liabilities of PCHFL measured at their pre-acquisition carrying value and acquisition date fair value of the identified assets acquired and liabilities taken over with respect to DHFL. Merged financial statements are issued in the name of Piramal Capital & Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited).

The balances in reserves and surplus of DHFL as of the Appointed Date and the statutory reserve and hedging reserve of PCHFL shall be recognised separately. Any resultant difference arising from such recognition of reserves shall be in the first instance recognised as Amalgamation Adjustment Reserve and debit balance, if any, arising in the Amalgamation Adjustment Reserve may be offset with credit balance in reserves and surplus of the merged entity (first to be adjusted with surplus balance in profit and loss account and then with general reserve, if any).

The Company has also incurred a transaction cost of Rs.14,272 lakh and reported this as an acquisition related cost disclosed as Exceptional items in financial year 2021-22.

Details in respect of business combination is provided below:

		(Rs. in lakhs)
No	**Particulars**	**Amount**
A	Consideration transferred	
	Cash (including acquired cash of Rs. 1,280,000 lakhs)	1,471,747
	Fair value of Debentures	1,912,369
	Total consideration (A)	**3,384,116**
B	**Fair value of identifiable assets and liabilities recognised as a result of the Reverse Acquisition**	
	Assets	
(i)	Loan Book	2,261,450
(ii)	Investments	307,491
(iii)	Cash & Cash Equivalents	1,462,591
(iv)	Property, Plant & Equipment	45,287
(v)	Other assets	108,453
	Total assets acquired (a)	**4,185,272**
	Liabilities	
(i)	Securitised borrowings	(322,649)
(ii)	Other Financial Liabilities	(72,060)
(iii)	Trade Payables	(31,792)
(iv)	Provisions	(5,589)
(v)	Other Non-Financial Liabilities	(8,103)
(vi)	Tax liabilities	(343,700)
	Total liabilities acquired (b)	**(783,893)**
	Net assets recognised pursuant to the Scheme (B) (a-b)	**3,401,379**
C	**Goodwill/(Capital Reserve) (A-B)**	**(17,263)**

Capital reserve represents the gain on bargain purchase which is directly recognized in the other equity as capital reserve.

The acquisition date fair value of accounting acquiree's identifiable assets and liabilities under the reverse acquisition are based on independent valuations obtained by the Company.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Based on opinions obtained from legal and tax experts, the above-mentioned fair value of net assets includes contingent tax liabilities of Rs. 343,700 lakhs pertaining to income tax obligation of DHFL for the financial years ended 31 March, 2020 and 2021, recognized pursuant to uncertain tax positions relating to DHFL as on the implementation date. Further, based on the expert opinions, net deferred tax assets potentially amounting to Rs. 620,900 lakhs relating to the fair value adjustments considered above have presently not been recognized due to uncertainty associated with allowability of such adjustments. The Fair value of assets also includes Investment in a Jointly controlled entity which is currently being litigated and where the Company expects a favourable outcome of the proceedings. (Refer sub-note to note 9 and 32).

Following the successful implementation of the resolution plan pertaining to the insolvency resolution process of the Company, the Company has replaced the nominee directors appointed by the erstwhile management under the Administrator with new directors.

Pursuant to the merger becoming effective from September 30, 2021, the Company allotted 213,646.92 lakhs shares of face value of INR 10 each on November 11, 2021, to the existing shareholders who were holding shares of PCHFL. These shares are issued against the total net worth of PCHFL on the Appointed Date, adjusted for statutory reserves and hedging reserves. Further the existing share capital held by shareholders of DHFL were cancelled/written back upon implementation of the Scheme.

Accounting for conversion of PCHFL reserves aggregating to Rs 208,096 lakhs into Share Capital and continuation of balance of reserves aggregating to Rs. 48,554 lakhs and recognition of reserves of DHFL on the implementation date aggregating to Rs 404,784 lakhs, in the merged financial statements has been done in accordance with the accounting treatment prescribed in the Resolution plan approved by the NCLT which, is different from the accounting treatment prescribed by Ind AS 103 for reverse acquisition business combinations.

The Company holds 100% of equity share capital of DHFL Investments Limited (DIL). DIL had issued Compulsory Convertible Debentures (CCDs) to Wadhawan Global Capital Private Limited ("WGC"). Tri-partite agreement dated 31 March 2017 was entered between DIL, DHFL and Wadhawan Global Capital Private Limited (WGC). This agreement assigned controlling rights in favour of WGC and accordingly DIL was not considered as a subsidiary. The approved Resolution Plan contained prayers inter alia seeking nullification of the Compulsory Convertible Debentures (CCDs) and extinguishment of rights pursuant to these CCDs. WGC and a limited liability partnership by the name of TDH Realty LLP have pursued the litigation against the Resolution Plan purportedly as the ultimate beneficiary of the CCDs. The matter is still under consideration of Hon'ble NCLT. Based on the approval of the Resolution Plan by Hon'ble NCLT and merits of these litigations, the Company has considered DIL as a subsidiary based on its ability to exercise control over DIL with effect from the implementation date.

The wholly owned subsidiary of the Company, DIL holds 50% of equity share capital of Pramerica Life Insurance Company Limited (PLIL). Based on the evaluation of rights available under the shareholders agreement, PLIL has been considered as a joint venture and has been accounted based on equity method of accounting in the consolidated financial statements. Accordingly, the consolidated statement of profit and loss includes the Company's share of profit / (loss) of PLIL with effect from the implementation date.

In accordance with the Resolution Plan, the Company has presented acquired specified financial assets (as per the approved Scheme vide NCLT order dated 7 June 2021) at gross book value with provision for impairment being presented as a reduction from such gross book values as appearing in the financial statements of DHFL immediately prior to the implementation date. Difference between such carrying value (gross values as reduced by provision for impairment) and fair values as determined above is separately presented as a liability (liability representing fair value adjustment). The liability representing fair value adjustment is dealt with in the income statement as a component of interest income consistent with the requirements of Ind AS 109.

In view of the foregoing, the standalone financial results of the accounting acquiree have been included from the implementation date i.e. September 30, 2021. The standalone financial statements presented above are not comparable with the previous period standalone financial statements for the year ended March 31, 2022 which comprise of the result of 6 months operation of DHFL and twelve months of PCHFL.

According to the Resolution Plan, the distribution of proceeds from recovery of fraudulent loans should go to Successful Resolution Applicant (SRA) only to the extent of Re. 1 as per the Fair Value assigned in the Resolution Plan and the balance should be distributed to the creditors. There is a litigation with respect to reconsideration of the value assigned for the fraudulent loan book by Committee of Creditors. According to the Company, the DHFL acquisition remains unaffected by the above said order and the business integration continues as envisaged. Further there will be no adverse impact on the standalone financial statements for the year ended March 31, 2022 and 2023 even in the eventuality of the matter being decided against the Company.

Revenue and profit contribution

The acquired business contributed revenue from operation of Rs. 154,915 lakhs and profit of Rs.75,058 lakhs to the Company for the year ended March 31, 2022.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Piramal Capital & Housing Finance Limited

(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements (Continued)

For the year ended March 31, 2023

(Currency : Rs in lakhs)

40 Information in accordance with the requirements of Indian Accounting Standard 24 & as per scale based regulations ("SBR") on Related Party Disclosures.

List of Related Parties

A. Holding company

Piramal Enterprises Limited ("PEL")

B. Subsidiaries

DHFL Advisory & Investments Private Limited (w.e.f. September 30, 2021)
DHFL Holdings Limited (w.e.f. September 30, 2021)
DHFL Investments Limited (w.e.f. September 30, 2021) ("DIL")
Piramal Payment Services Limited (w.e.f. April 29, 2022)
Piramal Finance Sales & Services Private Limited (w.e.f. September 28, 2022)
PRL Agastya Private Limited (w.e.f. December 12, 2022)

C. Fellow subsidiaries having transaction during the year

Piramal Fund Management Private Limited
PHL Fininvest Private Limited (Merged with PEL w.e.f. April 1, 2022)
Piramal Securities Limited
Piramal Investment Advisory Services Private Limited
Piramal Finance Sales & Services Private Limited (till September 27, 2022)
Piramal Pharma Limited

D. Other related parties having transaction during the year

Aasan Corporate Solutions Private Limited
Brickex Advisors Private Limited (merged with Piramal Corporate Services Private Limited since March 9, 2023)
Piramal Asset Management Private Limited
Piramal Corporate Services Private Limited
Piramal Foundation for Educational Leadership
India Resurgence ARC Private Limited
Piramal Foundation
Kaivalya Education Foundation
Piramal Trusteeship Services Private Limited
Social Worth Technologies Private Limited
Pramerica Life Insurance Limited (w.e.f. September 30, 2021) (Joint Venture of DIL)
PRL Agastya Private Limited (till December 11, 2022)
PRL Developers Private Limited

E. Key Management Personnel

Khushru Jijina (till September 30, 2021)
Jairam Sridharan (w.e.f. October 7, 2021)
Vikash Singhla (w.e.f. March 31, 2022)

F. Non-Executive/Independent Directors

Deepak Satwalekar (Up to July 26, 2021)
Suhail Nathani (w.e.f. October 30, 2021)
Puneet Yadu Dalmia (w.e.f. March 31, 2022)
Gautam Doshi (w.e.f. October 30, 2021)

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Piramal Capital & Housing Finance Limited

(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements (Continued)

For the year ended March 31, 2023

(Currency : Rs in lakhs)

40 Information in accordance with the requirements of Indian Accounting Standard 24 & as per scale based regulations ("SBR") on Related Party Disclosures. (Continued)

G. Details of transactions with related parties

Details of Transactions	Holding Company		Subsidiaries		Fellow subsidiaries		Other Related Parties		Key Management Personnel		Non-Executive/ Independent Directors		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Rent expense														
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	850	1,099	-	-	-	-	850	1,099
- PRL Agastya Private Limited	-	-	398	-	-	-	280	135	-	-	-	-	678	135
TOTAL	-	-	**398**	-	-	-	**1,130**	**1,234**	-	-	-	-	**1,528**	**1,234**
Royalty expense														
- Piramal Corporate Services Limited	-	-	-	-	-	-	5,341	4,430	-	-	-	-	5,341	4,430
TOTAL	-	-	-	-	-	-	**5,341**	**4,430**	-	-	-	-	**5,341**	**4,430**
Premium expense														
- Pramerica Life Insurance Limited	-	-	-	-	-	-	136	-	-	-	-	-	136	-
TOTAL	-	-	-	-	-	-	**136**	-	-	-	-	-	**136**	-
Donation expense														
- Piramal Foundation for Educational Leadership	-	-	-	-	-	-	490	840	-	-	-	-	490	840
- Piramal Foundation	-	-	-	-	-	-	2,838	1,462	-	-	-	-	2,838	1,462
- Kaivalya Education Foundation	-	-	-	-	-	-	573	425	-	-	-	-	573	425
TOTAL	-	-	-	-	-	-	**3,901**	**2,727**	-	-	-	-	**3,901**	**2,727**
Other Borrowing Cost														
- Piramal Enterprises Limited	-	524	-	-	-	-	-	-	-	-	-	-	-	524
TOTAL	-	**524**	-	-	-	-	-	-	-	-	-	-	-	**524**
Arranger Fees for downselling of Assets														
- Piramal Securities Limited	-	-	-	-	-	1,123	-	-	-	-	-	-	-	1,123
TOTAL	-	-	-	-	-	**1,123**	-	-	-	-	-	-	-	**1,123**
Fees (expense)														
- Piramal Trusteeship Services Private Limited	-	-	-	-	-	-	10	4	-	-	-	-	10	4
- Piramal Fund Management Private Limited	-	-	-	-	453	218	-	-	-	-	-	-	453	218
- Social Worth Technologies Private Limited	-	-	-	-	-	-	4,346	1,362	-	-	-	-	4,346	1,362
- Piramal Finance Sales & Services Private Limited	-	-	16,591	-	10,233	4,840	-	-	-	-	-	-	26,824	4,840
TOTAL	-	-	**16,591**	-	**10,686**	**5,058**	**4,356**	**1,366**	-	-	-	-	**31,633**	**6,424**

Piramal Capital & Housing Finance Limited

(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements (Continued)

For the year ended March 31, 2023

(Currency : Rs in lakhs)

40 Information in accordance with the requirements of Indian Accounting Standard 24 & as per scale based regulations ("SBR") on Related Party Disclosures. (Continued)

G. Details of transactions with related parties. (Continued)

Details of Transactions	Holding Company		Subsidiaries		Fellow subsidiaries		Other Related Parties		Key Management Personnel		Non-Executive/ Independent Directors		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Reimbursement of Expenses Received														
- PHL Fininvest Private Limited	-	-	-	-	-	25	-	-			-	-	-	25
- Piramal Asset Management Private Limited	-	-	-	-	-	1	-	-	-	-	-	-	-	1
- Piramal Fund Management Private Limited	-	-	-	-	-	7	-	-	-	-	-	-	-	7
- Piramal Securities Limited	-	-	-	-	-	4	-	-	-	-	-	-	-	4
TOTAL	**-**	**-**	**-**	**-**	**-**	**37**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**37**
Commission Expenses														
- Social Worth Technologies Private Limited	-	-	-	-	-	-	271	-	-	-	-	-	271	-
TOTAL	-	-	-	-	-	-	271	-	-	-	-	-	**271**	-
Reimbursement of expenses paid														
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	43	26	-	-	-	-	43	26
- Brickex Advisors Private Limited	-	-	-	-	-	-	-	1	-	-	-	-	-	1
- Piramal Enterprises Limited	100	362	-	-	-	-	-	-	-	-	-	-	100	362
- Piramal Trusteeship Services Private Limited	-	-	-	-	-	-	5	-	-	-	-	-	5	-
- Social Worth Technologies Private Limited	-	-	-	-	-	-	87	44	-	-	-	-	87	44
- Piramal Payment Services Limited	-	-	12	-	-	-	-	-	-	-	-	-	12	-
- Piramal Pharma Limited	-	-	-	-	-	29	-	-	-	-	-	-	-	29
- PRL Agastya Private Limited	-	-	111	-	-	-	81	34	-	-	-	-	192	34
TOTAL	**100**	**362**	**123**	**-**	**-**	**29**	**216**	**105**	**-**	**-**	**-**	**-**	**439**	**494**
Remuneration to KMP														
- Khushru Jijina	-	-	-	-	-	-	-	-	-	2,021	-	-	-	2,021
- Jairam Sridharan	-	-	-	-	-	-	-	-	343	410	-	-	343	410
- Vikash Singhla*	-	-	-	-	-	-	-	-	100	-	-	-	100	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**443**	**2,431**	**-**	**-**	**443**	**2,431**
Sitting Fees paid to Non-Executive/Independent Directors														
- Deepak Satwalekar	-	-	-	-	-	-	-	-	-	-	-	2	-	2
- Gautam Doshi	-	-	-	-	-	-	-	-	-	-	11	7	11	7
- Puneet Yadu Dalmia	-	-	-	-	-	-	-	-	-	-	3	-	3	-
- Suhail Nathani	-	-	-	-	-	-	-	-	-	-	15	9	15	9
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**29**	**18**	**29**	**18**

*(4429 ESOPs have been granted by the Holding Company to Mr. Vikash Singhla during the year 2022-23, out of which no options have been exercised till March 31, 2023).

Piramal Capital & Housing Finance Limited

(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements (Continued)

For the year ended March 31, 2023

(Currency : Rs in lakhs)

40 Information in accordance with the requirements of Indian Accounting Standard 24 & as per scale based regulations ("SBR") on Related Party Disclosures. (Continued)

G. Details of transactions with related parties. (Continued)

Details of Transactions	Holding Company		Subsidiaries		Fellow subsidiaries		Other Related Parties		Key Management Personnel		Non-Executive/ Independent Directors		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Security Deposit Refunded														
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	141	185	-	-	-	-	141	185
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**141**	**185**	**-**	**-**	**-**	**-**	**141**	**185**
Security deposit placed														
- PRL Agastya Private Limited	-	-	722	-	-	-	475	110	-	-	-	-	1,197	110
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	73	-	-	-	-	-	73	-
TOTAL	**-**	**-**	**722**	**-**	**-**	**-**	**548**	**110**	**-**	**-**	**-**	**-**	**1,270**	**110**
Investment in shares														
- Piramal Payment Services Limited	-	-	550	-	-	-	-	-	-	-	-	-	550	-
- Social Worth Technologies Private Limited	-	-	-	-	-	-	5,095	-	-	-	-	-	5,095	-
- DHFL Investments Limited	-	-	21	-	-	-	-	-	-	-	-	-	21	-
TOTAL	**-**	**-**	**571**	**-**	**-**	**-**	**5,095**	**-**	**-**	**-**	**-**	**-**	**5,666**	**-**
Acquisition of shares of Subsidiaries from														
- Piramal Enterprises Limited	30	-	-	-	-	-	-	-	-	-	-	-	30	-
- PRL Developers Private Limited	-	-	-	-	-	-	9,000	-	-	-	-	-	9,000	-
TOTAL	**30**	**-**	**-**	**-**	**-**	**-**	**9,000**	**-**	**-**	**-**	**-**	**-**	**9,030**	**-**

H. Details of balances with related parties

	Holding Company		Subsidiaries		Fellow subsidiaries		Other Related Parties		Key Management Personnel		Non-Executive/ Independent Directors		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Net Payable (includes provision for expenses)														
- Piramal Enterprises Limited	7,196	329	-	-	-	-	-	-	-	-	-	-	7,196	329
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	7	-	-	-	-	-	7	-
- PHL Fininvest Private Limited	-	-	-	-	-	698	-	-	-	-	-	-	-	698
- Piramal Trusteeship Services Private Limited	-	-	-	-	-	-	-	1	-	-	-	-	-	1
- Piramal Pharma Limited	-	-	-	-	-	18	-	-	-	-	-	-	-	18
- Piramal Corporate Services Limited	-	-	-	-	-	-	483	2,725	-	-	-	-	483	2,725
- Piramal Finance Sales & Services Private Limited	-	-	816	-	-	-	-	-	-	-	-	-	816	-
- PRL Agastya Private Limited	-	-	13	-	-	-	-	97	-	-	-	-	13	97
TOTAL	**7,196**	**329**	**829**	**-**	**-**	**716**	**490**	**2,823**	**-**	**-**	**-**	**-**	**8,515**	**3,869**

Piramal Capital & Housing Finance Limited

(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements (Continued)

For the year ended March 31, 2023

(Currency : Rs in lakhs)

40 Information in accordance with the requirements of Indian Accounting Standard 24 & as per scale based regulations ("SBR") on Related Party Disclosures. (Continued)

II. Details of transactions with related parties. (Continued)

Details of Transactions	Holding Company		Subsidiaries		Fellow subsidiaries		Other Related Parties		Key Management Personnel		Non-Executive/ Independent Directors		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Net Receivables														
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	-	4	-	-	-	-	-	4
- Piramal Finance Sales & Services Private Limited	-	-	-	-	-	551	-	-	-	-	-	-	-	551
- Piramal Foundation for Educational Leadership	-	-	-	-	-	-	-	90	-	-	-	-	-	90
- Social Worth Technologies Private Limited	-	-	-	-	-	-	532	-	-	-	-	-	532	-
- Piramal Payment Services Limited	-	-	13	-	-	-	-	-	-	-	-	-	13	-
- Kaivalya Education Foundation	-	-	-	-	-	-	-	30	-	-	-	-	-	30
- Brickex Advisors Private Limited	-	-	-	-	-	-	-	91	-	-	-	-	-	91
- Pramerica Life Insurance Limited	-	-	-	-	-	-	558	54	-	-	-	-	558	54
TOTAL	**-**	**-**	**13**	**-**	**-**	**551**	**1,090**	**269**	**-**	**-**	**-**	**-**	**1,103**	**820**
ICD Payable														
- Piramal Enterprises Limited	31,552	266,600	-	-	-	-	-	-	-	-	-	-	31,552	266,600
TOTAL	**31,552**	**266,600**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**31,552**	**266,600**
NCD Outstanding														
- Pramerica Life Insurance Limited	-	-	-	-	-	-	2,698	2,843	-	-	-	-	2,698	2,843
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**2,698**	**2,843**	**-**	**-**	**-**	**-**	**2,698**	**2,843**
Security Receipts Outstanding														
- India Resurgence ARC Private Limited	-	-	-	-	-	-	5,673	-	-	-	-	-	5,673	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**5,673**	**-**	**-**	**-**	**-**	**-**	**5,673**	**-**
ICD Receivable														
- PHL Fininvest Private Limited	-	-	-	-	-	70,075	-	-	-	-	-	-	-	70,075
- PRL Agastya Private Limited	-	-	27,100	-	-	-	-	-	-	-	-	-	27,100	-
TOTAL	**-**	**-**	**27,100**	**-**	**-**	**70,075**	**-**	**-**	**-**	**-**	**-**	**-**	**27,100**	**70,075**
Security Deposits														
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	339	407	-	-	-	-	339	407
- PRL Agastya Private Limited	-	-	1,307	-	-	-	-	110	-	-	-	-	1,307	110
TOTAL	**-**	**-**	**1,307**	**-**	**-**	**-**	**339**	**517**	**-**	**-**	**-**	**-**	**1,646**	**517**
Investments														
- DHFL Advisory & Investments Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- DHFL Holding Limited	-	-	1	1	-	-	-	-	-	-	-	-	1	1
- DHFL Investments Limited	-	-	102,064	102,043	-	-	-	-	-	-	-	-	102,064	102,043
- Social Worth Technologies Private Limited	-	-	-	-	-	-	17,819	-	-	-	-	-	17,819	-
- PRL Agastya Private Limited	-	-	9,012	-	-	-	-	-	-	-	-	-	9,012	-
- Piramal Payment Services Limited	-	-	550	-	-	-	-	-	-	-	-	-	550	-
- Piramal Finance Sales & Services Private Limited	-	-	30	-	-	-	-	-	-	-	-	-	30	-
TOTAL			**111,657**	**102,044**	**-**	**-**	**17,819**	**-**	**-**	**-**	**-**	**-**	**129,476**	**102,044**

Piramal Capital & Housing Finance Limited

(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements (Continued)

For the year ended March 31, 2023

(Currency : Rs in lakhs)

40 Information in accordance with the requirements of Indian Accounting Standard 24 & as per scale based regulations ("SBR") on Related Party Disclosures. (Continued)

I Details of maximum outstanding balances with related parties

	Holding Company		Subsidiaries		Fellow subsidiaries		Other Related Parties		Key Management Personnel		Non-Executive/ Independent Directors		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
ICD Given														
- PRL Agastya Private Limited	-	-	48,500	-	-	-	-	-	-	-	-	-	48,500	-
- PHL Fininvest Private Limited	-	-	-	-	-	115,275	-	-	-	-	-	-	-	115,275
- Piramal Enterprises Limited	70,075	-	-	-	-	-	-	-	-	-	-	-	70,075	-
- Piramal Investment Advisory Services Private Limite	-	-	-	-	-	24,840	-	-	-	-	-	-	-	24,840
TOTAL	**70,075**	**-**	**48,500**	**-**	**-**	**140,115**	**-**	**-**	**-**	**-**	**-**	**-**	**118,575**	**140,115**
ICD Taken														
- Piramal Enterprises Limited	266,600	266,600	-	-	-	-	-	-	-	-	-	-	266,600	266,600
TOTAL	**266,600**	**266,600**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**266,600**	**266,600**
Security Deposit														
- PRL Agastya Private Limited	-	-	1,307	110	-	-	-	-	-	-	-	-	1,307	110
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	-	407	589	-	-	-	-	407	589
TOTAL	**-**	**-**	**1,307**	**110**	**-**	**-**	**407**	**589**	**-**	**-**	**-**	**-**	**1,714**	**699**
Investments														
- DHFL Advisory & Investments Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- DHFL Holding Limited	-	-	1	1	-	-	-	-	-	-	-	-	1	1
- DHFL Investments Limited	-	-	102,064	102,043	-	-	-	-	-	-	-	-	102,064	102,043
- Social Worth Technologies Private Limited	-	-	-	-	-	-	17,345	-	-	-	-	-	17,345	-
- PRL Agastya Private Limited	-	-	9,012	-	-	-	-	-	-	-	-	-	9,012	-
- Piramal Payment Services Limited	-	-	550	-	-	-	-	-	-	-	-	-	550	-
- Piramal Finance Sales & Services Private Limited	-	-	30	-	-	-	-	-	-	-	-	-	30	-
TOTAL	**-**	**-**	**111,657**	**102,044**	**-**	**-**	**17,345**	**-**	**-**	**-**	**-**	**-**	**129,002**	**102,044**

(All the transactions are at Arm's Length and there are no non cash transactions with Holding Company)

(Currency : Rs in lakhs)

41 Employee Benefits:

(i) Charge to the Standalone Statement of Profit and Loss based on Defined Contribution Plans

	March 31, 2023	March 31, 2022
Employer's contribution to Regional Provident Fund Office	2,335	878
Contribution to Pension Fund	153	53
Employer's contribution to Employees' State Insurance	-	1

Disclosures for defined benefit plans based on actuarial valuation reports as on March 31, 2023

The Company has scheme for gratuity as part of post retirement plan. The Company has a defined benefit gratuity plan in India which is funded. The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.
The fund is managed by Employees Group Gratuity Trusts 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.

A. Change in Projected Benefit Obligation

	Gratuity (Funded) Year Ended March 31, 2023	Gratuity (Funded) Year Ended March 31, 2022
Present Value of Benefit Obligation as at beginning of the year	3,810	1,229
Interest Cost	255	167
Current Service Cost	516	342
Past Service Cost	-	87
Liability transferred in	-	2,743
Liability Transferred Out/ Divestments	-	(434)
Benefits paid by Employer	(671)	(306)
Benefit Paid From the Fund	(252)	-
Actuarial (Gains)/Losses on Obligations - Due to change in demographic assumptions	(448)	(112)
Actuarial (Gains)/Losses on Obligations - Due to change in financial assumptions	36	(31)
Actuarial (Gains)/Losses on Obligations - Due to experience	219	125
Present Value of Defined Benefit Obligation as at the end of the year	**3,466**	3,810

B. Fair value of plan assets

Fair Value of Plan Assets as at beginning of the year	3,756	1,267
Interest income	252	155
Contributions by the Employer	-	-
Assets transferred in/ Acquisition	-	2,306
Benefit Paid from the Fund	(252)	-
Return on Plan Assets, Excluding Interest Income	(63)	28
Fair value of plan assets as at the end of the year	**3,693**	3,756

C. Amount recognised in the Balance Sheet

Present Value of Benefit Obligation at the end of the year	(3,466)	(3,810)
Fair Value of Plan Assets at the end of the year	3,693	3,756
Funded Status (surplus/ (deficit))	227	(53)
Net (Liability)/Asset Recognized in the Balance Sheet	**227**	**(53)**

D. Net interest cost for current year

Present Value of Benefit Obligation at the Beginning of the year	3,810	1,229
(Fair Value of Plan Assets at the Beginning of the year)	(3,756)	(1,267)
Net Liability/(Asset) at the Beginning	53	(38)
Interest Cost	255	167
(Interest Income)	(252)	(156)
Net Interest Cost for current year	**4**	11

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

41 Employee Benefits: *(Continued)*

		Gratuity (Funded) Year Ended March 31, 2023	Gratuity (Funded) Year Ended March 31, 2022
E.	**Expenses recognised in Statement of Profit and Loss**		
	Current Service Cost	516	342
	Interest Cost	4	11
	Past Service Cost	-	87
	Total Expenses / (Income) recognised in the Statement of Profit and Loss	**520**	440
F.	**Expenses Recognized in the Other Comprehensive Income (OCI) for current year**		
	Actuarial (Gains)/Losses on Obligations	(192)	(18)
	Return on Plan Assets, Excluding Interest Income	63	(29)
	Net (Income)/Expense For the year recognized in OCI	**(130)**	(47)
G.	**Principal actuarial assumptions used:**		
	Rate of discounting	7.20%	6.70%
	Rate of salary increase	10.00%	9.00%
	Rate of employee turnover	30%	For service 4 years and below 20.00% p.a. For service 5 years and above 10.00% p.a.
	Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

		As at March 31, 2023	As at March 31, 2022
H.	**Balance Sheet Reconciliation**		
	Opening Net Liability	53	(38)
	Expenses Recognized in Statement of Profit or Loss	520	440
	Expenses Recognized in OCI	(130)	(47)
	Net Liability/(Asset) Transfer In	-	438
	Net (Liability)/Asset Transfer Out	-	(434)
	Benefit Paid	(671)	(306)
	(Employer's Contribution)	-	-
	Net Liability/(Asset) Recognized in the Balance Sheet	**(227)**	53
I.	**Category of Assets**		
	Insurance fund	3,693	3,756
	Total	**3,693**	3,756

J. Other Details

Particulars	**As at March 31, 2023**	As at March 31, 2022
No of Active Members	4,819	3099
Per Month Salary For Active Members	1,865	1,225
Weighted Average Duration of the Projected Benefit Obligation	3	8
Average Expected Future Service	2	6
Projected Benefit Obligation (PBO)	3,466	3,809
Prescribed Contribution For Next Year (12 Months)	218	569

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

41 Employee Benefits: (Continued)

K. Net Interest Cost for Next Year

	Estimated for the year ended March 31, 2023	Estimated for the year ended March 31, 2022
Present Value of Benefit Obligation at the End of the year	3,466	3,809
(Fair Value of Plan Assets at the End of the year)	(3,693)	(3,756)
Net Liability/(Asset) at the End of the year	(227)	53
Interest Cost	250	255
(Interest Income)	(266)	(252)
Net Interest Cost for Next Year	**(16)**	3

L. Expenses Recognized in the Statement of Profit or Loss for Next Year

	Estimated for the year ended March 31, 2023	Estimated for the year ended March 31, 2022
Current Service Cost	445	516
Net Interest Cost	(16)	4
(Expected Contributions by the Employees)	-	-
Expenses Recognized	**429**	520

M. Maturity Analysis of the Benefit Payments: From the Employer

Projected Benefits Payable in Future Years From the Date of Reporting	As at March 31, 2023	As at March 31, 2022
1st Following Year	1,012	518
2nd Following Year	717	325
3rd Following Year	569	413
4th Following Year	449	368
5th Following Year	373	347
Sum of Years 6 To 10	844	1563

N. Sensitivity Analysis

Projected Benefits Payable in Future Years From the Date of Reporting	As at March 31, 2023	As at March 31, 2022
Projected Benefit Obligation on Current Assumptions	3,466	3,809
Delta Effect of +1% Change in Rate of Discounting	(77)	(220)
Delta Effect of -1% Change in Rate of Discounting	82	248
Delta Effect of +1% Change in Rate of Salary Increase	78	236
Delta Effect of -1% Change in Rate of Salary Increase	(75)	(215)
Delta Effect of +1% Change in Rate of Employee Turnover	(19)	(40)
Delta Effect of -1% Change in Rate of Employee Turnover	20	43

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes:

Gratuity is payable as per company' scheme as detailed in the report.

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 in line with the industry practice considering promotion and demand and supply of the employees.

Cash flow projection is done considering future salary, attrition and death in respective year for members as mentioned above.

Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Weighted Average Duration of the Defined Benefit Obligation is the weighted average of cash flow timing, where weights are derived from the present value of each cash flow to the total present value.

Any benefit payment and contribution to plan assets is considered to occur end of the year to depict liability and fund movement in the disclosures.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

41 Employee Benefits: (Continued)

Qualitative Disclosures

Para 139 (a) Characteristics of defined benefit plan

The entity has a defined benefit gratuity plan in India (funded). The entity'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.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Interest rate risk

A fall in the discount rate which is linked to the G.Sec. 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. Company has to manage pay-out based on pay as you go basis from own funds. 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

(ii) Compensated Absences

Particulars	Compensated absence (Funded) Year Ended March 31, 2023	Compensated absence (Funded) Year Ended March 31, 2022
Expense recognised in the Statement of Profit and Loss	1,346	(1,261)
Discount rate (p.a.)	7.20% p.a.	6.70% p.a.
Salary escalation rate (p.a.)	10% p.a.	9% p.a.
Amount recognised in the Balance Sheet		
Present Value of Benefit Obligation at the end of the year	2,378	2,012
Fair Value of Plan Assets at the end of the year	1,776	1,977
Funded Status (surplus/ (deficit))	(602)	(36)
Net (Liability)/Asset Recognized in the Balance Sheet	**(602)**	**(36)**

(iii) Long term service employee benefits

During the year, the Company has recognised long term service reward aggregating to Rs 4 lakhs (March 31, 2022 - NIL) which is unfunded.

(Currency : Rs in lakhs)

41 Employee Benefits: (Continued)

(iv) Share Based payment

The Holding Company (i.e. Piramal Enterprises Limited "PEL") has issued stock options to certain select employees of the Company. These transactions are recognized as equity-settled share based payment transactions. The Scheme allows the Grant of Stock Options to employees of the Company that meet the eligibility criteria. Each option comprises one underlying Equity Share.

Employee Stock Option Scheme and related scheme wise details are as follows

Particulars	For 1/3 vesting start - March 31, 2024	For 1/4 vesting start - May 1, 2024	For 1/3 vesting start - August 1, 2025
Date of Grant	31-Mar-23	31-Mar-23	31-Mar-23
Number of options granted	238,898	309,663	21,971
Number of options exercisable as on March 31, 2023	-	-	-
Exercise price per option	2	2	2
Vesting Commencement date	31-Mar-24	01-May-24	01-Aug-25
Vesting period	28 Months	38 Months	52 Months
Date of vesting	1/3 on March 31, 2024 1/3 on August 1, 2024 1/3 on August 1, 2025	1/4 on May 1, 2024 1/4 on June 1, 2024 1/4 on June 1, 2025 1/4 on June 1, 2026	1/3 on August 1, 2025 1/3 on August 1, 2026 1/3 on August 1, 2027
Method of Settlement	Equity settled	Equity settled	Equity settled
Modification to share based payment plans	NA	NA	NA
Basis of determination of volatility	The historical volatility of PEL stock price returns for a time frame corresponding to the remaining contractual life has been relied upon as a proxy for the expected volatility.		
Vesting Conditions	Employee to remain in service on the date of vesting		

Summary of stock options

Particulars	Number of options	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Life (Years)
Balance as on April 1, 2022	-	-	-
Granted during the year	570,532	2	4 - 5 years
Exercised during the year	-	-	-
Forfeited/Lapsed during the year	-	-	-
Balance as on March 31, 2023	570,532	2	4 - 5 years

The fair values of options granted during the year are as follows:

Grant date	No. of Years vesting	Fair value per option
March 31, 2023	3.28 years	Rs. 624.83 - Rs. 639.48

The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:

	Grant dated March 31, 2023
Risk free interest rate	6.91% - 6.94%
Expected life	3.0 - 4.67 years
Expected volatility	55.10% - 58.73%
Expected dividend yield	1.71% - 1.91%
Exercise Price (Rs.)	2
Stock Price (Rs.)	678.35

The expense recognised for the employee services received during the year is Rs. 7 Lakhs and the ESOP liability as on March 31, 2023 is Rs 7 lakhs.

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

T R Chadha & Co LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

(Currency : Rs in lakhs)

42 Fair Value Disclosures

a)

Categories of Financial Instruments:	March 31, 2023 FVTPL	March 31, 2023 FVOCI	March 31, 2023 Amortised Cost*	March 31, 2022 FVTPL	March 31, 2022 FVOCI	March 31, 2022 Amortised Cost*
Financial Assets						
Investments	735,322	78,042	430,908	641,093	3,232	753,080
Loans	133,868	-	4,734,069	264,125	-	5,246,278
Derivative financial instruments	9,811	-	-	2,749	-	-
Cash and Bank Balances #	-	-	259,678	-	-	515,898
Other Financial Assets #	-	-	90,873	-	-	112,535
	879,001	**78,042**	**5,515,528**	**907,967**	**3,232**	**6,627,791**
Financial liabilities						
Borrowings	-	-	4,061,117	-	-	4,641,581
Trade Payables #	-	-	29,007	-	-	52,008
Other Financial Liabilities #	-	-	166,502	-	-	89,925
	-	-	**4,256,626**	-	-	4,783,514

b) **Fair Value Hierarchy and Method of Valuation**

Financial Instruments	Notes	March 31, 2023 Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets						
Measured at FVTPL						
Investments						
Redeemable Non-Convertible Debentures	i.	18,000	-	-	18,000	**18,000**
Optionally Convertible Debentures	i.	34,000	-	-	34,000	**34,000**
Investments in Mutual Funds	ii.	-	-	-	-	**-**
Project Receivables	i.	161,740	-	-	161,740	**161,740**
Security Receipts	i.	302,241	-	-	302,241	**302,241**
Alternative Investment Funds	i.	215,642	-	-	215,642	**215,642**
Others	i.	3,699	-	-	3,699	**3,699**
Loans	i.	133,868	-	-	133,868	**133,868**
Derivative financial instruments	i.	9,811	-	-	9,811	**9,811**
Measured at FVTOCI						
Investments						
Preference Shares (Others then subsidiaries)	i.	17,752	-	-	17,752	**17,752**
Equity Instruments (Others then subsidiaries)	i.	67	-	-	67	**67**
Redeemable Bonds	i.	50,726	-	-	50,726	**50,726**
T-Bill	i.	9,497	9,497	-	-	**9,497**
Measured at Amortised Cost*						
Investments						
Government Securities/Redeemable Bonds	iii.	104,031	104,381	-	-	**104,381**
Redeemable Non Convertible Debentures	iii.	306,373	-	-	291,984	**291,984**
Pass Through certificates	iii.	20,504	-	-	20,504	**20,504**
Loans	iii.	4,734,069	-	-	4,689,543	**4,689,543**
Financial Liabilities						
Measured at Amortised Cost						
Borrowings	iii.	4,061,117	-	-	3,989,424	**3,989,424**

(Currency : Rs in lakhs)

42 Fair Value Disclosures (Continued)

Financial Instruments		March 31, 2022				
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets						
Measured at FVTPL						
Investments						
Redeemable Non-Convertible Debentures	i.	28,105	-	-	28,105	28,105
Optionally Convertible Debentures	i.	30,947	-		30,947	30,947
Investments in Mutual Funds	ii.	132,068	132,068	-	-	132,068
Project Receivables	i.	181,060	-		181,060	181,060
Investment in AIF	i.	198,824	-		198,824	198,824
Others	i.	70,089	-		70,089	70,089
Loans	i.	264,125	-	-	264,125	264,125
Derivative financial instruments		2,749	-	-	2,749	2,749
Measured at FVOCI						
Investments						
Investment in Preference Share	i.	3,232	-	-	3,232	3,232
Measured at Amortised Cost*						
Investments						
Redeemable Bonds	iii.	66,223	37,317	28,089	817	66,223
Government Securities/Redeemable Bonds	iii.	4	-	-	4	4
Redeemable Non Convertible Debentures	iii.	658,786	-	-	658,786	658,786
Pass Through certificates	iii.	28,067	-	-	28,067	28,067
Loans	iii.	5,246,278	-	-	5,199,237	5,199,237
Financial Liabilities						
Measured at Amortised Cost						
Borrowings	iii.	4,641,581	-	-	4,600,645	4,600,645

Notes:

i. Discounted cash flow method has been used to determine the fair value. The yield used for discounting has been determined based on trades, market polls, levels for similar issuer with same maturity, spread over matrices, etc.

ii. Net Asset Value (NAV) as at the reporting period have been used to determine the Fair Value of the mutual fund investments.

iii. Discounted cash flow method has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets and financial liabilities by the difference in the G-SEC rates from date of initial recognition to the reporting dates.

* The carrying value & fair value of investments, loans & other financial assets at amortised cost is gross of ECL provision amounting to Rs. 7,26,604 lakhs (March 31, 2022 – Rs 8,62,437 lakhs).

\# The Company has not disclosed the fair value of cash and bank balances, other financial assets, trade payables and other financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

(Currency : Rs in lakhs)

42 Fair Value Disclosures *(Continued)*

c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2023 and March 31, 2022.

Particulars	Derivative Financial Instruments	Other Investments	Debentures	Loans	Total
As at March 31, 2021	-	325,021	29,809	87,072	441,902
Transfer on account of reverse merger (Refer Note 39B)	-	97,827	-	194,250	292,077
Transfer in/ (Out)	-	46,261	-	-	46,261
Acquisitions/Disposal during the year (Net)	-	8,996	51,984	1,351	62,332
(Losses)/Gain recognised in profit or loss/Other Comprehensive Income	2,749	(24,900)	(22,741)	200	(44,692)
As at March 31, 2022	**2,749**	**453,205**	**59,052**	**282,873**	**797,879**
Transfer in/ (Out)	-	119,213	-	-	119,213
Acquisitions/Disposal during the year (Net)	-	239,298	(700)	(173,866)	64,731
(Losses)/Gain recognised in profit or loss/Other Comprehensive Income	7,062	(59,849)	(6,352)	24,861	(34,277)
As at March 31, 2023	**9,811**	**751,867**	**52,000**	**133,868**	**947,546**

d) Sensitivity for FVTPL Instruments

Impact on the Company's profit before tax if discount rates had been as given in the table below:

Method	Nature of Instrument	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact	
				Yield Increase	Yield Decrease
Discounted Cash Flow Model as at March 31, 2023	NCD	Discount rate	0.7%	-	-
	Investment	Sale Price	5.0%	1,666	(1,508)
	Term Loan	Discount rate	0.7%	76	(75)
	Term Loan	Sale Price	5.0%	1,096	(897)
Discounted Cash Flow Model as at March 31, 2022	NCD	Discount rate	0.7%	-	-
	Investment	Sale Price	5.0%	7,120	7,130
	Term Loan	Discount rate	0.7%	(97)	98
	Term Loan	Sale Price	5.0%	3,170	(3,170)

42A Changes in liabilities arising from financing activities

(a) Changes in capital and asset structure arising from financing activities and investing activities (Ind AS 7 'Statement of Cash flows')

The Company does not have any financing activities and investing activities which affect the capital and asset structure of the Company without the use of cash and cash equivalents.

(b) Changes in liability arising from financing activities (Ind AS 7 'Statement of Cash Flows')

Particulars	As at April 1, 2022	Cash flows	Exchange Difference	Other	As at March 31, 2023
Debt securities	2,871,266	(318,867)	-	-	2,552,399
Borrowings (other than debt securities)	1,491,055	(32,296)	4,871	848	1,464,478
Deposits	266,600	(235,048)	-	-	31,552
Subordinated debt liabilities	12,660	28	-	-	12,688
	4,641,581	**(586,183)**	**4,871**	**848**	**4,061,117**

Particulars	As at April 1, 2021	Cash flows	Exchange Difference	Other	As at March 31, 2022
Debt securities	1,040,599	1,830,667		-	2,871,266
Borrowings (other than debt securities)	1,630,023	(140,998)	2,021	9	1,491,055
Deposits	266,600	-		-	266,600
Subordinated debt liabilities	49,493	(36,833)		-	12,660
	2,986,715	1,652,836	2,021	9	4,641,581

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

43 Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 13 to 16 offset by cash and cash equivalents and earmarked balances with banks) and total equity of the Company.

The Company being a Non-Deposit taking Housing Finance Company has to maintain a Capital Adequacy Ratio of 15% (Refer note 51 (xi)).The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through equity or non convertible debt securities or other long-term /short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company. The Company has complied with all regulatory requirements related to capital and capital adequacy ratios as prescribed by NHB.

The capital components of the Company are as given below:	**March 31, 2023**	March 31, 2022
Total Equity	**1,489,987**	2,225,921
Borrowings	4,061,117	4,641,581
Total Debt	**4,061,117**	4,641,581
Cash and Cash equivalents	(191,533)	(461,860)
Bank balances other than above (excluding lien marked)	(1,259)	-
Net Debt	**3,868,325**	4,179,721
Debt equity ratio	**2.73**	2.09
Net Debt equity ratio	**2.60**	1.88

44 Risk management

Risk Management is an integral part of the Company's business strategy. The Risk Management oversight structure includes Committees of the Board and Management Committees. Company's risk philosophy is to develop and maintain a healthy portfolio which is within its risk appetite and the regulatory framework. While the Company is exposed to various types of risks, the most important among them are liquidity risk, interest rate risk, credit risk, regulatory risk and fraud and operational risk. The measurement, monitoring and management of risks remain a key focus area for the Company.

The Risk Management Committee of the Board provides direction to and monitors the quality of the internal audit function and also monitors compliance with NHB and other regulators.

The Company's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with market best practices.

The Risk Management Committee of the Board ("RMC") reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyses risk exposure and provides oversight of risk across the organization. The RMC nurtures a healthy and independent risk management function to inculcate a strong risk management culture in the Company and broadly perceives the risk arising from (i) credit risk, (ii) liquidity risk, (iii) interest rate risk and (iv) fraud risk and operational risk (v) regulatory risk

44.1 Liquidity Risk

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Company has an Asset Liability Management Policy in place, which is in line with NHB/RBI guidelines for Housing Finance Companies. The ALCO is responsible for the management of the companies funding and liquidity requirements. The company manages liquidity risk by maintaining unutilised banking facilities, credit lines and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities.

The Company has the following undrawn credit lines available as at the end of the reporting period.

	March 31, 2023	March 31, 2022
- Expiring within one year (including bank overdraft)	2,500	35,000
- Expiring beyond one year	-	-
Undrawn credit lines	**2,500**	35,000

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP Chartered Accountants

Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

44 Risk management *(Continued)*

44.1 Liquidity Risk *(Continued)*

The following tables details the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of March 31, 2023 and March 31, 2022 respectively has been considered. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Maturities of Financial Liabilities	March 31, 2023			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Borrowings	1,190,394	1,615,184	1,048,875	1,353,190
Trade Payables	29,007	-	-	-
Other Financial Liabilities*	140,431	-	-	26,071
	1,359,832	**1,615,184**	**1,048,875**	**1,379,261**

Maturities of Financial Liabilities	March 31, 2022			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Borrowings	1,021,287	1,493,535	1,540,289	1,960,656
Trade Payables	51,875	-	-	-
Other Financial Liabilities*	22,407	4,766	1,734	757
	1,095,569	1,498,301	1,542,023	1,961,413

*This includes lease liabilities

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Maturities of Financial Assets	March 31, 2023			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Investments	310,495	231,969	355,172	596,613
Loans	1,554,579	1,625,331	1,021,807	1,239,896
Other Financial Assets	74,780	-	-	9,993
	1,939,854	**1,857,300**	**1,376,979**	**1,846,502**

Maturities of Financial Assets	March 31, 2022			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Investments	262,250	417,917	310,798	400,429
Loans	1,208,442	1,965,392	1,090,311	2,242,541
Other Financial Assets	113,782	13,907	-	-
	1,584,474	2,397,216	1,401,109	2,642,970

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP
MUMBAI
Chartered Accountants

Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

44 Risk management *(Continued)*

44.2 Interest Rate Risk

Retail lending:

The Company is exposed to minimal interest rate risk as it has most of assets and liabilities are based on floating interest rates. The Company has an approved Asset and Liability Management Policy which empowers the ALCO assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk.

Wholesale lending:

The Company is exposed to interest rate risk as it has assets and liabilities based on both fixed and floating interest rates. The Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

The sensitivity analysis below have been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate assets and liabilities has been considered to be insignificant.

The exposure of the Company's borrowings to the interest rate risk at the end of the year for variable rate borrowing is Rs. 1,165,014 lakhs (March 31, 2022- Rs. 1,755,030 lakhs) and fixed rate borrowings are Rs. 2,896,102 lakhs (March 31, 2022- Rs. 2,886,488 lakhs)

Impact on the Company's profit before tax if interest rates had been 100 basis points higher / lower is given below:

Sensitivity Analysis on Floating Rate Instruments	For the Year Ended			
	March 31, 2023		March 31, 2022	
	Higher	Lower	Higher	Lower
Sensitivity Analysis on Floating Rate Borrowings	(11,707)	11,707	(17,659)	17,659
Sensitivity Analysis on Floating Rate Assets	27,768	(27,768)	50,422	(50,422)

44.3 The table below shows contractual maturity profile of carrying value of assets and liabilities:

Particulars	As at March 31, 2023		
	Within 12 months	After 12 months	Total
<u>ASSETS</u>			
Financial assets:			
Cash and cash equivalents	191,533	-	191,533
Bank balances other than (a) above	1,357	66,788	68,145
Derivative financial instruments	-	9,811	9,811
Loans	1,245,229	2,938,353	4,183,582
Investments	284,055	1,033,440	1,317,495
Other financial assets	74,780	9,993	84,773
Non- financial assets:			-
Current tax assets (net)	72,393	-	72,393
Deferred tax assets (net)	-	142,427	142,427
Property, Plant and Equipment	-	32,307	32,307
Right-of-use assets	-	23,945	23,945
Intangible assets under development	-	353	353
Goodwill	-	-	-
Other intangible assets	-	11,648	11,648
Other non-financial assets	5,446	30,939	36,385
Total Assets	**1,874,793**	**4,300,004**	**6,174,797**

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP
MUMBAI

Piramal Capital & Housing Finance Ltd.

Piramal Capital & Housing Finance Limited

(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements *(Continued)*

For the year ended March 31, 2023

(Currency : Rs in lakhs)

Particulars	As at March 31, 2023		
	Within 12 months	After 12 months	Total
LIABILITIES			
Financial liabilities:			
Trade payables	29,007	-	29,007
Debt securities	233,986	2,318,413	2,552,399
Borrowings (other than debt securities)	664,717	799,761	1,464,478
Deposits	-	31,552	31,552
Subordinated debt liabilities	-	12,688	12,688
Other financial liabilities	148,286	18,216	166,502
Non- financial liabilities:		-	-
Current tax liabilities (net)	59,208	-	59,208
Provisions	6,099	-	6,099
Other non- financial liabilities	17,079	345,798	362,877
Total liabilities	**1,158,382**	**3,526,428**	**4,684,810**

Particulars	As at March 31, 2022		
	Within 12 months	After 12 months	Total
ASSETS			
Financial assets:			
Cash and cash equivalents	461,860	-	461,860
Bank balances other than (a) above	54,038	-	54,038
Derivative financial instruments	2,749	-	2,749
Loans	663,017	4,093,001	4,756,018
Investments	160,057	1,231,338	1,391,395
Other financial assets	98,628	13,907	112,535
Non- financial assets:			-
Current tax assets (net)	-	62,106	62,106
Deferred tax assets (net)	-	-	-
Property, Plant and Equipment	-	38,517	38,517
Right-of-use assets	-	12,171	12,171
Intangible assets under development	-	1,217	1,217
Goodwill	-	1,025,681	1,025,681
Other intangible assets	-	5,678	5,678
Other non-financial assets	45,530	725	46,255
Total Assets	1,485,878	6,484,342	7,970,221
LIABILITIES			
Financial liabilities:			
Trade payables	52,009	-	52,009
Debt securities	239,835	2,631,431	2,871,266
Borrowings (other than debt securities)	429,576	1,061,479	1,491,055
Deposits	-	266,600	266,600
Subordinated debt liabilities	-	12,660	12,660
Other financial liabilities	82,668	7,257	89,925
Non- financial liabilities:		-	-
Current tax liabilities (net)	340,889	-	340,889
Provisions	9,713	487	10,200
Deferred tax liabilities (net)	-	60,746	60,746
Other non- financial liabilities	10,101	538,849	548,949
Total liabilities	1,164,791	4,579,508	5,744,299

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

44 Risk management *(Continued)*

44.4 Credit Risk

The Company is exposed to Credit Risk through its lending activity. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Retail lending:
For retail lending the credit policy has been reviewed and approved by Risk Team. The Credit Risk management structure includes credit policies and procedures. The Credit Policy defines customer segments, income assessment criteria, underwriting standards, target market definition, appraisal and approval processes, product limits, Delegation of Authority metrics (DoA) and cover risk assessment for product offerings etc. to ensure consistency of credit buying patterns.

Wholesale lending:
The Company's Risk management team has developed proprietary internal rating models to evaluate risk return trade-off for the loans and investments made by the Company. The output of traditional credit rating model is an estimate of probability of default. These models are different from the traditional credit rating models as they integrate both probability of default and loss given default into a single model.

Credit Risk Management

For retail lending business, credit risk management is achieved by considering various factors like:
• Assessment of borrower's capability to pay – detailed assessment of borrower's capability to pay is conducted. The approach to the assessment is uniform across the entire Company and is spelt out in the Credit Policy.

• Security cover – this is an assessment of the value of security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation, etc of the collateral.

• Geographic region – the Company monitors loan performances in a particular region to assess if there is any stress due to natural calamities, etc impacting the performance of loans in a particular geographic region

For wholesale lending business, credit risk management is achieved by considering various factors like :
• Promoter strength – This is an assessment of the promoter from financial, management and performance perspective.
• Industry & micro-market risk – This is an assessment of the riskiness of the industry and/or micro-market to which the borrower/project belongs

• Project risk – This is an assessment of the standalone project from which interest servicing and principal repayment is expected to be done.
• Structure risk – This is an assessment of the loan structure which is characterized by its repayment tenor, moratorium, covenants, etc.
• Security cover – This is an assessment of the value of the security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation etc. of the collateral.

• Exit – This is an assessment of the liquidity of the loan or investment.
Each of the above components of the risk analysis are assigned a specific weight which differ based on type of loan. The weights are then used with the scores of individual components for conversion to a risk rating.

Based on the above assessment the risk team categorises the deals in to the below Risk Grades

Risk Grading	Description
Dark Green	Extremely good loan
Green	Good loan
Yellow	Moderate loan
Amber	Weak loan
Red	Extremely weak loan

Further, a periodic review of the performance of the portfolio is also carried out by the Risk Group. The Risk Group adjusts the stress case considered during the initial approval based on actual performance of the deal, developments in the sector, regulatory changes etc. The deal level output is combined to form a portfolio snapshot. The trends from portfolio are used to provide strategic inputs to the management.

The credit risk on liquid funds and other financial instruments is limited because the counterparties are banks with high credit-ratings assigned credit-rating agencies or mutual funds.

Provision for Expected Credit Loss

The Company has assessed the credit risk associated with its financial assets for provision of Expected Credit Loss (ECL) at the reporting dates. For different product categories (Real Estate, Senior debt, Lease Rental Discounting, Loan Against Shares, Mezzanine etc), the Company has developed scorecard that makes use of various reasonable supportive forward looking parameters which are both qualitative as well as quantitative in nature. These scorecards helps in determining the change in credit risk and the probability of default. These parameters have been detailed out in Note No.vi of Significant Accounting Policies. Based on the result yielded by the above assessment the Financial assets are classified into (1) Standard (Performing) Asset, (2) Significant Credit Deteriorated (Under-Performing) Asset (3) Default (Non-Performing) Asset (Credit Impaired).
For the purpose of expected credit loss analysis the Company defines default as any asset with more than 90 days overdues. This is also as per the rebuttable presumption provided by the standard.

(Currency : Rs in lakhs)

44 Risk management *(Continued)*

44.4 Credit Risk *(Continued)*

The Company provides for expected credit loss based on the following:

Category - Description	Stage	Basis for Recognition of Expected Credit Loss
Assets for which credit risk has not significantly increased from initial recognition	Stage 1	12 month ECL
Assets for which credit risk has increased significantly but not credit impaired	Stage 2	Life time ECL
Assets for which credit risk has increased significantly and credit impaired	Stage 3	Loss Given Default (LGD)

For the year ended March 31, 2023 and March 31, 2022 the Company has developed a PD Matrix after considering some parameters as stated below :
The key parameters for various scorecards are highlighted as follows -Real Estate products (Construction Finance, Structured Debt, LRD) - (1) Developer Grade (2) Past Overdue History (3) Tenant profile (4) Status from monthly Asset Monitoring report (5) Stage of the project (6) Geography etc. Some of the Parameters for Non Real Estate products (Senior lending, mezzanine, project finance etc) - (1) Sponsor strength (2) Overdues (3) Average debt service coverage ratio (4) Regulatory Risk (5) Stability of EBITDA (6) Quality of underlying assets etc. Based on these parameters the Company has computed the PD. The Company has also built in model scorecards to determine the internal LGD. However, due to lack of default history to statistically substantiate the internal LGD, the Company has made use of a combination of both internal as well as external LGD. The Company also maintains Expected Credit Loss for undisbursed limits after applying the credit conversion factor (CCF). CCF for these limits is computed based on historical disbursement trends observed across various products.

Expected Credit Loss as at the Reporting year:

As at March 31, 2023

Particulars	Asset Group	Gross Carrying Value	Expected Credit Loss	Net Amount
Assets for which credit risk has not significantly increased	Investments	225,775	9,725	216,050
from initial recognition*	Loans	3,370,621	122,674	3,247,947
Assets for which credit risk has increased significantly but not	Investments	71,034	9,904	61,130
credit impaired	Loans	341,858	96,273	245,585
Assets for which credit risk has increased significantly and	Investments	30,068	16,505	13,563
credit impaired	Loans	426,792	358,906	67,886
Purchased or Originated credit impaired (POCI)	Loans	249,000	106,501	142,499
Total		**4,715,148**	**720,488**	**3,994,660**

As at March 31, 2022

Particulars	Asset Group	Gross Carrying Value	Expected Credit Loss	Net Amount
Assets for which credit risk has not significantly increased	Investments	543,460	14,302	529,158
from initial recognition*	Loans	3,176,659	94,508	3,082,151
Assets for which credit risk has increased significantly but not	Investments	118,909	81,124	37,785
credit impaired	Loans	256,073	40,745	215,328
Assets for which credit risk has increased significantly and	Investments	24,484	12,628	11,856
credit impaired	Loans	650,275	359,957	290,318
Purchased or Originated credit impaired (POCI)	Loans	605,675	259,176	346,499
Total		5,375,535	862,440	4,513,095

^ Excluding Fair Valuation Adjustment on Merger of Rs. 345,798 Lakhs (March 31, 2022 - Rs. 538,849 Lakhs) as same amount of liability is disclosed in Other Non-Financial Liabilities.
Gross Carrying Value represents instruments valued at amortised cost.
Investments covered investments in the nature of loan portfolio.

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

TR Chadha & Co. LLP ★ Chartered Accountants ★ MUMBAI

Piramal Capital & Housing Finance Ltd. ★

(Currency : Rs in lakhs)

44 Risk management *(Continued)*

Reconciliation of Loss Allowance

For the year ended March 31, 2023

a)

Investments and Loans	**12 months ECL - Stage 1**	**Lifetime ECL not credit impaired - Stage 2**	**ECL credit impaired - Stage 3**	**POCI**
Balance at the beginning of the year	108,810	121,869	372,585	259,176
Transfer on Account of Merger	-	-	-	-
Transferred to 12-month ECL (Stage 1)	933	(409)	(526)	-
Transferred to Lifetime ECL not credit impaired (Stage 2)	(11,944)	12,109	(165)	-
Transferred to Lifetime ECL credit impaired (Stage 3)	(6,594)	(1,137)	7,732	-
Bad debts written off	(1,857)	(114,220)	(31,897)	-
On Account of Rate (Reduction)/Increase	38,587	74,406	46,416	-
ECL on new loan disbursements	37,273	13,339	6,181	-
On Account of Repayments	(32,808)	220	(24,914)	(152,675)
Balance at the end of the year	**132,401**	**106,177**	**375,411**	**106,501**

For the year ended March 31, 2022

a)

Investments and Loans	**12 months ECL - Stage 1**	**Lifetime ECL not credit impaired - Stage 2**	**ECL credit impaired - Stage 3**	**POCI**
Balance at the beginning of the year	74,424	47,558	53,841	-
Transfer on Account of Merger	31,329	-	309,316	259,176
Transferred to 12-month ECL (Stage 1)	235	(151)	(83)	-
Transferred to Lifetime ECL not credit impaired (Stage 2)	(562)	620	(59)	-
Transferred to Lifetime ECL credit impaired (Stage 3)	(430)	(79)	510	-
Bad debts written off			(3,058)	(1,645)
On Account of Rate (Reduction)/Increase	7,260	61,446	14,981	1,645
ECL on new loan disbursements	18,558	13,345	-	-
On Account of Repayments	(22,006)	(870)	(2,862)	-
Balance at the end of the year	108,810	121,869	372,585	259,176

b) **Expected Credit Loss on undrawn loan commitments and letter of comfort:**

Particulars	**As at March 31, 2023**	As at March 31, 2022
ECL on undrawn loan commitments (refer note 19)	5,493	10,111

No letter of comfort is outstanding at the year end. The Company has not issued any letter of comfort during the year

c) **Description of Collateral held as security and other credit enhancements**

The Group has set benchmarks on appropriate level of security cover for various types of deals. The Group periodically monitors the quality as well as the value of the security to meet the prescribed limits. The collateral held by the Group varies on case to case basis and includes:

i) First / Subservient charge on the Land and / or Building of the project or other projects
ii) First / Subservient charge on the fixed and current assets of the borrower
iii) Hypothecation over receivables from funded project or other projects of the borrower
iv) Pledge on Shares of the borrower or their related parties
v) Guarantees of Promoters / Promoter Undertakings
vi) Post dated / Undated cheques

As at the reporting date, the value of the collateral held as security for the credit impaired financial assets is higher than the exposure at default for these assets.

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

TR Chadha & Co LLP ★ Chartered Accountants ★ MUMBAI

Piramal Capital & Housing Finance Ltd. ★

(Currency : Rs in lakhs)

44 Risk management *(Continued)*

d) The credit impaired assets as at the reporting dates were secured by charge on land, building and project receivables amounting to:

Particulars	As at March 31, 2023	As at March 31, 2022
Secured portfolio	117,514	341,919

44.5 Regulatory Risk:

The Company requires certain statutory and regulatory approvals for conducting business and failure to obtain retain or renew these approvals in a timely manner, may adversely affect operations. Any change in laws or regulations made by the government or a regulatory body that governs the business of the Company may increase the costs of operating the business, reduce the attractiveness of investment and / or change the competitive landscape.

44.6 Fraud risk and operational risk:

Fraud risk management committee ('FRMC') comprising of top management representatives is constituted, which shall oversee the matters related to fraud risk, review and approve action against frauds.

FRMC conducts fraud risk assessment, identified fraud prone areas and develop mitigation measures. Status of mitigation measures are reviewed periodically.

The Company's risk management framework considers strategic, operations, financial reporting and external laws and regulations related risks

The Company has an elaborate system of internal audit and concurrent audit commensurate with the size, scale and complexity of its operations and covers funding operations, financial reporting, fraud control and compliance with laws and regulations.

Further, Concurrent audit helps prevent and address document related anomalies and deficiencies which strengthening quality assurance during onboarding and processing of transactions.

Internal Auditors monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with laws and regulations, efficacy of its operating systems, adherence to the accounting procedures and policies at all offices of the Company and report directly to Audit Committee and Risk Management Committee of the company.

44.7 Foreign exchange risk:

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency i.e. INR. The Company has taken foreign currency floating rate borrowing which is linked to LIBOR. The risk is measured through a forecast of highly probable foreign currency cash flows. The risk is hedged with the objective of minimising the volatility of the INR cash flows of highly probable forecast transactions.

The Company has entered into cross-currency interest rate swap (CCIRS) for the entire loan liability to manage the foreign exchange risk along with interest rate risk arising from changes in LIBOR on such borrowings. As per the Company's policy, the critical terms of hedging instrument must align with the hedged items. Refer note 45 for accounting for the cash flow hedge and impact of hedge accounting on the statement of profit and loss.

There is no foreign currency asset/liability outstanding as on March 31, 2023 excluding ECB of USD 75 million which are fully hedged as disclosed above.

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd

(Currency : Rs in lakhs)

45 Accounting for cash flow hedge

The Company had taken foreign currency floating rate borrowings which are linked to LIBOR. For managing the foreign currency risk and interest rate risk arising from changes in LIBOR on such borrowings, the Company had entered into cross-currency interest rate swap (CCIRS) for the entire loan liability. The Company had designated the CCIRS (hedging instrument) and the borrowing (hedged item) into a hedging relationship and applies hedge accounting.

Under the terms of the CCIRS, the Company pays interest at the fixed rate to the swap counterparty and receives the floating interest payments based on LIBOR. Further, the principal amount of the foreign currency borrowing is hedged by a forward rate. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying and fixed rates) are matched and the interest cash flows are off-setting, an economic relationship exists between the two. This ensures that the hedging instrument and hedged item have values that generally move in the opposite direction.

As at March 31, 2023, The Company has invested in floating rate government securities/bonds which are linked to treasury bill rate. For managing the interest rate risk arising from changes in treasury bill rate on such investments, the Company has entered into an interest rate swaps (IRS) for the investments. The Company has designated the IRS (hedging instrument) and the investment (hedged item) into a hedging relationship and applied hedge accounting.

Under the terms of the IRS, the Company receives interest at fixed rate and pays interest at the floating rate based on daily compounded overnight FBIL MIBOR. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying fixed rates) are not exactly matched, the Company uses the hypothetical derivative method to assess effectiveness. The interest cash flows of the hypothetical derivative and interest rate swap are off-setting, an economic relationship exists between the two. This ensures that the hedging instrument (interest rate swap) and hedged item (hypothetical derivative) have values that generally move in the opposite direction. There was no such contract outstanding as on March 31, 2022.

Hedge Effectiveness Testing is assessed at designation date of the hedging relationship, and on an ongoing basis. The ongoing assessment is performed at a minimum at each reporting date or upon a significant change in circumstances affecting the hedge effectiveness requirements, whichever comes first.

During the year ended March 31, 2022, the date on which CCIRS and the borrowings were designated into hedging relationship is later than the date on which the respective contracts were entered into. This timing difference has caused hedge ineffectiveness to a certain extent, the effect of which has been recognised in profit or loss under the head Net Fair Value Changes.

Following table provides quantitative information regarding the hedging instrument:

Type of risk/ hedge position	Nominal value (Liabilities)	Carrying amount of hedging instruments (included under "Other financial assets")	Maturity date	Hedge ratio	Average contracted fixed interest rate	Changes in fair value of hedging instrument used as a basis for recognising hedge effectiveness	Changes in value of hedged item used as a basis for recognising hedge effectiveness
As on March 31, 2023:							
Cash Flow Hedge Foreign currency and Interest rate risk	52,264	9,512	June'2024	1 : 1	9.30%	6,764	5,719
Cash Flow Hedge - Interest rate risk	12,500	299	September'2032	1 : 1	6.76%	414	(429)
		9,811					
As on March 31, 2022:							
Cash Flow Hedge Foreign currency and Interest rate risk	52,264	2,749	June'2024	1 : 1	9.30%	3,328	2,029

Following table provides the effects of hedge accounting on financial performance :

Type of hedge	Changes in the value of hedging instruments recognised in Other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Line-item affected in statement of profit or loss because of reclassification
For the year ended March 31, 2023				
Cash flow hedge				
Interest Rate risk and	7,063	-	(848)	Finance Cost
Foreign Exchange Risk			(4,871)	Foreign Exchange (gain)/loss
For the year ended March 31, 2022				
Cash flow hedge				
Interest Rate risk and	3,328		9	Finance Cost
Foreign Exchange Risk			2,021	Foreign Exchange (gain)/loss

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Piramal Capital & Housing Finance Ltd.

Notes to the Standalone Financial Statements *(Continued)*
For the year ended March 31, 2023

(Currency : Rs in lakhs)

45 Accounting for cash flow hedge

The following table provides a reconciliation by risk category of the components of equity and analysis of Other Comprehensive Income items resulting from hedge accounting:

Particulars	Movement in Cash flow hedge reserve for the years ended March 31, 2023	Movement in Cash flow hedge reserve for the years ended March 31, 2022
Opening balance	(624)	(1,596)
Effective portion of changes in fair value:		
a) Interest rate and foreign currency risk	7,063	3,328
Tax on movements on reserves during the year	(1,778)	(838)
Net amount reclassified to profit or loss:		
a) Interest rate risk	848	9
b) Foreign currency risk	4,871	2,021
Tax on movements on reserves during the year	(1,439)	(511)
Closing balance	**381**	(624)

(Currency : Rs in lakhs)

46 Transfer of Financial Assets

Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Securitisations/ Assignments	Year ended March 31, 2023	Year ended March 31, 2022
Carrying amount of transferred assets measured at amortised cost (held as Collateral)	109,436	280,839
Carrying amount of associated liabilities (Borrowings) (other than securities)- measured at amortized cost)	109,157	266,965
Fair value of assets	109,436	280,839
Fair value of associated liabilities	109,157	266,965
Net position at Fair value	279	13,874

Note : Transferred Financial Assets that are derecognised in their entirety

The Company has assigned loans by way of direct assignment. As per the terms of deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarised the carrying amount of the derecognised financial assets.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Direct Assignment (excluding 100% direct assignment)		
Carrying amount of transferred assets measured at amortised cost	1,123,757	1,622,042
Carrying amount of exposures retained by the Company at amortized cost	141,598	216,269

47 Foreign Currency Expenditure (on accrual basis)

Particulars	March 31, 2023	March 31, 2022
Business Promotion	1	-
Professional Fees	388	1,216
Legal Fees	148	292
Membership & Subscription	23	-

(Currency : Rs in lakhs)

48 Disclosure for Insurance commission income as required under Insurance regulatory and development Authority (IRDA)

Particulars	March 31, 2023	March 31, 2022
Cholamandalam MS General Insurance Company Limited	143	-
Pramerica Life Insurance Limited	946	88
Total	**1,089**	88

49 Principal Business Criteria and Impairment of Goodwill

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or groups of CGUs, which are benefited from the synergies of the acquisition. Goodwill is reviewed for any impairment at the operating segment level, which is represented through groups of CGUs.

a) The Company is required to comply with Principal Business Criteria ('PBC') as stated in paragraph 5.3 of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ('RBI Directions'). The Company had submitted a detailed business plan to the RBI in April and June 2022 detailing the roadmap to comply with the principal business criteria by March 31, 2024. Based on Company's submission, the RBI advised the Company to ensure compliance with the submitted business plan, as the same shall be monitored at regular intervals by the RBI and NHB. The Company is currently trailing in meeting committed PBC thresholds for the year ended March 31, 2023, however, the management believes that the Company will be able to meet the required PBC thresholds latest by March 31, 2024. In order to achieve the above, the Company has changed its business strategy to shift focus majorly on housing finance loans and has decided to further reduce the Assets Under Management (AUM) in wholesale lending business in next few years.

b) Due to the change in business strategy in the current year in line with management's decision to reduce wholesale lending business and increase the focus to increase retail housing business, the Company has revised the business projections considered for the annual impairment testing, as required under the principles of Ind AS 36, Impairment of Assets, of related goodwill amounting to Rs. 1,025,681 lakhs recognized on merger of wholesale lending business of Piramal Finance Limited and Piramal Capital Limited with the Company in the year 2018.

As of March 31, 2023, the estimated cash flows for a period of 5 years for the Company were developed using internal forecasts, and a pre-tax discount rate of 12.5% respectively. The cash flows beyond 5 years have been extrapolated assuming 2% growth rates, depending on the cash generating unit and the country of operations.
Basis such impairment testing performed, the aforesaid goodwill has been fully impaired in the year ending March 31, 2023. Owing to the significance of amount and non-recurring nature of impairment of goodwill, the Company has classified and presented it as an exceptional item in line with Ind AS 1, Presentation of Financial Statements. Further, the deferred tax liability of Rs. 143,138 lakhs pertaining to goodwill has also been reversed during the year ended March 31, 2023.

50 Corporate Social Responsibility Expenditure

Particulars	March 31, 2023	March 31, 2022
Amount required to be spent by the company during the year	3,444	4,921
Amount spent during the year from Company's bank A/c	5,467	4,680
Closing Balance in Separate CSR Unspent Bank A/c	-	241
Shortfall at the end of the year,	-	-
Total of previous years shortfall,	-	-
Reason for shortfall,	-	-
Nature of CSR activities	Promoting healthcare and education	Promoting healthcare and education
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	3,901	2,727
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	-	-

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI

Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

51 Additional Regulatory Information

i) The Company has not granted any loans or advances in the nature of loans 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:
(a) repayable on demand; or
(b) without specifying any terms or period of repayment

ii) There is a change in management w.e.f. September 30, 2021 on account of business combination (Refer note 39B), and the Company under new management has not been declared as a wilful defaulter by any bank or financial Institution or other lender.

iii) The Company has not done any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 except:

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding	Relationship with the struck off company, if any, to be disclosed
GK Marketing Services Private Limited	DSA commission	Nil	DSA (Vendor)

iv) The Company does not have any charges to be registered with ROC beyond the statutory period. There was no satisfaction of charge pending as on March 31, 2023 except one loan where loan repaid during the year for Rs. 110,000 lakhs due to non-receipt of No Due Certificate from Bank of Baroda. With respect to the assets acquired under business combination, the Company is in the process of satisfying the charges on those assets which is procedural.

v) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

vi) The Company have not traded or invested in Crypto currency or Virtual Currency during the year.

vii) During the year the Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or

b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

viii) During the year the Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

ix) The Company have not had any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

x) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies Act (Restriction on number of Layers) Rule, 2017.

xi) **Analytical Ratios**

Particulars	March 31, 2023	March 31, 2022
(a) Capital to risk-weighted assets ratio (CRAR)	26.80%	22.01%
(b) Tier I CRAR	25.90%	21.11%
(c) Tier II CRAR	0.90%	0.90%
(d) Liquidity Coverage Ratio	Refer Note 52.2	Refer Note 52.2

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Piramal Capital & Housing Finance Limited

(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the standalone financial statements *(Continued)*

For the year ended March 31, 2023

(Currency : Rs in Lakhs)

52 Additional Non-Banking Financial Company - HFC disclosures

52.1 Gold Loan Disclosure

Loans granted against collateral of gold jewellery was 0.005% of total assets at March 31, 2023 (March 31, 2022: 0.001%).

52.2 Additional disclosure on Liquidity Coverage Ratio

RBI vide Circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 issued guidelines on liquidity risk framework for NBFCs/HFCs. Apart from various process related aspects of the Liquidity risk management framework, the regulations require NBFCs/HFCs to maintain a manadated Liquidity Coverage Ratio (LCR). The objective of the LCR is to promote short-term resilience in the liquidity risk profile of NBFCs/HFCs. It does this by ensuring that the Company has adequate stock of unencumbered high-quality liquid assets (HQLA) that can be converted easily and immediately into cash to meet its liquidity needs for a 30 calendar day liquidity stress scenario. Further, RBI vide Circular No. RBI/2020-21/60 DOR.NBFC (HFC).CC.No.118/03.10.136/2020-21 dated October 22, 2020, provided HFCs with time extension for minimum liquidity coverage ratio (LCR) of 50% to be maintained by December 2021, to be gradually increased to 100% by December 2025.

The Company had LCR of 119% as of March 31, 2023, 288% as of December 31, 2022, 369% as of September 30, 2022 and 382% as of June 30, 2022 which is higher than LCR mandated by RBI. The Company regularly reviews the maturity position of assets and liabilities and liquidity buffers, and ensures maintenance of sufficient quantum of High Quality Liquid Assets.

Sr. No.	Particulars	Quarter ended March 31, 2023		Quarter ended December 31, 2022		Quarter ended September 30, 2022		Quarter ended June 30, 2022	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets								
1	Total High Quality Liquid Assets (HQLA)	176,319	176,319	265,104	265,104	279,582	279,582	280,002	280,002
	Cash Outflows								
2	Deposits (for deposit taking companies)	NA	NA	NA	NA	NA	NA	NA	NA
3	Unsecured wholesale funding	12,663	14,562	2,784	3,201	7,783	8,950	18,539	21,320
4	Secured wholesale funding	103,880	119,461	47,503	54,628	95,732	110,091	61,757	71,020
5	Additional requirements, of which	119,400	137,310	119,400	137,310	119,400	137,310	134,999	155,249
(i)	*Outflows related to derivative exposures and other collateral requirements*	119,400	137,310	119,400	137,310	119,400	137,310	134,999	155,249
(ii)	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
(iii)	*Credit and liquidity facilities*	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	14,000	16,100	14,000	16,100	14,000	16,100	14,000	16,100
7	Other contingent funding obligations	30,680	35,282	27,532	31,662	26,666	30,666	25,833	29,708
8	**Total Cash Outflows**	280,623	322,715	211,219	242,901	263,581	303,117	255,128	293,397
	Cash Inflows								
9	Secured lending	109,619	82,214	62,613	46,960	76,097	57,073	63,366	47,525
10	Inflows from fully performing exposures	24,152	18,114	22,410	16,807	23,226	17,419	23,226	17,419
11	Other cash inflows	99,188	74,391	116,168	87,126	283,120	212,340	333,913	250,435
12	**Total Cash Inflows**	232,959	174,719	201,191	150,893	382,443	286,832	420,505	315,379
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13	**TOTAL HQLA**		176,319		265,104		279,582		280,002
14	**TOTAL NET CASH OUTFLOWS**		147,997		92,008		75,779		73,349
15	**LIQUIDITY COVERAGE RATIO (%)**		**119%**		**288%**		**369%**		**382%**

Piramal Capital & Housing Finance Limited

(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the standalone financial statements *(Continued)*

For the year ended March 31, 2023

(Currency : Rs in Lakhs)

52 Additional Non-Banking Financial Company - HFC disclosures

52.2 Additional disclosure on Liquidity Coverage Ratio (Continued)

Sr. No.	Particulars	Quarter ended March 31, 2022		Quarter ended December 31, 2021	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets				
1	Total High Quality Liquid Assets (HQLA)	542,291	531,897	462,804	462,804
	Cash Outflows				
2	Deposits (for deposit taking companies)	NA	NA	NA	NA
3	Unsecured wholesale funding	13,867	15,947	5,833	6,708
4	Secured wholesale funding	135,004	155,255	27,502	31,628
5	Additional requirements, of which				
(i)	*Outflows related to derivative exposures and other collateral requirements*	-	-	-	-
(ii)	*Outflows related to loss of funding on debt products*	130,500	150,075	203,833	234,408
(iii)	*Credit and liquidity facilities*	143,730	165,290	201,964	232,258
6	Other contractual funding obligations	-	-	-	-
7	Other contingent funding obligations	-	-	-	-
8	**Total Cash Outflows**	423,101	486,567	439,132	505,002
	Cash Inflows				
9	Secured lending	-	-	-	-
10	Inflows from fully performing exposures	69,762	52,322	68,126	51,095
11	Other cash inflows	226,068	169,551	195,993	146,995
12	**Total Cash Inflows**	295,830	221,873	264,119	198,090
			Total Adjusted Value		**Total Adjusted Value**
13	**TOTAL HQLA**		531,897		462,804
14	**TOTAL NET CASH OUTFLOWS**		264,694		306,912
15	**LIQUIDITY COVERAGE RATIO (%)**		**201%**		**151%**

Qualitative disclosures

1 The Company has implemented the guidelines on Liquidity Risk Management Framework prescribed by the Reserve Bank of India requiring maintenance of Liquidity Coverage Ratio (LCR), which aim to ensure that an NBFC maintains an adequate level of unencumbered HQLAs that can used to meet its liquidity needs for the 30 days under a significantly severe liquidity stress scenario.

2 LCR = Stock of High-Quality Liquid Assets (HQLAs)/Total Net Cash Outflows over the next 30 calendar days

3 HQLAs as per the guidelines comprises of Cash, Investment in Central and State Government Securities, and highly-rated Corporate Bonds and Commercial papers, including those of of Public Sector Enterprises, as adjusted after assigning the haircuts as prescribed by RBI. Cash would mean cash on hand and demand deposits with Scheduled Commercial Banks.

4 The Liquidity Risk Management framework of the Company is governed by its Asset Liability Management Policy approved by the Board of Directors. The Asset Liability Management Committee (ALCO) oversee the implementation of liquidity risk management framework of the Company and ensure adherence to the risk tolerance / limits set by the Board of Directors.

5 As prescribed by the RBI Guidelines, Total net cash outflows are arrived after taking into consideration total expected cash outflows minus total expected cash inflows for the 30 days

6 Total net cash outflows over the next 30 days = Stressed Outflows - [Min (stressed inflows; 75% of stressed outflows)].

7 Total expected cash outflows (stressed outflows) are calculated by multiplying the outstanding balances of various categories or types of liabilities by 115% (15% being the rate at which they are expected to run off further or be drawn down)

8 Total expected cash inflows (stressed inflows) are calculated by multiplying the outstanding balances of various categories of contractual receivables by 75% (25% being the rate at which they are expected to under-flow)

Note:

In order to calculate the daily LCR, the management has made certain assumptions to arrive at the same. Statutory Auditors have relied on these assumptions while testing the arithmetical accuracy of the LCR computations.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Piramal Capital and Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Currency : Rs in lakhs)

52 Additional Disclosure

52.3 Disclosure under Master Direction Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021.

Sl. No.	Particulars	As at March 31, 2023	
		Pass through certificate	Direct assignment
1.	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	21	160
2.	Total amount of securitised assets as per books of the SPEs	233,985	1,292,050
3.	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	63,083	148,733
	a) Off-balance sheet exposures	-	-
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures	63,083	148,733
	• First loss	18,038	-
	• Others	45,045	148,733
4.	Amount of exposures to securitisation transactions other than MRR	-	-
	a) Off-balance sheet exposures	-	-
	i) Exposure to own securitisations	-	-
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations	-	-
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures	-	-
	i) Exposure to own securitisations	-	-
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations	-	-
	• First loss	-	-
	• Others	-	-
5.	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	-	-
	a) Sale Consideration Received	25,413	184,173
	b) Gain / Loss on sale of account of Securitisation		533
6.	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
i	Securitisation Asset Servicing Fee	19	714
7.	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.	-	-
	(a) Amount paid	-	-
	(b) Repayment received	-	-
	(c) Outstanding amount	42,579	7,598
8.	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
	Mar-2018	2.78%	2.37%
	Mar-2019	3.31%	2.43%
	Mar-2020	16.17%	11.12%
	Mar-2021	24.10%	21.20%
	Mar-2022	29.03%	25.31%
	Mar-2023	36.75%	35.68%
9.	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
10.	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	-	-
	(a) Directly/Indirectly received	68	1,706
	(b) Complaints outstanding	-	1

Piramal Capital and Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Currency : Rs in lakhs)

52 Additional Disclosure

52.3 Disclosure under Master Direction Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021 (Continued)

Sl. No.	Particulars	As at March 31, 2022	
		Pass through certificate	Direct assignment
1.	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	18	164
2.	Total amount of securitised assets as per books of the SPEs	259,768	1,898,776
3.	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet	57,924	240,063
	a) Off-balance sheet exposures	-	-
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures	57,924	240,063
	• First loss	7,699	23,478
	• Others	50,225	216,585
4.	Amount of exposures to securitisation transactions other than MRR	-	-
	a) Off-balance sheet exposures	-	-
	i) Exposure to own securitisations	-	-
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations	-	-
	• First loss	-	-
	• Others	-	-
	b) On-balance sheet exposures	-	-
	i) Exposure to own securitisations	-	-
	• First loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations	-	-
	• First loss	-	-
	• Others	-	-
5.	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	NA	NA
6.	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.		
i	Securitisation Asset Servicing Fee	-	761
7.	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	(a) Amount paid	-	
	(b) Repayment received	-	
	(c) Outstanding amount	29,281	32,883
8.	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc		
	Mar-2017	1.82%	2.40%
	Mar-2018	2.78%	2.37%
	Mar-2019	3.31%	2.43%
	Mar-2020	16.17%	11.12%
	Mar-2021	24.10%	21.20%
	Mar-2022	29.03%	25.31%
9.	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
10.	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding		
	(a) Directly/Indirectly received	94	1008
	(b) Complaints outstanding	-	-

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements *(Continued)*
For the year ended March 31, 2023

(Currency : Rs in lakhs)

53 Disclosure on Prudential Floor for ECL in terms of RBI circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

As at March 31, 2023

Asset Classification as per RBI norms	Asset Classification as per IND AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under IND AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing assets						
Standard Assets	Stage 1	3,743,760	114,454	3,629,306	18,574	95,880
	Stage 2	412,124	105,408	306,716	5,644	99,764
Sub-total		4,155,884	219,862	3,936,022	24,218	195,644
Non-performing assets (NPA)						
Substandard	Stage 3	133,747	64,375	69,372	20,062	44,313
Doubtful - up to 1 year	Stage 3	8,835	2,203	6,632	2,255	(53)
1 to 3 years	Stage 3	10,018	4,580	5,438	4,074	506
More than 3 years	Stage 3	3	2	1	3	(1)
		18,856	6,785	12,071	6,332	452
Loss	Stage 3	1,788	1,783	5	1,783	-
Subtotal for NPA		154,391	72,943	81,448	28,177	44,766
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	328,730	5,493	323,237	-	5,493
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total Non POCI (Performing assets + Non-performing assets)	Stage 1	4,072,490	119,947	3,952,543	18,574	101,373
	Stage 2	412,124	105,408	306,716	5,644	99,764
	Stage 3	154,391	72,943	81,448	28,177	44,766
	Total	**4,639,005**	**298,298**	**4,340,708**	**52,395**	**245,902**
POCI**		142,500	-	142,500	2,513	(2,513)
Security Receipts		302,241	-	302,241	3,022	(3,022)
Grand Total (Non POCI + POCI)	**Total**	**5,083,746**	**298,298**	**4,785,449**	**57,930**	**240,367**

As at March 31, 2022

Asset Classification as per RBI norms	Asset Classification as per IND AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under IND AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing assets						
Standard Assets	Stage 1	4,192,142	77,412	4,114,730	52,303	25,109
	Stage 2	280,484	121,574	158,910	2,104	119,469
Sub-total		4,472,626	198,986	4,273,640	54,407	144,578
Non-performing assets (NPA)						
Substandard	Stage 3	42,294	20,326	21,968	4,631	15,695
Doubtful - up to 1 year	Stage 3	21,659	11,208	10,451	5,947	5,261
1 to 3 years	Stage 3	51,010	27,445	23,565	31,784	(4,339)
More than 3 years	Stage 3	3,980	3,957	23	3,980	(23)
		76,649	42,610	34,039	41,711	899
Loss	Stage 3	1,677	1,673	4	1,677	(4)
Subtotal for NPA		120,620	64,609	56,011	48,019	16,590
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	879,633	9,743	869,890	-	9,743
	Stage 2	21,767	74	21,693	-	74
	Stage 3	-	-	-	-	-
Total Non POCI	Stage 1	5,071,775	87,155	4,984,620	52,303	34,852
	Stage 2	302,251	121,648	180,603	2,104	119,544
	Stage 3	120,620	64,609	56,011	48,019	16,590
	Total	**5,494,646**	**273,412**	**5,221,234**	**102,426**	**170,986**
POCI**		346,498	-	346,498	5,378	(5,378)
Grand Total (Non POCI + POCI)	**Total**	**5,841,144**	**273,412**	**5,567,732**	**107,804**	**165,608**

Note: The Company has framed Policy for sales out of amortised cost business model portfolios

** POCI - Purchase or originated Credit Impaired Portfolio (Net of ECL provision and Fair value)

(Currency : Rs in lakhs)

54 **Detail of the resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI Circular dated August 6, 2020 (Resolution Framework - 1.0) and May 5, 2021 (Resolution Framework - 2.0) as at March 31, 2023 are given below**

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year i.e. September 30, 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year i.e. March 31, 2023**
Personal Loans	33,955	460	-	6,522	11,506
Corporate persons*	185,186	-	84,731	4,136	24,837
Of which MSMEs	6,827	-	-	1,142	3,941
Others	22,521	81	-	3,589	8,480
Total	**241,662**	**541**	**84,731**	**14,247**	**44,823**

* As defined in section 3(7) of the Insolvency and Bankruptcy Code, 2016

^ Represents actual repayment from customers excluding repayments received from other parties on account of transfer/sale/ settlement of loans.

** Reduced mainly on account of sale of loans
The above disclosure reflects Company's share of loans in case of securitised and assigned pool
The numbers in the above table represents gross values of loans excluding fair value adjustments on loans acquired/purchased

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Currency : Rs. in lakhs)

55 Public disclosure on liquidity risk management framework

1 Funding Concentration based on significant counterparty (both deposits and borrowings)

31 March 2023

Sr. No.	Number of Significant Counterparties	Amount	% of Total deposits	% of Total Liabilities
1	16	2,741,828	NA	58.53%

31 March 2022

Sr. No.	Number of Significant Counterparties	Amount	% of Total deposits	% of Total Liabilities
1	14	3,066,248	NA	53.38%

Note: significant counterparties includes Catalyst Trusteeship Ltd which is holding PCHFL NCDs on behalf of erstwhile creditors of DHFL in its role as global escrow agent as defined in the Global Settlement Trust Deed for the CIRP of DHFL

2 Top 20 large deposits (amount in ₹ lakhs and % of total deposits)
Not Applicable

3 Top 10 borrowings (amount in ₹ lakhs and % of total borrowings)

As at 31 March 2023

Amount	% of Total Borrowings
2,335,032	57.50%

As at 31 March 2022

Amount	% of Total Borrowings
2,664,394	57.40%

4 Funding Concentration based on significant instrument/product

As at 31 March 2023

Sr. No.	Name of the instrument/product	Amount	% of Total Liabilities
1	Redeemable Non Convertible Debentures	2,565,087	54.75%
2	Term loan (secured) from banks	1,071,756	22.88%
3	Commercial paper	143,769	3.07%
4	Securtised Borrowing from Bank	109,157	2.33%
5	CROMS Borrowings (Clearing Corporation of India)	76,845	1.64%
6	Term loan - FCNR Loans	62,951	1.34%

As at 31 March 2022

Sr. No.	Name of the instrument/product	Amount	% of Total Liabilities
1	Redeemable Non Convertible Debentures	2,871,266	49.98%
2	Term loan (secured) from banks	1,116,621	19.44%
3	Securtised Borrowing from Bank	266,965	4.65%
4	Intercorporate deposit from related party (Unsecured)	266,600	4.64%

5 Stock Ratios:

Sr. No.		Particulars	March 31, 2023
(a)	(i)	Commercial papers as a % of total public funds	3.54%
	(ii)	Commercial papers as a % of total liabilities	3.07%
	(iii)	Commercial papers as a % of total assets	2.33%
(b)	(i)	Non-convertible debentures (original maturity of less than one year) as a % of total public funds	-
	(ii)	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	-
	(iii)	Non-convertible debentures (original maturity of less than one year) as a % of total assets	-
(c)	(i)	Other short-term liabilities, if any as a % of total public funds	24.98%
	(ii)	Other short-term liabilities, if any as a % of total liabilities	21.66%
	(iii)	Other short-term liabilities, if any as a % of total assets	16.43%

Sr. No.		Particulars	March 31, 2022
(a)	(i)	Commercial papers as a % of total public funds	0.76%
	(ii)	Commercial papers as a % of total liabilities	0.62%
	(iii)	Commercial papers as a % of total assets	0.44%
(b)	(i)	Non-convertible debentures (original maturity of less than one year) as a % of total public funds	-
	(ii)	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	-
	(iii)	Non-convertible debentures (original maturity of less than one year) as a % of total assets	-
(c)	(i)	Other short-term liabilities, if any as a % of total public funds	25.10%
	(ii)	Other short-term liabilities, if any as a % of total liabilities	20.28%
	(iii)	Other short-term liabilities, if any as a % of total assets	14.61%

6 Institutional set-up for liquidity risk management

a) The ALCO is responsible for the management of the companies funding and liquidity requirements, within the board approved framework and extant regulations.

b) The Company manages liquidity risk by maintaining an appropriate mix of unutilised banking facilities, credit lines as necessary and by continuously monitoring expected and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co LLP Chartered Accountants

Piramal Capital & Housing Finance Ltd.

(Currency : Rs. in lakhs)

56 Non-Banking Financial Company disclosures

(i) **Disclosures as required in terms of Annex III of Master Direction – "Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021"**

Particulars Liabilities side :	Amount outstanding as at March 31, 2023	Amount overdue as at March 31, 2023
1 **Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**		
(a) Debentures : Secured	2,552,399	-
: Unsecured (other than falling within the meaning of public deposits)	12,688	-
(b) Deferred credits	-	
(c) Term loans	1,134,707	-
(d) Inter-corporate loans and borrowing	31,552	-
(e) Commercial paper	143,769	-
(f) Public deposits	-	-
(g) Other loans	186,002	-
2 **Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :**		
(a) In the form of unsecured debentures	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits	-	-

Particulars Liabilities side :	Amount outstanding as at March 31, 2022	Amount overdue as at March 31, 2022
1 **Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**		
(a) Debentures : Secured	2,871,266	-
: Unsecured (other than falling within the meaning of public deposits)	12,660	-
(b) Deferred credits	-	-
(c) Term loans	1,173,562	-
(d) Inter-corporate loans and borrowing	266,600	-
(e) Commercial paper	35,465	-
(f) Public deposits	-	-
(g) Other loans	282,028	-
2 **Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :**		
(a) In the form of unsecured debentures	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits	-	-

(Currency : Rs. in lakhs)

56 Non-Banking Financial Company disclosures

(i) **Disclosures as required in terms of Annex III of Master Direction – "Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021"**

Assets side :	Amount outstanding as at March 31, 2023	Amount outstanding as at March 31, 2022
3 **Break-up of loans and advances including bills receivables [other than those included in (4) below:]**		
(Amount gross of provision)		
(a) Secured	3,803,882	4,585,495
(b) Unsecured	648,896	173,189
4 **Break up of leased assets and stock on hire and other assets counting towards asset financing activities**		
(i) Lease assets including lease rentals under sundry debtors:	-	-
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	-	-
(b) Repossessed assets	-	-
(iii) Other loans counting towards AFC activities	-	
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements *(Continued)*
for the year ended March 31, 2023

(Currency : Rs. in lakhs)

56 Additional Non-Banking Financial Company - HFC disclosures (Continued)

Assets Side :	Amount outstanding as at March 31, 2023	Amount outstanding as at March 31, 2022
5 **Break-up of investments :**		
Current investments :		
1. Quoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	132,068
(iv) Government securities	9,497	-
(v) Others (please specify)		-
2. Unquoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
Long term investments :		
1. Quoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	104,031	4
(v) Others -Redeemable Bonds		
2. Unquoted :		
(i) Shares : (a) Equity	109,424	102,046
(b) Preference	20,052	3,232
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others		
-Redeemable Bonds	50,726	66,223
-Project Receivables	161,740	181,060
-Pass Through certificates	20,504	53,167
-Security Receipts	302,241	43,399
-Venture Capital Fund	1,399	1,588
-Alternative Investment Funds	215,642	198,824

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

(Currency : Rs. in lakhs)

56 Additional Non-Banking Financial Company - HFC disclosures (Continued)

6 **Borrower group-wise classification of assets financed as in (3) and (4) above :**

Category (Amount net of provision)	As at 31 March 2023		
	Secured	**Unsecured**	**Total**
1. Related Parties			
(a) Subsidiaries	-	27,100	**27,100**
(b) Companies in the same group	-	-	**-**
(c) Other related parties	-	-	**-**
2. Other than related parties	3,435,943	590,447	**4,026,390**
Total	**3,435,943**	**617,547**	**4,053,490**

Category (Amount net of provision)	As at 31 March 2022		
	Secured	**Unsecured**	**Total**
1. Related Parties			
(a) Subsidiaries	-	-	**-**
(b) Companies in the same group	-	70,075	**70,075**
(c) Other related parties	-	-	**-**
2. Other than related parties	5,235,466	60,260	**5,295,726**
Total	**5,235,466**	**130,335**	**5,365,801**

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements *(Continued)*
for the year ended March 31, 2023

(Currency : Rs. in lakhs)

56 Additional Non-Banking Financial Company - HFC disclosures (Continued)

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Category	As at 31 March 2023	
	Market Value / Break up or fair value or NAV	**Book Value (Net of Provision)**
1. Related Parties		
(a) Subsidiaries	93,805	111,657
(b) Companies in the same group	-	-
(c) Other related parties	17,819	17,819
2. Other than related parties	864,658	865,780
Total	**976,282**	**995,256**

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

Category	As at 31 March 2022	
	Market Value / Break up or fair value or NAV	**Book Value (Net of Provision)**
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	102,044	102,044
(c) Other related parties	-	-
2. Other than related parties	678,747	679,568
Total	**780,791**	**781,612**

8 Other information

	Particulars	**Amount as at March 31, 2023**	**Amount as at March 31, 2022**
(i)	Gross non-performing assets		
	(a) Related parties	-	-
	(b) Other than related parties	154,431	120,621
(ii)	Net non-performing assets		
	(a) Related parties	-	-
	(b) Other than related parties	81,488	56,012
(iii)	Assets acquired in satisfaction of debt	-	-

Piramal Capital and Housing Finance Limited
(formerly known as Dewan Housing Finance Company Limited)

Notes to the Standalone Financial Statements *(Continued)*
for the year ended March 31, 2023

(Currency : Rs in lakhs)

57 Disclosures required by the Reserve Bank of India

57.1 Minimum disclosures

The following additional disclosures have been given in terms of Annex IV of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ('the Directions') issued by the National Housing Bank.

57.2 Summary of significant accounting policies

The accounting policies regarding key areas of operations are disclosed as note 2 of the financial statements.

57.3 Disclosures:

57.3.1 Details of Principal Business Criteria

Period	Percentage of total assets towards housing finance*#	Percentage of total assets towards housing finance for individuals*#
March 31, 2023	40.58%	25.90%
March 31, 2022	35.15%	17.75%

The Company is required to comply with Principal Business Criteria ('PBC') as stated in paragraph 5.3 of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions. 2021 ('RBI Directions'). The Company had submitted a detailed business plan to the RBI in April and June 2022 detailing the roadmap to comply with the principal business criteria by March 31, 2024. Based on Company's submission, the RBI advised the Company to ensure compliance with the submitted business plan, as the same shall be monitored at regular intervals by the RBI and NHB. The Company is currently trailing in meeting committed PBC thresholds for the year ended March 31, 2023, however, the management believes that the Company will be able to meet the required PBC thresholds latest by March 31, 2024. In order to achieve the above, the Company has changed its business strategy to shift focus majorly on housing finance loans and has decided to further reduce the Assets Under Management (AUM) in wholesale lending business in next few years.

* Total assets is total of assets side of Balance sheet net of intangible assets and fair value adjustment on merger with DHFL.
\# Includes composite funding for land acquisition where housing construction undertaking is obtained from the borrower

57.3.2 Capital

Particulars	March 31, 2023	March 31, 2022
(i) CRAR (%)	26.80%	22.01%
(ii) CRAR – Tier I Capital (%)	25.90%	21.11%
(iii) CRAR – Tier II Capital (%)	0.90%	0.90%
(iv) Amount of subordinated debt raised as Tier- II Capital	-	-
(v) Amount raised by issue of Perpetual Debt Instruments	-	-

57.3.3 Reserves Fund u/s 29C of NHB Act, 1987

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	244,564	50,150
b) Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
c) Total	244,564	50,150
Addition / Appropriation / Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987*	-	10,515
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
c) Transfer on account of reverse merger (Refer Note 39B)	-	183,899
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	244,564	244,564
b) Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
c) Total	**244,564**	**244,564**

(Currency : Rs in lakhs)

57 Disclosures required by the National Housing Bank *(Continued)*

57.3 Disclosures *(continued)*

57.3.4 Investments:

Particulars		
1. Value of Investments	**March 31, 2023**	**March 31, 2022**
(i) Gross value of Investments		
(a) In India		
(b) Outside India	995,256	781,612
(ii) Provisions for Depreciation	-	-
(a) In India		
(b) Outside India	-	-
(iii) Net value of Investments	-	-
(a) In India		
(b) Outside India	995,256	781,612
2. Movement of provisions held towards depreciation on investments	-	-
(i) Opening balance		
(ii) Add: Provisions made	-	-
(iii) Less: Write-off / Written-back of excess provisions during the year	-	-
(iv) Closing balance	-	-
	-	-

Note: The Company has certain investments in NCDs which are in nature of loans for the purpose of regulatory disclosures.

57.3.5 Derivatives

57.3.5.1 Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

Particulars	March 31, 2023	March 31, 2022
(i) The notional principal of swap agreements	64,764	52,264
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	9,811	2,749
(iii) Collateral required by the HFC upon entering into swaps	NA	NA
(iv) Concentration of credit risk arising from the swaps	NA	NA
(v) The fair value of the swap book	9,811	2,749

57.3.5.2 Exchange Traded Interest Rate (IR) Derivative

The Company has not taken any exchange traded interest rate (IR) derivatives during the year ended March 31, 2023 (As at March 31, 2022 - Nil).

57.3.5.3 Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

Financial Risk Management

The Company has to manage various risks associated with the lending business. These risks include liquidity risk, exchange risk, interest rate risk and counterparty risk.The Financial Risk Management and ALM Policy as approved by the Board sets limits for exposures on currency and other parameters. The Company manages its interest rate and currency risk in accordance with the guidelines prescribed therein. Liquidity risk and Interest rate risks arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of maturity profiles. As a part of Asset Liability Management, the Company has also entered into derivative intruments for hedging. The currency risk on borrowings is actively managed mainly through a combination of currency swaps and forward contracts.

Refer note 2(iv) for hedge accounting policy, note 44 for financial risk management and note 45 for accounting for cash flow hedge.

B. Quantitative Disclosure

Particulars		March 31, 2023
	Currency derivative*	**Interest rate derivative**
(i) Derivatives (Notional Principal Amount)	52,264	12,500
(ii) Marked to Market Positions		
(a) Assets (+)	-	-
(b) Liability (-)	9,512	299
(iii) Credit Exposure	-	-
iv) Unhedged Exposures	14,739	674
	-	-

*Currency Derivatives includes Cross Currency Interest rate swaps only.

Particulars		March 31, 2022
	Currency derivative*	**Interest rate derivative**
(i) Derivatives (Notional Principal Amount)	52,264	-
(ii) Marked to Market Positions		
(a) Assets (+)	-	-
(b) Liability (-)	2,749	-
(iii) Credit Exposure	-	-
iv) Unhedged Exposures	7,975	-
	-	-

*Currency Derivatives includes Cross Currency Interest rate swaps only.

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP
MUMBAI
Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Piramal Capital and Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements *(Continued)*
for the year ended March 31, 2023

(Currency : Rs in lakhs)

57 Disclosures required by the Reserve Bank of India (Continued)

57.3 Disclosures *(continued)*

57.3.6 Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities)

March 31, 2023

Particulars	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over one month to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	31,552	-	-	31,552
Banks	19,399	760	15,202	37,419	36,879	89,628	213,341	504,119	156,393	107,773	1,180,913
Market Borrowings	76,845	16,866	-	83,670	58,088	112,007	107,123	632,065	645,557	1,053,480	2,785,701
Foreign Currency Liabilities	-	-	-	-	31,476	-	-	31,475	-	-	62,951
Assets											
Advances*	60,335	36,498	90,032	111,448	139,267	464,815	671,564	1,128,658	684,112	796,853	4,183,582
Investments	34,493	2,083	6,080	7,158	16,594	64,055	153,591	170,274	325,903	537,264	1,317,495
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

*Advances include sanctioned but undisbursed amount of ₹ 328,730 Lakhs.

March 31, 2022

Particulars	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over one month to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	36,900	-	-	-	229,700	-	266,600
Banks	13,750	31	15,499	11,099	59,605	125,665	166,101	560,996	179,211	10,817	1,142,774
Market Borrowings	12,495	-	72,691	19,393	4,992	96,483	73,062	376,983	829,029	1,690,139	3,175,267
Foreign Currency Liabilities	-	-	-	-	-	-	-	56,940	-	-	56,940
Assets											
Advances	65,809	-	539	42,141	(30,411)	96,932	406,217	1,311,737	665,262	1,658,941	4,217,167
Investments	8,601	66,034	72,876	1,331	236	79,684	43,860	420,828	291,665	406,279	1,391,394
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

*Advances exclude Rs. 538,849 Lakhs due to fair value adjustment on retail loans and include sanctioned but undisbursed amount of ₹ 316,583 Lakhs.

Note:

a) In computing the above information, certain estimates and assumptions have been made by the management which has been relied by the statutory auditors

b) Investment includes credit substitutes of ₹358,373 Lakhs (previous year ₹ 717,838 Lakhs)

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

TR Chadha & Co ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

External Public

Piramal Capital and Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements *(Continued)*
for the year ended March 31, 2023

(Currency : Rs in lakhs)

57 Disclosures required by the Reserve Bank of India (Continued)

57.3 Disclosures *(continued)*

57.3.7 Exposure

57.3.7.1 Exposure to Real Estate sector

Category			March 31, 2023	March 31, 2022
a)	Direct exposure			
	(i)	Residential Mortgages -		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits	2,071,951	1,755,588
	(ii)	Commercial real estate -		
		Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	1,631,746	1,365,617
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
		a) Residential		
		b) Commercial Real Estate*	-	-
b)	Indirect Exposure		302,241	-
		Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

* Includes Investment in security receipts whose underlying represents mix of Residential, Commercial Real Estate and other collaterals.
- Apart from above the Company have investment in project receivable of ₹161,740 (Previous Year -₹ 181,060)

57.3.7.2 Exposure to Capital Market

Particulars	March 31, 2023	March 31, 2022
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	2
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	64,840	266,801
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	23,633
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	21,883
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Alternative Investment Funds: (i) Category I	-	-
(x) All exposures to Alternative Investment Funds: (ii) Category II	215,642	198,824
(x) All exposures to Alternative Investment Funds: (iii) Category III	-	-
(xi) All Exposures to Venture Capital Funds (VCFs)	1,399	1,588
Total exposure to capital market	281,881	512,731

57.3.7.3 Details of financing of parent Company products

The Company has not financed parent Company products during the year ended March 31, 2023 (As at March 31, 2022 - Nil).

57.3.7.4 Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL)exceeded by the HFC

The Company has a board approved policy for adopting look through approach for monitoring SBL/GBL limits. Pursuant to the said policy, during the year, there were no instances of breach of exposure limit of Single Borrower ('SBL')/ Group Borrower Limit (GBL) as described under para 20 of the Directions

57.3.7.5 Unsecured advances

Refer note 5 for details related to unsecured loans. The Company has not issued any advances against the right, licence and authority as collateral.

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Piramal Capital and Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements *(Continued)*
for the year ended March 31, 2023

(Currency : Rs in lakhs)

57.3.7.6 **Exposure to group companies engaged in real estate business**

Particulars	March 31, 2023	% of owned fund
Exposure to any single entity in a group engaged in real estate business	37,419	3.12%
Exposure to all entities in a group engaged in real estate business	37,758	3.14%

Particulars	March 31, 2022	% of owned fund
Exposure to any single entity in a group engaged in real estate business	410	0.04%
Exposure to all entities in a group engaged in real estate business	521	0.05%

57.4 **Miscellaneous**

57.4.1 **Registration obtained from other financial sector regulators**

Name of Regulator	Registration No.
Insurance Regulatory And Development Authority Of India	CA0052

57.4.2 **Disclosure of Penalties imposed by NHB and other regulators**

No penalty has been imposed by NHB and other regulators during the year ended March 31, 2023. Further, the Company has not received any adverse comments from NHB or other regulator on regulatory compliances with a specific communication to disclose the same to public, etc.

57.4.3 **Related Party Transactions**

Details of all material transactions with related parties are disclosed in note 40. Also Company has placed policy on dealing with related party transaction at its website under Stakeholder-Policies section

57.4.4 **Group Structure**

Please refer annexure I for group structure of Piramal Enterprises Limited (parent Company)

57.4.5 **Rating assigned by Credit Rating Agencies and migration of rating during the year**

Credit rating issued to Piramal Capital & Housing Finance Limited

Instrument	Rating agency	Ratings assigned during FY 2022-23	Ratings assigned during FY 2021-22
Non-Convertible debentures	ICRA Limited CARE Ratings Limited	ICRA AA(Stable) CARE AA(Stable)	ICRA AA(CWD) CARE AA(CWD)
Commercial papers	CRISIL Limited CARE Ratings Limited	CRISIL A1+ CARE A1+	CRISIL A1+ CARE A1+
Long term bank facilities	ICRA Limited CARE Ratings Limited	ICRA AA(Stable) CARE AA(Stable)	ICRA AA(CWD) CARE AA(CWD)
Subordinated Bond (Tier II)	ICRA Limited CARE Ratings Limited	ICRA AA (Stable) CARE AA(Stable)	ICRA AA(CWD) CARE AA(CWD)
Inter Corporate Deposits	CARE Ratings Limited	CARE A1+	CARE A1+
Market Linked Debenture	ICRA Limited CARE Ratings Limited	PP-MLD ICRA AA (Stable) CARE PP-MLD AA (Stable)	PP-MLD ICRA AA (CWD)
Retail Non-Convertible debentures	ICRA Limited CARE Ratings Limited	ICRA AA(Stable) CARE AA(Stable)	ICRA AA(CWD) CARE AA(CWD)

During the year , CWD (Credit Watch with Developing Implications) was resolved and a Stable Outlook was assigned to the Long term Ratings

57.4.6 **Remuneration of Directors**

Details of Remuneration of Directors are disclosed as part of the Related party transactions in note 40.

57.4.7 **Management**

Refer Directors' report for the relevant disclosures.

57.4.8 **Net Profit or Loss for the period, prior period items and changes in accounting policies**

There are no prior period items that have impact on the current year's profit and loss.

57.4.9 **Revenue recognition**

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

57.4.10 **Consolidated Financial Statements (CFS)**

The Company has applied Indian accounting standard for consolidation of financial statement of its subsidiaries, joint venture and associate.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Group Structure of Piramal Enterprises Limited (parent Company)

1. List of related parties

A. Promoter group Companies

The Ajay G. Piramal Foundation
Piramal Phytocare Limited Senior Employees Option Trust
The Sri Krishna Trust through its Trustees, Mr. Ajay Piramal and Dr.(Mrs.) Swati A. Piramal
Aasan Corporate Solutions Private Limited *
Piramal Welfare Trust through its Trustee, Piramal Corporate Services Limited
PRL Realtors LLP
Anand Piramal Trust
Nandini Piramal Trust
V3 Designs LLP

* Aasan Info Solutions (India) Private Limited got merged into Aasan Corporate Solutuons Private Limited on 21 Jan 2022

B. Subsidiaries -

The Company's subsidiaries at 31 March 2023 are set out below.

Name of the Entity
Piramal International
Piramal Holdings (Suisse) SA (up to 9 December 2022)
Piramal Dutch IM Holdco B.V
Piramal Capital and Housing Finance Limited
DHFL Investments Limited (w.e.f. September 30, 2021) #
DHFL Advisory & Investments Private Limited (w.e.f. September 30, 2021)#
DHFL Holdings Limited (w.e.f. September 30, 2021)#
PRL Agastya Private Limited (w.e.f. 29 April 2022) #
Piramal Fund Management Private Limited
Piramal Alternatives Private Limited
Piramal Investment Advisory Services Private Limited
Piramal Investment Opportunities Fund
INDIAREIT Investment Management Co. $$
Piramal Asset Management Private Limited $$
Piramal Securities Limited
Piramal Systems & Technologies Private Limited
Piramal Technologies SA
PEL Finhold Private Limited
Piramal Consumer Products Private Limited
Piramal Finance Sales & Services Private Limited #
Piramal Payment Services Limited (w.e.f. 29 April 2022) #
Piramal Alternatives Trust
Virdis Power Investment Managers Private Limited *
Virdis Infrastructure Investment Managers Private Limited

Others denotes investment in subsidiaries / other business activities
* Liquidated held through Piramal Systems & Technologies Private Limited
$ merged into Piramal Dutch IM Holdco B.V.
$$ held through Piramal Fund Management Private Limited
held through Piramal Capital & Housing Finance Limited

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

C. Other related parties

Aasan Corporate Solutions Private Limited
Gopikrishna Piramal Memorial Hospital (GPMH)
Piramal Corporate Services Limited
PRL Developers Private Limited
Piramal Trusteeship Services Private Limited
Glider Buildcon Realtors Private Limited
Piramal Pharma Limited
PEL Pharma Inc.
Piramal Dutch Holdings N.V.
Piramal Foundation
Piramal Foundation for Education Leadership
Piramal Critical Care Limited

Employee Benefit Trusts

Staff Provident Fund of Piramal Healthcare Limited (PPFT)

D. Associates and Joint Ventures

Name of the Entity	Relationship as at March 31, 2023
Shrilekha Business Consultancy Private Limited (up to 9 November 2022)	N.A.
Shriram Capital Limited (mainly through Shrilekha Business Consultancy Private Limited) (up to 9 November 2022)	N.A.
Allergan India Private Limited (other related party w.e.f 1 April 2022)	Other related party
Bluebird Aero Systems Limited (up to March 03, 2021)	-
India Resurgence ARC Private Limited (Formerly known as Piramal Assets Reconstruction Private Limited)	Joint Venture
India Resurgence Asset Management Business Private Limited (Formerly known as PEL Asset Resurgence Advisory Private Limited)	Joint Venture
India Resurgence Fund - Scheme - 2	Joint Venture
India Resurgence ARC Trust I (Investment redeemed on 14 Oct 2021)	N.A.
Piramal Ivanhoe Residential Equity Fund 1 (Investment redeemed w.e.f. 27 December 2021)	N.A.
Asset Resurgence Mauritius Manager	Joint Venture
Yapan Bio Private Limited (w.e.f. 20th December 2021 and other related party w.e.f 1 April 2022)	Other related party
Piramal Structured Credit Opportunities Fund	Joint Venture
Shriram GI Holdings Private Limited (w.e.f 9 November 2022)	Associates
Shriram LI Holdings Private Limited (w.e.f 9 November 2022)	Associates
Shriram Investment Holdings Limited (w.e.f 9 November 2022)	Associates
DHFL Ventures Trustee Company Private Limited (w.e.f. September 30, 2021)#	Associates
Pramerica Life Insurance Limited (w.e.f. September 30, 2021)#	Joint Venture

held through Piramal Capital & Housing Finance Limited

E. Other Intermediaries:

Shriram City Union Finance Limited (up to 9 November 2022)

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Piramal Capital and Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements *(Continued)*
for the year ended March 31, 2023

(Currency : Rs in lakhs)

57 Disclosures required by the Reserve Bank of India (Continued)

57.5 Additional Disclosures

57.5.1 Provisions and contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	For the year March 31, 2023	For the year March 31, 2022
1. Provisions for depreciation on Investment	-	-
2. Provision made towards Income tax	(538,129)	18,823
3. Provision towards NPA	8,333	10,786
4a. Provision/(Reversal) for Standard Assets on CRE-RH	35,846	1,968
4b. Provision/(Reversal) for Standard Assets on other CRE	26,630	(30,772)
4c. Provision/(Reversal) for Standard Assets on others (Housing Loan, LAP, LRD etc.)	(47,157)	106,858
4d. Release of Provision created on POCI Loans due to recovery	(39,580)	(26,097)
5. Other Provision and Contingencies / (Reversal) - leave encashment and gratuity	2,123	(821)

Break up of Loan & Advances and Provisions thereon	March 31, 2023		March 31, 2022	
	Housing#	Non-Housing	Housing#	Non-Housing
Standard Assets				
a) Total Outstanding Amount	2,297,867	2,000,522	2,510,621	1,758,409
b) Provisions made	118,787	101,074	48,400	160,465
Sub-Standard Assets				
a) Total Outstanding Amount	76,344	57,402	30,080	12,213
b) Provisions made	34,258	30,117	16,063	4,263
Doubtful Assets – Category-I				
a) Total Outstanding Amount	6,317	2,517	13,984	7,675
b) Provisions made	1,572	631	6,735	4,473
Doubtful Assets – Category-II				
a) Total Outstanding Amount	2,417	7,601	35,249	15,762
b) Provisions made	493	4,087	17,767	9,678
Doubtful Assets – Category-III				
a) Total Outstanding Amount	-	3	31	3,949
b) Provisions made	-	2	8	3,949
Loss Assets				
a) Total Outstanding Amount	1,681	107	1,638	39
b) Provisions made	1,681	102	1,634	39
Total				
a) Total Outstanding Amount	**2,384,626**	**2,068,152**	**2,591,603**	**1,798,049**
b) Provisions made	**156,791**	**136,014**	**90,607**	**182,868**

Includes composite funding for land acquistion and construction

-The above breakup of loans and advances does not include loan commitments.

57.5.2 Draw Down from Reserves

The Company has not draw down from reserve during the year ended March 31, 2023 (As at March 31, 2022 - Nil).

57.5.3 Concentration of Advances, Exposures and NPAs

57.5.3.1 Concentration of loans and advances

Particulars	March 31, 2023	March 31, 2022
Total Loans & Advances to twenty largest borrowers	969,731	1,282,557
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	21.78%	20.01%

57.5.3.2 Concentration of all exposure (including off-balance sheet exposure)

Particulars	March 31, 2023	March 31, 2022
Total Exposure to twenty largest borrowers	1,010,092	1,414,517
Percentage of Exposures to twenty largest borrowers to Total Exposures of the HFC	21.12%	21.03%

57.5.3.3 Concentration of NPAs

Particulars	March 31, 2023	March 31, 2022
Total Exposure to top ten NPA accounts	102,732	90,270

57.5.3.4 Sector-wise NPAs

Refer Note 59.3 for detailed sector wise NPAs

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co LLP MUMBAI

Piramal Capital & Housing Finance Ltd.

External Public

Piramal Capital and Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements *(Continued)*
for the year ended March 31, 2023

(Currency : Rs in lakhs)

57.5 Additional Disclosures *(continued)*

57.5.3.4 Movement of NPAs

Particulars	March 31, 2023	March 31, 2022
(I) Net NPAs to Net Advances (%)	1.86%	1.01%
(II) Movement of NPAs (Gross)		
a) Opening balance	120,621	111,787
b) Additions during the year	235,795	21,303
c) Reductions during the year	201,985	12,469
d) Closing balance	154,431	120,621
(III) Movement of Net NPAs		
a) Opening balance	56,012	57,945
b) Additions during the year	96,406	3,885
c) Reductions during the year	70,930	5,818
d) Closing balance	81,488	56,012
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	64,609	53,842
b) Provisions made during the year	139,389	17,418
c) Write-off/write-back of excess provisions	131,055	6,651
d) Closing balance	72,943	64,609

57.5.5 Overseas assets

The Company does not have any overseas assets.

57.5.6 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)

The Company does not have any sponsored SPVs which needs to be consolidated as per Accounting norms.

57.6 Disclosure of complaints

Refer Note 59.4 for detailed disclosure of complaints

57.6 Disclosure of Frauds

There were 12 cases of frauds amounting to ₹ 185.85 lakhs reported during the year. (Previous year 13 cases amounting to ₹ 694.44 lakhs)

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

Piramal Capital and Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements (Continued)
for the year ended March 31, 2023

(Currency : Rs in lakhs)

Disclosures required by the Reserve Bank of India (Continued)

58 Details of loans not in default and stressed loans transferred during the year ended March 31, 2023 under the RBI Master Direction RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 on Transfer of Loan Exposures are given below:

i. Details of standard loans transferred during the year through direct assignment

	(Rs. in lakhs)
No. of Accounts	16,886
Aggregate principal outstanding of loans*	242,212
Aggregate consideration paid	251,286
Weighted average maturity	113 Months
Weighted average holding period	17 Months
Retention of beneficial economic interest	-
Coverage of tangible security coverage**	100%
Rating-wise distribution of rated loans	Refer Note Below
Number of instances where the transferor has agreed to replace the transferred loans	-
Number of tranferred loans replaced	-

Note:

Rating	Rating Agency	(Rs. in lakhs) Amount transferred
[ICRA]AAA(SO)	ICRA	25,413
Unrated		216,799
Grand Total		**242,212**

*Represents book value of loans on the date of transfer in the books of the Company
**Represents tangible security coverage of only secured loans transferred

ii. Details of loans (not in default) acquired through assignment during the year ended March 31, 2023:

Amount of loans acquired through assignment (Rs. in lakhs)	Rs. 11,289
Retention of beneficial economic interest	10%
Weighted average residual maturity	114 months
Weighted average holding period	13 months
Coverage of tangible security	refer note below**
Rating-wise distribution of rated loans	Unrated

**For HL/LAP 100% cover, for other Unsecured Loans - NIL

iii. Details of stressed loans transferred during the year:

Particulars	To ARCs	To permitted transferees	(Rs. in lakhs) To other transferees
No. of Accounts	20,602	43	-
Aggregate principal outstanding of loans transferred*	503,541	44,664	-
Weighted average residual tenor of the loans transferred (in months)	80	38	-
Net book value of loans transferred (at the time of transfer)	420,713	44,664	-
Aggregate consideration ***	412,660	54,500	-
Additional consideration realized in respect of accounts transferred in earlier years	NA	NA	-
Excess provision reversed	3,525	Nil**	-

*Represents book value of loans on the date of transfer in the books of the Company.
**Accounted under fair valuation gain / impairment gain on Purchased Orginated Credit Impaired (POCI) loans accounted at pool level.
***Includes amount of Rs. 7,802 lakhs paid to Committee of Creditors of erstwhile Dewan Housing Finance Corporation Limited.

iv. Details of ratings on Security Receipts outstanding as on March 31, 2023 are given below:

Rating	Rating Agency	Recovery Rating	(Rs. in lakhs) Gross Value of Outstanding SRs
RR1	India Ratings and Research Private Limited	100%-150%	5,673
RR2	India Ratings and Research Private Limited	75% - 100%	5,751
RR3	Informerics Valuation and Rating Pvt Ltd	50%-75%	14,400
RR2	Informerics Valuation and Rating Pvt Ltd	75% - 100%	17,024
Unrated *			266,899
Grand Total			**309,747**

* Pursuant to the Reserve Bank of India circular RBI/2021-22/154 DOR.SIG.FIN.REC 84/26.03.001/2021-22 dated February 10, 22, the security receipts issued to the Company by the Asset Reconstruction Company (ARC) towards consideration for transfer of stressed loans have not been rated by the ARC since the prescribed time period of six months has not elapsed from the date of acquisition of loans by the ARC.

External Public

Piramal Capital and Housing Finance Limited

(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements *(Continued)*

for the year ended March 31, 2023

(Currency : Rs in lakhs)

Disclosures required by the Reserve Bank of India *(Continued)*

59 Scale Based Regulation

The following additional have been given in terms circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021 issued by the Reserve Bank of India dated 22 October 2021

59.1 Exposure to real estate sector

The Company's exposure to real estate sector is provided in Note 57.3.7.1

59.2 Exposure to capital market

The Company's exposure to capital market is provided in Note 57.3.7.2

59.3 Sectoral exposure

A. Sector	As on 31 March 2023			As on 31 March 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
I. Bank Credit (II + III)	4,635,127	154,430	3.33%	5,205,587	120,621	2.32%
II. Food Credit	-	-	-	-	-	-
III. Non-food Credit	4,635,127	154,430	3.33%	5,205,587	120,621	2.32%
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry (Micro and Small, Medium and Large)	144,203	7,524	5.2%	368,928	7,366	2.00%
2.1. Micro and Small	1,971	-	-	21	-	-
2.2. Medium	6,886	73	1.06%	360	0.36	0.10%
2.3. Large	135,346	7,451	5.50%	368,547	7,365	2.00%
3. Services	1,898,251	99,196	5.23%	3,191,702	95,628	3.00%
3.1. Transport Operators	-	-	-	-	-	-
3.2. Computer Software	2,431	-	-	5,033	-	-
3.3. Tourism, Hotels and Restaurants	7,200	-	-	-	-	-
3.4. Shipping	8,393	-	-	9,908	-	-
3.5. Aviation	-	-	-	-	-	-
3.6. Professional Services	-	-	-	-	-	-
3.7. Trade	-	-	-	-	-	-
3.7.1. Wholesale Trade (other than food procurement)	3,904	-	-	7,021	-	-
3.7.2. Retail Trade	-	-	-	-	-	-
3.8. Commercial Real Estate	1,765,212	96,796	5.48%	2,896,452	76,922	2.66%
3.9. Non-Banking Financial Companies (NBFCs)[1] of which,	17,513	-	-	17,542	-	-
3.9.1. Housing Finance Companies (HFCs)	-	-	-	-	-	-
3.9.2. Public Financial Institutions (PFIs)	-	-	-	-	-	-
3.10. Other Services[2]	93,598	2,400	2.56%	255,746	18,706	7.31%
4. Personal Loans	2,592,674	47,711	1.84%	1,644,958	17,628	1.07%
4.1. Consumer Durables	17,408	1,287	7.39%	12,842	461	3.59%
4.2. Housing (Including Priority Sector Housing)	1,588,510	32,091	2.02%	1,364,890	14,786	1.08%
4.3. Advances against Fixed Deposits (Including FCNR (B), NRNR Deposits etc.)	-	-	-	-	-	-
4.4. Advances to Individuals against share, bonds, etc.	-	-	-	-	-	-
4.5. Credit Card Outstanding	-	-	-	-	-	-
4.6. Education	-	-	-	-	-	-
4.7. Vehicle Loans	60,984	1,252	2.05%	8,026	6	0.07%
4.8. Loans against gold jewellery	188	16	8.69%	91	-	-
4.9. Other Personal Loans	925,584	13,065	1.41%	259,109	2,375	0.92%

Piramal Capital and Housing Finance Limited

(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements *(Continued)*

for the year ended March 31, 2023

(Currency : Rs in lakhs)

Disclosures required by the Reserve Bank of India *(Continued)*

59 **Scale Based Regulation**

The following additional have been given in terms circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021 issued by the Reserve Bank of India dated 22 October 2021

A. Sector	As on 31 March 2023			As on 31 March 2022		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	**Gross NPAs**	**Percentage of Gross NPAs to total exposure in that sector**	**Total Exposure (includes on balance sheet and off-balance sheet exposure)**	**Gross NPAs**	**Percentage of Gross NPAs to total exposure in that sector**
B. Industry						
2.1. Mining and Quarrying (incl. Coal)	-	-				
2.2. Food Processing	-	-	-	-	-	-
2.2.1. Sugar	-	-	-	-	-	-
2.2.2. Edible Oils and Vanaspati	-	-	-	-	-	-
2.2.3. Tea	-	-	-	-	-	-
2.2.4. Others	-	-	-	-	-	-
2.3. Beverage and Tobacco	-	-	-	-	-	-
2.4. Textiles	-	-	-	-	-	-
2.4.1. Cotton Textiles	-	-	-	-	-	-
2.4.2. Jute Textiles	-	-	-	-	-	-
2.4.3. Man-Made Textiles	-	-	-	-	-	-
2.4.4. Other Textiles	-	-	-	-	-	-
2.5. Leather and Leather Products	-	-	-	-	-	-
2.6. Wood and Wood Products	-	-	-	-	-	-
2.7. Paper and Paper Products	-	-	-	-	-	-
2.8. Petroleum, Coal Products and Nuclear Fuels	-	-	-	-	-	-
2.9. Chemicals and Chemical Products	-	-	-	-	-	-
2.9.1. Fertiliser	-	-	-	-	-	-
2.9.2. Drugs and Pharmaceuticals	-	-	-	-	-	-
2.9.3. Petro Chemicals	-	-	-	-	-	-
2.9.4. Others	-	-	-	-	-	-
2.10. Rubber, Plastic and their Products	-	-	-	-	-	-
2.11. Glass and Glassware	-	-	-	-	-	-
2.12. Cement and Cement Products	9,533	-	-	-	-	-
2.13. Basic Metal and Metal Product	-	-	-	-	-	-
2.13.1. Iron and Steel	-	-	-	-	-	-
2.13.2. Other Metal and Metal Product	-	-	-	-	-	-
2.14. All Engineering	-	-	-	-	-	-
2.14.1. Electronics	-	-	-	-	-	-
2.14.2. Others	-	-	-	-	-	-
2.15. Vehicles, Vehicle Parts and Transport Equipment	7,354	7,354	100.00%	7,354	7,354	100.00%
2.16. Gems and Jewellery	-	-	-	-	-	-
2.17. Construction	-	-	-	-	-	-
2.18. Infrastructure	-	-	-	-	-	-
2.18.1. Power	59,077	-	-	324,623	-	-
2.18.2. Telecommunications	-	-	-	-	-	-
2.18.3. Roads	-	-	-	-	-	-
2.18.4. Airports	-	-	-	-	-	-
2.18.5. Ports	-	-	-	-	-	-
2.18.6. Railways (other than Indian Railways)	-	-	-	-	-	-
2.18.7. Other Infrastructure	-	-	-	-	-	-
2.19. Other Industries	68,239	170	0.25%	36,951	12	0.03%
Industries (2.1 to 2.19)	144,203	7,524	5.23%	368,928	7,366	2.00%

Piramal Capital and Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements *(Continued)*
for the year ended March 31, 2023

(Currency : Rs in lakhs)

Disclosures required by the Reserve Bank of India *(Continued)*

59.4 Disclosure of complaints

Sr. No	Particulars	March 31, 2023	March 31, 2022
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	64	12
2	Number of complaints received during the year	5,458	8,865
3	Number of complaints disposed during the year	5,355	8,801
3.1	Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	103	64

Maintainable complaints received by the NBFC from Office of Ombudsman			
Sr. No	**Particulars**	**March 31, 2023**	**March 31, 2022**
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
5.1.	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	-	-
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	Number of Awards unimplemented within the stipulated time (other	-	-

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
March 31, 2023					
Ground - 1 (PMAY related)	32	732	-75%	4	-
Ground - 2 (Credit Bureau related)	2	654	436%	54	1
Ground - 3 (Property documents)	-	396	-66%	8	1
Ground - 4 (Refund related)	5	343	-64%	1	-
Ground - 5 (Forecloure letter)	-	185	126%	-	-
Others	25	3,148	-4%	36	2
Total	**64**	**5,458**	**-38%**	**103**	**4**
March 31, 2022					
Ground - 1 (PMAY related)	35	2,879	39%	32	25
Ground - 2 (Property documents)	2	1,156	87%	6	3
Ground - 3 (Refund related)	5	959	81%	5	1
Ground - 4 (EMI related)	3	320	51%	1	1
Ground - 5 (Rate of interest related)	3	271	-49%	1	-
Others	30	3,280	116%	19	4
Total	**78**	**8,865**	**90%**	**64**	**34**

59.5 Details of Intra-group exposures

Particulars	As on 31 March 2023		As on 31 March 2022	
	Exposure on Group entities	Exposure by Group entities	Exposure on Group entities	Exposure by Group entities
(i) Total amount of intra-group exposures	164,997	42,765	173,456	273,312
(ii)Total amount of top 20 intra-group exposures	164,997	42,765	173,456	273,312
(iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	3.71%	1.05%	3.51%	5.89%

External Public

Piramal Capital and Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Standalone Financial Statements *(Continued)*
for the year ended March 31, 2023

(Currency : Rs in lakhs)

Disclosures required by the Reserve Bank of India *(Continued)*

59.6 Unhedged foreign currency exposure

Particulars	Unhedged foreign currency exposure		Hedged foreign currency through forward or derivative	
	As on 31 March 2023	As on 31 March 2022	As on 31 March 2023	As on 31 March 2022
ECBs	-	-	62,951	56,940
Total	-	-	**62,951**	**56,940**

59.7 Related Party Disclosure
Details of related parties are disclosed in note 40.

59.8 Corporate governance
Refer Directors' report for the relevant disclosures.

59.9 Breach of Covenent
There are no breach of covenents during the year ended 31 March 2023 (No breach of covenents during the year 31 March 2022)

59.10 Divergence in Asset Classification and Provisioning

Sr. No.	Particulars	March 31, 2023	March 31, 2022
1	Gross NPAs reported by the NBFC	-	-
2	Gross NPAs as assessed by the Reserve Bank of India/ NHB	-	-
3	Divergence in Gross NPAs (2-1)	-	-
4	Net NPAs as reported by the NBFC	-	-
5	Net NPAs as assessed by Reserve Bank of India/ NHB	-	-
6	Divergence in Net NPAs (5-4)	-	-
7	Provisions for NPAs as reported by the NBFC	-	-
8	Provisions for NPAs as assessed by Reserve Bank of India/ NHB	-	-
9	Divergence in provisioning (8-7)	-	-
10	Reported Profit before tax and impairment loss on financial instruments for the year	-	-
11	Reported Net Profit after Tax (PAT) for the year	-	-
12	Adjusted (notional) Net Profit after Tax (PAT) for the year after considering the divergence in provisioning	-	-

59.11 Items of income and expenditure of exceptional nature.
During the year the Company has impaired Goodwill of ₹1,025,681 lakhs. (During the previous year, the Company had expensed out transaction cost of merger ₹ 14,272 lakhs and reported this as an acquisition related cost disclosed as Exceptional Items). (Refer Note 39 B and 49)

59.12 Loans to Directors, Senior Officers and relatives of Directors
The Company has no granted any loans to directors, Senior officers and relative of directors since 01 October 2022.

59.13 Disclosure related to Listing requirement
As per Scale based regulations the Company is required to be listed by 30 September 2025.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

External Public

Notes to the Standalone Financial Statements *(Continued)*
For the year ended March 31, 2023

(Currency : Rs in lakhs)

60 Previous years figures have been regrouped and reclassified wherever necessary to conform to current year's presentation which are not considered to be material to the Financial Statements

The notes referred to above forms an integral part of the financial statements.

As per our report of even date attached.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh Rathi
Partner
Membership No: 045228

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Mumbai, May 5, 2023

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

Hitesh Garg
Partner
Membership No: 502955

TR Chadha & Co. LLP MUMBAI Chartered Accountants

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

Jairam Sridharan
Managing Director
DIN: 05165390

Ajay Piramal
Chairman
DIN: 00028116

Vikash Singhla
Chief Financial Officer

Bipin Singh
Company Secretary

Piramal Capital & Housing Finance Ltd.

Walker Chandiok & Co LLP
Chartered Accountants
11th Floor, Tower II, One International Center
S B Marg, Prabhadevi (W)
Mumbai - 400 013

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon, Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park, Lower Parel
Mumbai - 400 013

Independent Auditor's Report

To the Members of Piramal Capital & Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Piramal Capital & Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited)** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint venture, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at **31 March 2023**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.

2. 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 reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associate and joint venture 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 Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associate and joint venture, as at 31 March 2023, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated 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 Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 and 17 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Business Combination

4. We draw attention to Note 39B to the accompanying consolidated financial statement with respect to approval of the resolution plan submitted by the erstwhile Piramal Capital & Housing Finance Limited ('ePCHFL') in respect of the Corporate Insolvency Resolution Process of Dewan Housing Finance Corporation Limited ("DHFL") under Section 31 of the Insolvency and Bankruptcy Code, 2016, consequent to which ePCHFL had merged into DHFL with effect from 30 September 2021 (hereinafter referred to as 'the business combination'). As is more fully described in the aforesaid note, the aforesaid business combination had been given effect in the accompanying consolidated financial statement for the year ended 31 March 2022 in line with the accounting principles prescribed for reverse acquisition business combinations under Ind AS 103, Business

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

TR CHADHA & CO LLP MUMBAI Chartered Accountants

Combinations, and other applicable Indian Accounting Standards, except to the extent effect given in accordance with the accounting treatment prescribed in the resolution plan approved by the National Company Law Tribunal vide their order dated 7 June 2021. Based on the opinion of legal and tax experts, the Holding Company had not recognized certain deferred tax assets and had recognized a provision against contingent tax liabilities pertaining to income tax obligation of DHFL for the year ended 31 March 2020 and 31 March 2021, while determining the fair value of assets and liabilities acquired by way of the business combination. As explained in Note 39B to the accompanying consolidated financial statement during the year ended 31 March 2023, the Holding Company received assessment order from Income Tax Department completing the assessment proceedings u/s 143(3) of the Income Tax Act, 1961 for the financial year ended 31 March 2021 wherein Holding Company's submissions relating to uncertain tax position of DHFL were accepted by the assessing officer. Further, in view of the management, the tax assessment for the financial year ended 31 March 2020 is time barred. Accordingly, as disclosed in the said Note 33, the Holding Company has reversed the contingent tax provision of Rs. 3,32,754 lakhs in the current year and disclosed the same as "Reversal of Tax Provision – Earlier Years" in the consolidated financial statement.

Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associate and joint venture, were of most significance in our audit of the consolidated financial statements of the current year. 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.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Expected Credit Loss allowance on financial assets *Refer note 2.(iv) for significant accounting policy and note 44.4 for financial disclosures in the accompanying financial statements* As at 31 March 2023, the Company has reported gross loan assets of Rs. 4,688,048 lakhs against which an impairment loss allowance of Rs. 720,488 lakhs has been recognised based on the Expected Credit Loss ("ECL") approach as laid down under 'Ind AS 109 – Financial Instruments' (Ind AS 109). The estimation of ECL on financial assets is complex and involves significant management judgement and estimates, including the following: • Models used to estimate ECL are inherently judgmental with high estimation uncertainty which involves determining Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).	Our audit focused on assessing the appropriateness of the models used including management's judgment and estimates used in the expected credit loss assessment through procedures that included, but were not limited to, the following: • Considered the Company's accounting policies for expected credit loss of financial assets and assessed compliance of the policies in terms of Ind AS 109. • Understood management's processes, systems and controls implemented in relation to ECL allowance process. Evaluated the design and tested the operating effectiveness of key internal financial controls over such process.

Key audit matter	How our audit addressed the key audit matter
• Completeness and accuracy of the data from internal and external sources used in the models. • Ind AS 109 requires the Company to measure ECLs on a forward-looking basis reflecting future economic conditions. Significant management judgement is applied in determining the economic scenario used • Qualitative adjustments are made by the Management to the results obtained from ECL models to address any identified impairment or emerging trends as well as risks not captured by models. These adjustments are inherently subjective and significant management judgement is involved in estimating these amounts. • In respect of purchased or originated credit impaired financial assets, cumulative changes, at the portfolio level, in lifetime expected credit losses since initial recognition are recognised as a loss allowance. Significant management judgement is applied to assess such changes. The disclosures prescribed under Ind AS 107 and RBI directives is also an area of focus for the management and auditors. Considering the significance of ECL to the overall financial statements and the degree of management's estimates and judgments involved in this matter that requires significant auditor attention, we have considered expected credit loss allowance on financial assets to be a key audit matter.	• Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on external data, we assessed whether the same were relevant and representative of current circumstances. • Assessed the critical assumptions and input data used in the estimation of expected credit loss for specific key credit risk parameters, such as the classification of loan assets into stages as described in the accounting policy, Exposure at default (EAD), probability of default (PD) or loss given default (LGD); • On sample basis tested the completeness and accuracy of the input data used for calculation of ECL by applying the PD and LGD rates and agreed the data with the underlying books of accounts and records; • Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant accounting standards and confirmed that the calculations are performed in accordance with the approved methodology, including mathematical accuracy of the workings. • Assessed the appropriateness and adequacy of the related presentation and disclosures made in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and guidelines.
Information Technology (IT) systems and controls impacting financial reporting The IT environment of the Company is complex and involves a number of independent and interdependent IT systems used in the operations of the Company for processing and recording a large volume of transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Company.	Our audit procedures with respect to this matter included, but were not limited to the following: In assessing the controls over the IT systems of the Company, we involved our technology specialists to obtain an understanding of the IT environment, IT infrastructure and IT systems. We evaluated and tested relevant IT general controls and IT application controls of the "in-scope" IT systems identified as relevant for our audit of the consolidated financial statements and financial reporting process of the Company.

Key audit matter	How our audit addressed the key audit matter
Appropriate IT general controls and IT application controls are required to ensure that such IT systems are able to process the data as required, completely, accurately, and consistently for reliable financial reporting. We have identified certain key IT systems ("in-scope" IT systems) which have an impact on the financial reporting process and the related control testing as a key audit matter because of the high level of automation, significant number of systems being used by the Company for processing financial transactions, the complexity of the IT architecture and its impact on the financial records and financial reporting process of the Company.	On such "in-scope" IT systems, we have tested key IT general controls with respect to the following domains: a. Program change management, which includes that program changes are moved to production environment as per defined procedures and relevant segregation of environment is ensured. b. User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating system and databases in the production environment were granted only to authorized personnel. c. Other areas that were assessed under the IT control environment included backup management, interface, batch processing and monitoring. We also evaluated the design and tested the operating effectiveness of key IT application controls within key business processes, which included testing automated calculations, automated accounting procedures, system interfaces, system reconciliation controls and key system generated reports, as applicable. Where control deficiencies were identified, we tested compensating controls or performed alternative audit procedures, where necessary.
Principal Business Criteria and Impairment Assessment of Goodwill Refer note 2.(xviii) for the accounting policy and note 49 for the disclosures in the accompanying financial statements As disclosed in note 39A, the Holding Company had recognized Rs. 1,025,681 lakhs as Goodwill arising from the merger of erstwhile Piramal Housing Finance Limited with Piramal Finance Limited and Piramal Capital Limited on 31 March 2018 in line with the scheme of arrangement approved by the NCLT. Further, the Holding Company has impaired Goodwill amounting to Rs. 1,025,681 lakhs in the current financial year as mentioned in note 49.	Our audit procedures on impairment assessment of Goodwill and compliance with Principal Business Criteria included, but were not limited to, the following: • Assessed the management's identification of CGU, the allocation of assets and the methodology adopted by the management in its impairment assessment of Goodwill with reference to the requirements of the prevailing accounting standards;

Key audit matter	How our audit addressed the key audit matter
As per the requirements of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ('RBI Directions') a Housing Finance Company ('HFC') is required to comply with the Principal Business Criteria ('PBC') to be eligible to continue to hold the Housing Finance Company license. In order to meet the PBC, the Holding Company has adopted a revised business strategy to reduce the Assets under Management ('AUM') in the wholesale lending business, acquired as above, as further described in Note 49. In accordance with the requirements of Ind AS 36 Impairment of Assets, the Holding Company tests Goodwill allocated to various cash generating units (CGUs) for impairment annually, or more frequently when there is an indication that the Goodwill may be impaired. In performing such impairment assessment, management compared the carrying value of the separately identifiable CGU with the respective value in use based on discounted cash flow forecast to determine if any impairment loss should be recognised. The management of the Holding Company has used an external valuation specialist in assessing the recoverable amount of the cash generating unit as aforesaid. The preparation of discounted cashflow forecasts for the purpose of assessing impairment of Goodwill involves estimating future cash flows, growth rates and discount rates considering the impact of revision in business strategy to maintain PBC criteria which are judgmental and inherently uncertain. Given the complexity and judgement involved in assessment of impairment of Goodwill made by the Holding Company and the criticality of meeting the PBC for a HFC, these matters have been considered of most significance and hence, the same has been considered as key audit matter. The above matter is also considered to be fundamental to the understanding of the users of the financial statements.	• Evaluated the assumptions adopted in the preparation of the cash flow forecasts for the purpose of the impairment assessment of the Goodwill, including projected future growth rates for income and expenses. Further, ensured such forecasts are consistent with the business plans approved by the Board of Directors; • Obtained the revised business strategy of the Holding Company approved by the Board of Directors in order to achieve the PBC threshold as stated in the RBI Directions. Compared this with actual reduction in AUM of wholesale lending business and increase in retail housing business to evaluate management's assessment of meeting such criteria within the time period allowed by RBI; • Obtained and reviewed the external valuation reports, considered by the Holding Company for its impairment assessment and assessed the competence, capabilities and objectivity of the experts engaged; • Involved our valuation specialists to assess the appropriateness of the valuation methodology used for calculation of the recoverable value in the valuation report obtained by the management. • Assessed the impact of changes in the key assumptions, i.e., growth rates and the discount rates, adopted in the discounted cash flow forecasts on the conclusions reached in the impairment assessments and assessed whether there were any indicators of the management bias in the selection of these assumptions; • Tested the arithmetical accuracy of the computation of recoverable amounts of cash generating units; • Evaluated the adequacy of financial statement disclosures, including disclosures of key assumptions and judgements in accordance with applicable accounting standards.

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP MUMBAI Chartered Accountants

Information other than the Consolidated Financial Statements and Auditor's Report thereon

7. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we will 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 consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements 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 associate and joint venture in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines')and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the Group and of its associate and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associate and joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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.

12. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - 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;

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

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

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

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

    - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, and its associate and joint venture, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the 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.

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

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

14. 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.

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

16. We did not audit the financial statements of six subsidiaries, whose financial statements reflects total assets of ₹ 189,083 lakhs and net assets of ₹ 89,675 lakhs as at 31 March 2023, total revenues of ₹ 2,669 lakhs and net cash inflows amounting to ₹ 1,204 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 4,994 lakhs for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements 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 joint venture, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries and joint venture are based solely on the reports of the other auditors.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

17. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 0 lakhs for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial information is unaudited 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 the aforesaid associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

18. The following other matter paragraph is given by another firm of Chartered Accountants vide their report dated 02 May 2023 on the financial statements of Pramerica Life Insurance Limited ('PLIL'), the Joint Venture of a subsidiary company of the Holding Company, which is reproduced by us as under;

    "The actuarial valuation of liabilities for life policies in force is the responsibility of the Company's appointed actuary ("the Appointed Actuary"). The actuarial valuation of liabilities for policies in force as at 31 March 2023 has been duly certified by the Appointed Actuary. The Appointed Actuary has also certified that the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (IRDAI) and the Institute of Actuaries of India in concurrence with IRDAI. We have relied upon the Appointed Actuary's certificate in this regard.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Chartered Accountants

The valuation of liability of embedded derivatives in insurance contracts as at 31 March 2023 has been duly certified by the Appointed Actuary. We have relied upon the Appointed Actuary's certificate in this regard.

The Statement includes figures for the corresponding year ended 31 March 2022 which have been approved by the Company's Board of Directors, but have not been subjected to audit or limited review by us or any other auditor."

Our opinion is not modified in respect of these matters.

19. The audit of the consolidated financial statements of the Group for the year ended 31 March 2022 was carried out and reported jointly by K. K. Mankeshwar & Co. and Walker Chandiok & Co LLP, who have expressed an unmodified opinion vide audit report dated 26 May 2022 which has been furnished to T R Chadha & Co LLP, the incoming joint statutory auditor of the Group and has been relied upon by them for the purpose of their joint audit of the consolidated financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

20. As required by section 197(16) of the Act based on our audit, and on the consideration of the reports of the other auditors, referred to in paragraph 16, on separate financial statements of the subsidiaries and joint venture, we report that the Holding Company whose financial statements have been audited under the Act has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that six subsidiary companies incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies.

Based on the consideration of audit report of the statutory auditors of Pramerica Life Insurance Limited, a joint venture of a subsidiary company, the remuneration paid to its directors during the year ended 31 March 2023 was in accordance with the provisions of section 197 of the Act to the extent applicable, read together with section 34A of the Insurance Act, 1938.

21. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 16 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies. Further, following company included in the consolidated financial statements for the year ended 31 March 2023 and covered under that Act that are audited by other auditors for which the respective reports under section 143(11) of the Act of such companies have not yet been issued by the other auditors, as per information and explanation given to us by the management in this respect :

Sr No	Name	CIN	Subsidiary/ Associate/ Joint Venture
1	DHFL Ventures Trustee Company Private Limited	U65991MH2005PTC153886	Associate of Subsidiary Company

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

T R Chadha & Co LLP ★ MUMBAI ★ Chartered Accountants

22. 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 other financial information of the subsidiaries, and joint venture incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

   b) 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;

   c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

   d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 the relevant circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines'), note 39B to the extent effect given in accordance with the accounting treatment prescribed in the resolution plan approved by the National Company Law Tribunal vide their order dated 7 June 2021 as is more fully described in the said Note;

   e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies and joint venture company, covered under the Act, none of the directors of the Group companies and joint venture company, are disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, associate company and joint venture company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and

   g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries and joint venture incorporated in India whose financial statements have been audited under the Act:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, and joint venture as detailed in Note 37 (a) to the consolidated financial statements;

      ii. Provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts, as detailed in note 45 to the consolidated financial statements;

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

iii. The following delays were noted in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, and joint venture company during the year ended 31 March 2023;

Name of Company	Amount (₹ in Lakhs)	Due date	Date of payment
Piramal Capital & Housing Finance Limited	5.75	28 December 2019	19 August 2022
	7.57	28 September 2020	23 August 2022
	17.58	28 March 2021	23 August 2022
	12.46	29 September 2021	23 August 2022
	11.55	27 December 2021	19 August 2022

Refer Note 18 for reasons of delay in transferring the above amounts.

iv. a. The respective managements of the Holding Company and its subsidiary companies and joint venture company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of their knowledge and belief as disclosed in note 51 (vii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies, or its joint venture company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies, or its joint venture company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiary companies and joint venture companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of their knowledge and belief as disclosed in the note 51 (viii) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies, or its joint venture company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies or its joint venture company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries and joint venture, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

Walker Chandiok & Co LLP
Chartered Accountants
11th Floor, Tower II, One International Center
S B Marg, Prabhadevi (W)
Mumbai - 400 013

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon, Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park, Lower Parel
Mumbai - 400 013

v. The Holding Company, its subsidiary companies and joint venture company have not declared or paid any dividend during the year ended 31 March 2023.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

Rakesh Rathi
Partner
Membership No:045228

UDIN:23045228BGYRWT9511

Place: Mumbai
Date: 05 May 2023

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

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

Hitesh Garg
Partner
Membership No:502955

UDIN:23502955BGQPWJ6628

Place: Mumbai
Date: 05 May 2023

TR Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Walker Chandiok & Co LLP
Chartered Accountants
11th Floor, Tower II, One International Center
S B Marg, Prabhadevi (W)
Mumbai - 400 013

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon, Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park, Lower Parel
Mumbai - 400 013

Annexure 1

List of entities included in the Consolidated Financial Statements

a. Subsidiary Company

i. DHFL Investments Limited
ii. DHFL Holdings Limited
iii. DHFL Advisory & Investments Private Limited
iv. Piramal Payments Services Limited (w.e.f. 29 April 2022)
v. Piramal Finance Sales and Services Private Limited (w.e.f. 28 September 2022)
vi. PRL Agastya Private Limited (w.e.f. 12 December 2022)

b. Associate

i. DHFL Ventures Trustee Company Limited

c. Joint Venture

i. Pramerica Life Insurance Limited

Walker Chandiok & Co LLP
Chartered Accountants
11th Floor, Tower II, One International Center
S B Marg, Prabhadevi (W)
Mumbai - 400 013

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon, Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park, Lower Parel
Mumbai - 400 013

Annexure A to the Independent Auditor's Report of even date to the members of Piramal Capital & Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited) on the consolidated financial statements for the year ended 31 March 2023

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of **Piramal Capital & Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited)** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint venture as at and for the year ended **31 March 2023**, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate company and joint venture company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate company and joint venture company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to consolidated financial statements criteria established by the respective 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the respective Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate company and joint venture company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate company and joint venture company as aforesaid.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI Chartered Accountants

Walker Chandiok & Co LLP
Chartered Accountants
11th Floor, Tower II, One International Center
S B Marg, Prabhadevi (W)
Mumbai - 400 013

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon, Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park, Lower Parel
Mumbai - 400 013

Annexure A (Contd)

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 Financial Statements

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

Opinion

8. In our opinion the Holding Company, its subsidiary companies, its associate company and joint venture company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. We did not audit the financial statements of six subsidiaries, whose financial statements reflects total assets of ₹ 189,083 lakhs and net assets of ₹ 89,675 lakhs as at 31 March 2023, total revenues of ₹ 2,669 lakhs and net cash inflows amounting to ₹ 1,204 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 4,994 lakhs for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements 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 joint venture, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries and joint venture are based solely on the reports of the other auditors. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

T R Chadha & Co ★ Chartered Accountants

Walker Chandiok & Co LLP
Chartered Accountants
11th Floor, Tower II, One International Center
S B Marg, Prabhadevi (W)
Mumbai - 400 013

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon, Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park, Lower Parel
Mumbai - 400 013

Annexure A (Contd)

10. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 0 lakhs for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements are unaudited 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 the aforesaid associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group. Our opinion is not modified in respect of the above matter with respect to our reliance on the internal financial controls with reference to financial statements report certified by the management.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

Rakesh Rathi
Partner
Membership No:045228

UDIN:23045228BGYRWT9511

Place: Mumbai
Date: 05 May 2023

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

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

Hitesh Garg
Partner
Membership No:502955

UDIN:23502955BGQPWJ6628

Place: Mumbai
Date: 05 May 2023

TR Chadha & Co. LLP
MUMBAI
Chartered Accountants

Piramal Capital & Housing Finance Limited

(formerly known as Dewan Housing Finance Corporation Limited)

Consolidated Balance Sheet

as at March 31, 2023

(Currency : Rs in lakhs)

		Note	As at March 31, 2023	As at March 31, 2022
	ASSETS			
1	**Financial assets:**			
(a)	Cash and cash equivalents	3	192,802	461,925
(b)	Bank balances other than (a) above	4	69,191	54,038
(c)	Derivative financial instruments	45	9,811	2,749
(d)	Receivables			
	(i) Trade Receivables	5	451	-
(e)	Loans	6	4,156,482	4,756,017
(f)	Investments	7	1,296,565	1,385,070
(g)	Other financial assets	8	83,820	112,538
2	**Non- financial assets:**			
(a)	Current tax assets (net)	9	73,841	62,106
(b)	Deferred tax assets (net)	10	143,138	-
(c)	Right-of-use assets	12	19,988	12,171
(d)	Property, Plant and Equipment	12	32,312	38,517
(e)	Investment property	12	97,495	-
(f)	Intangible assets under development	12	353	1,217
(g)	Goodwill	12	200	1,025,681
(h)	Other intangible assets	12	11,648	5,678
(e)	Other non-financial assets	11	38,552	46,256
	Total Assets		**6,226,649**	**7,963,963**
	LIABILITIES AND EQUITY			
	Liabilities			
1	**Financial liabilities:**			
(a)	Payables			
	Trade payables			
	(i) Total outstanding dues of micro and small enterprises	13	277	134
	(ii) Total outstanding dues of creditors other than micro and small enterprises	13	29,057	51,886
(b)	Debt securities	14	2,552,399	2,871,266
(c)	Borrowings (other than debt securities)	15	1,526,617	1,491,055
(d)	Deposits	16	31,552	266,600
(e)	Subordinated liabilities	17	12,688	12,660
(f)	Other financial liabilities	18	166,613	89,925
2	**Non- financial liabilities:**			
(a)	Current tax liabilities (net)	19	59,208	340,889
(b)	Provisions	20	6,345	10,200
(c)	Deferred tax liabilities (net)	10	-	61,631
(d)	Other non- financial liabilities	21	363,789	548,950
	Equity			
(a)	Equity share capital	22	2,136,469	2,136,469
(b)	Other equity	23	(658,365)	82,298
	Total Liabilities and Equity		**6,226,649**	**7,963,963**

Significant accounting policies 2

The notes referred to above forms an integral part of the financial statements.

As per our report of even date attached.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh Rathi
Partner
Membership No: 045228

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

Hitesh Garg
Partner
Membership No: 502955

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

Jairam Sridharan
Managing Director
DIN: 05165390

Ajay Piramal
Chairman
DIN: 00028116

Vikash Singhla
Chief Financial Officer

Bipin Singh
Company Secretary

Mumbai, May 5, 2023

Piramal Capital & Housing Finance Limited

(formerly known as Dewan Housing Finance Corporation Limited)

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(Currency : Rs in lakhs)

	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations			
Interest income	24	631,419	590,332
Rental income		2,395	118
Fees and commission income	25	26,817	13,411
Total Revenue from operations		**660,631**	**603,861**
Other income	26	6,284	6,614
Total Income		**666,915**	**610,475**
Expenses			
Finance costs	27	346,997	333,706
Fees and commission expenses	28	2,877	1,164
Net loss on fair value changes	29	77,117	41,808
Net loss on derecognition of financial instruments under amortised cost category	30 (a)	326,553	2,206
Impairment on financial instruments	30 (b)	(15,928)	62,725
Employee benefits expenses	31	71,171	29,469
Depreciation, amortisation and impairment	12	9,725	5,236
Other expenses	32	104,170	48,492
Total Expenses		**922,682**	**524,806**
Profit before share of net profit of joint ventures, exceptional items and tax		(255,767)	85,669
Share of net profit of joint ventures	38 (c)	2,096	1,441
Profit (Loss) after share of net profit of associates and joint ventures before exceptional items and tax		(253,671)	87,110
Less Exceptional items			
Impairment of Goodwill	49	1,025,681	
Transaction cost on merger	39(B)		14,272
Profit/(Loss) after share of net profit of associates and joint ventures and before tax		**(1,279,352)**	**72,838**
Less: Tax expenses			
Current tax		91	56,325
Prior year tax		(332,754)	-
Deferred tax		(206,553)	(37,502)
		(539,216)	**18,823**
Profit/(Loss) for the year		**(740,136)**	**54,015**
Other comprehensive income			
Items that will not be reclassified to Statement of profit or loss			
Remeasurement of the defined benefit plan		151	47
Equity Instruments Measure through OCI		8,981	-
Income tax relating to items that will not be reclassified to Statement of profit or loss		(2,298)	(12)
Items that will be reclassified to Statement of profit or loss			
Share of other comprehensive income of joint ventures accounted for using the equity method		(7,089)	(7,727)
Remeasurement gain (loss) on hedge accounting		1,343	1,299
Debt Instruments Measure through OCI		(1,705)	-
Income tax relating to items that will be reclassified to Statement of profit or loss		91	(327)
Net other comprehensive income		**(526)**	**(6,720)**
Total comprehensive income for the year		**(740,662)**	**47,295**
Earnings per equity share (Basic and Diluted) (Rs.)	34	**(3.46)**	**0.25**
Significant accounting policies	2		

The notes referred to above forms an integral part of the financial statements.

As per our report of even date attached.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh Rathi
Partner
Membership No: 045228

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

Hitesh Garg
Partner
Membership No: 502955

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

Jairam Sridharan
Managing Director
DIN: 05165390

Ajay Piramal
Chairman
DIN: 00028116

Vikash Singhla
Chief Financial Officer

Bipin Singh
Company Secretary

Mumbai, May 5, 2023

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Piramal Capital & Housing Finance Limited

(formerly known as Dewan Housing Finance Corporation Limited)

Consolidated Cash Flow Statement

for the year ended March 31, 2023

(Currency : Rs in lakhs)

		For the year ended March 31, 2023	For the year ended March 31, 2022
A.	**Cash flow from operating activities**		
	Profit before tax	**(1,279,352)**	**72,838**
	Gain on Sale of Investments	(8,374)	(8,220)
	Share of net profit of joint ventures	(2,096)	(1,442)
	Write back of interest on CCDS	-	(4)
	Interest income from fixed deposits	(4,829)	(252)
	Provision for Doubtful Advance	13,399	-
	Goodwill written off	1,025,681	-
	(Gain)/Loss on fair valuation	85,585	50,029
	Lease rent payment	(969)	(2,882)
	Allowance for expected credit loss on loans and loan commitments	(15,928)	62,725
	Interest on lease payment	1,972	523
	Finance Cost	348,559	333,706
	Change in provision for gratuity and compensated absence	517	416
	Loss on derecognition of financial assets	326,553	2,206
	Bad debts written off	2	-
	Loss on sale of fixed assets	(262)	-
	Depreciation and amortisation	10,011	5,235
	Operating cash flow before working capital changes	**500,469**	**514,878**
	Decrease / (Increase) in Trade Receivables	1,489	-
	Decrease / (Increase) in Loans	186,482	376,503
	Decrease / (Increase) in Investments	(265,724)	(58,418)
	Decrease / (Increase) in other financials assets	28,679	67,189
	Decrease / (Increase) in other non financials assets	(2,883)	(4,440)
	(Decrease) / Increase in short term provisions	21	(2,802)
	(Decrease) / Increase in Trade Payables	(3,924)	11,126
	(Decrease) / Increase in Provisions	259	-
	(Decrease) / Increase in other financials liabilities	58,361	4,725
	(Decrease) / Increase in other non financials liabilities	6,723	(971)
	Cash (used in)/from operations	**509,952**	**907,790**
	Less: Income taxes paid	40,303	(41,693)
	Net cash (used in)/ from operating activities (a)	**550,255**	**866,097**
B	**Cash flow from investing activities**		
	Purchase of Fixed assets	(14,475)	(4,594)
	Sale proceeds from Fixed assets	11,541	-
	Payment of consideration for business combination	(200)	(191,847)
	Investments in mutual funds	(5,244,200)	(1,015,500)
	Redemptions from mutual funds	5,385,714	1,081,662
	Interest income from fixed deposits	4,873	1,002
	Investment in fixed deposits	(104,208)	(338,643)
	Redemption from fixed deposits	90,170	435,422
	Net cash (used in)/ from investing activities (b)	**129,215**	**(32,498)**
C	**Cash flow from financing activities**		
	Payment of Lease Liability	(2,015)	-
	Borrowings taken during the year	782,806	891,899
	Borrowings repaid during the year	(1,729,453)	(1,728,465)
	Net cash (used in)/ from financing activities (c)	**(948,662)**	**(836,566)**
	Net increase/ (decrease) in cash and cash equivalents (a+b+c)	**(269,192)**	**(2,967)**
	Cash and cash equivalents as at beginning of the year	**461,925**	**355,967**
	Add: Cash and cash equivalent transferred due to acquisition during the year	**69**	**108,924**
	Cash and cash equivalents as at end of the year	**192,802**	**461,925**

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Piramal Capital & Housing Finance Ltd.

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Consolidated Cash Flow Statement
for the year ended March 31, 2023

(Currency : Rs in lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash and Cash Equivalents Comprise of:		
Cash on hand	-	574
Balances with banks in current accounts	192,802	186,883
Fixed deposits (with original maturity less than 3 months)	-	274,468
	192,802	461,925

The consolidated cash flow statement has been prepared under the 'Indirect Method' set out in Indian Accounting Standard-7, "Statement of cash flow"
Note: In the previous year, the Company has paid Rs.1,471,747 lakhs in cash of which Rs.1,280,000 lakhs paid out of acquired cash and has issued Rs.1,953,252 lakhs of NCD as part of resolution plan approved by NCLT dated June 7, 2021. (Refer note 39B)

The notes referred to above forms an integral part of the financial statements.
As per our report of even date attached.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh Rathi
Partner
Membership No: 045228

Mumbai, May 5, 2023

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

Hitesh Garg
Partner
Membership No: 502955

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

Jairam Sridharan
Managing Director
DIN: 05165390

Ajay Piramal
Chairman
DIN: 00028116

Vikash Singhla
Chief Financial Officer

Bipin Singh
Company Secretary

External Public

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Consolidated Statement of changes in equity
for the year ended March 31, 2023

(Currency : Rs in lakhs)

A. Equity Share Capital:

Particulars	**Amount**
Balance as at March 31, 2021	**1,928,372**
Less: Cancellation of shares upon business combination (Refer Note 39B)	(1,928,372)
Add: Issue of shares pursuant to business combination (Refer Note 39B)	2,136,469
Balance as at March 31, 2022	**2,136,469**
Add: Issues during the year	-
Balance as at March 31, 2023	**2,136,469**

B. Other Equity:

Particulars	**Reserves and Surplus**					**Other Comprehensive Income**			**Total**
	Amalgamation Adjustment Reserve	**Statutory Reserve**	**Capital Reserve**	**Securities Premium**	**Retained Earnings**	**Debt Instruments Measured through OCI**	**Equity Instruments Measured through OCI***	**Cash flow hedging reserve**	
Balance as at March 31, 2021	-	**50,150**	**3**	**16,080**	**155,654**	-	-	**(1,596)**	**220,290**
Add/(Less): Transfer during the year	-	10,515		-	-	-	-	972	11,486
Add: Transfer on account of reverse merger (Refer Note 39B)	(490,288)	183,899	17,263	220,885	91,052	-	-	-	22,810
Add: Profit during the year	-	-	-	-	54,015	-	-	-	54,015
Add: Other comprehensive income (net of tax)	-	-	-	-	(7,692)	-	-	-	(7,692)
Less: Transfer to Share Capital on account of reverse merger (Refer Note 39B)	-	-	(3)	(16,080)	(192,014)	-	-	-	(208,096)
Less: Transfer to statutory reserve fund	-	-	-	-	(10,515)	-	-	-	(10,515)
Balance as at March 31, 2022	**(490,288)**	**244,563**	**17,263**	**220,885**	**90,501**	-	-	**(624)**	**82,298**
Add/(Less): Transfer during the year	-	-	2	-	-	(1,276)	6,720	1,005	6,451
Add/(Less): Profit/(Loss) during the year	-	-	-	-	(740,136)	-	-	-	(740,136)
Add: Other comprehensive income (net of tax)	-	-	-	-	(6,980)	-	-	-	(6,980)
Balance as at March 31, 2023	**(490,288)**	**244,563**	**17,265**	**220,885**	**(656,615)**	**(1,276)**	**6,720**	**381**	**(658,365)**

* that will not be reclassified to Statement of profit or loss

The notes referred to above forms an integral part of the financial statements.

As per our report of even date attached.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh Rathi
Partner
Membership No: 045228

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Mumbai, May 5, 2023

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

Hitesh Garg
Partner
Membership No: 502955

TR Chadha & Co. LLP
MUMBAI
Chartered Accountants

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

Jairam Sridharan
Managing Director
DIN: 05165390

Ajay Piramal
Chairman
DIN: 00028116

Vikash Singhla
Chief Financial Officer

Bipin Singh
Company Secretary

Piramal Capital & Housing Finance Ltd.

External Public

1A. GENERAL INFORMATION

Piramal Capital & Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited) (the Holding Company) and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate and joint venture. The Holding Company was incorporated in India on April 11, 1984 and has been carrying on, as its main business of providing loans to customers for construction or purchase of residential property, loans against property, loans to real estate developers, loans to SMEs, etc.. The Holding Company is registered with National Housing Bank (NHB) under Section 29A of the National Housing Bank Act, 1987. The registered office of the Holding Company is in Unit No.601, 6th Floor, Amiti Building, Agastya Corporate Park, Kamani Junction, Opp. Fire Station, LBS Marg, Kurla West, Mumbai City, 400070.

Also, refer to note 39B with respect to business combination pursuant to Resolution Plan and order passed by Hon'ble National Company Law Tribunal ("NCLT"). From the implementation date i.e. September 30, 2021, as specified in the NCLT order, along with other developments as explained below, the Holding Company became the wholly-owned subsidiary of Piramal Enterprises Limited.

These consolidated financial statements issued under the name of Piramal Capital & Housing Finance Limited represent the continuation of the financial statement of erstwhile Piramal Capital & Housing Finance Limited (ePCHFL)(accounting acquirer), as more fully explained in the note 39B.

The Holding Company is a public limited Company and its debts are listed on the Bombay Stock Exchange (BSE India) and the National Stock Exchange (NSE), India.

The consolidated financial statements were authorised by the Board of Directors for issue in accordance with resolutions passed on May 5, 2023.

1B. Basis of Preparation

i) Statement of compliance and basis of preparation and presentation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 ('the Act') read with note 39B to the extent effect given in accordance with the accounting treatment prescribed in the resolution plan approved by the National Company Law Tribunal vide their order dated 7 June 2021 as is more fully described in the said note. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The consolidated financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter ("Ind AS") on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained below and accounting for business combination carried out by the Holding Company during the year (as more fully explained in note 39B), the relevant provisions of the Companies Act, 2013 (the "Act") and the guidelines and directives issued by the Reserve Bank of India (RBI) and National Housing Bank ("NHB") 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 Companies Act, 2013 (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 Balance Sheet, Statement of Profit and Loss, Statement of Cash Flow, Statement of Changes in Equity, summary of the significant accounting policies and other explanatory information are together referred as the financial statements of the Group.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All amounts included in the financial statements are reported in lakhs of Indian rupees (Rs. in lakhs) except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

ii) Basis of Accounting

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period and accounting for business combination carried out by the Group during the year (as more fully explained in note 39B). The consolidated financial statements are prepared and presented on going concern basis.

iii) Use of 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.

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

MUMBAI
Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Following areas entail a high degree of estimate and judgement or complexity in determining the carrying amount of certain assets and liabilities.
1. Business Combination - Note 39B
2. Measurement of defined benefit obligations: key actuarial assumptions – Note 41
3. Fair Valuation of financial assets and liabilities - Note 42
4. Impairment of financial assets – Note 44
5. Impairment of Goodwill – Note 49
6. Income tax - Note 2(xii)
7. Evaluation of business Model - Note 2 (iv)
8. Provision and Liabilities - Note 2(vii)
9. Useful Life of Property, Plant and Equipment (PPE) and Intangible assets - Note 2 (i)

iv) **Principles of consolidation and equity accounting**

(a) Subsidiaries:

Subsidiaries are all entities (including Structured entities) over which the group has control. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group.
The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.
Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(b) Associates:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see below), after initially being recognised at cost. Wherever necessary, adjustments are made to financial statements of associates to bring there accounting policies in line with those used by the other members of group.

(c) Joint Arrangements:

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.
A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.
Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.
The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.
Interests in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet.

(d) Equity method:

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of post acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates or joint ventures are recognised as a reduction in the carrying amount of the investment.
Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities.
Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.
The carrying amount of equity accounted investments are tested for impairment.

(e) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the group. A change in the ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(f) List of entities included in the consolidated financial statements:

a.Subsidiary Company
i. DHFL Investments Limited
ii. DHFL Holdings Limited
iii. DHFL Advisory & Investments Private Limited
iv. Piramal Payments Services Limited (w.e.f. 29 April 2022)
v. Piramal Finance Sales and Services Private Limited (w.e.f. 28 September 2022)
vi. PRL Agastya Private Limited (w.e.f. 12 December 2022)

b.Associate
i. DHFL Ventures Trustee Company Limited

c.Joint Venture
i. Pramerica Life Insurance Limited

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Chartered Accountants

Piramal Capital & Housing Finance Ltd.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Property, plant and equipment

All Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any, except for fair valued assets on business combination (Refer note 39B). Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation.
The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
Subsequent expenditures related to an item of Property, Plant and Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets less their residual values specified in Schedule II of the Companies Act, 2013.
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Individual Property, Plant and Equipment costing less than Rupees five thousand are depreciated fully in the year of purchase or acquisition.

The estimated useful lives of Property, Plant and Equipment are as stated below:

Building	60 years
Office Equipment	5 years
Furniture and fixtures	10 years
Computers Servers and Network	6 years
Computer - End user device	3 years
Motor Vehicle	8 years (Refer note below)
Leasehold Improvements	Amortised on SLM over lease tenure or 5 years whichever is lower

The Group has determined the remaining useful life of the PPE acquired on date of acquisition, as per Companies Act 2013. The value of PPE acquired is depreciated/amortised over such remaining useful life determined on straight line method basis which best reflects the usage of asset to the accounting acquirer.

For vehicles given to employee as a perquisite and forming the part of their employment, amortisation is done basis the employment agreement which may vary between 3 to 5 years.

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Cost includes cost of land (including development rights and land under agreements to purchase), internal development costs, external development charges, construction costs, overheads, borrowing cost and development/ construction materials.

The Company depreciates building component of investment property over 60 years from the date of original purchase.
Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes (refer note 5 and 6). Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of derecognition.

ii) Intangible Assets

Intangible assets are stated at acquisition cost except for fair valued assets on business combination (Refer note 39B), net of accumulated amortisation and accumulated impairment losses, if any.
Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss.

Intangible assets not ready for use on the date of Balance Sheet is disclosed as 'Intangible assets under development'.

Intangible Assets other than Goodwill are amortized on a straight line basis over their finite useful lives over the following period:

Computer Software	6 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Individual intangible assets costing less than Rupees five thousand are depreciated fully in the year of purchase or acquisition.
Goodwill on acquisition is included in intangible assets. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.
Goodwill is carried at cost less accumulated impairment losses.

Self generated software
The Company recognises internally generated intangible assets when it is certain that the future economic benefit attributable to the use of such intangible assets are probable to flow to the Company and the expenditure incurred for development of such intangible assets can be measured reliably. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Company. The intangible assets including those internally generated are amortised using the straight line method over a period of five years, which is the Management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate

iii) Impairment of non financial assets

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

iv) Financial instruments

Recognition, initial measurement and classification
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.
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) 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 profit or loss.

Financial assets
Financial assets that meet the following conditions are subsequently measured at amortised cost:
- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through Other Comprehensive Income (FVTOCI):
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit and loss (FVTPL).

Debt and other instruments
Subsequent measurement of debt and other instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt and other instruments:

Evaluation of Business Model
Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding ("SPPI") and the business model test. The Company determines the business model at a level that reflects how the Company's financial instruments are managed together to achieve a business objective.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

Amortised cost
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

iv) Financial instruments *(Continued)*

Effective interest rate method

Income is recognised on an effective interest rate basis for financial assets other than those financial assets classified as at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
– the gross carrying amount of the financial asset; or
– the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired ('POCI') assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset other than purchase or originated credit impaired are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through Interest income in the statement of profit and loss. In respect of purchased or originated credit impaired assets, such positive or negative adjustment to the carrying amount of the asset is reflected through change in lifetime ECL since initial recognition. Favourable changes in lifetime ECL are recognised as an impairment gain, even if the favourable changes are more than the amount, if any, previously recognised in profit or loss account as impairment losses.

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

The Group considers only DSA cost while calculating interest income for retail loans by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. Since the processing fees income collected from the customers approximately equates to the corresponding file cost incurred, the same is not considered for EIR computation.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. 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 dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Changes in the fair value of financial assets at FVTPL are recognised in the statement of profit and loss.
Wholesale loan book acquired through business combination is accounted as FVTPL instruments.

Fair value through Other Comprehensive Income (FVTOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of

Fair value measurement

Fair value measurements under Ind AS are categorised into fair value hierarchy 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 measurement in its entirety, which are described as follows:
• Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access on measurement date.
• Level 2 inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
• Level 3 where unobservable inputs are used for the valuation of assets or liabilities.

For assets and liabilities that are recognized in the Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of financial assets

The Group applies the expected credit loss ("ECL") model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables and other contractual rights to receive cash or other financial asset.

Wholesale lending:

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Group has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. The Group has a dedicated Asset Monitoring team which evaluates asset performance on a continued basis to flag of early warning signals. Probability of default have been adjusted with forward looking inputs from anticipated change in future macro-economic conditions to comply with IndAS 109. The forward looking macro-economic conditions based adjustment is driven through a multi linear regression model which forecasts systemic gross non-performing assets under baseline future economic scenarios. Accordingly, the financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days or OTR cases and Stage 3 – Default Assets with overdue for more than 90 days.

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP
MUMBAI
Chartered Accountants

Piramal Capital & Housing Finance Ltd.

iv) Financial instruments *(Continued)*

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.
Default assets wherein the management does not expect any realistic prospect of recovery are written off to the Statement of Profit and Loss.

Retail lending:
The Group uses ECL allowance for financial assets measured at amortised cost, which are not individually significant, and comprise of a large number of homogeneous loans that have similar characteristics. The expected credit loss is a product of exposure at default, probability of default and loss given default. Due to lack of 5-year internal PD/LGD data, the Group uses external PD/LGD data from credit bureau agency (TransUnion for Mar-22) for potential credit losses. Further, the estimates from the above sources have been adjusted with forward looking inputs from anticipated change in future macro-economic conditions to comply with IndAS 109. The forward looking macro-economic conditions based adjustment is driven through a multi linear regression model which forecasts systemic gross non-performing assets under baseline future economic scenarios.

Financial assets and equity instruments

The financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue for more than thirty days to 90 days or OTR cases and Stage 3 – Default Assets with overdue for more than 90 days.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk (as represented by days past due status of the individual accounts) since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Default assets wherein the management does not expect any realistic prospect of recovery are written off to the Statement of Profit and Loss.

Impairment - POCI Financial Assets
POCI financial assets are assets that are credit-impaired on initial recognition. For POCI assets, lifetime ECL are incorporated into the calculation of the effective interest rate on initial recognition. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognised as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset. A favourable change for such assets create an impairment gain.

Derecognition of financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.
On derecognition of financial assets in entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, is recognised in the statement of profit and loss.

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery.

Reclassification of financial assets and liabilities
After initial recognition of financial assets and liabilities, no re-classification is made except for financial assets where there is a change in the business model for managing those assets. 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. 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 recognized gains, losses (including impairment gains or losses) or interest.

Sale of Financial assets measured at Amortised Cost
Entity reclassifies financial assets if the entity changes its business model for managing those financial assets. Such changes are expected to be very infrequent. Such changes are determined by the entity's senior management as a result of external or internal changes and must be significant to the entity's operations and demonstrable to external parties. Accordingly, a change in an entity's business model will occur only when an entity either begins or ceases to perform an activity that is significant to its operations;

The Group may occasionally sale portfolio classified under amortised pool for liquidity management, recovery management in case of stressed pool or for any specific regulatory compliance which will not lead to change in business model.
Further, if the sales are infrequent or insignificant in value, the sale of amortised cost pool will also not lead to Change in Business Model.

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Chartered Accountants

Piramal Capital & Housing Finance Ltd.

iv) Financial instruments *(Continued)*

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost or FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Classification as debt or equity

Debt and equity instruments issued by the 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.

Equity Instrument

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (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 financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit and loss.

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 between the Group and the lender of debt and other instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Resulting gain/loss due to subsequently remeasurement of derivatives is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability

Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Embedded foreign currency derivatives

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

- the functional currency of any substantial party to that contract,
- the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,
- a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency)

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss. The Group currently does not have any such derivatives which are not closely related.

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Chartered Accountants

Piramal Capital & Housing Finance Ltd.

iv) Financial instruments *(Continued)*

Hedge accounting

The Group designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. The Group applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Group would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for cash flow hedge accounting are accounted as follows:
A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the statement of profit and loss.

The amount recognised in the cash flow hedge reserve is reclassified from OCI to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the statement of profit or loss.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. If the hedged cash flows are no longer expected to occur, then the Group immediately reclassifies the cumulative amount in the hedging reserve from OCI to the statement of profit or loss.

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.

v) Assets held for sale

Assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.
Once classified as held-for-sale, assets and liabilities are no longer amortised or depreciated.

vi) Employee Benefits

Employee benefits include provident fund, compensated absences and gratuity. In case of Provident fund, contributions are made to the Regional Provident Fund Office.

Defined Contribution Plans

The Group's contribution to provident fund to the Regional Provident Fund office are considered as defined contribution plans, as the Group does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

Defined Benefit Plans

The Group contributes to Defined Benefit Plans comprising of Gratuity and Compensated absences.

Gratuity: The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Employee Share-based payments
The Holding company has issued stock options to certain employees of the Company. These transactions are recognised as equity-settled share based payment transactions. The stock compensation expense is determined based on fair value of options and the holding company's estimate of options that will eventually vest and is recognised over the vesting period in the statement of profit and loss with corresponding increase in liability payable to holding company as the cost is recovered by the holding company in entirety.

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI Chartered Accountants

vii) Provisions, Contingent Liabilities and Commitments

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of 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). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.
Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

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.

viii) Revenue recognition

Interest income from a financial asset (including Lease rental discounting assets) is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Loan processing fees income is accounted for on effective interest basis except for processing fees income collected from the customers which approximates to the corresponding file cost incurred. Arranger fees income is accounted for on accrual basis.

Delayed payment interest (penal interest and the like) levied on customers for delay in repayments/ non payment of contractual cashflows is recognised on realisation.

Dividend income from investments is recognised when the Group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of dividend income can be measured reliably).
The gain / loss on account of redemption of units of mutual funds is recognised in the period in which redemption occurs.

ix) Foreign Currency Transactions

In preparing the financial statement, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

x) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as exceptional items.

xi) Leases

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.
The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.
The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

xii) Taxes on Income

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

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 generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.
While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position.

xiii) Cash and Cash Equivalents

In the cash flow statement, Cash and cash equivalent comprises cash in hand ,demand deposits and time deposits with original maturity of less than three months held with bank and debit balance in cash credit account. Credit balance in cash credit account are shown within borrowings in financial liabilities in the balance sheet.

xiv) Borrowing Costs

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those fixed assets which necessarily take a substantial period of time to get ready for their intended use) are capitalised.
Borrowing costs include interest expense calculated using the EIR method. EIR includes interest, amortization of ancillary cost, incurred in connection with the borrowing of funds. Other borrowing costs are recognised as an expense in the period in which they are incurred.

xv) Earnings per share

Basic earnings per share
The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

Diluted earnings per share
Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

xvi) Segment accounting
In accordance with Ind AS 108, Segment Reporting, the Chief Executive Officer and Managing Director is the Group's chief operating decision maker ("CODM"). The Group has identified only one reportable business segment as it deals mainly in provision of lending business.

xvii) Securitization and direct assignment
The Group transfers loans through securitisation and direct assignment transactions. The transferred loans are de-recognised and gains losses are accounted for, only if the Group transfers substantially all risks and rewards specified in the underlying assigned loan contract.

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

T R Chadha & Co LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

xviii) Business Combinations and Goodwill

The acquisition method of accounting is used to account for all business combinations except under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the:
- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the
- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any impairment loss for goodwill is recognised in the statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised as capital reserve in other equity.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

xix) Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the Initial recognition exemption of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The definition of a "change in accounting estimates" has been replaced with a definition of "accounting estimates". Accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Consolidated Financial Statements *(Continued)*
as at March 31, 2023

(Currency : Rs in lakhs)

	As at March 31, 2023	As at March 31, 2022
3 Cash and cash equivalents		
Cash on hand*	-	574
Balances with banks in current accounts	192,802	186,883
Fixed deposits (with original maturity less than 3 months)	-	274,468
Total	**192,802**	**461,925**

*Amount below 0.50 lakhs has been considered as 0.

4 Bank balances other than (a) above		
Fixed deposits (with original maturity more than 3 months)	1,259	-
Earmarked balances with banks*	67,834	53,863
Unclaimed dividend Accounts	98	175
Total	**69,191**	**54,038**

*(i) Deposits with banks to the extent of Rs. 67,834 lakhs (March 31, 2022 - Rs.53,863 lakhs) held as security against the borrowings and guarantees.

(ii) Net of fair valuation loss of Rs. 22,978 lakhs (March 31, 2022 - Rs. 15,007 lakhs) on account of adjustment in cash collateral for securitised pool.

5 Trade Receivables		
Unsecured, considered good	381	-
Credit impaired	270	-
Receivables from related parties	70	-
Less: Allowance for impairment loss (expected credit loss allowance)	(270)	-
Total	**451**	**-**

Ageing Schedule

Trade Receivables as at March 31, 2023	Outstanding for following periods from due date of payment: Less than 6 months	6 months -1 year	1 year - 2 years	2 years - 3 years	3 years and above	Total
Undisputed Trade Receivables - considered good	380	71	-	-	-	451
Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	7	72	191	-	270
Total	380	78	72	191	-	721

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Consolidated Financial Statements (Continued)

as at March 31, 2023

(Currency : Rs in lakhs)

		As at March 31, 2023				As at March 31, 2022			
		At amortised cost	At FVTPL	At FVOCI	Total	At amortised cost	At FVTPL	At FVOCI	Total
6	**Loans**								
	Loans in India - Term Loans								
A	(a) Secured by tangible assets	3,783,273	133,868	-	3,917,141	4,791,241	282,873	-	5,074,114
	(b) Unsecured	923,696	-	-	923,696	436,289	-	-	436,289
	Gross	4,706,969	133,868	-	4,840,837	5,227,530	282,873	-	5,510,403
	Less: Allowance for impairment loss (expected credit loss allowance)	(684,355)	-	-	(684,355)	(754,386)	-	-	(754,386)
	Net	**4,022,614**	**133,868**	**-**	**4,156,482**	4,473,144	282,873	-	4,756,017
B	Considered good								
	- to Related party	-	-	-	-	70,075	-	-	70,075
	- to Others	3,689,319	133,868	-	3,823,187	3,645,433	282,873	-	3,928,306
	Less: Allowance for impairment loss (expected credit loss allowance)	(122,675)	-	-	(122,675)	(94,508)	-	-	(94,508)
	Significant increase in Credit Risk	341,858	-	-	341,858	256,073	-	-	256,073
	Less: Allowance for impairment loss (expected credit loss allowance)	(96,273)	-	-	(96,273)	(40,745)	-	-	(40,745)
	Credit impaired	426,792	-	-	426,792	650,275	-	-	650,275
	Less: Allowance for impairment loss (expected credit loss allowance)	(358,906)	-	-	(358,906)	(359,957)	-	-	(359,957)
	Purchased or Originated Credit Impaired Assets (POCI)	249,000	-	-	249,000	605,675	-	-	605,675
	Less: Allowance for impairment loss (expected credit loss allowance)	(106,501)	-	-	(106,501)	(259,176)	-	-	(259,176)
		4,022,614	**133,868**	**-**	**4,156,482**	4,473,144	282,873	-	4,756,017
	Loan to Public Sectors				-				-
	Loan to Others				4,156,482				4,756,017
	Total				**4,156,482**				**4,756,017**

Note: During the current and prior reporting periods, there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made due to change in business model.

As per merger scheme of DHFL (refer note 39B), retail loans are grossed up by Rs. 773,498 lakhs as on March 31, 2023 (March 31, 2022 - Rs. 1,137,049 lakhs). ECL provisions are grossed up by Rs. 427,700 lakhs (March 31, 2022 - Rs. 598,200 lakhs) and balance grossup is being reflected under Fair Value Adjustment on Merger under Note 20 for Rs. 345,798 lakhs as on March 31, 2023 (Rs. 538,849 lakhs).

During the year, the Company has sold certain loans classified under amortised cost as part of Direct assignment transaction basis the board approval to meet Principal business criteria and liquidity criteria as per NHB and RBI guidelines. Also, the Company has sold certain stressed portfolio classified under amortised cost for liquidity and recovery management strategy of the Company. Such sale of loans will not lead to change in business model as per the company's board approved policy and management's evaluation of business model.

Collateral held: The Company holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralised against equitable mortgage of property, pledge of shares, hypothecation of assets, corporate guarantees, hypothecation over receivables from funded project or other projects of the borrower or escrow account undertaking to create security.
Refer note 46 for details of securitisation transactions

		As at March 31, 2023					As at March 31, 2022				
		At amortised cost	At FVTPL	At FVOCI	At Cost	Total	At amortised cost	At FVTPL	At FVOCI	At Cost	Total
7	**Investments**										
A	**Investments within India**										
	Equity Investment in Joint Ventures and Associates:										
	DHFL Venture Trustee Company Private Limited	-	-	-	4	4	-	-	-	4	4
	Pramerica Life Insurance Limited	-	-	-	90,722	90,722	-	-	-	95,714	95,714
	Equity Instruments (Others than subsidiaries)	-	-	67	-	67	-	-	2	-	2
	Preference Shares (Others than subsidiaries)	-	-	17,752	-	17,752	-	-	3,232	-	3,232
	Project Receivables	-	161,740	-	-	161,740	-	181,060	-	-	181,060
	Alternative Investment Funds	-	215,642	-	-	215,642	-	198,824	-	-	198,824
	Venture Capital Fund	-	1,399	-	-	1,399	-	1,588	-	-	1,588
	Security Receipts	-	302,241	-	-	302,241	-	43,399	-	-	43,399
	Optionally Convertible Debentures	-	34,000	-	-	34,000	-	30,947	-	-	30,947
	T-Bill	-	-	9,497	-	9,497	-	-	-	-	-
	Redeemable Bonds	-	-	50,726	-	50,726	66,223	-	-	-	66,223
	Government Securities Redeemable Bonds	104,031	-	-	-	104,031	4	-	-	-	4
	Redeemable Non Convertible Debentures	306,373	18,000	-	-	324,373	658,786	28,105	-	-	686,891
	Investment in Mutual Funds	-	-	-	-	-	-	132,068	-	-	132,068
	Pass Through certificates	20,504	-	-	-	20,504	28,067	25,100	-	-	53,167
	Gross	430,908	733,022	78,042	90,726	1,332,699	753,080	641,091	3,234	95,718	1,493,123
	Less: Allowance for impairment loss (expected credit loss allowance)	(36,134)	-	-	-	(36,134)	(108,054)	-	-	-	(108,054)
	Total Investments (A + B)	**394,774**	**733,022**	**78,042**	**90,726**	**1,296,565**	645,026	641,091	3,234	95,718	1,385,070

	As at March 31, 2023	As at March 31, 2022
Pramerica Life Insurance Limited (erstwhile DHFL Pramerica Life Insurance Company Limited)	192,178	207,461
Add - Share of profit/ (loss) for the year	(4,993)	(6,286)
Less: Allowance for impairment loss	(96,464)	(105,461)
	90,722	**95,714**

* During the year, the Company has changed its Business model for Redeemable Bonds from "Held for collection till maturity" to "held for collection of contractual cash flows and for selling the financial assets" with effect from April 1, 2022 considering change in intention to hold such assets till maturity and liquidate basis market condition. Consequently, the Company has re-classified the same from amortised cost to FVTOCI.

Piramal Capital & Housing Finance Limited

(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Consolidated Financial Statements (Continued)

as at March 31, 2023

(Currency : Rs in lakhs)

	As at March 31, 2023	As at March 31, 2022
8 Other financial assets		
Interest receivable	16	-
Security deposits	9,400	14,262
Interest strip asset on assignment	30,242	50,946
Other receivable*	50,262	47,330
Less: Provision for Other Financial Assets	(6,100)	-
Total	**83,820**	112,538

* Majorly includes receivable on account of securitisation transactions

	As at March 31, 2023	As at March 31, 2022
9 Current tax assets (Net)		
Advance Tax (net of Provision of Rs. 37,932 Lakhs (March 31, 2022 Rs. 207,298 Lakhs)	73,841	62,106
Total	**73,841**	**62,106**

Piramal Capital & Housing Finance Limited

(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Consolidated Financial Statements (Continued)

as at March 31, 2023

(Currency : Rs in lakhs)

		As at March 31, 2023	As at March 31, 2022
10	**Deferred tax liabilities/assets (net)**		
	Deferred tax assets	175,352	203,191
	Deferred tax liabilities	(32,214)	(264,822)
	Total	**143,138**	**(61,631)**

Movement in deferred tax balances:	**Opening balance as at April 1, 2022**	**Adjustment on account of business combination**	**Recognised in profit or loss**	**Recognised in Other Comprehensive Income**	**Closing balance as at March 31, 2023**
Property Plant & Equipment	(4,188)	399	11,221	(7)	7,424
Intangible Assets - Other than Goodwill	(307)	-	(2,625)	-	(2,932)
Intangible Assets - Goodwill	(258,164)	-	258,164	-	-
Capital Gain Tax on balance of Unclaimed Goodwill	115,026	-	(115,026)	-	-
Expected Credit Loss	61,710	-	18,537	-	80,247
Provisions other than those pertaining to expected credit loss	884	-	(406)	-	477
Financial Asset at Fair Value through Profit & Loss	17,828	-	22,938	-	40,766
Re-measurement of employee benefits	836	26	1,329	(31)	2,161
Adjustments pertaining to Income and expense recognition based on expected interest rate	(1,278)	-	(17,547)	-	(18,825)
Lease Liability / ROU	563	-	(29)	-	534
Receivable on Assigned loans	3,261	-	(10,873)	-	(7,612)
Transaction Cost	2,874	-	(1,666)	-	1,208
Business loss	-	-	42,536	-	42,536
Hedge Effectiveness	210	-	-	(338)	(128)
Instruments measured through OCI	-	-	-	(1,832)	(1,832)
Diminution of investment in DAIPL	(885)	-	-	-	(885)
	(61,631)	425	206,553	(2,207)	143,138

Movement in deferred tax balances:	Opening balance as at April 1, 2021	Adjustment on account of business combination	Recognised in profit or loss	Recognised in Other Comprehensive Income	Closing balance as at March 31, 2022
Property Plant & Equipment	919	-	(5,107)	-	(4,188)
Intangible Assets - Other than Goodwill	(895)	-	588	-	(307)
Intangible Assets - Goodwill	(258,164)	-	-	-	(258,164)
Capital Gain Tax on balance of Unclaimed Goodwill	115,026	-	-	-	115,026
Expected Credit Loss	45,923	-	15,787	-	61,710
Provisions other than those pertaining to expected	328	-	555	-	884
Financial Asset at Fair Value through Profit & Loss	4,273	-	13,556	-	17,828
Re-measurement of employee benefits through OCI	194	-	654	(12)	836
Adjustments pertaining to Income and expense recognition based on expected interest rate	(7,162)	-	5,884	-	(1,278)
Lease Liability / ROU	179	-	384	-	563
Receivable on Assigned loans	-	-	3,261	-	3,261
Transaction Cost	-	-	2,874	-	2,874
Others	1,470	-	(933)	(327)	210
Diminution of investment in DAIPL	-	(885)	-	-	(885)
	(97,909)	(885)	37,502	(339)	(61,631)

The Group has not recognised deferred tax assets relating to the fair value adjustments due to uncertainty associated with allowability of such adjustments. Based on the tax position taken by the Group the potential unrecognised deferred tax assets as at March 31, 2023 stands at Rs. 412,000 lakhs.

11	**Other non-financial assets**		
	Capital advance	966	725
	Goods and service tax credit receivable	30,010	23,742
	Prepaid expenses	1,733	2,630
	Advance for expenses	3,847	3,990
	Others	874	15
	Gratuity Funded Assets (refer Note 41)	227	-
	Advance processing fees paid	14,294	15,154
	Less: Provision for doubtful advances	(13,399)	-
	Total other non-financial assets	**38,552**	**46,256**

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Currency : Rs in lakhs)

12 Property, plant and equipment, Intangible Assets and Intangibles under development

Particulars	Gross Block: Opening As at April 1, 2022	Gross Block: Acquisition	Gross Block: Additions during the year	Gross Block: Deduction/ write offs/ impairment	Gross Block: As at March 31, 2023 (A)	Depreciation / Amortisation: Opening As at April 1, 2022	Depreciation / Amortisation: Acquisition	Depreciation / Amortisation: Charge for the year	Depreciation / Amortisation: Deduction/ write offs/ impairment	Depreciation / Amortisation: As at March 31, 2023 (B)	Net Block As at March 31, 2023 (A-B)
Tangible Assets											
Land & Building	36,668	-	-	11,541	25,127	439	-	723	338	825	24,302
Office Equipment	720	121	2,127	61	2,907	489	116	363	53	914	1,992
Computer	1,532	28	4,089	7	5,641	864	28	1,158	6	2,043	3,598
Computer Server	371	-	-	-	371	241	-	59	-	301	71
Furniture	305	1	929	73	1,162	130	1	136	39	228	934
Motor Car	288	29	50	49	309	104	19	36	-	159	150
Leasehold Improvements	2,854	-	1,121	770	3,205	1,952	-	543	552	1,943	1,263
Plant and machinery	-	5	-	-	5	-	3	-		3	2
Total (I)	42,738	174	8,316	12,500	38,727	4,219	166	3,019	988	6,416	32,312
Intangible Asset											
Goodwill on amalgamation Consolidation	1,025,681	-	200	1,025,681	200	-	-	-	-	-	200
Computer software	6,962	5	1,014	1	7,980	1,283	5	1,255	1	2,543	5,436
Self generated software	-	-	6,242	-	6,242	-	-	30	-	30	6,212
Total (II)	1,032,642	5	7,456	1,025,681	14,422	1,283	5	1,285	1	2,573	11,848
Right to Use Assets - Premises (III)	17,983	-	13,064	3,861	27,186	5,812	-	4,864	3,478	7,198	19,988
Intangibles under development (IV)	1,217	-	6,392	7,256	353	-	-	-	-	-	353
Grand Total (I+II+III+IV)	1,094,580	179	35,228	1,049,299	80,688	11,314	171	9,169	4,467	16,187	64,501

* Refer note 49 on impairment of goodwill
Certain property, plants and equipments are placed as collateral against borrowings, the details related to which have been described in note 14 to 17

Amount in Intangible assets under development as at March 31, 2023

CWIP	Less then 1 year	1 year - 2 years	2 years -3 years	3 years and above	Total
Projects in progress	345	8	-	-	353
Project temporarily suspended	-	-	-	-	-

Amount in Intangible assets under development to be completed in

CWIP	Less then 1 year	1 year - 2 years	2 years -3 years	3 years and above	Total
Projects in progress	353	-	-	-	353
Project temporarily suspended	-	-	-	-	-

There have been no project overruns exceeding the original planned expenditure
Title Deeds of all the immovable properties are in the name of the Holding Company except certain properties which were transferred on account of business combination and are in the name of erstwhile Dewan Housing Finance Corporation Limited

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Currency : Rs in lakhs)

12 Property, plant and equipment, Intangible Assets and Intangibles under development

Particulars	Gross Block					Depreciation / Amortisation					Net Block
	Opening As at April 1, 2021	Acquisition through business combination (net) (Refer Note 39B)	Additions during the year	Deduction/ write offs/ impairment	As at March 31, 2022 (A)	Opening As at April 1, 2021	Acquisition through business combination (net) (Refer Note 39B)	Charge for the year	Deduction/ write offs/ impairment	As at March 31, 2022 (B)	As at March 31, 2022 (A-B)
Tangible Assets											
Land & Building	30	36,638		-	36,668	-	-	439.26	-	439	36,229
Office Equipment	682	-	39	-	720	359	-	131	-	489	231
Computer	774	-	758	-	1,532	579	-	285	-	864	667
Computer Server	371	-	-	-	371	177	-	65	-	241	130
Furniture	303	-	1	-	305	100	-	30	-	130	175
Motor Car	239	49	-	-	288	74	-	31	-	104	184
Leasehold Improvements	2,829	-	25	-	2,854	1,533	-	419	-	1,952	902
Total (I)	5,229	36,687	823	-	42,738	2,820	-	1,399	-	4,219	38,517
Intangible Asset											
Goodwill on amalgamation	1,025,681	-	-	-	1,025,681	-	-	-	-	-	1,025,681
Computer software	3,886	-	3,076	-	6,962	331	-	952	-	1,283	5,678
Total (II)	1,029,566	-	3,076	-	1,032,642	331	-	952	-	1,283	1,031,359
Right to Use Assets (III)	7,125	8,627	2,356	124	17,983	3,009	-	2,884	81	5,812	12,171
Intangibles under development (IV)	753	-	3,638	3,173	1,217	-	-	-	-	-	1,217
Grand Total (I+II+III+IV)	1,042,674	45,314	9,892	3,298	1,094,580	6,159	-	5,236	81	11,314	1,083,264

Amount in Intangible assets under development as at March 31, 2022

CWIP	Less then 1 year	1 year - 2 years	2 years -3 years	3 years and above	Total
Projects in progress	857	158	161	41	1,217
Project temporarily suspended	-	-	-	-	-

Amount in Intangible assets under development to be completed in

CWIP	Less then 1 year	1 year - 2 years	2 years -3 years	3 years and above	Total
Projects in progress	1,217	-	-	-	1,217
Project temporarily suspended	-	-	-	-	-

WALKER CHANDIOK & Co LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

TR Chadha & Co. LLP ★ Chartered Accountants ★ MUMBAI

Piramal Capital & Housing Finance Ltd. ★

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Currency : Rs in lakhs)

12 Investment property & Investment property under construction

Particulars	Gross Block					Depreciation / Amortisation					Net Block
	Opening As at April 1, 2022	Acquisition	Additions during the year	Deduction/ write offs	As at March 31, 2023 (A)	Opening As at April 1, 2022	Acquisition	Charge for the year	Deduction/ write offs	As at March 31, 2023 (B)	As at March 31, 2023 (A-B)
Tangible Assets											
Building	-	81,838	-	-	**81,838**	-	5,945	453	-	**6,397**	**75,440**
Land#	-	17,927	-	-	**17,927**	-	-	-	-	**-**	**17,927**
Furniture and fixtures	-	741	-	-	**741**	-	286	25	-	**311**	**430**
Plant and machinery	-	3,416	-	-	**3,416**	-	1,139	79	-	**1,218**	**2,198**
Total (I)	-	**103,922**	-	-	**103,922**	-	**7,370**	**556**	-	**7,926**	**95,996**
Investment property under construction											
Investment property under construction	-	1,499	-	-	**1,499**	-	-	-	-	-	**1,499**
Total (II)	-	**1,499**	-	-	**1,499**	-	-	-	-	-	**1,499**
Grand Total (I+II)	-	**105,421**	-	-	**105,421**	-	**7,370**	**556**	-	**7,926**	**97,495**

Amount in Investment property under constructions at March 31, 2023

Investment property under construction	Less then 1 year	1 year - 2 years	2 years -3 years	3 years and above	Total
Projects in progress	1,433	2	-	65	1,499
Project temporarily suspended	-	-	-	-	-

Amount in Investment property under construction to be completed in

Investment property under construction	Less then 1 year	1 year - 2 years	2 years -3 years	3 years and above	Total
Projects in progress	-	-	-	1,499	1,499
Project temporarily suspended	-	-	-	-	-

Note: The Company has created charge on certain assets in favour of Lenders (Refer Note 15)

The land value of Phase I and Phase II is Rs. 6,961.24 lakhs and Rs. 1,364.34 lakhs respectively.

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

External Public

12 Investment property & Investment property under construction (Continue)

The Group's investment property and investment property under construction consists of commercial property situated at Kurla, Mumbai. As on March 31, 2023 the fair value of investment property is Rs. 98,051 lakhs. The valuation is performed by an accredited registered independent valuer in accordance with the framework specified under Ind AS .

Description of hierarchy, valuation technique used and key inputs to valuation are as below March 31, 2023:

	Fair Value Hierarchy	Valuation Technique	Significant unobservable inputs	March 31, 2023
Wing D- Land	Level 3	Discounted Cash Flow and Residual Method (M22); Capitalisation rate method (M21)	Rent growth p.a.	5.12% p.a.
			Capitalisation rate	78% p.a.
			Occupancy rate	95%
Wing A- Land	Level 2	Market Survey Method	Based on the land (38,000 sq. m.) sold to Lodha group @ INR 120 Crores	
Wing A- Building	Level 3	Depreciated Replacement Cost method	Based on the book value of building	

Under the valuation technique as mentioned above, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases/ (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher/ (lower) fair value of the properties. Significant increases/ (decreases) in occupancy rate and discount rate/capitalisation rate in isolation would result in a significantly lower (higher) fair value.

Lease income

The Group's investment property consist of one commercial property in Kurla, Mumbai. The management has determined that the investment property consist of - Piramal Agastya Corporate Park (Phase I) based on the nature, characteristics and risks of property.

Particulars	March 31, 2023
Not later than one year	3,992
Later than one year and not later than five years	9,375
Later than five years	-
Lease income recognised during the year in statement of profit and loss	4,415

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

TR Chadha & Co LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Currency : Rs in lakhs)

		As at March 31, 2023	As at March 31, 2022
13	**Trade payables**		
(i)	Total outstanding dues of micro enterprises and small enterprises (Refer Note 36)	277	134
	Total	**277**	**134**
(ii)(a)	Total outstanding dues of creditors other than micro enterprises and small enterprises	28,513	49,961
(ii)(b)	Trade payables to related parties (refer note 40)	544	1,924
	Total	**29,057**	**51,886**

Note :

Trade payables ageing as at March 31, 2023

Particulars	**Unbilled Amount**	**Outstanding for following periods from due date of payment**				**Total**
		Less than 1 year	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	
MSME	13	256	8	-	-	277
Others	26,133	2,635	42	66	181	29,057
Disputed dues -MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**26,146**	**2,891**	**50**	**66**	**181**	**29,334**

Trade payables ageing as at March 31, 2022

Particulars	**Unbilled Amount**	**Outstanding for following periods from due date of payment**				**Total**
		Less than 1 year	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	
MSME	-	134	-	-	-	134
Others	18,899	32,655	57	20	254	51,886
Disputed dues -MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**18,899**	**32,789**	**57**	**20**	**254**	**52,020**

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Currency : Rs in lakhs)

		As at March 31, 2023	As at March 31, 2022
14	**Debt Securities**		
	Debt securities in India		
	Measured at amortised cost		
	Redeemable Non Convertible Debentures (secured)	2,552,399	2,871,266
	Total	**2,552,399**	**2,871,266**
15	**Borrowings (Other than Debt Securities)**		
	Borrowings in India, unless otherwise specified		
	Measured at amortised cost		
	Term Loans (secured)		
	-From banks	1,059,263	1,116,621
	-From Others	74,632	-
	-FCNR Loan (from outside India)	62,951	56,940
	Securitised Borrowings (Secured)	109,157	266,965
	Working capital demand loan/short term borrowings (secured)		
	-From banks	-	15,064
	-From others	76,845	-
	Commercial Paper (unsecured)	143,769	35,465
	Total	**1,526,617**	**1,491,055**
16	**Deposits**		
	Deposits in India		
	Measured at amortised cost		
	Intercorporate deposit from related party (Unsecured) (Refer note 40)	31,552	266,600
	Total	**31,552**	**266,600**
17	**Subordinated Liabilities**		
	Subordinated Liabilities in India		
	Measured at amortised cost		
	Redeemable Non Convertible Debentures (unsecured)	12,688	12,660
	Total	**12,688**	**12,660**

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Currency : Rs in lakhs)

14 Debt Securities

A. Redeemable Non Convertible Debentures:

Particulars	Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date	First Instalment payment date
1,666 (Previous Year : 3,333) (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable in 3 equal tranches starting from July 30, 2021	16,660	33,330	July 31, 2023	July 31, 2021
18,48,28,062 (Previous Year - 19,53,25,290) (payable semi annually) 6.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value 925 (Previous Year Rs 975)	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable at 2.5% semi-annually for first 5 years and at 7.5% semi-annually for the next 5 years from the date of allotment	1,709,660	1,904,422	September 26, 2031	March 28, 2022
8,125 (payable annually) 9.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 8,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after three years three months from the date of allotment	-	65,000	April 15, 2022	NA
625 (payable annually) 9.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 8,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after three years three months from the date of allotment	-	5,000	April 21, 2022	NA
1,750 (payable annually) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	-	17,500	May 19, 2022	NA
1,500 (payable annually) 9.5% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 3 years from the date of allotment	-	15,000	September 16, 2022	NA
1,500 (payable on maturity) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 18 months from the date of allotment	-	15,000	October 7, 2022	NA
509 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 22 months from the date of allotment	-	5,090	January 23, 2023	NA
1,700 (payable on maturity) 8.25% Secured, Rated, Listed, Redeemable Principal Protected Market Linked Non-Convertible Debentures(NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 24 months from the date of allotment	17,000	17,000	April 14, 2023	NA
2,500 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 3 years from the date of allotment	25,000	25,000	May 12, 2023	NA
3,250 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 35 months from the date of allotment	32,500	32,500	May 31, 2023	NA
4,95,486 (payable on maturity) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 26 months from the date of allotment	4,955	4,955	September 23, 2023	NA
52,480 (payable annually) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 26 months from the date of allotment	525	525	September 23, 2023	NA
34,66,413 (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 26 months from the date of allotment	34,664	34,664	September 23, 2023	NA

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Currency : Rs in lakhs)

14 Debt Securities (Continued)

A. Redeemable Non Convertible Debentures (Continued):

Particulars	Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date	First Instalment payment date
12,300 (payable on maturity) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 26 months from the date of allotment	123	123	September 23, 2023	NA
250 (payable annually) 9.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are repayable after 1826 days from the date of allotment	2,500	2,500	November 2, 2023	NA
1,800 (payable semi annually) 10% Secured, Rated, Unlisted, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	900 NCD's (50%) each of a face value of Rs 10,00,000 are repayable after 53 months from the date of allotment & balance 900 (50%) after 65 months from the date of allotment.	18,000	18,000	November 8, 2024	November 8, 2023
50 (payable annually) 8.95% Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 2555 days from the date of allotment.	500	500	March 8, 2024	NA
250 (payable annually) 8.75% Secured, Rated, Listed , Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 2556 days from the date of allotment	2,500	2,500	May 3, 2024	NA
13,770 (payable annually) 8.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 36 months from the date of allotment	138	138	July 23, 2024	NA
15,42,637 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 36 months from the date of allotment	15,426	15,426	July 23, 2024	NA
20,000 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable in 4 equal instalments starting from 12 June 2025	200,000	200,000	March 12, 2026	June 12, 2025
20,500 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable in 4 equal instalments starting from 19 June 2025	205,000	205,000	March 19, 2026	June 19, 2025
5,000 (payable monthly) 7.96% Secured, Rated , Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are redeemable at par in three instalments : 8th year-167 crore; 9th year-167crore; 10th year-166 crore	50,000	50,000	September 20, 2027	September 19, 2025
350 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are repayable after 2555 days from the date of allotment	3,500	3,500	October 3, 2025	NA
1,07,455 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 60 months from the date of allotment	1,075	1,075	July 23, 2026	NA
8,08,680 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 60 months from the date of allotment	8,087	8,087	July 23, 2026	NA
5,000 (payable annually) 9.27% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are redeemable at par in three instalments : 8th year-167 crore; 9th year-167crore; 10th year-166 crore	50,000	50,000	December 19, 2028	December 18, 2026

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Currency : Rs in lakhs)

14 Debt Securities (Continued)

A. Redeemable Non Convertible Debentures (Continued):

Particulars	Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date	First Instalment payment date
15,000 (payable annually) 9.51% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable in 3 equal instalment of Rs. 50000 lakhs each payable after 8th year, 9th year, 10th year from the date of allotment	150,000	150,000	March 9, 2029	March 11, 2027
500 (payable annually) 9.32% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 10 years from the date of allotment	5,000	5,000	November 1, 2030	NA
250 (payable annually) 9.00% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 10 years from the date of allotment	2,500	2,500	March 28, 2031	NA
200 (payable annually) 8.85% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCD's are repayable after 10 years from the date of allotment	2,000	2,000	June 27, 2031	NA
1,150 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 120 months from the date of allotment	12	12	July 23, 2031	NA
15,40,084 (payable annually) 9.00% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property	The NCD's are repayable after 120 months from the date of allotment	15,401	15,401	July 23, 2031	NA

The contractual rate of interest for the above loans are in the range of 6.75% to 10% per annum

15 Borrowings (Other than Debt Securities)

A. 1 Rupee Term Loan from Banks:

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date	First Instalment payment date
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in nineteen quarterly instalments commencing after a moratorium period of 3 months from the date of drawdown	228	4,433	May 28, 2023	August 31, 2018
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment in equal half yearly instalments	-	1,250	April 20, 2022	October 20, 2018
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in sixteen quarterly instalments with a holiday period of 1 year from the drawdown date.	-	10,114	December 28, 2022	November 28, 2018
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment of principal in 47 equal monthly instalment of Rs. 1042 lakhs each and 48th instalment of Rs. 1050 lakhs after drawdown.	-	8,562	December 29, 2022	January 29, 2019
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment of principal in 47 equal monthly instalment of Rs. 1042 lakhs each and 48th instalment of Rs. 1050 lakhs after drawdown	-	9,645	February 2, 2023	March 2, 2019
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in eight half yearly instalments commencing after initial moratorium period of 12 months	-	2,748	March 25, 2023	March 26, 2019
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in eight half yearly instalments commencing after 12th month from the drawdown date	-	2,444	March 25, 2023	March 26, 2019
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in sixteen quarterly instalments with a holiday period of 1 year from the drawdown date.	-	6,883	August 28, 2022	March 28, 2019
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in twelve quarterly instalments Commencing from 25th month from date of drawdown	-	12,500	June 9, 2022	June 9, 2019
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment of principal in 16 equal quarterly instalment after moratorium period of three year from drawdown date	54,844	67,500	May 17, 2026	June 17, 2019

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

15 Borrowings (Other than Debt Securities) (Continued)

A. 1 Rupee Term Loan from Banks (Continued):

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date	First Instalment payment date
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment of principle in 16 quarterly instalment of Rs. 623 lakhs after moratorium period of 3 months from the date of 1st drawdown	2,500	4,972	September 27, 2023	June 27, 2019
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment of principle in 18 quarterly instalment after moratorium period of 6 months from the date of 1st drawdown	44,443	88,890	January 19, 2024	July 31, 2019
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment of principle in 12 quarterly instalment of Rs. 4167 lakhs after moratorium period of 6 months from the date of 1st drawdown	-	12,452	November 26, 2022	August 26, 2019
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in twelve equal quarterly instalments commencing from 25 months from date of drawdown	-	2,931	June 27, 2022	September 30, 2019
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in six equal half yearly instalments with moratorium period of one year from drawdown date	-	6,100	September 30, 2022	September 30, 2019
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 18 equal quarterly instalments after the moratorium period of 6 months from the drawdown date	17,717	28,829	December 24, 2024	June 29, 2020
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in six equal half yearly instalments with moratorium period of one year from drawdown date	-	7,585	December 31, 2022	June 30, 2020
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 60 months in 9 equal half yearly instalments commencing after initial moratorium of 6 months	-	16,403	September 19, 2024	September 16, 2020
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment of principal in 12 equal quarterly instalment after moratorium period of one year from drawdown date	-	2,735	March 26, 2023	September 26, 2020
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term Loan to be repaid in 19 equal quarterly instalments starting from 1 quarter from date of first disbursement.	21,059	31,592	March 31, 2025	September 30, 2020
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term Loan repayment in 16 equal quarterly instalments after a moratorium period of 1 year.	19,271	29,279	December 26, 2024	March 26, 2021
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term Loan repayment in 24 equal quarterly instalments after a moratorium period of 1 year.	33,317	41,652	January 30, 2027	March 29, 2021
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayment of Principle in 12 equal quarter instalment of Rs. 2500 lakhs after moratorium period of the 2 years from the date of drawdown	9,978	19,979	March 26, 2024	June 30, 2021
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 20 equal quarterly instalments.	44,738	59,738	March 30, 2026	June 30, 2021
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term Loan Repayment in 16 equal quarterly instalments post moratorium period of 1 year.	28,079	37,463	April 2, 2025	July 3, 2021
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term Loan repayment in 24 quarterly instalments post moratorium period of 1 year.	135,250	191,250	April 4, 2027	July 4, 2021
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term Loan Repayment in 16 equal quarterly instalments post moratorium period of 1 year.	-	8,748	August 31, 2025	November 30, 2021
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 20 equal quarterly instalments.	35,000	44,989	September 28, 2026	December 27, 2021
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term Loan Repayment in 16 equal quarterly instalments post moratorium period of 1 year.	3,436	4,686	December 11, 2025	March 11, 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 60 months including moratorium period of 1 year and post that payable in 16 equal quarterly instalments.	24,062	32,812	December 28, 2025	March 28, 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 28 equal quarterly instalments.	20,535	24,107	December 29, 2028	March 31, 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 20 equal quarterly instalments after the moratorium period of 24 months from the drawdown date	16,673	20,866	March 31, 2027	June 17, 2022

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Currency : Rs in lakhs)

15 Borrowings (Other than Debt Securities) (Continued)

A. 1 Rupee Term Loan from Banks (Continued):

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date	First Instalment payment date
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in eighteen quarterly instalments of Rs. 800 lakhs each and last instalment of Rs. 600 lakhs after a holiday period of 3 months from date of drawdown	11,800	15,000	December 24, 2026	June 27, 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 12 equal quarterly instalments.	6,667	10,000	March 30, 2025	June 30, 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 20 equal quarterly instalments.	15,999	20,000	March 30, 2027	June 30, 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 18 months from drawdown date	-	16,700	July 11, 2022	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 12 equal quarterly instalments from date of drawdown	30,000	-	May 12, 2025	August 13, 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in ten quarterly instalments with moratorium period of 6 months from date of drawdown	17,499	25,000	November 30, 2024	August 31, 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 19 quarterly instalments with moratorium period of 3 months from date of drawdown	6,316	7,500	March 30, 2027	September 30, 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 19 quarterly instalments with moratorium period of 3 months from date of drawdown	25,263	30,000	March 30, 2027	September 30, 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 16 quarterly instalments with moratorium period of 6 months from date of drawdown	8,750	10,000	September 30, 2026	December 31, 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term loan repayable in 20 equal quarterly instalments	4,750	-	October 31, 2027	January 31, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term loan repayable in 20 quarterly instalments from the end of the quarter of the first disbursement	9,498	-	October 31, 2027	January 31, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in eight half yearly instalments after a moratorium period of 1 year from date of drawdown	13,121	14,996	August 31, 2026	February 28, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term loan repayable in 20 equal quarterly instalments from the end of the quarter of the first disbursement	71,250	-	December 19, 2027	March 19, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	18 equal quarterly instalments after 6M moratorium	19,644	-	June 30, 2027	March 31, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term loan repayable in quarterly instalments over a period 15 years with NIL moratorium	4,916	-	December 30, 2037	March 31, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Bullet payment on maturity	25,000	-	May 25, 2023	May 25, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 24 months from drawdown date	-	23,000	May 26, 2023	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	18 equal quarterly instalments after 6M moratorium	26,700	-	September 26, 2027	June 26, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 24 quarterly instalments with moratorium period of 1 year from date of drawdown	20,000	20,000	March 29, 2029	June 30, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 18 months from drawdown date	-	17,500	June 20, 2023	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	9 equal quarterly install after 9 month moratorium	10,000	-	August 4, 2025	August 4, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 12 equal quarterly instalments after 1 year moratorium	23,000	-	May 30, 2026	August 31, 2023

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

15 Borrowings (Other than Debt Securities) (Continued)

A. 1 Rupee Term Loan from Banks (Continued):

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date	First Instalment payment date
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 12 equal quarterly instalments after 1 year moratorium	17,500	-	June 2, 2026	September 2, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	12 equal quarterly install after 1 year moratorium	16,700	-	July 31, 2026	October 31, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 14 quarterly instalments with moratorium period of 18 months from date of drawdown	50,000	50,000	March 7, 2027	December 7, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	16 equal quarterly instalments after 12 month moratorium	5,000	-	September 30, 2027	December 31, 2023
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Bullet payment on maturity	30,000	-	January 17, 2024	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 24 months from drawdown date	-	25,000	March 3, 2024	NA
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 12 quarterly instalments with moratorium period of 1 year from date of drawdown	25,000	-	March 9, 2027	June 9, 2024
Secured by pari passu charge over unsold portion of Wing A Piramal Agastya Corporate Park (Phase I) along with the land corresponding to it, located at Kurla.	Repayable in 144 months from drawdown date	62,139	-	December 15, 2034	NA

The contractual rate of interest for the above loans are in the range of 6.50% to 10.15 % per annum

A. 1 Rupee Term Loan from Others:

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date	First Instalment payment date
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Term loan repayable in 120 Equated Monthly Instalments	75,000	-	March 1, 2033	May 1, 2023

A.3 FCNR Loan

Nature of Securities	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date	First Instalment payment date
First pari-passu charge on the standard assets including receivables present and future	Repayable after 53 months from drawdown date	30,816	26,132	June 14, 2023	NA
First pari-passu charge on the standard assets including receivables present and future	Repayable after 65 months from drawdown date	30,816	26,132	June 14, 2024	NA

The rate of interest for the above loans is 9.30% per annum

B.1 Securitised Borrowings

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date	First Instalment payment date
Specific loan cash flows & underlying that are part of the Assignment pool	Repayable in 356 months from drawdown date	4,657	7,278	July 20, 2049	November 20, 2019
Specific loan cash flows & underlying that are part of the PTC pool	Repayable in 188 months from drawdown date	2,870	4,090	August 31, 2035	October 11, 2019
Specific loan cash flows & underlying that are part of the PTC pool	Repayable in 99 months from drawdown date	-	6,045	February 20, 2028	November 20, 2019
Specific loan cash flows & underlying that are part of the PTC pool	Repayable in 292 months from drawdown date	25,413	-	June 13, 2047	April 13, 2023

The contractual rate of interest for the above loans are in the range of 8.20% to 8.90% per annum

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

T.R. Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Piramal Capital & Housing Finance Limited
(formerly known as Piramal Housing Finance Limited)

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Currency : Rs in lakhs)

15 Borrowings (Other than Debt Securities) (Continued)

C.1 Working Capital Demand Loan from banks/short term borrowings:

Nature of Security	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	10,000
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	-	5,000

The rate of interest for the above loans is 7.35% to 7.90% per annum

C.2 Working Capital Demand Loan from Others:

Nature of Security	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022
Exclusive charge on Government Securities	76,734	-

The contractual rate of interest for the above loans are in the range of 6.90% to 6.95% per annum

D.1 Commercial Paper

Particulars	Terms of Repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date
Commercial Paper	Repayable within 365 days from date of disbursement	148,500	35,900	Various

The effective costs for the above loans are in the range of 7.25% to 9.00 % per annum

16 Deposits

Intercorporate deposit from related party

Particulars	Terms of Repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date	First Instalment payment date
Intercorporate deposit	Repayable after Eighteen months from drawdown date	-	36,900	June 30, 2022	NA
Intercorporate deposit	Repayable after Sixty months from drawdown date	30,000	229,700	June 25, 2025	NA

The rate of interest for the above loans is 8.25% per annum

17 Subordinated Liabilities

Redeemable Non Convertible Debentures (unsecured)

Particulars	Terms of Repayment	Principal Outstanding as at March 31, 2023	Principal Outstanding as at March 31, 2022	Maturity Due Date	First Instalment payment date
1,276 (payable annually) 9.55% Unsecured, Subordinated, Tier II, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value	The NCD's are repayable after 10 years from the date of allotment	12,760	12,760	March 8, 2027	NA

The rate of interest for the above loans is 9.55% per annum

Piramal Capital & Housing Finance Limited

(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Currency : Rs in lakhs)

		As at March 31, 2023	As at March 31, 2022
18	**Other financial liabilities**		
	Lease liability	21,655	13,097
	Payable to employees	10,677	9,217
	Unclaimed dividend@	98	175
	Security and other deposits received	2,158	202
	Amounts payable on Securitised Loans	63,248	54,719
	Others*	68,777	12,515
	Total	**166,613**	89,925

* (includes liability towards sold portfolio etc.)

During the year ended March 31, 2023, the Company has recovered Rs. 30,914 lakhs from 6 parties, against whom Avoidance Applications were filed by the Administrator, by way of settlement agreements entered by the Company with these parties under Section 7 of Insolvency and Bankruptcy Code, 2016 as full and final settlement of financial dues and withdrawal of all pending cases against these parties in connection with the disputes and / or finance documents and / or financial debt, if any, before any forum / court / tribunal / authority and / or otherwise, under any / all applicable laws. The management is of the considered view that these amounts are not required to be paid to Committee of Creditors (CoC) and continues to pursue for recovery against these parties w.r.t. Avoidance Application filed by the administrator. However, considering the complexity of the matter, amount of Rs. 27,495 lakhs (after adjustment of recovery against Section 66) has not been recognized as income and shown as liability in financial statements.

@ In previous year, amount of Rs.53 lakhs of unclaimed dividend which was due for payment to the investor education and protection fund under section 125 of the Companies Act 2013 was paid during the year.

Pursuant to the corporate insolvency resolution process initiated by the Reserve Bank of India (RBI) in the Company (i.e. the erstwhile Dewan Housing Finance Corporation Limited (DHFL)) and the subsequent order of the Hon'ble National Company Law Tribunal (NCLT), a Moratorium was imposed on DHFL in terms of the Insolvency and Bankruptcy Code, 2016 (Code) w.e.f. from December 3, 2019.

On account of Moratorium, alienation of any assets of DHFL was prohibited until the completion of the insolvency process. Consequently, the Administrator decided that the amount lying in the bank accounts of DHFL (including unclaimed dividend accounts) shall not be alienated or transferred in any manner, and that any such alienation/transfer, while Moratorium is in force, would result in violation of Section 14 of the Code. Further, all bank accounts of DHFL, including unclaimed dividend accounts, were frozen for any debit transactions.

The implementation of the insolvency resolution plan, as approved by the NCLT, was completed on September 30, 2021 and the new board of directors was instated on September 30, 2021 subsequent to which the Company was able to take practical steps to reactivate the relevant unclaimed dividend accounts.

As on March 31, 2023, the Holding Company is in compliance of requirements and there is no delays.

		As at March 31, 2023	As at March 31, 2022
19	**Current tax liabilities**		
	Net provision for tax (net of advance tax of Rs. 162,576 Lakhs, March 31, 2022 Rs. 40,788 Lakhs)	59,208	340,889
	Total	**59,208**	340,889
20	**Provisions**		
	Provision for Employee Benefits (refer Note 41)	850	88
	Allowance for impairment on commitments (refer note 44.4(b))	5,495	10,112
	Total	**6,345**	10,200
21	**Other non- financial liabilities**		
	Statutory dues payable	3,948	2,740
	Deferred income on fair valuation of deposit taken	-	10
	Fair Valuation Adjustment on Merger (Refer note 39B)	345,798	538,848
	Advance received	14,043	7,352
	Total	**363,789**	548,950

(Currency : Rs in lakhs)

22 Equity Share Capital

	As at March 31, 2023	As at March 31, 2022
Authorized share capital:		
Opening balance:		
25,840,390,024 (March 31, 2022: 25,000,000,000) equity shares of Rs. 10 each	2,584,039	2,500,000
Add: Nil (31 March 2022: 840,390,024) equity shares transfer on account of reverse merger (Refer Note 39B)	-	84,039
Total	**2,584,039**	2,584,039
250,000 (March 31, 2022: 250,000) Non-Convertible Redeemable Cumulative Preference Shares of Rs. 1,000 each transfer on account of reverse merger (Refer Note 39B)	25,000	25,000
Total	**25,000**	25,000
Issued, subscribed and fully paid up capital:		
Opening balance	2,136,469	1,928,372
Less: Cancellation of shares upon business combination (Refer Note 39B)	-	(1,928,372)
Add: Issue of shares pursuant to business combination (Refer Note 39B)	-	2,136,469
Total	**2,136,469**	2,136,469

Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	**March 31, 2023**		**March 31, 2022**	
	No. of shares	**Amount**	**No. of shares**	**Amount**
At the beginning of the year	21,364,691,751	2,136,469	19,283,718,397	1,928,372
Less: Cancellation of shares upon business combination (Refer Note 39B)	-	-	(19,283,718,397)	(1,928,372)
Add: Issue of shares pursuant to business combination (Refer Note 39B)	-	-	21,364,691,751	2,136,469
Outstanding at the end of the year	**21,364,691,751**	**2,136,469**	21,364,691,751	2,136,469

Details of shares held by Promoter

Particulars	**March 31, 2023**		**March 31, 2022**	
	No. of shares	**% Holding**	**No. of shares**	**% Holding**
Piramal Enterprises Limited	21,364,691,751	100%	21,364,691,751	100%

Details of shareholder holding more than 5% shares in the Company

Particulars	**March 31, 2023**		**March 31, 2022**	
	No. of shares	**% Holding**	**No. of shares**	**% Holding**
Piramal Enterprises Limited	21,364,691,751	100%	21,364,691,751	100%

Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the balance sheet date:

Particulars	**Financial year**	**No. of shares**
Equity shares of Rs. 10 each allotted as fully paid-up pursuant to business combination (Refer Note 39B)	2021-22	21,364,691,751

The Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

There were no shares allotted as fully paid-up by way of bonus shares.
There were no shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.
There were no shares forfeited during the year.

In the event of liquidation of the Company, the holders of equity shares will be entitled to remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

23 Other equity

Capital Reserve (refer note 23.1)	17,265	17,263
Securities Premium (refer note 23.2)	220,885	220,885
Cash flow hedge reserve (refer note 23.3)	381	(624)
Statutory reserve fund (refer note 23.4)	244,563	244,561
Amalgamation Adjustment Reserve (refer note 23.5)	(490,288)	(490,288)
Debt Instruments Measure through OCI (refer note 23.6)	(1,276)	-
Equity Instruments Measure through OCI (refer note 23.7)	6,720	-
Retained earnings (refer note 23.8)	(656,615)	90,501
Total	**(658,365)**	82,298

23.1 Capital reserve

Opening balance (Refer note 39B)	17,263	3
Less: Transfer to Share Capital on account of reverse merger (Refer Note 39B)	-	(3)
Add: Transfer on account of reverse merger (Refer Note 39B)	-	17,263
Add: Adjustment on account of Business combination (Refer Note 39C)	2	
Closing Balance	**17,265**	17,263

Capital reserve has been created on account of business combination (refer note 39B) done during the year 2021-22.

External Public

		As at March 31, 2023	As at March 31, 2022
23.2	**Securities Premium**		
	Opening balance	220,885	16,080
	Less: Transfer to Share Capital on account of reverse merger (Refer Note 39B)	-	(16,080)
	Add: Transfer on account of reverse merger (Refer Note 39B)	-	220,885
	Closing Balance	**220,885**	220,885

Securities premium reserve is used to record the premium 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.

23.3	**Cash flow hedge reserve**		
	Opening Balance	(624)	(1,596)
	Addition during the year (refer note 45)	1,005	972
	Closing Balance	**381**	(624)

The Group uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated with variable interest rate borrowings, investment in floating rate bonds. For hedging foreign currency risk, the Group uses foreign currency forward contracts, which are designated as cash flow hedges. For hedging interest rate risk, the Group uses interest rate swaps which is also designated as cash flow hedges. To the extent these hedges are effective; the changes in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amount recognised in the cash flow hedging reserve is reclassified to statement of profit or loss when the hedged item affects statement of profit or loss (e.g. interest payments).

23.4	**Statutory reserve fund**		
	Reserve fund U/s 29C of the NHB Act, 1987		
	Opening Balance	244,563	50,150
	Add: Transfer on account of reverse merger (Refer Note 39B)	-	183,899
	Addition during the year	-	10,515
	Closing Balance	**244,563**	244,563

Reserve Fund is required to be maintained u/s 29C of the NHB Act, 1987 for Housing Finance Companies. During the year ended March 31, 2023, the Group has transferred an amount of Rs. NIL during the year. (March 31, 2022 Rs. 10,515 Lakhs being 20% of profit after tax)

23.5	**Amalgamation Adjustment Reserve**		
	Opening Balance	(490,288)	-
	Add: Transfer on account of reverse merger (Refer Note 39B)	-	(490,288)
	Closing Balance	**(490,288)**	(490,288)

Amalgamation adjustment reserve has been created on account of business combination (refer note 39B) done during the year 2021-22

23.6	**Debt Instruments Measure through OCI**		
	Opening Balance	-	-
	Addition during the year	(1,276)	-
	Closing Balance	**(1,276)**	-

The Group recognises changes in the fair value of debt instruments held with a dual business objective of collect and sell in other comprehensive income. These changes are accumulated in the FVTOCI debt investments reserve. The Group transfers amounts from this reserve to profit or loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.

23.7	**Equity Instruments Measure through OCI**		
	Opening Balance	-	-
	Addition during the year	6,720	-
	Closing Balance	**6,720**	-

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in the FVTOCI equity investments reserve. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

23.8	**Retained earnings**		
	Opening Balance	90,501	155,654
	Add: Transfer on account of reverse merger (Refer Note 39B)	-	91,052
	Net profit/(loss) for the year	(740,136)	54,015
	Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(6,980)	(7,692)
	Less: Transfer to Share Capital on account of reverse merger (Refer Note 39B)	-	(192,014)
	Less: Transfer to statutory reserve fund	-	(10,515)
	Closing Balance	**(656,615)**	90,501

Retained earnings are the profits that the Group has earned till date, less any transfers to statutory reserve and dividends paid to investors. The amount that can be distributed by the Group as dividends to its equity shareholders is determined based on the financial statements of the Group and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirely.

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Piramal Capital & Housing Finance Ltd.

Notes to the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Currency : Rs in lakhs)

	Revenue from operations	For the year ended March 31, 2023	For the year ended March 31, 2022
24	**Interest income**		
	Interest income on financial assets measured at amortised cost:		
	- on investments	69,421	70,729
	- on loans and advances	505,581	448,909
	Interest income- on investments mandatorily measured at FVTPL	40,860	65,595
	Interest income- on investments mandatorily measured at OCI	10,728	
	Interest income on Fixed deposits	4,829	5,099
	Total	**631,419**	590,332
25	**Fees and commission Income**		
	- processing / arranger fees	16,101	7,234
	- other operating Income	10,716	6,177
	Total	**26,817**	13,411
26	**Other income**		
	Other non-operating income	2,286	6,614
	Net gain on sale of fixed assets	262	-
	Interest on income tax refund	3,736	-
	Total	**6,284**	6,614
27	**Finance cost**		
	Interest expense on financial liabilities measured at amortised cost:		
	Interest on deposits	12,894	19,329
	Interest on borrowings	109,801	130,423
	Interest on debt securities	223,055	180,815
	Interest on subordinated liabilities	1,247	3,139
	Total	**346,997**	333,706
28	**Fees and commission expense**		
	Other borrowing cost*	2,877	1,164
	Total	**2,877**	1,164
	*includes interest cost on lease liability		
29	**Net loss on fair value changes**		
	Loss on investments measured at FVTPL	213,666	50,028
	Loss/(gain) on loans and advances measured at FVTPL	(128,175)	-
	Realised gain on sale of investments	(8,374)	(8,048)
	Unrealised gain on sale of investments	-	(172)
	Total	**77,117**	41,808

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Currency : Rs in lakhs)

		For the year ended March 31, 2023	For the year ended March 31, 2022
30 (a)	**Net loss on derecognition of financial instruments- under amortised cost category**		
	Loss on derecognition of financial assets*	359,489	2,206
	Gain on derecognition of financial Liabilities **	(32,936)	-
	Total	**326,553**	2,206

* This includes amounts prudentially written off (technical write off) as per the Board approved policy of the Company. During the year ending March 31, 2023, the Company has prudentially written off certain loans from wholesale sector amounting to Rs 94,365 Lakhs (net of recovery of Rs 4,150 Lakhs) and from retail sector amounting to Rs 6,754 Lakhs (net of recovery of Rs 529 Lakhs).
**This includes, gain on derecognition of financial Liabilities includes gain on buyback of 6.75% 10,497,228 Non-convertible debentures having face value of Rs. 950 with buyback prices of Rs 823.28 per debentures (including Accrued Interest of Rs. 14.76). Due to such buyback, the Company has recognised Rs. 12,936 lakhs as gain on de-recognition of financial liability.

		For the year ended March 31, 2023	For the year ended March 31, 2022
30 (b)	**Impairment on financial instruments**		
	Measured at Amortised Cost		
	Loans	59,910	10,322
	Investments	(71,919)	51,600
	Commitments	(4,619)	803
	Others	700	-
	Total	**(15,928)**	62,725
31	**Employee benefits expense**		
	Salaries and wages	62,677	27,999
	Contribution to provident and other funds (refer note 41)	3,450	1,096
	Provision for leave encashment (refer note 41)	1,527	(1,261)
	Staff welfare expenses	2,750	1,195
	Provision for gratuity (refer note 41)	767	440
	Total	**71,171**	29,469
32	**Other expenses**		
	Corporate social responsibility expenses (refer note 50)	5,467	4,921
	Rent (refer note 35)	109	679
	Rates and taxes, excluding taxes on income	1,139	35
	Travelling and conveyance	1,615	277
	Legal and professional fees	59,277	28,554
	Royalty	5,341	4,430
	Electricity expense	1,143	421
	Repairs and maintenance	2,580	4,385
	Business promotion and advertisement expenses	4,344	1,059
	Postage and communication	1,619	697
	Printing and stationery	633	315
	Provision for non-financial assets	13,399	-
	Other expenses	6,910	2,365
	Payments to auditors		
	- as auditor	557	345
	- for other services	5	4
	- for reimbursement of expenses	32	5
	Total	**104,170**	48,492

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2023

(Currency : Rs in lakhs)

33 Income Taxes

a. Recognised in the statement of profit and loss

	Year ended March 31, 2023	Year ended March 31, 2022
Current Tax		
In respect of the current year	91	56,325
In respect of the previous years (Refer foot note (ii))	(332,754)	-
Deferred Tax		
In respect of the current year	(206,553)	(37,502)
Total	**(539,216)**	18,823

b. The income tax expense for the year can be reconciled to the accounting profit as follows:

	Year ended March 31, 2023	Year ended March 31, 2022	Effective tax rate reconciliation Year ended March 31, 2023	Effective tax rate reconciliation Year ended March 31, 2022
Profit before tax from continuing operations	(1,279,352)	72,838		
Income tax expense calculated at 25.17%	(322,013)	18,333	25.17%	25.17%
Tax effect:				
Effect of expenses that are not deductible in determining taxable profit -Donation	1,377	1,239	-0.11%	1.70%
Profit after share of net profit of associates and joint ventures before exceptional items and tax	(528)	(363)	0.04%	-0.50%
Reversal of Deferred tax asset on account of impairement of Goodwill	115,026	-	-8.99%	-
Others	(324)	(387)	0.03%	-0.53%
Income tax expense recognised in the statement of profit and loss	**(206,462)**	18,823	**16.14%**	25.84%
Tax reversal for earlier years	(332,754)	-		
Income tax expense recognised in the statement of profit and loss	**(539,216)**	18,823		
Effective Tax Rate	**16.14%**	25.84%		

Note:

i. The tax rate used for the reconciliations above is the corporate tax rate of 25.17% as per new tax regime.

ii. As given in note 39B, contingent tax liabilities of Rs. 343,700 lakhs pertaining to financial years ended March 31, 2020 and March 31, 2021, were recognized pursuant to uncertain tax positions as on the acquisition of DHFL.

During the year, the Holding Company had received an Assessment Order under section 143(3) of the Income Tax Act, 1961 from Income Tax Department for the financial year ended March 31, 2021 wherein Holding Company's submissions relating to the above said matters were accepted by the Assessing Officer. Further, for financial year ended March 31, 2020, the assessment is time barred as per Section 153 of the Income Tax Act 1961. Accordingly, the Holding Company has reversed the provision of Rs. 332,754 lakhs (Out of the total contingent tax liabilities provided earlier of Rs. 343,700 lakhs) and disclosed the same as "Reversal of tax provisions – Earlier years" in these consolidated financial statement.

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Chartered Accountants

Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

34 Earnings per share (EPS)

Basic and diluted EPS is computed in accordance with Ind AS 33 'Earnings Per Share' specified under section 133 of the Companies Act 2013. The computation of earnings per share is set out below:

Description	For the year ended 'March 31, 2023	For the year ended 'March 31, 2022
Net profit/ (loss) attributable to equity shareholders	(740,136)	54,015
Weighted average number of equity shares outstanding during the year for calculation of EPS	21,364,691,751	21,364,691,751
Basic and Diluted EPS of face value of Rs. 10	(3.46)	0.25

The basic and diluted EPS is same as there are no potential dilutive equity shares.

35 Lease disclosure as lessee

Ind AS 116 introduced a single, on balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised the right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments.

At transition, for leases classified as operating leases under Ind AS 17, lease liabilities were measured at the present value of the outstanding lease payments, discounted at the Group's incremental borrowing rate as at April 01, 2019. The respective right-of-use asset was recognised at an amount equal to the lease liability, adjusted by the amount of any prepaid/advance lease payments or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

The Group's significant operating lease arrangements are mainly in respect of office/branch premises. These lease arrangements are for a period exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms. Details for the operating lease as lessee are as under:

Right-of-use assets

Right-of-use assets related to lease properties

Particulars	As at	As at March 31, 2022
Opening Balance	12,171	4,116
Depreciation charge for the year	(4,864)	(2,884)
Addition to right-of-use assets	13,064	10,982
Derecognition of right-of-use assets (net)	(382)	(43)
Closing Balance	**19,988**	**12,171**

Amount recognised in statement of profit and loss - Lease under Ind AS - 116

	As at	As at March 31, 2022
Interest on lease liabilities	1,848	530
Income from sub-leasing right-of-use assets presented in 'Other Revenue'	118	118
Expenses Related to short-term lease	109	679
Expenses related to leases of low-value assets, excluding short-term lease of low-value assets	-	-
Amortisation on ROU during the year	4,864	2,884

Amount recognised in the statement of cash flow

	As at	As at March 31, 2022
Total Cashflow for lease	2,015	3,267

Contractual maturities of lease liabilities on an undiscounted basis

	As at	As at March 31, 2022
Less than 1 year	5,676	4,765
1-3 years	9,060	8,792
3-5 years	7,419	1,734
More than 5 years	5,550	757

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Chartered Accountants

Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

36 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, ('MSMED') which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with Group including confirmations sought from suppliers on registration with specified authority under MSMED, the amount of principal and interest outstanding during the year is given below.

Particulars	As at	As at March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	277	134
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	5,984	1,044
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

37 (a) Contingent liabilities

Particulars		
Claim against the Group not acknowledged as debt	-	-
Dues towards Income Tax for AY 2014-2015	130	23
Dues towards Income Tax for AY 2015-2016	7	
Dues towards Income Tax for AY 2017-2018	5,634	5,634
Dues towards Income Tax for AY 2018-2019	661	616
Dues towards Income Tax for AY 2019-2020	510	510
Dues towards Income Tax for AY 2020-2021	1,268	1,268
Others		
Guarantees provided by bank on behalf of Company	11,700	
Partly paid-up investment	16	16
(Gross Value of Litigated Claims Rs. 3 lakhs (March 31, 2022 Rs. 20 lakhs) and Provision held Rs. 1 lakhs (March 31, 2022 - Rs. 7 lakhs))	2	13
Statutory demands/liabilities in dispute, not provided for*	688	658
Statutory Bonus (retrospective amendment stayed by Karnataka and Kerala High Courts)	41	41
Others – Insurance claims in Legal Matters net of provision and reinsurance (Gross Value of Litigated Claims Rs. 2,986 lakhs (March 31, 2022 - Rs. 2,429 lakhs), out of which reinsured claims Rs. 922 lakhs (March 31, 2022 - Rs. 659 lakhs) and Provision held Rs. 589 lakhs (March 31, 2022 - Rs. 383 lakhs))	1,475	1,387
Claims against the Group not acknowledged as debts	959	1,752

*Statutory demands and liabilities in dispute, not provided for, relate to the show cause cum demand notices/assessment orders received by the Group from the respective tax authorities. The Group has filed appeals against the demand notices/assessment orders with the appellate authorities and has been advised by the experts that the grounds of appeal are well supported in law in view of which the Group does not expect any liability to arise in this regard.

The Group is of the view that the above demands may not devolve on the Group and hence no provision has been made.

The Group has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At year end the Group has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of account.

The Group has also reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its consolidated financial statement.

(Currency : Rs in lakhs)

37 (b) Capital commitments

Particulars	-	-
Undisbursed loan commitments	328,730	316,583
Other capital commitments	2,060	1,112
Total	**330,790**	317,695

The undisbursed loan commitments represents the undrawn limits of the facilities sanctioned that are non-cancellable at sole and absolute discretion of the Group.

38 (a) Segment reporting

The chief operational decision maker monitors its principle business segment i.e. 'financing segment' for the purpose of making decision about resource allocation and performance assessment. The Group is operating in a single reportable and geographical segment in accordance with Ind AS 108 - Operating Segments as notified u/s 133 of the Companies Act, 2013 and accordingly the same is not applicable to the Group.
Further, no clients individually accounted for more than 10% of the revenue in financial year ended March 31, 2023.

38 (b) Significant transactions during the year

(i) During the year, the Company has formed a new wholly owned subsidiary company in the name of "Piramal Payment Services Limited".

(ii) During the year, the Company has acquired:

a. "Piramal Finance Sales and Service Private Limited" (wholly owned subsidiary Company) from Piramal Enterprises Limited (Holding Company).
b. "PRL Agastya Private Limited" (wholly owned subsidiary Company) from PRL Developers Private Limited (Group Company).

Notes to the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Currency : Rs in lakhs)

38 (c) INTERESTS IN OTHER ENTITIES

a Interest in Subsidiaries

The Group's subsidiaries at March 31, 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business

Sr. No.	Name of the Company	Principal place of business/Country of incorporation	Ownership interest held by the group % voting power held as at March 31, 2023	Ownership interest held by non-controlling interests % voting power held as at March 31, 2023	Ownership interest held by the group % voting power held as at March 31, 2022	Ownership interest held by non-controlling interests % voting power held as at March 31, 2022	Principal Activity
1	DHFL Investments Limited #	India	100%	-	100%	-	Financial Services
2	DHFL Advisory & Investments Private Limited #	India	100%	-	100%	-	Financial Services
3	DHFL Holdings Limited #	India	100%	-	100%	-	Financial Services
4	Piramal Payment Services Limited @	India	100%	-	-	-	Financial Services
5	Piramal Finance Sales and Services Private Limited *	India	100%	-	-	-	Manpower services
6	PRL Agastya Private Limited **	India	100%	-	-	-	Leasing of Properties

\# with effect from September 30, 2021
@ with effect from April 29, 2022
* with effect from September 28, 2022
** with effect from December 12, 2022

b Interest in Joint Ventures

Sr. no.	Name of the Company	Principal place of business/Country of incorporation	Carrying Amount as at Mar 31, 2023	Carrying Amount as at Mar 31, 2022	Ownership interest held by the group
1	Pramerica Life Insurance Limited #	India	90,722	95,714	50%

\# with effect from September 30, 2021 through DHFL Investments Limited

c Interest in Associates

Sr. no.	Name of the Company	Principal place of business/Country of incorporation	Carrying Amount as at Mar 31, 2023	Carrying Amount as at Mar 31, 2022	Ownership interest held by the group
1	DHFL Ventures Trustee Company Private Limited #	India	4	4	45%

\# with effect from September 30, 2021 through DHFL Investments Limited

d Share of profits from Associates and Joint Venture for the year ended:

Sr. no	Particulars	Share of profits		Share of Other Comprehensive Income	
		0	0	0	0
1	Share of profit of Associate	-	-	-	-
2	Share of profit of Joint ventures	2,096	1,441	(7,089)	(7,727)

Notes to the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Currency : Rs in lakhs)

38 (c) INTERESTS IN OTHER ENTITIES

e Reconciliation to carrying amounts as at:

S. no	Particulars	0 Joint venture	Associate	0 Joint venture	Associate
1	Net Assets	181,443	9	191,429	9
2	Group's share in %	50%	45%	50%	45%
3	Proportion of the Group's ownership interest	90,722	4	95,714	4
4	Goodwill	-	-	-	-
5	Carrying amount	90,722	4	95,714	4

38 (d) Additional Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 (As on/for the year ended March 31, 2023)

Sr. No.	Name of the entities	Share of Profit / (Loss) As % of consolidated Profit or loss	Amount	Share of Other comprehensive Income As % of consolidated Other comprehensive income	Amount	Share of total comprehensive Income As % of consolidated Total comprehensive income	Amount
1	Piramal Capital & Housing Finance Limited	100%	(742,483)	-1244%	6,547	99%	(735,936)
	Subsidiaries:						
2	DHFL Advisory & Investments Private Limited	0%	(5)	0%	-	0%	(5)
3	DHFL Holding Limited	0%	(1)	0%	-	0%	(1)
4	DHFL Investments Limited (Consolidated)	0%	2,088	1347%	(7,089)	1%	(5,001)
5	Piramal Payment Services Limited	0%	(14)	0%	-	0%	(14)
6	Piramal Finance Sales and Services Private Limited	0%	153	1%	(3)	0%	150
7	PRL Agastya Private Limited	0%	(652)	-4%	19	0%	(633)
	Inter Company elimination	0%	777	0%	-	0%	777
	Total	100%	(740,136)	100%	(526)	100%	(740,662)

Sr. No.	Name of entities	Net Assets i.e. total assets less total liabilities As % of consolidated net assets	Amount
1	Piramal Capital & Housing Finance Limited	101%	1,489,986
	Subsidiaries:		
2	DHFL Advisory & Investments Private Limited	0%	53
3	DHFL Holding Limited	0%	(0)
4	DHFL Investments Limited (Consolidated)	6%	90,737
5	Piramal Payment Services Limited	0%	536
6	Piramal Finance Sales and Services Private Limited	0%	178
7	PRL Agastya Private Limited	-1%	(13,103)
	Inter Company elimination	-6%	(90,282)
	Total	100%	1,478,105

WALKER CHANDIOK & Co LLP ★ CHARTERED ACCOUNTANTS MUMBAI

TR Chadha & Co LLP ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

(Currency : Rs in lakhs)

39 A Amalgamation of Piramal Finance Limited and Piramal Capital Limited with Piramal Housing Finance Limited erstwhile Piramal Housing Finance Private Limited

1 The Board of Directors of Piramal Capital Limited (PCL) and the Board of Directors of Piramal Finance Limited (PFL) had at their respective meetings held on October 12, 2017, had approved the Scheme of Amalgamation ("Scheme") of PFL and PCL (together referred as "Transferor Companies") with Piramal Housing Finance Limited (PHFL) (referred as "Transferee Company") effective from March 31, 2018 ("Appointed date"). The National Company Law Tribunal , Mumbai Bench ("NCLT") at its hearing held on April 06, 2018, have sanctioned the Scheme of Amalgamation of the Transferor Companies PFL and PCL with the Transferee Company PHFL. The certified copy of the NCLT, sanctioning the Scheme was filed with the Registrar of Companies, Maharashtra, Mumbai on May 23, 2018 (the "Effective Date").

In accordance with the said Scheme and as per the approval of the National Company Law Tribunal :

a) The amalgamation has been accounted for under the "Purchase Method" as prescribed by AS 14 - Accounting for Amalgamations as specified under section 133 of the Companies Act 2013 and as per the specific provisions of the Scheme. Accordingly, the Scheme had been given effect to in these financial statements. All assets, liabilities, rights and obligations, income and expenditure of the Transferor Companies stand transferred to and vested in the Transferee Company.

b) The purchase consideration of Rs 1,804,452 lakhs for acquisition of Transferor Companies was being discharged by way of issue of 18,044,517,320 equity shares of Rs 10/- each at face value per share to the shareholder of PFL and PCL as per following share exchange ratio (without payment being received in cash) and Rs. 4,256 lakhs on account of stamp duty has been paid.

i) 483 equity shares of face value of Rs. 10 each for every 100 equity shares of face value of Rs. 10 each held in PFL pre amalgamation.

ii) 1 equity share of face value of Rs. 10 each for every 5 equity shares of face value of Rs. 2 each held in PCL pre amalgamation.

2 Consequent to the Scheme becoming effective, net assets of Transferor Companies aggregating to Rs. 783,027 lakhs as at the Appointed date had been transferred to the Transferee Company at their respective fair values as determined by an independent valuer. The balance amount of Rs. 1,025,681 lakhs has been recorded as goodwill on amalgamation and Rs. 3 lakhs as capital reserve.

3 The Company has increased its Authorised Share Capital to Rs. 19,99,800 lakhs w.e.f. May 02, 2018. Thus, w.e.f. the Effective Date, i.e. May 23, 2018, the Authorised Share Capital of the Company shall be Rs 2,500,000 lakhs.
Break down of the purchase consideration into net assets and goodwill is as under:

(Rs. in Lakhs)

	Particulars	PFL	PCL	Total
I.	Consideration paid for acquisition*	1,808,508	200	1,808,708
II.	Net assets acquired on Appointed date	782,824	203	783,027
III.	**Goodwill (I - II)**	**1,025,684**	**(3)**	**1,025,681**

(* includes Stamp Duty of Rs. 4,256 lakhs)

4 The amalgamation has been accounted under the "Purchase Method" as prescribed by AS 14 - Accounting for Amalgamations as specified under section 133 of the Companies Act 2013 and as per the specific provisions of the Scheme. If the same would have been accounted as per IndAS 103 - Business Combinations, results would have been different.

5 The Company has fully impaired Goodwill during the year ended March 31, 2023 (Refer note 49).

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Currency : Rs in lakhs)

39 B Amalgamation of Dewan Housing Finance Corporation Limited with erstwhile Piramal Capital & Housing Finance Limited

Vide Order dated June 7, 2021, the Mumbai bench of the Hon'ble National Company Law Tribunal ("NCLT") approved the Resolution Plan submitted by Piramal Capital & Housing Finance Limited ("PCHFL"), wholly-owned subsidiary of the Piramal Enterprises Limited, for the Corporate Insolvency resolution process of Dewan Housing Finance Corporation Limited ("DHFL") under Section 31 of the Insolvency and Bankruptcy Code, 2016. After receiving necessary approvals, PCHFL has discharged its obligation under the Resolution Plan by paying Rs. 34,25,000 lakhs on September 28, 2021 through cash consideration of Rs. 14,71,747 lakhs (of which Rs. 12,80,000 lakhs paid out of acquired cash) and issue of Debentures of Rs. 19,53,253 lakhs and further, pursuant to the Resolution plan, PCHFL merged into DHFL to conclude acquisition on September 30, 2021 (Implementation Date).

The acquisition of DHFL fits into the Holding Company's strategy to diversify the loan book and helps achieve scale its retail lending business.

The business combination has been treated as a reverse acquisition for financial reporting purposes in accordance with Ind AS 103, with PCFHL as the accounting acquirer and DHFL as the accounting acquiree/legal acquirer.

Accordingly, these consolidated financial statements issued represent the continuation of the financials of PCHFL (accounting acquirer) and reflects the assets and liabilities of PCHFL measured at their pre-acquisition carrying value and acquisition date fair value of the identified assets acquired and liabilities taken over with respect to DHFL. Merged financial statements are issued in the name of Piramal Capital and Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited).

The balances in reserves and surplus of DHFL as of the Appointed Date and the statutory reserve and hedging reserve of PCHFL shall be recognised separately. Any resultant difference arising from such recognition of reserves shall be in the first instance recognised as Amalgamation Adjustment Reserve and debit balance, if any, arising in the Amalgamation Adjustment Reserve may be offset with credit balance in reserves and surplus of the merged entity (first to be adjusted with surplus balance in profit and loss account and then with general reserve, if any).

The Holding Company has also incurred a transaction cost of Rs.14,272 lakh and reported this as an acquisition related cost disclosed as Exceptional items in financial year 2021-22.

Details in respect of business combination is provided below:

No	Particulars	(Rs. in lakhs) **Amount**
A	Consideration transferred	
	Cash (including acquired cash of Rs. 12,80,000 lakhs)	1,471,747
	Fair value of Debentures	1,912,369
	Total consideration (A)	**3,384,116**
B	**Fair value of identifiable assets and liabilities recognised as a result of the Reverse Acquisition**	
	Assets	
(i)	Loan Book	2,261,450
(ii)	Investments	307,491
(iii)	Cash & Cash Equivalents	1,462,591
(iv)	Property, Plant & Equipment	45,287
(v)	Other assets	108,453
	Total assets acquired (a)	**4,185,272**
	Liabilities	
(i)	Securitised Borrowings	(322,649)
(ii)	Other Financial Liabilities	(72,060)
(iii)	Trade Payables	(31,792)
(iv)	Provisions	(5,589)
(v)	Other Non-Financial Liabilities	(8,103)
(vi)	Tax liabilities	(343,700)
	Total liabilities acquired (b)	**(783,892)**
	Net assets recognised pursuant to the Scheme (B)- (a-b)	**3,401,379**
C	**Goodwill/(Capital Reserve) (A-B)**	**(17,263)**

Capital reserve represents the gain on bargain purchase which is directly recognized in the other equity as capital reserve.

39 B Amalgamation of Dewan Housing Finance Corporation with Piramal Housing Finance Limited erstwhile Piramal Housing Finance Private Limited *(Continued)*

The acquisition date fair value of accounting acquiree's identifiable assets and liabilities under the reverse acquisition are based on independent valuations obtained by the Holding Company.

Based on opinions obtained from legal and tax experts, the above-mentioned fair value of net assets includes contingent tax liabilities of Rs. 343,700 lakhs pertaining to income tax obligation of DHFL for the financial years ended 31 March, 2020 and 2021, recognized pursuant to uncertain tax positions relating to DHFL as on the implementation date. Further, based on the expert opinions, net deferred tax assets potentially amounting to Rs. 620,900 lakhs relating to the fair value adjustments considered above have presently not been recognized due to uncertainty associated with allowability of such adjustments. The Fair value of assets also includes Investment in a Jointly controlled entity which is currently being litigated and where the Holding Company expects a favourable outcome of the proceedings. (Refer sub-note to note 10 and 33)

Following the successful implementation of the resolution plan pertaining to the insolvency resolution process of the Holding Company, the Holding Company has replaced the nominee directors appointed by the erstwhile management under the Administrator with new directors.

Pursuant to the merger becoming effective from September 30, 2021, the Holding Company allotted 2,13,646.92 lakhs shares of face value of INR 10 each on November 11, 2021, to the existing shareholders who were holding shares of PCHFL. These shares are issued against the total net worth of PCHFL on the Appointed Date, adjusted for statutory reserves and hedging reserves. Further the existing share capital held by shareholders of DHFL were cancelled/written back upon implementation of the Scheme.

Accounting for conversion of PCHFL reserves aggregating to Rs 208,096 lakhs into Share Capital and continuation of balance of reserves aggregating to Rs. 48,554 lakhs and recognition of reserves of DHFL on the implementation date aggregating to Rs 4,04,784 lakhs, in the merged financial statements has been done in accordance with the accounting treatment prescribed in the Resolution plan approved by the NCLT which, is different from the accounting treatment prescribed by Ind AS 103 for reverse acquisition business combinations.

The Company holds 100% of equity share capital of DHFL Investments Limited (DIL). DIL had issued Compulsory Convertible Debentures (CCDs) to Wadhawan Global Capital Private Limited ("WGC"). Tri-partite agreement dated 31 March 2017 was entered between DIL, DHFL and Wadhawan Global Capital Private Limited (WGC). This agreement assigned controlling rights in favour of WGC and accordingly DIL was not considered as a subsidiary. The approved Resolution Plan contained prayers inter alia seeking nullification of the Compulsory Convertible Debentures (CCDs) and extinguishment of rights pursuant to these CCDs. WGC and a limited liability partnership by the name of TDH Realty LLP have pursued the litigation against the Resolution Plan purportedly as the ultimate beneficiary of the CCDs. The matter is still under consideration of Hon'ble NCLT. Based on the approval of the Resolution Plan by Hon'ble NCLT and merits of these litigations, the Company has considered DIL as a subsidiary based on its ability to exercise control over DIL with effect from the implementation date.

The wholly owned subsidiary of the Company, DIL holds 50% of equity share capital of Pramerica Life Insurance Limited (PLIL). Based on the evaluation of rights available under the shareholders agreement, PLIL has been considered as a joint venture and has been accounted based on equity method of accounting in the consolidated financial statements. Accordingly, the consolidated statement of profit and loss includes the Company's share of profit or (loss) of PLIL with effect from the implementation date.

In accordance with the Resolution Plan, the Holding Company has presented acquired specified financial assets (as per the approved Scheme vide NCLT order dated 7 June 2021) at gross book value with provision for impairment being presented as a reduction from such gross book values as appearing in the financial statements of DHFL immediately prior to the implementation date. Difference between such carrying value (gross values as reduced by provision for impairment) and fair values as determined above is separately presented as a liability (liability representing fair value adjustment). The liability representing fair value adjustment is dealt with in the income statement as a component of interest income consistent with the requirements of Ind AS 109.

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

TR Chadha & Co LLP
MUMBAI
Chartered Accountants

Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

39 B Amalgamation of Dewan Housing Finance Corporation with Piramal Housing Finance Limited erstwhile Piramal Housing Finance Private Limited *(Continued)*

In view of the foregoing, the consolidated financial statements of the accounting acquiree have been included from the implementation date i.e. September 30, 2021. The consolidated financial statements presented above are not comparable with the previous period consolidated financial statements for the year ended March 31, 2022 which comprise of the result of 6 months operation of DHFL and twelve months of PCHFL.

Further, following subsidiaries, associate and joint venture have been consolidated from September 30, 2021.

a. Subsidiary Company
i. DHFL Investments Limited
ii. DHFL Holdings Limited
iii. DHFL Advisory & Investments Private Limited

b. Associate
i. DHFL Ventures Trustee Company Limited (through DHFL Investments Limited)

c. Joint Venture
i. Pramerica Life Insurance Limited (through DHFL Investments Limited)

According to the Resolution Plan, the distribution of proceeds from recovery of fraudulent loans should go to Successful Resolution Applicant (SRA) only to the extent of Re. 1 as per the Fair Value assigned in the Resolution Plan and the balance should be distributed to the creditors. There is a litigation with respect to reconsideration of the value assigned for the fraudulent loan book by Committee of Creditors. According to the Holding Company, the DHFL acquisition remains unaffected by the above said order and the business integration continues as envisaged. Further there will be no adverse impact on the consolidated financial statements for the year ended March 31, 2022 and 2023 even in the eventuality of the matter being decided against the Holding Company.

Revenue and profit contribution

In the previous year, the acquired business contributed revenue from operation of Rs.154,915 lakhs and profit of Rs.75,058 lakhs to the Holding Company.

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

39 C Acquisition of Piramal Finance Sales & Services Private Limited ("PFSSPL") by Piramal Capital & Housing Finance Limited ("The Company")

The Company acquired "Piramal Finance Sales and Service Private Limited" from Piramal Enterprises Limited as on September 28, 2022. The financial statements presented above are not comparable with the previous period financial statements for the year ended March 31, 2022 which comprise the result of the Company without considering PFSSPL.

Details in respect of business combination is provided below:

No	Particulars	(Rs. in lakhs) Amount
A	**Consideration transferred**	
	Cash	30
	Total consideration (A)	**30**
B	**Fair value of assets identifiable assets and liabilities recognised as a result of the Acquisition**	
	Assets	
	Total assets acquired	3,348
	Total liabilities acquired	3,315
	Net assets recognised pursuant to the Scheme (B)- (a-b)	**32**
C	**Goodwill/(Capital Reserve) (A-B)**	**(2)**

Capital reserve represents the gain on bargain purchase which is directly recognized in the equity as capital reserve.

39 D Acquisition of PRL Agastya Private Limited by Piramal Capital & Housing Finance Limited ("The Company")

The Company has acquired "PRL Agastya Private Limited" (wholly owned subsidiary Company) from PRL Developers Private Limited as on December 11, 2022. The financial statements presented above are not comparable with the previous period financial statements for the year ended March 31, 2022 which comprise the result of the Company without considering PRL Agastya Private Limited.

Details in respect of business combination is provided below:

No	Particulars	(Rs. in lakhs) Amount
A	**Consideration transferred**	
	Cash*	9,012
	Total consideration (A)	**9,012**
B	**Fair value of assets identifiable assets and liabilities recognised as a result of the Acquisition**	
	Assets	
	Total assets acquired	101,248
	Total liabilities acquired	92,436
	Net assets recognised pursuant to the Scheme (B)- (a-b)	**8,813**
C	**Goodwill/(Capital Reserve) (A-B)**	**200**

Goodwill represents the loss on bargain purchase which is directly recognized in the balance sheet.
* includes stamp duty of Rs. 12 lakhs.

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

(Currency : Rs in lakhs)

40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures

List of Related Parties

A. Parent company

Piramal Enterprises Limited ("PEL")

B. Fellow subsidiaries having transaction during the year

Piramal Fund Management Private Limited
PHL Fininvest Private Limited (Merged with PEL w.e.f. April 1, 2022)
Piramal Securities Limited
Piramal Investment Advisory Services Private Limited
Piramal Finance Sales & Services Private Limited (till September 27, 2022)
Piramal Pharma Limited

C. Other related parties having transaction during the year

Aasan Corporate Solutions Private Limited
Brickex Advisors Private Limited (merged with Piramal Corporate Services Private Limited since March 9, 2023)
Piramal Asset Management Private Limited
Piramal Corporate Services Private Limited
Piramal Foundation for Educational Leadership
India Resurgence ARC Private Limited
Piramal Foundation
Kaivalya Education Foundation
Piramal Trusteeship Services Private Limited
Social Worth Technologies Private Limited
Pramerica Life Insurance Limited (w.e.f. September 30, 2021) (Joint Venture of DIL)
PRL Agastya Private Limited (till December 11, 2022)
DHFL Ventures Trustee Company Private Limited (w.e.f. September 30, 2021) (Associate of DIL)
PRL Developers Private Limited

D. Key Management Personnel

Khushru Jijina (Till September 30, 2021)
Jairam Sridharan (w.e.f. October 7, 2021)
Vikash Singhla (w.e.f. March 31, 2022)

E Non-Executive/Independent Directors

Deepak Satwalekar (Up to July 26, 2021)
Suhail Nathani (w.e.f. October 30, 2021)
Puneet Yadu Dalmia (w.e.f. March 31, 2022)
Gautam Doshi (w.e.f. October 30, 2021)

Notes to the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Currency : Rs in lakhs)

40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures (Continued)

F. Details of transactions with related parties

Details of Transactions	Parent Company		Fellow subsidiaries		Other Related Parties		Key Management Personnel & Non-Executive /Independent Directors		Non-Executive/ Independent Directors		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Rent expense												
- Aasan Corporate Solutions Private Limited	-	-	-	-	850	1,099	-	-	-	-	850	1,099
- PRL Agastya Private Limited	-	-	-	-	280	135	-	-	-	-	280	135
TOTAL	-	-	-	-	1,130	1,234	-	-	-	-	1,130	1,234
Royalty expense												
- Piramal Corporate Services Limited	-	-	-	-	5,341	4,430	-	-	-	-	5,341	4,430
TOTAL	-	-	-	-	5,341	4,430	-	-	-	-	5,341	4,430
Insurance Premium expense												
- Pramerica Life Insurance Limited	-	-	-	-	235	-	-	-	-	-	235	-
TOTAL	-	-	-	-	235	-	-	-	-	-	235	-
Donation expense												
- Piramal Foundation for Educational Leadership	-	-	-	-	490	840	-	-	-	-	490	840
- Piramal Foundation	-	-	-	-	2,838	1,462	-	-	-	-	2,838	1,462
- Kaivalya Education Foundation	-	-	-	-	573	425	-	-	-	-	573	425
TOTAL	-	-	-	-	3,901	2,727	-	-	-	-	3,901	2,727
Other Borrowing Cost												
- Piramal Enterprises Limited	-	524	-	-	-	-	-	-	-	-	-	524
TOTAL	-	524	-	-	-	-	-	-	-	-	-	524
Arranger Fees for downselling of Assets												
- Piramal Securities Limited	-	-	-	1,123	-	-	-	-	-	-	-	1,123
TOTAL	-	-	-	1,123	-	-	-	-			-	1,123
Fees (expense)												
- Piramal Trusteeship Services Private Limited	-	-	-	-	10	4	-	-	-	-	10	4
- Piramal Fund Management Private Limited	-	-	453	218	-	-	-	-	-	-	453	218
- Social Worth Technologies Private Limited	-	-	-	-	4,346	1,362	-	-	-	-	4,346	1,362
- Piramal Finance Sales & Services Private Limited	-	-	10,233	4,840	-	-	-	-	-	-	10,233	4,840
TOTAL	[illegible]	-	10,687	5,058	4,356	1,366	-	-	-	-	15,043	6,424

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Currency : Rs in lakhs)

40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures (Continued)

F. Details of transactions with related parties. (Continued)

Details of Transactions	Holding Company		Fellow subsidiaries		Other Related Parties		Key Management Personnel & Non-Executive /Independent Directors		Non-Executive/ Independent Directors		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Reimbursement of Expenses Received												
- PHL Fininvest Private Limited	-	-	-	25	-	-	-	-	-	-	-	25
- Piramal Asset Management Private Limited	-	-	-	1	-	-	-	-	-	-	-	1
- Piramal Fund Management Private Limited	-	-	-	7	-	-	-	-	-	-	-	7
- Piramal Securities Limited	-	-	-	4	-	-	-	-	-	-	-	4
TOTAL	-	-	-	37	-	-	-	-	-	-	-	37
Commission Expenses												
- Social Worth Technologies Private Limited	-	-	-	-	271	-	-	-	-	-	271	-
TOTAL	-	-	-	-	271	-	-	-	-	-	271	-
Reimbursement of expenses paid												
- Aasan Corporate Solutions Private Limited	-	-	-	-	43	26	-	-	-	-	43	26
- Brickex Advisors Private Limited	-	-	-	-	-	1	-	-	-	-	-	1
- Piramal Enterprises Limited	100	362	-	-	-	-	-	-	-	-	100	362
- Piramal Trusteeship Services Private Limited	-	-	-	-	5	-	-	-	-	-	5	-
- Social Worth Technologies Private Limited	-	-	-	-	87	44	-	-	-	-	87	44
- Piramal Pharma Limited	-	-	-	29	-	-	-	-	-	-	-	29
- PRL Agastya Private Limited	-	-	-	-	81	34	-	-	-	-	81	34
TOTAL	100	362	-	29	217	105	-	-	-	-	317	495
Remuneration to KMP												
- Khushru Jijina	-	-	-	-	-	-	-	2,021	-	-	-	2,021
- Jairam Sridharan	-	-	-	-	-	-	343	410	-	-	343	410
- Vikash Singhla*	-	-	-	-	-	-	100	-	-	-	100	-
TOTAL	-	-	-	-	-	-	443	2,431	-	-	443	2,431

*(4429 ESOPs have been granted by the Holding Company to Mr. Vikash Singhla during the year 2022-23, out of which no options have been exercised till March 31, 2023).

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

TR Chadha ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

Notes to the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Currency : Rs in lakhs)

40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures (Continued)

F. Details of transactions with related parties. (Continued)

Details of Transactions	Holding Company		Fellow subsidiaries		Other Related Parties		Key Management Personnel & Non-Executive /Independent Directors		Non-Executive/ Independent Directors		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Sitting Fees paid to Non-Executive/Independent Directors												
- Deepak Satwalekar	-	-	-	-	-	-	-	-	-	2	-	2
- Gautam Doshi	-	-	-	-	-	-	-	-	11	7	11	7
- Puneet Yadu Dalmia	-	-	-	-	-	-	-	-	3	-	3	-
- Suhail Nathani	-	-	-	-	-	-	-	-	15	9	15	9
TOTAL	-	-	-	-	-	-	-	-	29	18	29	18
Interest expense												
- Piramal Enterprises Limited	12,808	21,350	-	-	-	-	-	-	-	-	12,808	21,350
- Pramerica Life Insurance Limited	-	-	-	-	189	98	-	-	-	-	189	98
TOTAL	12,808	21,350	-	-	189	98	-	-	-	-	12,997	21,448
Interest income												
- Piramal Enterprises Limited	4,983	-	-	-	-	-	-	-	-	-	4,983	-
- PHL Fininvest Private Limited	-	-	-	11,477	-	-	-	-	-	-	-	11,477
- Piramal Investment Advisory Services Private Limited	-	-	-	2,859	-	-	-	-	-	-	-	2,859
TOTAL	4,983	-	-	14,335	-	-	-	-	-	-	4,983	14,335
Insurance Commission Income												
- Pramerica Life Insurance Limited	-	-	-	-	946	88	-	-	-	-	946	88
TOTAL	-	-	-	-	946	88	-	-	-	-	946	88
Pool - Assignment Service Charges												
- Piramal Enterprises Limited	201	-	-	-	-	-	-	-	-	-	201	-
TOTAL	201	-	-	-	-	-	-	-	-	-	201	-

WALKER CHANDIOK & Co LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

T.R. Chadha & Co. LLP ★ Chartered Accountants ★ MUMBAI

Piramal Capital & Housing Finance Ltd. ★

Notes to the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Currency : Rs in lakhs)

40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures (Continued)

F. Details of transactions with related parties. (Continued)

Details of Transactions	Holding Company		Fellow subsidiaries		Other Related Parties		Key Management Personnel & Non-Executive /Independent Directors		Non-Executive/ Independent Directors		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Lease Rent Income												
- PHL Fininvest Private Limited	-	-	-	78	-	-	-	-	-	-	-	78
- Piramal Enterprises Limited	86	-	-	-	-	-	-	-	-	-	86	-
- Piramal Securities Limited	-	-	7	41	-	-	-	-	-	-	7	41
- Pramerica Life Insurance Limited	-	-	-	-	11	8	-	-	-	-	11	8
TOTAL	**86**	-	**7**	**119**	**11**	**8**	-	-	-	-	**104**	**127**
ICD repaid												
- Piramal Enterprises Limited	236,600	-	-	-	-	-	-	-	-	-	236,600	-
TOTAL	**236,600**	-	-	-	-	-	-	-	-	-	**236,600**	-
Repayment of ICD Given												
- PHL Fininvest Private Limited	-	-	-	45,200	-	-	-	-	-	-	-	45,200
- Piramal Enterprises Limited	70,075	-	-	-	-	-	-	-	-	-	70,075	-
- Piramal Investment Advisory Services Private Limited	-	-	-	24,840	-	-	-	-	-	-	-	24,840
TOTAL	**70,075**	-	-	**70,040**	-	-	-	-	-	-	**70,075**	**70,040**
Partial Redemption of NCD												
- Pramerica Life Insurance Limited	-	-	-	-	146	73	-	-	-	-	146	73
TOTAL	-	-	-	-	**146**	**73**	-	-	-	-	**146**	**73**
Net Advance repaid (Including advance adjusted against provision)												
- Brickex Advisors Private Limited	-	-	-	-	91	-	-	-	-	-	91	-
TOTAL	-	-	-	-	**91**	-	-	-	-	-	**91**	-
Loan/ Investments portfolio transferred from												
- PHL Fininvest Private Limited	-	-	-	67,790	-	-	-	-	-	-	-	67,790
TOTAL	-	-	-	**67,790**	-	-	-	-	-	-	-	**67,790**

External Public

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Currency : Rs in lakhs)

40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures (Continued)

F. Details of transactions with related parties. (Continued)

Details of Transactions	Holding Company		Fellow subsidiaries		Other Related Parties		Key Management Personnel & Non-Executive /Independent Directors		Non-Executive/ Independent Directors		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Loan portfolio transferred to												
- PHL Fininvest Private Limited	-	-	-	49,953	-	-	-	-	-	-	-	49,953
- Piramal Enterprises Limited	184,173	-	-	-	-	-	-	-	-	-	184,173	-
- India Resurgence ARC Private Limited	-	-	-	-	71,000	-	-	-	-	-	71,000	-
TOTAL	**184,173**	-	-	**49,953**	**71,000**	-	-	-			**255,173**	**49,953**
FLDG Recovery												
- Social Worth Technologies Private Limited	-	-	-	-	964	-	-	-	-	-	964	-
TOTAL	-	-	-	-	**964**	-	-	-	-	-	**964**	-
Redemption of Security Receipt												
- India Resurgence ARC Private Limited	-	-	-	-	54,677	-	-	-	-	-	54,677	-
TOTAL	-	-	-	-	**54,677**	-	-	-	-	-	**54,677**	-
NCD Buyback												
- Piramal Enterprises Limited	-	25,000	-	-	-	-	-	-	-	-	-	25,000
TOTAL	-	**25,000**	-	-	-	-	-	-	-	-	-	25,000
Security Deposit Refunded												
- Aasan Corporate Solutions Private Limited	-	-	-	-	141	185	-	-	-	-	141	185
TOTAL	-	-	-	-	**141**	185	-	-	-	-	**141**	185
Security deposit placed												
- PRL Agastya Private Limited	-	-	-	-	475	110	-	-	-	-	475	110
- Aasan Corporate Solutions Private Limited	-	-	-	-	73	-	-	-	-	-	73	-
TOTAL	-	-	-	-	**548**	110	-	-	-	-	**548**	110
Investment in shares												
- Social Worth Technologies Private Limited	-	-	-	-	5,095	-	-	-	-	-	5,095	-
TOTAL	-	-	-	-	**5,095**	-	-	-	-	-	**5,095**	-
Acquisition of shares of Subsidiaries from												
- Piramal Enterprises Limited	30	-	-	-	-	-	-	-	-	-	30	-
- PRL Developers Private Limited	-	-	-	-	9,000	-	-	-	-	-	9,000	-
TOTAL	**30**	-		-	**9,000**	-	-	-	-	-	**9,030**	-

WALKER CHANDIOK & Co LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Piramal Capital & Housing Finance Ltd. ★

External Public

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Currency : Rs in lakhs)

40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures (Continued)

G. Details of balances with related parties

Details of Transactions	Holding Company		Fellow subsidiaries		Other Related Parties		Key Management Personnel & Non-Executive /Independent Directors		Non-Executive/ Independent Directors		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Net Payable (includes provision for expenses)												
- Piramal Enterprises Limited	7,196	329	-	-	-	-	-	-	-	-	7,196	329
- Aasan Corporate Solutions Private Limited	-	-	-	-	7	-	-	-	-	-	7	-
- PHL Fininvest Private Limited	-	-	-	698	-	-	-	-	-	-	-	698
- Piramal Trusteeship Services Private Limited	-	-	-	-	-	1	-	-	-	-	-	1
- Piramal Pharma Limited	-	-	-	18	-	-	-	-	-	-	-	18
- Piramal Corporate Services Limited	-	-	-	-	483	2,725	-	-	-	-	483	2,725
- PRL Agastya Private Limited	-	-	-	-	-	97	-	-	-	-	-	97
TOTAL	**7,196**	**329**	**-**	**716**	**490**	**2,823**	**-**	**-**	**-**	**-**	**7,686**	**3,869**
Net Receivables												
- Aasan Corporate Solutions Private Limited	-	-	-	-	-	4	-	-	-	-	-	4
- Piramal Finance Sales & Services Private Limited	-	-	-	551	-	-	-	-	-	-	-	551
- Piramal Foundation for Educational Leadership	-	-	-	-	-	90	-	-	-	-	-	90
- Social Worth Technologies Private Limited	-	-	-	-	532	-	-	-	-	-	532	-
- Kaivalya Education Foundation	-	-	-	-	-	30	-	-	-	-	-	30
- Brickex Advisors Private Limited	-	-	-	-	-	91	-	-	-	-	-	91
- Pramerica Life Insurance Limited	-	-	-	-	560	54	-	-	-	-	560	54
TOTAL	**-**	**-**	**-**	**551**	**1,091**	**269**	**-**	**-**	**-**	**-**	**1,091**	**820**
ICD Payable												
- Piramal Enterprises Limited	31,552	266,600	-	-	-	-	-	-	-	-	31,552	266,600
TOTAL	**31,552**	**266,600**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**31,552**	**266,600**
NCD Outstanding												
- Pramerica Life Insurance Limited	-	-	-	-	2,698	2,843	-	-	-	-	2,698	2,843
TOTAL	**-**	**-**	**-**	**-**	**2,698**	**2,843**	**-**	**-**	**-**	**-**	**2,698**	**2,843**
Security Receipts Outstanding												
- India Resurgence ARC Private Limited	-	-	-	-	5,673	-	-	-	-	-	5,673	-
TOTAL	**-**	**-**	**-**	**-**	**5,673**	**-**	**-**	**-**	**-**	**-**	**5,673**	**-**

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

TR Chadha & Co LLP ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

External Public

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Currency : Rs in lakhs)

40 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures (Continued)

G. Details of balances with related parties (Continued)

Details of Transactions	Holding Company		Fellow subsidiaries		Other Related Parties		Key Management Personnel & Non-Executive /Independent Directors		Non-Executive/ Independent Directors		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
ICD Receivable												
- PHL Fininvest Private Limited	-	-	-	70,075	-	-	-	-	-	-	-	70,075
TOTAL	-	-	-	70,075	-	-	-	-	-	-	-	70,075
Security Deposits												
- Aasan Corporate Solutions Private Limited	-	-	-	-	339	407	-	-	-	-	339	407
- PRL Agastya Private Limited	-	-	-	-	-	110	-	-	-	-	-	110
TOTAL	-	-	-	-	339	517	-	-	-	-	339	517
Investments												
- Social Worth Technologies Private Limited	-	-	-	-	17,819	-	-	-	-	-	17,819	-
- Pramerica Life Insurance Limited	-	-	-	-	90,722	95,714	-	-	-	-	90,722	95,714
- DHFL Ventures Trustee Company Private Limited	-	-	-	-	4	4	-	-	-	-	4	4
TOTAL	-	-	-	-	108,545	95,718	-	-	-	-	108,545	95,718

(All the transactions are at Arm's Length and there are no non cash transactions within Group by related parties).

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

TR ... & Co ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

External Public

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Currency : Rs in lakhs)

41 Employee Benefits:

Charge to the Consolidated Statement of Profit and Loss based on Defined Contribution Plans

Particulars	March 31, 2023	March 31, 2022
Employer's contribution to Regional Provident Fund Office	3697	878
Contribution to Pension Fund	153	53
Employer's contribution to Employees' State Insurance	-	1

(i) Disclosures for defined benefit plans based on actuarial valuation reports as on March 31, 2023

The Group has scheme for gratuity as part of post retirement plan. The Group has a defined benefit gratuity plan in India which is 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 Employees Group Gratuity Trusts 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.

A. Change in Projected Benefit Obligation

Particulars	(Funded) Gratuity Year Ended March 31, 2023	(Funded) Gratuity Year Ended March 31, 2022
Present Value of Benefit Obligation as at beginning of the year	3,809	1,228
Interest Cost	260	167
Current Service Cost	535	342
Past Service Cost	-	87
Liability transferred in	95	2,743
Liability Transferred Out/ Divestments	-	(434)
Benefit Paid From the Fund	(252)	
Benefits paid by Employer	(680)	(306)
Actuarial (Gains)/Losses on Obligations - Due to change in demographic assumptions	(443)	(112)
Actuarial (Gains)/Losses on Obligations - Due to change in financial assumptions	36	(31)
Actuarial (Gains)/Losses on Obligations - Due to experience	194	125
Present Value of Defined Benefit Obligation as at the end of the year	**3,552**	3,809

B. Fair value of plan assets

Particulars	(Funded) Gratuity As at March 31, 2023	(Funded) Gratuity As at March 31, 2022
Fair Value of Plan Assets as at beginning of the year	3,756	1,267
Interest income	252	155
Contributions by the Employer	-	-
Assets transferred in/ Acquisition	0	2,306
Benefit Paid from the Fund	(252)	
Return on Plan Assets, Excluding Interest Income	(63)	29
Fair value of plan assets as at the end of the year	**3,693**	3,756

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

41 Employee Benefits: *(Continued)*

C. Amount recognised in the Balance Sheet

Particulars	(Funded) Gratuity As at March 31, 2023	(Funded) Gratuity As at March 31, 2022
Present Value of Benefit Obligation at the end of the year	(3,552)	(3,809)
Fair Value of Plan Assets at the end of the year	3,693	3,756
Net (Liability)/Asset Recognized in the Balance Sheet	**141**	(53)

D. Net interest cost for current year

Particulars	(Funded) Gratuity Year Ended March 31, 2023	(Funded) Gratuity Year Ended March 31, 2022
Present Value of Benefit Obligation at the Beginning of the year	3,809	1,228
Liability transferred in	95	-
(Fair Value of Plan Assets at the Beginning of the year)	(3,756)	(1,267)
Net Liability/(Asset) at the Beginning	148	(38)
Interest Cost	260	167
(Interest Income)	(252)	(155)
Net Interest Cost for current year	**8**	**11**

E. Expenses recognised in Statement of Profit and Loss

Particulars	(Funded) Gratuity Year Ended March 31, 2023	(Funded) Gratuity Year Ended March 31, 2022
Current Service Cost	507	342
Interest Cost	8	11
Past Service Cost	-	87
Total Expenses / (Income) recognised in the Statement of Profit and Loss	**515**	**440**

F. Expenses Recognized in the Other Comprehensive Income (OCI) for current year

Particulars	(Funded) Gratuity Year Ended March 31, 2023	(Funded) Gratuity Year Ended March 31, 2022
Actuarial (Gains)/Losses on Obligations	(188)	(18)
Actuarial (Gains)/Losses on Obligations - Due to Experience	(25)	-
Return on Plan Assets, Excluding Interest Income	63	(29)
Net (Income)/Expense For the year recognized in OCI	**(150)**	**(47)**

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

41 Employee Benefits: *(Continued)*

G. Principal actuarial assumptions used:

Particulars	(Funded) Gratuity Year Ended March 31, 2023	(Funded) Gratuity Year Ended March 31, 2022
Rate of discounting	6.98% - 7.29%	6.70%
Rate of salary increase	6.50% - 10%	9.00%
Rate of employee turnover	30% - 60%	For service 4 years and below 20.00% p.a. For service 5 years and above 10.00% p.a.
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

H. Balance Sheet Reconciliation

Particulars	March 31, 2023	March 31, 2022
Opening Net Liability	53	(38)
Expenses Recognized in Statement of Profit or Loss	543	440
Expenses Recognized in OCI	(150)	(47)
Net Liability/(Asset) Transfer In	95	438
Net (Liability)/Asset Transfer Out	-	(434)
Benefit Paid	(680)	(306)
(Employer's Contribution)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	**(140)**	**53**

I. Category of Assets

Particulars	March 31, 2023	March 31, 2022
Insurance fund	3,693	3,756
Total	**3,693**	**3,756**

J. Other Details

Particulars	March 31, 2023	March 31, 2022
No of Active Members	11,998	3,099
Per Month Salary For Active Members	1,865	1,225
Weighted Average Duration of the Projected Benefit Obligation	3	8
Average Expected Future Service	2	6
Projected Benefit Obligation (PBO)	3,466	3,809
Prescribed Contribution For Next Year (12 Months)	218	569

K. Net Interest Cost for Next Year

Particulars	Estimated for the year ended March 31, 2023	Estimated for the year ended March 31, 2022
Present Value of Benefit Obligation at the End of the year	3,553	3,809
(Fair Value of Plan Assets at the End of the year)	(3,693)	(3,756)
Net Liability/(Asset) at the End of the year	(140)	53
Interest Cost	256	255
(Interest Income)	(266)	(252)
Net Interest Cost for Next Year	**(10)**	**3**

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

(Currency : Rs in lakhs)

41 Employee Benefits: *(Continued)*

L. Expenses Recognized in the Statement of Profit or Loss for Next Year:

Particulars	Estimated for the year ended March 31, 2023	Estimated for the year ended March 31, 2022
Current Service Cost	459	516
Net Interest Cost	(10)	4
(Expected Contributions by the Employees)	-	-
Expenses Recognized	**449**	520

M. Maturity Analysis of the Benefit Payments: From the Employer:

Projected Benefits Payable in Future Years From the Date of Reporting	As at March 31, 2023	As at March 31, 2022
1st Following Year	1,057	518
2nd Following Year	740	325
3rd Following Year	575	413
4th Following Year	453	368
5th Following Year	379	347
Sum of Years 6 To 10	850	1,563

N. Sensitivity Analysis

Projected Benefits Payable in Future Years From the Date of Reporting	As at March 31, 2023	As at March 31, 2022
Projected Benefit Obligation on Current Assumptions	3,553	3,809
Delta Effect of +1% Change in Rate of Discounting	(77)	(220)
Delta Effect of -1% Change in Rate of Discounting	82	248
Delta Effect of +1% Change in Rate of Salary Increase	78	236
Delta Effect of -1% Change in Rate of Salary Increase	(75)	(215)
Delta Effect of +1% Change in Rate of Employee Turnover	(19)	(40)
Delta Effect of -1% Change in Rate of Employee Turnover	20	43

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.
The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.
There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes:
Gratuity is payable as per Group' scheme as detailed in the report.
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 in line with the industry practice considering promotion and demand and supply of the employees.
Cash flow projection is done considering future salary, attrition and death in respective year for members as mentioned above.
Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.
Weighted Average Duration of the Defined Benefit Obligation is the weighted average of cash flow timing, where weights are derived from the present value of each cash flow to the total present value.
Any benefit payment and contribution to plan assets is considered to occur end of the year to depict liability and fund movement in the disclosures.

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Piramal Capital & Housing Finance Ltd. ★

41 Employee Benefits: (Continued)

Qualitative Disclosures

Para 139 (a) Characteristics of defined benefit plan

The entity has a defined benefit gratuity plan in India (funded). The entity'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.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Interest rate risk

A fall in the discount rate which is linked to the G.Sec. 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. Group has to manage pay-out based on pay as you go basis from own funds. 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

(ii) Compensated Absences

Particulars	Compensated absence (Funded) Year Ended March 31, 2023	Compensated absence (Funded) Year Ended March 31, 2022
Expense recognised in the Statement of Profit and Loss	1,527	(1,261)
Discount rate (p.a.)	7.20% p.a.	6.70% p.a.
Salary escalation rate (p.a.)	6.5-10% p.a.	9% p.a.
Amount recognised in the Balance Sheet		
Present Value of Benefit Obligation at the end of the year*	(2,538)	2,012
Fair Value of Plan Assets at the end of the year	(1,776)	1,977
Funded Status (surplus/ (deficit))	762	(36)
Net (Liability)/Asset Recognized in the Balance Sheet	**762**	**(36)**

*includes Short term compensated absences of Rs. 122 lakhs.

(iii) Long term service employee benefits

During the year, the Group has recognised long term service reward aggregating to Rs 4 Lakhs (March 31, 2022 - NIL) which is unfunded.

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

(Currency : Rs in lakhs)

41 Employee Benefits: (Continued)

(iv) Share Based payment

The Holding Company (i.e. Piramal Enterprises Limited) has issued stock options to certain select employees of the Company. These transactions are recognized as equity-settled share based payment transactions. The Scheme allows the Grant of Stock Options to employees of the Company that meet the eligibility criteria. Each option comprises one underlying Equity Share.

Employee Stock Option Scheme and related scheme wise details are as follows

Particulars	For 1/3 vesting start - March 31, 2024	For 1/4 vesting start - May 1, 2024	For 1/3 vesting start - August 1, 2025
Date of Grant	31-Mar-23	31-Mar-23	31-Mar-23
Number of options granted	238,898	309,663	21,971
Number of options exercisable as on March 31, 2023	-	-	-
Exercise price per option	2	2	2
Vesting Commencement date	31-Mar-24	01-May-24	01-Aug-25
Exercise period	28 Months	38 Months	52 Months
Date of vesting	1/3 on March 31, 2024 1/3 on August 1, 2024 1/3 on August 1, 2025	1/4 on May 1, 2024 1/4 on June 1, 2024 1/4 on June 1, 2025 1/4 on June 1, 2026	1/3 on August 1, 2025 1/3 on August 1, 2026 1/3 on August 1, 2027
Method of Settlement	Equity settled	Equity settled	Equity settled
Modification to share based payment plans	NA	NA	NA
Basis of determination of volatility	The historical volatility of PEL stock price returns for a time frame		
Vesting Conditions	Employee to remain in service on the date of vesting		

Summary of stock options

Particulars	Number of options	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Life (Years)
Balance as on April 1, 2022	-	-	-
Granted during the year	570,532	2	4 - 5 years
Exercised during the year	-	-	-
Forfeited/Lapsed during the year	-	-	-
Balance as on March 31, 2023	570,532	2	4 - 5 years

The fair values of options granted during the year are as follows:

Grant date	No. of Years vesting	Fair value per option
March 31, 2023	3.28 years	Rs. 624.83 - Rs. 639.48

The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:

	Grant dated March 31, 2023
Risk free interest rate	6.91% - 6.94%
Expected life	3.0 - 4.67 years
Expected volatility	55.10% - 58.73%
Expected dividend yield	1.71% - 1.91%
Exercise Price (Rs.)	2
Stock Price (Rs.)	678.35

The expense recognised for the employee services received during the year is Rs. 7 Lakhs and the ESOP liability as on March 31, 2023 is Rs 7 lakhs

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Notes to the Consolidated Financial Statements (Continued)

for the year ended March 31, 2023

(Currency : Rs in lakhs)

42 Fair Value Disclosures

a) **Categories of Financial Instruments:**

	March 31, 2023			March 31, 2022		
	FVTPL	FVOCI	Amortised Cost*	FVTPL	FVOCI	Amortised Cost*
Financial Assets						
Investments	733,022	78,042	430,908	641,095	3,232	756,315
Loans	133,868	-	4,706,969	264,124	-	5,246,278
Derivative financial instruments	9,811	-	-	2,749	-	-
Cash and Bank Balances #	-	-	261,993	-	-	515,963
Trade Receivables	-	-	721	-	-	-
Other Financial Assets #	-	-	89,920	-	-	112,538
	876,701	**78,042**	**5,490,511**	**907,968**	**3,232**	**6,631,094**
Financial liabilities						
Borrowings	-	-	4,123,256	-	-	4,641,581
Trade Payables #	-	-	29,334	-	-	52,020
Other Financial Liabilities #	-	-	166,613	-	-	89,925
	-	-	**4,319,203**	-	-	**4,783,526**

b) **Fair Value Hierarchy and Method of Valuation**

Financial Instruments		March 31, 2023				
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets						
Measured at FVTPL						
Investments						
Redeemable Non-Convertible Debentures	i.	18,000	-	-	18,000	**18,000**
Optionally Convertible Debentures	i.	34,000	-	-	34,000	**34,000**
Investments in Mutual Funds	ii.	-	-	-	-	**-**
Project Receivables	i.	161,740	-	-	161,740	**161,740**
Security Receipts	i.	215,642	-	-	215,642	**215,642**
Alternative Investment Funds	i.	302,241	-	-	302,241	**302,241**
Others	i.	1,399	-	-	1,399	**1,399**
Loans	i.	133,868	-	-	133,868	**133,868**
Derivative financial instruments		9,811	-	-	9,811	**9,811**
Measured at FVOCI						
Investments						
Preference Shares (Others then subsidiaries)	i.	17,752	-	-	17,752	**17,752**
Equity Instruments (Others then subsidiaries)	i.	67	-	-	67	**67**
Redeemable Bonds	i.	50,726	-	-	50,726	**50,726**
T-Bill	i.	9,497	9,497	-	-	**9,497**
Measured at Amortised Cost*						
Investments						
Government Securities/Redeemable Bonds	iii.	104,031	104,381	-	-	**104,381**
Redeemable Non Convertible Debentures	iii.	306,373	-	-	291,984	**291,984**
Pass Through certificates	iii.	20,504	-	-	20,504	**20,504**
Loans	iii.	4,706,969	-	-	4,662,443	**4,662,443**
Financial Liabilities						
Measured at Amortised Cost						
Borrowings	iii.	4,123,256	-	-	4,051,563	**4,051,563**

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

Notes to the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Currency : Rs in lakhs)

Financial Instruments	Notes	March 31, 2022				
		Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets						
Measured at FVTPL						
Investments						
Redeemable Non-Convertible Debentures	i.	28,105	-	-	28,105	**28,105**
Optionally Convertible Debentures	i.	30,947	-	-	30,947	**30,947**
Investments in Mutual Funds	ii.	132,070	132,070	-	-	**132,070**
Project Receivables	i.	181,060	-	-	181,060	**181,060**
Investment in AIF	i.	198,824	-	-	198,824	**198,824**
Others	i.	70,089	-	-	70,089	**70,089**
Loans	i.	264,124	-	-	264,124	**264,124**
Derivative financial instruments		2,749	-	-	2,749	**2,749**
Measured at FVOCI						
Investments						
Investment in Preference Share	i.	3,232	-	-	3,232	**3,232**
Measured at Amortised Cost*						
Investments						
Redeemable Bonds	iii.	66,223	37,317	28,089	817	**66,223**
Government Securities/Redeemable Bonds	iii.	4	-	-	4	**4**
Redeemable Non Convertible Debentures	iii.	658,786	-	-	658,786	**658,786**
Pass Through certificates	iii.	28,067	-	-	28,067	**28,067**
Loans	iii.	5,246,278	-	-	5,199,237	**5,199,237**
Financial Liabilities						
Measured at Amortised Cost						
Borrowings	iii.	4,641,581	-	-	4,600,645	**4,600,645**

Notes:

i. Discounted cash flow method has been used to determine the fair value. The yield used for discounting has been determined based on trades, market polls, levels for similar issuer with same maturity, spread over matrices, etc. For instruments where the returns are linked to the share price of the investee company the equity price has been derived using Monte Carlo simulation and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted third party vendor for these data.

ii. Net Asset Value (NAV) as at the reporting period have been used to determine the Fair Value of the mutual fund investments.

iii. Discounted cash flow method has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets and financial liabilities by the difference in the G-SEC rates from date of initial recognition to the reporting dates.

* The carrying value & fair value of investments & loans at amortised cost is gross of ECL provision amounting to Rs. 720,505 lakhs (March 31, 2022 - 8,62,437 lakhs)

\# The Group has not disclosed the fair value of cash and bank balances, other financial assets, trade payables and other financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2023.

Particulars	Derivative Financial Instruments	Other Investments	Debentures	Loans	Total
As at March 31, 2021	-	325,021	29,810	87,072	441,903
Transfer on account of reverse merger (Refer Note 39B)	-	97,827	-	194,250	292,077
Transfer in/ (Out)	-	46,261	-	-	46,261
Acquisitions/Disposal during the year (Net)	-	8,996	51,984	1,352	62,331
(Losses)/Gain recognised in profit or loss/Other Comprehensive Income	2,749	(24,900)	(22,741)	200	(47,441)
As at March 31, 2022	**2,749**	**453,205**	**59,052**	**282,873**	**795,130**
Transfer in/ (Out)	-	119,213	-	-	119,213
Acquisitions/Disposal during the year (Net)	-	236,998	(700)	(173,867)	62,431
(Losses)/Gain recognised in profit or loss/Other Comprehensive Income	7,062	(59,849)	(6,352)	24,861	(41,339)
As at March 31, 2023	**9,811**	**749,567**	**52,000**	**133,868**	**935,435**

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

T R Chadha & Co LLP
MUMBAI
Chartered Accountants

Piramal Capital & Housing Finance Ltd.

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Currency : Rs in lakhs)

d) Sensitivity for FVTPL Instruments

Impact on the Group's profit before tax if discount rates had been as given in table below:

Method	Nature of Instrument	Significant unobservable inputs	Increase / Decrease in the unobservable input	Sensitivity Impact	
				Yield Increase	Yield Decrease
Discounted Cash Flow Model as at March 31, 2023	NCD	Discount rate	0.7%	-	-
	Investment	Sale Price	5.0%	1,666	(1,508)
	Term Loan	Discount rate	0.7%	76	(75)
	Term Loan	Sale Price	5.0%	1,096	(897)
Discounted Cash Flow Model as at March 31, 2022	NCD	Discount rate	0.7%	-	-
	Investment	Sale Price	5.0%	7,120	7,130
	Term Loan	Discount rate	0.7%	(97)	98
	Term Loan	Sale Price	5.0%	3,170	(3,170)

42A Changes in liabilities arising from financing activities

(a) Changes in capital and asset structure arising from financing activities and investing activities (Ind AS 7 'Statement of Cash flows')

The Company does not have any financing activities and investing activities which affect the capital and asset structure of the Company withou the use of cash and cash equivalents.

(b) Changes in liability arising from financing activities (Ind AS 7 'Statement of Cash Flows')

Particulars	As at April 1, 2022	Cash flows	Exchange Difference	Other	As at March 31, 2023
Debt securities	2,871,266	(318,867)	-	-	2,552,399
Borrowings (other than debt securities)	1,491,055	29,843	4,871	848	1,526,617
Deposits	266,600	(235,048)	-	-	31,552
Subordinated debt liabilities	12,660	28	-	-	12,688
	4,641,581	**(524,044)**	**4,871**	**848**	**4,123,256**

Particulars	As at April 1, 2021	Cash flows	Exchange Difference	Other	As at March 31, 2022
Debt securities	1,040,599	1,830,667	-	-	2,871,266
Borrowings (other than debt securities)	1,630,023	(140,998)	2,021	9	1,491,054
Deposits	266,600	-	-	-	266,600
Subordinated debt liabilities	49,493	(36,833)	-	-	12,660
	2,986,715	1,652,836	2,021	9	4,641,580

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP

Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

43 Capital Management

The Group manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in notes 14 to 17 offset by cash and bank balances) and total equity of the Group.

The Group determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through equity or convertible / non convertible debt securities or other long-term /short-term borrowings. The Group monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

The capital components of the Group are as given below:	**March 31, 2023**	March 31, 2022
Total Equity	1,478,104	2,218,767
Borrowings	4,123,256	4,641,581
Total Debt	**4,123,256**	**4,641,581**
Cash and Cash equivalents	(192,802)	(461,925)
Bank balances other than above (excluding lien marked)	(1,259)	-
Net Debt	**3,929,195**	**4,179,656**
Debt equity ratio	**2.79**	**2.09**
Net Debt equity ratio	**2.66**	**1.88**

44 Risk management

Risk Management is an integral part of the Group's business strategy. The Risk Management oversight structure includes Committees of the Board and Management Committees. Group's risk philosophy is to develop and maintain a healthy portfolio which is within its risk appetite and the regulatory framework. While the Group is exposed to various types of risks, the most important among them are liquidity risk, interest rate risk, credit risk, regulatory risk and fraud and operational risk. The measurement, monitoring and management of risks remain a key focus area for the Group.

The Risk Management Committee of the Board provides direction to and monitors the quality of the internal audit function and also monitors compliance with NHB and other regulators of the Company.

The Group's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with market best practices.

The Audit and Risk Management Committee of the Board ("ARMC") reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyse risk exposure and provides oversight of risk across the organization. The ARMC nurtures a healthy and independent risk management function to inculcate a strong risk management culture in the Group and broadly perceives the risk arising from (i) credit risk, (ii) liquidity risk, (iii) interest rate risk and (iv) fraud risk and operational risk (v) regulatory risk

44.1 Liquidity Risk

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Holding Company has an Asset Liability Management Policy in place, which is in line with NHB/RBI guidelines for Housing Finance Companies. The ALCO is responsible for the management of the companies funding and liquidity requirements. The Group manages liquidity risk by maintaining unutilised banking facilities, credit lines and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities.

The Group has the following undrawn credit lines available as at the end of the reporting period.

	March 31, 2023	March 31, 2022
- Expiring within one year (including bank overdraft)	5,000	35,000
- Expiring beyond one year	-	-
Undrawn credit lines	**5,000**	35,000

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of March 31, 2023 and March 31, 2022 respectively has been considered. The contractual maturity is based on the earliest date on which the Group may be required to pay.

(Currency : Rs in lakhs)

44 Risk management *(Continued)*

44.1 Liquidity Risk *(Continued)*

Maturities of Financial Liabilities	March 31, 2023			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Borrowings	1,190,953	1,620,040	1,056,247	1,402,541
Trade Payables	29,334	-	-	-
Other Financial Liabilities*	142,800	-	-	23,813
	1,363,087	**1,620,040**	**1,056,247**	**1,426,354**

Maturities of Financial Liabilities	March 31, 2022			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Borrowings	1,021,287	1,493,535	1,540,289	1,960,656
Trade Payables	51,886	-	-	-
Other Financial Liabilities*	10,160	5,841	1,734	757
	1,083,332	1,499,376	1,542,023	1,961,413

*This includes lease liabilities

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Maturities of Financial Assets	March 31, 2023			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Investments	310,495	231,969	355,172	575,683
Loans	1,554,579	1,598,231	1,021,807	1,239,896
Other Financial Assets	74,796	-	-	9,400
Trade receivables	451	-	-	-
	1,940,321	**1,830,200**	**1,376,979**	**1,824,979**

Maturities of Financial Assets	March 31, 2022			
	Up to 1 year	1 to 3 years	3 to 5 years	5 years and above
Investments	262,250	417,917	310,798	400,429
Loans	1,208,442	1,965,392	1,090,311	2,242,541
Other Financial Assets	113,785	13,907	-	-
	1,584,477	2,397,216	1,401,109	2,642,971

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

(Currency : Rs in lakhs)

44 Risk management *(Continued)*

44.2 Interest Rate Risk

Retail lending:
The Holding Company is exposed to minimal interest rate risk as it has assets and liabilities are based on floating interest rates. The Holding Company has an approved Asset and Liability Management Policy which empowers the ALCO assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk.

Wholesale lending:
The Group is exposed to interest rate risk as it has assets and liabilities based on both fixed and floating interest rates. The Holding Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

The sensitivity analysis below have been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate assets and liabilities has been considered to be insignificant.

The exposure of the Group's borrowings to the interest rate risk at the end of the year for variable rate borrowing is Rs. 1,227,153 lakhs (March 31, 2022 - 17,55,030 lakhs) and fixed rate borrowings are Rs. 2,896,102 lakhs (March 31, 2022 - 28,86,488 lakhs)

Impact on the Group's profit before tax if interest rates had been 100 basis points higher / lower is given below:

Sensitivity Analysis on Floating Rate Instruments	For the Year Ended March 31, 2023		For the Year Ended March 31, 2022	
	Higher	Lower	Higher	Lower
Sensitivity Analysis on Floating Rate Borrowings	(12,328)	12,328	(17,659)	17,659
Sensitivity Analysis on Floating Rate Assets	27,768	(27,768)	50,422	(50,422)

44.3 The table below shows contractual maturity profile of carrying value of assets and liabilities:

Particulars	As at March 31, 2023 Within 12 months	After 12 months	Total
ASSETS			
Financial assets:			
Cash and cash equivalents	192,802	-	192,802
Bank balances other than (a) above	2,403	66,788	69,191
Derivative financial instruments	-	9,811	9,811
Trade Receivable	451	-	451
Loans	1,245,229	2,911,253	4,156,482
Investments	172,399	1,124,166	1,296,565
Other financial assets	74,797	9,022	83,820
Non- financial assets:			-
Current tax assets (net)	72,393	1,448	73,841
Deferred tax assets (net)	-	143,138	143,138
Property, Plant and Equipment	-	32,312	32,312
Right-of-use assets	-	19,988	19,988
Investment property	-	97,495	97,495
Intangible assets under development	-	353	353
Goodwill	-	200	200
Other intangible assets	-	11,648	11,648
Other non-financial assets	7,086	31,466	38,552
Total Assets	**1,767,560**	**4,459,088**	**6,226,649**

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Currency : Rs in lakhs)

44.3 The table below shows contractual maturity profile of carrying value of assets and liabilities (Continued):

Particulars	As at March 31, 2023		
	Within 12 months	After 12 months	Total
LIABILITIES			
Financial liabilities:			
Trade payables	29,334	-	29,334
Debt securities	233,986	2,318,413	2,552,399
Borrowings (other than debt securities)	665,276	861,341	1,526,617
Deposits	-	31,552	31,552
Subordinated debt liabilities	-	12,688	12,688
Other financial liabilities	151,912	14,701	166,613
Non- financial liabilities:			
Current tax liabilities (net)	59,208	-	59,208
Provisions	6,167	178	6,345
Other non- financial liabilities	17,991	345,798	363,789
Total liabilities	**1,163,873**	**3,584,672**	**4,748,545**

Particulars	As at March 31, 2022		
	Within 12 months	After 12 months	Total
ASSETS			
Financial assets:			
Cash and cash equivalents	461,860	-	461,860
Bank balances other than (a) above	54,038	-	54,038
Derivative financial instruments	2,749	-	2,749
Loans	663,017	4,093,001	4,756,017
Investments	160,057	1,231,338	1,391,395
Other financial assets	98,628	13,907	112,535
Non- financial assets:			-
Current tax assets (net)	-	62,106	62,106
Deferred tax assets (net)	-	-	-
Property, Plant and Equipment	-	38,517	38,517
Right-of-use assets	-	12,171	12,171
Intangible assets under development	-	1,217	1,217
Goodwill	-	1,025,681	1,025,681
Other intangible assets	-	5,678	5,678
Other non-financial assets	45,530	725	46,255
Total Assets	1,485,878	6,484,342	7,970,220
LIABILITIES			
Financial liabilities:			
Trade payables	52,009	-	52,009
Debt securities	239,835	2,631,431	2,871,266
Borrowings (other than debt securities)	429,576	1,061,479	1,491,055
Deposits	-	266,600	266,600
Subordinated debt liabilities	-	12,660	12,660
Other financial liabilities	82,668	7,257	89,925
Non- financial liabilities:			
Current tax liabilities (net)	340,889	-	340,889
Provisions	9,713	487	10,200
Deferred tax liabilities (net)	-	60,746	60,746
Other non- financial liabilities	10,101	538,849	548,949
Total liabilities	1,164,791	4,579,508	5,744,299

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

44 Risk management *(Continued)*

44.4 Credit Risk

The Group is exposed to Credit Risk through its lending activity. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Retail lending:
For retail lending the credit policy has been reviewed and approved by Risk Team. The Credit Risk management structure includes credit policies and procedures. The Credit Policy defines customer segments, income assessment criteria, underwriting standards, target market definition, appraisal and approval processes, product limits, Delegation of Authority metrics (DoA) and cover risk assessment for product offerings etc. to ensure consistency of credit buying patterns.

Wholesale lending:
The Group's Risk management team has developed proprietary internal rating models to evaluate risk return trade-off for the loans and investments made by the Group. The output of traditional credit rating model is an estimate of probability of default. These models are different from the traditional credit rating models as they integrate both probability of default and loss given default into a single model.

Credit Risk Management

For retail lending business, credit risk management is achieved by considering various factors like:
• Assessment of borrower's capability to pay – detailed assessment of borrower's capability to pay is conducted. The approach to the assessment is uniform across the entire Group and is spelt out in the Credit Policy. For construction finance deals, the underlying project, the financial capability, past track record of repayments of the promoters is assessed by an independent risk team.

• Security cover – this is an assessment of the value of security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation, etc of the collateral.

• Geographic region – the Group monitors loan performances in a particular region to assess if there is any stress due to natural calamities, etc impacting the performance of loans in a particular geographic region

For wholesale lending business, credit risk management is achieved by considering various factors like :
• Promoter strength – This is an assessment of the promoter from financial, management and performance perspective.
• Industry & micro-market risk – This is an assessment of the riskiness of the industry and/or micro-market to which the borrower/project belongs
• Project risk – This is an assessment of the standalone project from which interest servicing and principal repayment is expected to be done.
• Structure risk – This is an assessment of the loan structure which is characterized by its repayment tenor, moratorium, covenants, etc.
• Security cover – This is an assessment of the value of the security under stress scenario which is further adjusted for factors like liquidity,
• Exit – This is an assessment of the liquidity of the loan or investment.
Each of the above components of the risk analysis are assigned a specific weight which differ based on type of loan. The weights are then used with the scores of individual components for conversion to a risk rating.

Based on the above assessment the risk team categorises the deals in to the below Risk Grades

Risk Grading	Description
Dark Green	Extremely good loan
Green	Good loan
Yellow	Moderate loan
Amber	Weak loan
Red	Extremely weak loan

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

44 Risk management *(Continued)*

44.4 Credit Risk *(Continued)*

Further, a periodic review of the performance of the portfolio is also carried out by the Risk Group. The Risk Group adjusts the stress case considered during the initial approval based on actual performance of the deal, developments in the sector, regulatory changes etc. The deal level output is combined to form a portfolio snapshot. The trends from portfolio are used to provide strategic inputs to the management.

The credit risk on liquid funds and other financial instruments is limited because the counterparties are banks with high credit-ratings assigned credit-rating agencies or mutual funds.

Provision for Expected Credit Loss

The Group has assessed the credit risk associated with its financial assets for provision of Expected Credit Loss (ECL) as at the reporting dates. The Group makes use of various reasonable supportive forward looking parameters which are both qualitative as well as quantitative while determining the change in credit risk and the probability of default. These parameters have been detailed out in Note No.vi of Significant Accounting Policies. Based on the result yielded by the above assessment the Financial assets are classified into (1) Standard (Performing) Asset, (2) Significant Credit Deteriorated (Under-Performing) Asset (3) Default (Non-Performing) Asset (Credit Impaired).
For the purpose of expected credit loss analysis the Group defines default as any asset with more than 90 days overdues. This is also as per the rebuttable presumption provided by the standard.

The Group provides for expected credit loss based on the following:

Category - Description	Stage	Basis for Recognition of Expected Credit Loss
Assets for which credit risk has not significantly increased from initial recognition	Stage 1	12 month ECL
Assets for which credit risk has increased significantly but not credit impaired	Stage 2	Life time ECL
Assets for which credit risk has increased significantly and credit impaired	Stage 3	Loss Given Default (LGD)

For the year ended March 31, 2023 and March 31, 2022 the Group has developed a PD Matrix after considering some parameters as stated below :

The key parameters for various scorecards are highlighted as follows -Real Estate products (Construction Finance, Structured Debt, LRD) - (1) Developer Grade (2) Past Overdue History (3) Tenant profile (4) Status from monthly Asset Monitoring report (5) Stage of the project (6) Geography etc. Some of the Parameters for Non Real Estate products (Senior lending, mezzanine, project finance etc) - (1) Sponsor strength (2) Overdues (3) Average debt service coverage ratio (4) Regulatory Risk (5) Stability of EBITDA (6) Quality of underlying assets etc. Based on these parameters the Company has computed the PD. The Company has also built in model scorecards to determine the internal LGD. However, due to lack of default history to statistically substantiate the internal LGD, the Company has made use of a combination of both internal as well as external LGD. The Company also maintains Expected Credit Loss for undisbursed limits after applying the credit conversion factor (CCF). CCF for these limits is computed based on historical disbursement trends observed across various products.

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Limited)

Notes to the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Currency : Rs in lakhs)

44 Risk management *(Continued)*
44.4 Credit Risk *(Continued)*

Expected Credit Loss as at the Reporting year:

Particulars	Asset Group	Gross Carrying Value	Expected Credit Loss	Net Amount
				As at March 31, 2023
Assets for which credit risk has not significantly increased from initial recognition*	Investments	225,775	9,725	216,050
	Loans	3,343,521	122,674	3,220,847
Assets for which credit risk has increased significantly but not credit impaired	Investments	71,034	9,904	61,130
	Loans	341,858	96,273	245,585
Assets for which credit risk has increased significantly and credit impaired	Investments	30,068	16,505	13,563
	Loans	426,792	358,906	67,886
Purchased or Originated credit impaired (POCI)	Loans	249,000	106,501	142,499
Total		**4,688,048**	**720,488**	**3,967,560**

Particulars	Asset Group	Gross Carrying Value	Expected Credit Loss	Net Amount
				As at March 31, 2022
Assets for which credit risk has not significantly increased from initial recognition*	Investments	543,460	14,302	529,158
	Loans	3,176,659	94,508	3,082,151
Assets for which credit risk has increased significantly but not credit impaired	Investments	118,909	81,124	37,785
	Loans	256,073	40,745	215,328
Assets for which credit risk has increased significantly and credit impaired	Investments	24,484	12,628	11,856
	Loans	650,275	359,957	290,318
Purchased or Originated credit impaired (POCI)		605,675	259,176	346,499
Total		5,375,535	862,440	4,513,095

^ Excluding Fair Valuation Adjustment on Merger of Rs. 345,798 Lakhs (March 31, 2022 - Rs. 538,849 Lakhs) as same amount of liability is disclosed in Other Non-Financial Liabilities.
Gross Carrying Value represents instruments valued at amortised cost.
Investments covered investments in the nature of loan portfolio.

Reconciliation of Loss Allowance

a) Investments and Loans

	For the year ended March 31, 2023			
	12 months ECL - Stage 1	**Lifetime ECL not credit impaired - Stage 2**	**ECL credit impaired - Stage 3**	**POCI**
Balance at the beginning of the year	108,810	121,869	372,585	259,176
Transfer on Account of Merger	-	-	-	-
Transferred to 12-month ECL (Stage 1)	933	(409)	(526)	-
Transferred to Lifetime ECL not credit impaired (Stage 2)	(11,944)	12,109	(165)	-
Transferred to Lifetime ECL credit impaired (Stage 3)	(6,594)	(1,137)	7,732	-
Bad debts written off	(1,857)	(114,220)	(31,897)	-
On Account of Rate (Reduction)/Increase	38,587	74,406	46,416	-
ECL on new loan disbursements	37,273	13,339	6,181	-
On Account of Repayments	(32,808)	220	(24,914)	(152,675)
Balance at the end of the year	**132,401**	**106,177**	**375,411**	**106,501**

a) Investments and Loans

	For the year ended March 31, 2022			
	12 months ECL - Stage 1	**Lifetime ECL not credit impaired - Stage 2**	**ECL credit impaired - Stage 3**	**POCI**
Balance at the beginning of the year	74,424	47,558	53,841	-
Transfer on Account of Merger	31,329	-	309,316	259,176
Transferred to 12-month ECL (Stage 1)	235	(151)	(83)	-
Transferred to Lifetime ECL not credit impaired (Stage 2)	(562)	620	(59)	-
Transferred to Lifetime ECL credit impaired (Stage 3)	(430)	(79)	510	-
Bad debts written off	-	-	(3,058)	(1,645)
On Account of Rate (Reduction)/Increase	7,260	61,446	14,981	1,645
ECL on new loan disbursements	18,558	13,345	-	-
On Account of Repayments	(22,006)	(870)	(2,862)	-
Balance at the end of the year	**108,810**	**121,869**	**372,585**	**259,176**

(Currency : Rs in lakhs)

44 Risk management *(Continued)*

44.4 Credit Risk *(Continued)*

b) Expected Credit Loss on undrawn loan commitments and letter of comfort:

Particulars	As at March 31, 2023	As at March 31, 2022
ECL on undrawn loan commitments (refer note 20)	5,495	10,112

No letter of comfort is outstanding at the year end. The Company has not issued any letter of comfort during the year

c) Description of Collateral held as security and other credit enhancements

The Group has set benchmarks on appropriate level of security cover for various types of deals. The Group periodically monitors the quality as well as the value of the security to meet the prescribed limits. The collateral held by the Group varies on case to case basis and includes:

i) First / Subservient charge on the Land and / or Building of the project or other projects
ii) First / Subservient charge on the fixed and current assets of the borrower
iii) Hypothecation over receivables from funded project or other projects of the borrower
iv) Pledge on Shares of the borrower or their related parties
v) Guarantees of Promoters / Promoter Undertakings
vi) Post dated / Undated cheques

As at the reporting date, the value of the collateral held as security for the credit impaired financial assets is higher than the exposure at default for these assets.

d) The credit impaired assets as at the reporting dates were secured by charge on land and building and project receivables amounting to:

Particulars	As at March 31, 2023	March 31, 2022
Value of Security (at fair value considered for LGD)	117,514	341,919

44.5 Regulatory Risk:

The Group requires certain statutory and regulatory approvals for conducting business and failure to obtain retain or renew these approvals in a timely manner, may adversely affect operations. Any change in laws or regulations made by the government or a regulatory body that governs the business of the Group may increase the costs of operating the business, reduce the attractiveness of investment and / or change the competitive landscape.

44.6 Fraud risk and operational risk:

Fraud risk management committee ('FRMC') comprising of top management representatives is constituted, which shall oversee the matters related to fraud risk, review and approve action against frauds.

FRMC conducts fraud risk assessment, identified fraud prone areas and develop mitigation measures. Status of mitigation measures are reviewed periodically.

The Group's risk management framework considers strategic, operations, financial reporting and external laws and regulations related risks

The Group has an elaborate system of internal audit and concurrent audit commensurate with the size, scale and complexity of its operations and covers funding operations, financial reporting, fraud control and compliance with laws and regulations.

Further, Concurrent audit helps prevent and address document related anomalies and deficiencies which strengthening quality assurance during onboarding and processing of transactions.

Internal Auditors monitors and evaluates the efficacy and adequacy of internal control systems in the Group, its compliance with laws and regulations, efficacy of its operating systems, adherence to the accounting procedures and policies at all offices of the Group and report directly to Audit and Risk Management Committee of the Group.

44.7 Foreign exchange risk:

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency i.e. INR. The Group has taken foreign currency floating rate borrowing which is linked to LIBOR. The risk is measured through a forecast of highly probable foreign currency cash flows. The risk is hedged with the objective of minimising the volatility of the INR cash flows of highly probable forecast transactions.

The Group has entered into cross-currency interest rate swap (CCIRS) for the entire loan liability to manage the foreign exchange risk along with interest rate risk arising from changes in LIBOR on such borrowings. As per the Group's policy, the critical terms of hedging instrument must align with the hedged items. Refer note 45 for accounting for the cash flow hedge and impact of hedge accounting on the statement of profit and loss.

There is no foreign currency asset/liability outstanding as on March 31, 2023 excluding ECB of USD 75 million which are fully hedged as disclosed in note 45.

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

TR Chadha & Co. LLP ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

(Currency : Rs in lakhs)

45 Accounting for cash flow hedge

The Company had taken foreign currency floating rate borrowings which are linked to LIBOR. For managing the foreign currency risk and interest rate risk arising from changes in LIBOR on such borrowings, the company had entered into cross-currency interest rate swap (CCIRS) for the entire loan liability. The Company had designated the CCIRS (hedging instrument) and the borrowing (hedged item) into a hedging relationship and applies hedge accounting,

Under the terms of the CCIRS, the Company pays interest at the fixed rate to the swap counterparty and receives the floating interest payments based on LIBOR. Further, the principal amount of the foreign currency borrowing is hedged by a forward rate. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying and fixed rates) are matched and the interest cash flows are off-setting, an economic relationship exists between the two. This ensures that the hedging instrument and hedged item have values that generally move in the opposite direction.

As at March 31, 2023, The Company has invested in floating rate government securities/bonds which are linked to treasury bill rate. For managing the interest rate risk arising from changes in treasury bill rate on such investments, the company has entered into an interest rate swaps (IRS) for the investments. The Company has designated the IRS (hedging instrument) and the investment (hedged item) into a hedging relationship and applied hedge accounting.

Under the terms of the IRS, the Company receives interest at fixed rate and pays interest at the floating rate based on daily compounded overnight FBIL MIBOR. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying fixed rates) are not exactly matched, the Company uses the hypothetical derivative method to assess effectiveness. The interest cash flows of the hypothetical derivative and interest rate swap are off-setting, an economic relationship exists between the two. This ensures that the hedging instrument (interest rate swap) and hedged item (hypothetical derivative) have values that generally move in the opposite direction. There was no such contract outstanding as on March 31, 2022.

Hedge Effectiveness Testing is assessed at designation date of the hedging relationship, and on an ongoing basis. The ongoing assessment is performed at a minimum at each reporting date or upon a significant change in circumstances affecting the hedge effectiveness requirements, whichever comes first.

During the year ended March 31, 2022, the date on which CCIRS and the borrowings were designated into hedging relationship is later than the date on which the respective contracts were entered into. This timing difference has caused hedge ineffectiveness to a certain extent, the effect of which has been recognised in profit or loss under the head Net Fair Value Changes.

Following table provides quantitative information regarding the hedging instrument as on March 31, 2023:

Type of risk/ hedge position	Nominal value (Liabilities)	Carrying amount of hedging instruments (included under "Financial assets")	Maturity date	Hedge ratio	Average contracted fixed interest rate	Changes in fair value of hedging instrument used as a basis for recognising hedge effectiveness	Changes in value of hedged item used as a basis for recognising hedge effectiveness
As on March 31, 2023:							
Cash Flow Hedge Foreign currency and Interest rate risk	52,264	9,512	June'2024	1 : 1	9.30%	6,764	5,719
Cash Flow Hedge - Interest rate risk	12,500	299	September'2032	1 : 1	6.76%	414	(429)
		9,811					
As on March 31, 2022:							
Cash Flow Hedge Foreign currency and Interest rate risk	52,264	2,749	June'2024	1 : 1	9.30%	3,328	2,029

Following table provides the effects of hedge accounting on financial performance :

Type of hedge	Changes in the value of hedging instruments recognised in Other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Line-item affected in statement of profit or loss because of reclassification
For the year ended March 31, 2023				
Cash flow hedge				
Interest Rate risk and Foreign Exchange Risk	7,063	-	(848) (4,871)	Finance Cost Foreign Exchange (gain)/loss
For the year ended March 31, 2022				
Cash flow hedge				
Interest Rate risk and Foreign Exchange Risk	3,328		9 2,021	Finance Cost Foreign Exchange (gain)/loss

(Currency : Rs in lakhs)

45 Accounting for cash flow hedge (Continued)

The following table provides a reconciliation by risk category of the components of equity and analysis of Other Comprehensive Income items resulting from hedge accounting:

Particulars	Movement in Cash flow hedge reserve for the years ended March 31, 2023	March 31, 2022
Opening balance	(624)	(1,596)
Effective portion of changes in fair value:		
a) Interest rate and foreign currency risk	7,063	3,328
Tax on movements on reserves during the year	(1,778)	(838)
Net amount reclassified to profit or loss:		
a) Interest rate risk	848	9
b) Foreign currency risk	4,871	2,021
Tax on movements on reserves during the year	(1,439)	(511)
Closing balance	**381**	(624)

(Currency : Rs in lakhs)

46 Transfer of Financial Assets

Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Securitisations	As at March 31, 2023	As at March 31, 2022
Carrying amount of transferred assets measured at amortised cost	109,436	280,839
Carrying amount of associated liabilities measured at amortised cost	109,157	266,965
Fair value of assets	109,436	280,839
Fair value of associated liabilities	109,157	266,965
Net position at Fair value	279	13,874

Note : Transferred Financial Assets that are derecognised in their entirety

The Group has assigned loans (earlier measured at amortized cost) by way of direct assignment. As per the terms of deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Group's Balance Sheet. The table below summarised the carrying amount of the derecognised financial assets.

Particulars	As at March 31, 2023	As at March 31, 2022
Direct Assignment		
Carrying amount of transferred assets measured at amortised cost	1,123,757	1,622,042
Carrying amount of exposures retained by the Company at amortized cost	141,598	216,269

47 Foreign Currency Expenditure (on accrual basis)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Business Promotion	1	-
Professional Fees	388	1,216
Legal Fees	148	292
Membership & Subscription	23	-
Repairs & Maintenance	-	6

48 Disclosure for Insurance commission as required under Insurance regulatory and development Authority (IRDA)

Particulars	March 31, 2023	March 31, 2022
Cholamandalam MS General Insurance Company Limited	143	-
Pramerica Life Insurance Limited	946	88
Total	**1,089**	88

WALKER CHANDIOK & Co LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Chadha & Co. LLP MUMBAI ★ Chartered Accountants ★

Piramal Capital & Housing Finance Ltd. ★

(Currency : Rs in lakhs)

49 Principal Business Criteria & Impairment of Goodwill

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or groups of CGUs, which are benefited from the synergies of the acquisition. Goodwill is reviewed for any impairment at the operating segment level, which is represented through groups of CGUs.

a) The Company is required to comply with Principal Business Criteria ('PBC') as stated in paragraph 5.3 of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ('RBI Directions'). The Company had submitted a detailed business plan to the RBI in April and June 2022 detailing the roadmap to comply with the principal business criteria by March 31, 2024. Based on Company's submission, the RBI advised the Company to ensure compliance with the submitted business plan, as the same shall be monitored at regular intervals by the RBI and NHB. The Company is currently trailing in meeting committed PBC thresholds for the year ended March 31, 2023, however, the management believes that the Company will be able to meet the required PBC thresholds latest by March 31, 2024. In order to achieve the above, the Company has changed its business strategy to shift focus majorly on housing finance loans and has decided to further reduce the Assets Under Management (AUM) in wholesale lending business in next few years.

b) Due to the change in business strategy in the current year in line with management's decision to reduce wholesale lending business and increase the focus to increase retail housing business, the Company has revised the business projections considered for the annual impairment testing, as required under the principles of Ind AS 36, Impairment of Assets, of related goodwill amounting to Rs. 1,025,681 lakhs recognized on merger of wholesale lending business of Piramal Finance Limited and Piramal Capital Limited with the Company in the year 2018.

As of March 31, 2023, the estimated cash flows for a period of 5 years for the Company were developed using internal forecasts, and a pre-tax discount rate of 12.5% respectively. The cash flows beyond 5 years have been extrapolated assuming 2% growth rates, depending on the cash generating unit and the country of operations.
Basis such impairment testing performed, the aforesaid goodwill has been fully impaired in the year ending March 31, 2023. Owing to the significance of amount and non-recurring nature of impairment of goodwill, the Company has classified and presented it as an exceptional item in line with Ind AS 1, Presentation of Financial Statements. Further, the deferred tax liability of Rs. 143,138 lakhs pertaining to goodwill has also been reversed during the year ended March 31, 2023.

50 Corporate Social Responsibility Expenditure

Particulars	March 31, 2023	March 31, 2022
Amount required to be spent by the Group during the year	3,444	4,921
Amount spent during the year from Company's bank A/c	5,467	4,680
Closing Balance in Separate CSR Unspent Bank A/c	-	241
Shortfall at the end of the year,	-	-
Total of previous years shortfall,	-	-
Reason for shortfall,	-	-
Nature of CSR activities	Promoting healthcare and education	Promoting healthcare and education
Details of related party transactions, e.g., contribution to a trust controlled by the Group in relation to CSR expenditure as per relevant Accounting Standard,	3,901	2,727
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	-	-

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co. LLP MUMBAI Chartered Accountants

Piramal Capital & Housing Finance Ltd.

(Currency : Rs in lakhs)

51 Additional Regulatory Information

i) The Group has not granted any loans or advances in the nature of loans 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:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment

ii) There is a change in management w.e.f. September 30, 2021 on account of business combination (Refer note 39B), and the Group under new management has not been declared as a wilful deafulter by any bank or financial Institution or other lender.

iii) The Group has not done any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 except:

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding	Relationship with the struck off company, if any, to be disclosed
GK Marketing Services Private Limited	DSA commission	Nil	DSA (Vendor)

iv) The Group does not have any charges to be registered with ROC beyond the statutory period. There was no satisfaction of charge pending as on March 31, 2023 except one loan where loan repaid during the year for Rs. 110,000 lakhs due to non-receipt of No Due Certificate from Bank of Baroda. With respect to the assets acquired under business combination, the Company is in the process of satisfying the charges on those assets which is procedural.

v) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

vi) The Group have not traded or invested in Crypto currency or Virtual Currency during the year.

vii) During the year the Group have not advanced or loaned or invested funds to any other person (s)or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or

b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

viii) During the year the Group have not received any fund from any person (s)or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

ix) The Group have not had any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

x) The Holding Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

WALKER CHANDIOK & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

TR Chadha & Co ★ MUMBAI ★ Chartered Accountants

Piramal Capital & Housing Finance Ltd. ★

Notes to the Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

(Currency : Rs in lakhs)

52 Previous years figures have been regrouped and reclassified wherever necessary to conform to current year's presentation which are not considered to be material to the Financial Statements

The notes referred to above forms an integral part of the financial statements.

As per our report of even date attached.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh Rathi
Partner
Membership No: 045228

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Mumbai, May 5, 2023

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

Hitesh Garg
Partner
Membership No: 502955

TR Chadha & Co. LLP
MUMBAI
Chartered Accountants

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

Jairam Sridharan
Managing Director
DIN: 05165390

Ajay Piramal
Chairman
DIN: 00028116

Vikash Singhla
Chief Financial Officer

Bipin Singh
Company Secretary

Piramal Capital & Housing Finance Ltd.

Annexure to the Boards' Report

Form AOC - 1

(Pursuant to first proviso to sub Section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures

Part A: Subsidiaries

Sr. no.	Particulars	Details					
1	Name of the subsidiaries	DHFL Advisory & Investments Private Limited	DHFL Holdings Limited	DHFL Investments Limited	Piramal Payment Services Limited	Piramal Finance Sales & Services Private Limited	PRL Agastya Private Limited
2	The date since when subsidiary was acquired	DHFL Advisory & Investments Private Limited was not acquired. It was incorporated by the Company on February 12, 2016	DHFL Holdings Limited was not acquired. It was incorporated by the Company on September 28, 2018	DHFL Investments Limited was not acquired. It was incorporated by the Company on February 13, 2017	Piramal Payment Services Limited was not acquired. It was incorporated by the Company on April 29, 2022	September 22, 2022	December 13, 2022
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
5	Share Capital						
	-Number	75,010,000	10,000	101,450,000	5,500,000	100,000	90,000
	-Amount (Rs. in Lakh)	7,501.00	1.00	10,145.00	550.00	10.00	9.00
6	Reserves & Surplus (Rs. in Lakh)	(7448.23)	(2.79)	91,868.66	(13.59)	169.00	(13113.43)
7	Total Assets (Rs. in Lakh)	58.65	0.01	102,020.60	549.24	2,806.00	83,648.86
8	Total Liabilities (Rs. in Lakh)	5.87	1.80	6.94	12.83	2,627.00	96,753.29
9	Investments (Rs. in Lakh)	-	-	102,002.25	-	-	-
10	Turnover (Rs. in Lakh)	-	-	-	-	25,568.00	5,346.28
11	Profit before taxation (Rs. in Lakh)	(5.44)	(0.87)	(7.77)	(13.59)	484.31	(420.75)
12	Provision for taxation (Rs. in Lakh)	-	-	-	-	124.30	(507.53)
13	Profit after taxation (Rs. in Lakh)	(5.44)	(0.87)	(7.77)	(13.59)	360.01	86.78
14	Proposed Dividend	-	-	-	-	-	-
15	Extent of shareholding (in percentage)	100%	100%	100%	100%	100%	100%

Notes:

1. Names of subsidiaries which are yet to commence operations - DHFL Holdings Limited
2. Names of subsidiaries which have been liquidated or sold during the year – NIL
3. During the year, the Company has formed a new wholly owned subsidiary company in the name of 'Piramal Payment Services Limited'.
4. During the year, the Company has acquired:
   a. 'Piramal Finance Sales and Service Private Limited' (wholly owned subsidiary Company) from Piramal Enterprises Limited (Holding Company).
   b. 'PRL Agastya Private Limited' (wholly owned subsidiary company) from PRL Developers Private Limited (Group Company).
5. The above figures of the subsidiaries are for the year ending 31st March 2023 basis standalone financial statements of respective subsidiaries.
6. Share Capital represents, equity share capital as on balance sheet date.

PART B: Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Name of Associates/Joint Ventures	DHFL Ventures Trustee Company Private Limited (1)	Pramerica Life Insurance Limited (formerly known as DHFL Pramerica Life Insurance Company Limited) (3)
1	Latest audited Balance Sheet Date	31/03/2023	31/03/2023
2	Date on which Associate or Joint Venture was associated or acquired	23/02/2006 (1)	18/12/2013 (3)
3	Shares of Associate or Joint Ventures held by the company on the year end		
	-Number of Equity Shares	22,500	187,030,931
	-Amount of Investment in Associates or Joint Venture (Rs. in lakh)	2.25 (2)	102000 (3)
	-Extent of Holding (%)	45% (2)	50% (4)
4	Description of how there is significant influence	Shareholding exceeding 20% of paid up share capital through Wholly Owned Subsidiary i.e. DHFL Investments Limited	Influence based on Joint Venture Agreement
5	Reason why the associate or Joint Venture is not consolidated	NA	NA
6	Networth attributable to Shareholding as per latest audited Balance Sheet (Rs. in lakh)	4.61	43,212.50
7	Profit / (Loss) for the year (Rs. in lakh)	-	4,190.00
	i.Considered in Consolidation (Rs. in lakh)	-	2,095.00
	ii.Not Considered in Consolidation (Rs. in lakh)	-	2,095.00

Notes:

(1)DHFL Ventures Trustee Company Private Limited became Associate Company of the Company on February 23, 2006 due to acquisition of shares. Further on March 1, 2017 the said shares were sold by the Company to its wholly owned subsidiary company i.e. DHFL Investments Limited (“DIL”).

(2)During the financial year 2016-17, the Company sold its investments held in DHFL Ventures Trustee Company Private Limited to its wholly owned subsidiary company i.e. DHFL Investments Limited (“DIL”). Therefore DHFL Ventures Trustee Company Private Limited is an Associate Company through DIL.

(3)Pramerica Life Insurance Limited (formerly known as DHFL Pramerica Life Insurance Company Limited) (“PLIL”) became Joint Venture of the Company on December 18, 2013 due to acquisition of shares. Further, on March 31, 2017 the said shares were sold by the Company to its wholly owned subsidiary Company i.e. DHFL Investments Limited (“DIL”). PLIL is joint venture of the Company through DIL. As on March 31, 2022, PLIL continues to be a joint venture of the Company by way of its indirect holding in DIL.

(4)The Wholly Owned Subsidiary of the Company i.e. DHFL Investments Limited holds 50% shareholding of Pramerica Life Insurance Limited (formerly known as DHFL Pramerica Life Insurance Company Limited).

(5) Name of associates or joint ventures which are yet to commence operations - None