LIC HFL
LIC HOUSING FINANCE LTD

Positive present.
Promising future.

Annual Report | **2020-21**

CONTENTS

Date of Annual General Meeting
Monday, 27th September, 2021
Time: 03:00 PM
Through Video Conference ('VC') / Other Audio Visual Means ('OAVM')

Date of E-voting
Start Date: 24th September, 2021 (09:00 AM)
End Date: 26th September, 2021 (05:00 PM)

To view
Annual Report 2021 Online, visit:
http://www.lichousing.com/

Positive present.
Promising future.

It requires strategy, courage, conviction, perseverance and passion for a company to overcome the challenges it faces. But to win consistently, be distinctive, and leverage the opportunities coming one's way, it requires a far-sighted vision and an over-arching ambition.

Making the most of a challenging present

At LIC Housing Finance Limited (LIC HFL), we have built our business on sound fundamentals which gives us enough room to tackle unprecedented situations. Being India's second-largest pure-play mortgage lender finance company by assets, we are adapting to fast-paced change, pursuing the path to become more efficient, leaner and faster, thus setting the momentum for sustained progress. With a consistent focus on innovation and quality, we are building differentiated capabilities and focusing on pursuing our strategies. We are accelerating our digital capabilities, re-skilling distribution and strengthening our asset quality. Even while we face the present economic and industry challenges, we are constantly making transformative moves to deliver increased shareholder value.

Perfectly poised for an exciting future

We are on the right track – ready for a focussed and progressive journey ahead. With our passion, professionalism and perseverance, we look to the future with optimism. We are poised for a positive and exciting future with strong capital adequacy, comfortable liquidity position, a resilient operating model and increasing retail mix. Our operational capabilities, evolved skill-sets and solid competencies help us straddle across the value chain and emerge. With an eagle-eye focus on growth, we are well-prepared to embark on another journey of growth, as we constantly expand our horizons with technological capabilities and set new benchmarks of excellence.

We are LIC Housing finance limited

This is how we work with PROWESS. PRUDENCE. PERSEVERANCE.

Our genesis

We are a pure-play mortgage lender finance company. We are the front-runners ensuring access to housing finance for home ownership. These very same traits of prowess, prudence and perseverance ranked us among the market leaders.

A giant leap of faith

Our passion is to help millions of people in owning their own home. We are a trusted financial services company with a strong business foundation, an extensive distribution network, and proven industry expertise, with 30 lakh prudent home owners.

Nurturing hopes, homes and happiness

Incorporated in 1989, LIC Housing Finance Limited is one of the largest Housing Finance companies in India, with the key objective of providing long-term finance to individuals for the purchase or construction of a house or a flat for residential purposes.

We also provide finance on an existing property for business or personal needs, and give loans to professionals for buying their office space and equipment. We also provide finance to persons engaged in the business of construction and the sale of residential properties.

Our objective

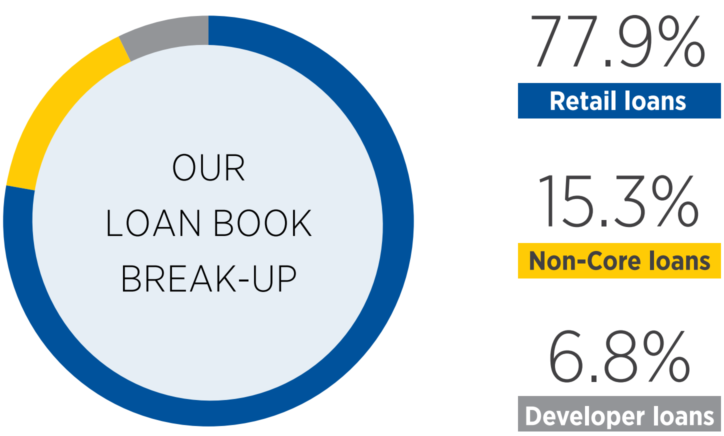
Our key objective is to become a leading provider of financing and credit solutions for the retail segment and emerging SME businesses, and catering to the aspirations of the growing consumer base of Middle-India.

We wish to become the “go-to” NBFC in retail home finance lending. We are committed to finding new ways to develop value-based and innovative financial solutions for our corporate and retail customers, and deliver greater value to our stakeholders.

An extensive network

We possess one of the industry’s most extensive marketing network in India with 282 marketing offices. In addition, there are 24 Back Offices spread across the country to conduct the credit appraisal and administrative functions. We have also set up Representative Offices in Dubai and Kuwait.

Today, the Company has a proud group of over 30 lakh prudent home owners who have been enjoying the Company’s financial assistance.



Key numbers that define us (as on 31st March, 2021)

₹2,32,003 Crore
Loan portfolio

₹55,223 Crore
Disbursement in FY2021

₹4,46,363.44 Crore
Cumulative disbursement (as on 20th August, 2021)

₹20,316.53 Crore*
Net Worth

15.28%
Capital adequacy ratio

30.38 Lakh
Number of Customers

2.37%
Net Interest Margin

** ₹ 204.78 Crore Excluding Impairment Reserve*

Three decades of making a difference

1989
Incorporated LICHFL; Lending commences from first office in Delhi

2014
Received Best HFC Award from ABP News

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

2002
- Achieved Credit Rating (AAA)
- Set up Dubai office, marking first overseas presence

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

2019
- Crossed ₹ 2,00,000 Crore in assets
- Voted as the Brand of the Decade 2019 by BARC Asia

2009
- QIP of US$ 135 Mn oversubscribed 6 times

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

2017
- Crossed ₹ 1,50,000 Crore in assets
- Won Best HFC Award by Outlook Money
- Won BFSI Best CEO Award from Business Today

2012
- Received award for Best HFC from CNBC-TV18
- Received award "Best in Home Finance" from Construction Industry

1994
Launched IPO of ₹ 120 Crore

2015
- Loan portfolio crosses ₹ 1,00,000 Crore
- Won Best Housing Finance Company award by BFSI Awards
- Won award for Best Data Quality in HFC by CIBIL

2004
- Loan portfolio crosses ₹ 10,000 Crore
- US$ 29 Mn GDR issue; First HFC to do GDR issue over-subscribed

A dominant position among major markets and states

282
Marketing Offices

24
Back Offices

9
Regional Offices

450
Centres Coverage

Dubai and Kuwait
Overseas presence

2,427
Number of Employees

Map not to scale. For illustrative purposes only.

Message from the Chairman

We successfully triggered our business continuity plans and enabled work from home for more than 90% of our employees. We are proud to share with you that a change of this scale was executed smoothly.

Dear Shareholders,

As I write this, we continue to be in the middle of the COVID-19 pandemic – the biggest crisis we have seen in our lifetime. The pandemic and the resultant lockdowns led to unprecedented socio-economic disruption and loss of human life. And just when the exit path in the form of a vaccine became visible, the second wave hit India, which resulted in another bumpy ride for the Indian economy.

Having said that, I reiterate that we, at LIC Housing Finance Limited, have undergone adverse economic circumstances earlier too. And each time, we have bounced back with even greater strength and vigour. Hence, like the earlier crises, we are confident we will bounce back from the Covid crisis as a stronger and more valuable LICHFL, having mastered the new normal with the unleashing of a fresh wave of energy.

Impact on the industry

One of the sectors most affected by the outbreak and the ensuing lockdown was real estate and housing finance, which was already facing a liquidity crunch following the IL&FS crisis. In March 2020, the Reserve Bank of India (RBI) announced a moratorium on loan repayment of term loans till 31st May, 2020, but this was later extended by another three months. The loan moratorium had a significant impact on housing finance companies with a substantial portion of the aggregate underlying assets placed under it.

In addition to this, the Government also extended a credit line and liquidity support in the form of Emergency Line Credit Guarantee Scheme (ECLGS) to MSME borrowers in the form of collateral-free loans to mitigate the economic impact of the pandemic. In order to further support COVID-19-hit customers, the Finance Ministry announced an extension of the scheme from time to time through the introduction of ECLGS 2.0, ECLGS 3.0 and ECLGS 4.0.

However, the housing finance market witnessed good bounce back in terms of confidence on the ground from the 2nd and 3rd quarter of the year. The gap kept narrowing to move towards pre-COVID-19 disbursement, especially with the vaccination drive in place at the start of Current Year 2021. Demand for housing was back in lower income and middle-income segments. Affordable housing finance witnessed a faster bounce back among retail asset classes. On account of this business being semi-urban and rural-based, it was relatively unaffected as compared to urban cities.

Rising above the pandemic challenges

During these challenging times, the one thing that remained of paramount importance for us was safety and well-being of our employees and our customers. At the early onset of the crisis, we successfully triggered our business continuity plans and enabled work from home for more than 90% of our employees. We are proud to share with you that a change of this scale was executed smoothly. We actively leveraged technologies to remain connected and engaged, ensuring employee welfare and seamless customer service delivery.

As we settled into the new way of working, our focus continued to be to provide impeccable service to our customers. During the pandemic, we provided seamless delivery of products and services, protecting the safety of our customers. Our local teams engaged with borrowers affected by the virus to provide guidance to them on their borrowings. We also constantly interacted and engaged with customer segments to address their anxiety regarding the loan moratorium offered by the Government. Further, we also extended our support through counselling sessions on how to best avail the moratorium.

> At LICHFL, we are India's second-largest pureplay mortgage lender finance company in terms of assets. Being a long-term player with a strong record of 35 years and wide industry experience, we have witnessed and experienced several credit and economic cycles and moved from strength to strength.

Ability to withstand challenges

At LICHFL, we are India's second-largest pureplay mortgage lender finance company in terms of assets. Being a long-term player with a strong record of 35 years and wide industry experience, we have witnessed and experienced several credit and economic cycles and moved from strength to strength. We are not only aware of the current challenges, but also have the agility and dexterity to negotiate and overcome these economic and industry situations with even greater strength and vigour.

Following the Government's policies, about 25% of our loan book was placed under moratorium. The proportion of retail loans under moratorium was lower at 16%. Our restructured assets are also expected to rise largely because of the impact of the pandemic's second wave. During the first lockdown, the Reserve Bank of India (RBI) made an exception by launching a loan recast or restructuring facility for those impacted by the pandemic.

In the 4th quarter, LICHFL recorded 197% YoY growth – the highest YoY growth in the past three decades, and business is on a high growth trajectory. Our collections continued to hold up above 90%, even during April and May 2021, despite COVID-induced lockdowns. A collection efficiency of 96% of pre-pandemic level was reported for loan book out of moratorium. Our borrowers were able to ride the lockdown without trouble, and continued to keep up their repayment after the economy unlocked.

Disrupting the market

In probably the lowest in the market, we announced a 6.9% rate of interest on new home loans in July 2021, resulting in low EMI payment. Attractive price points and affordable EMIs helped us in addressing the demand side for buying homes. We also utilised the lockdown period to further drive operating efficiencies. All this, along with softening of cost of funds and our acute focus on low-income housing finance segment, cushioned the effect of COVID-19. Further, we are also comfortable on the liquidity front.

Adequately capitalised

During the year, we infused three tranches of Tier 2 capital through a capital infusion of ₹ 1,800 crore. This Tier 2 capital infusion has been done after almost a decade. We are further exploring the means to improve Tier 1 capital from regulatory perspective and also growth capital through the promoter, including through a preferential allotment.

With this, our capitalisation profile will remain adequate from a regulatory and solvency perspective. We will be well-positioned in terms of capital adequacy norms and will lead to healthy expansion of business, furthering loan book size. Currently, our capital adequacy stands at 15.28% above regulatory levels, and needs to be shored up to 15% by end of FY2022.

Drivers for future growth

In the backdrop of the COVID-19 pandemic, demand for houses moved up as asset creation assumed priority and people became keen to buy their own home as security. With the corporate sector moving to a hybrid model of working, and with online studies in schools and colleges, people are either buying bigger houses, or modifying and renovating the existing houses. Several people moving back to their native towns during the lockdown to continue working from there also increased demand in Tier 2/3 cities.

Interest rates too are at an all-time low – in the range of 6.9%, encouraging home buyers to go for purchase. In addition, the Government provides adequate tax benefit to home buyers.

Being in a buyers' market

Based on our experience of 35 years, we feel this is perhaps the best and favourable time to buy a house. There is price stability across real estate markets and segments. Real estate prices have fallen by up to 10% in the bigger cities.

Interest rates too are at an all-time low – in the range of 6.9%, encouraging home buyers to go for purchase. In addition, the Government provides adequate tax benefit to home buyers. And a marginal fall in home prices across major markets has been an enabling factor. Another big driver for push in demand has been the stamp duty waiver given by several state governments, including Maharashtra and Karnataka. At LICHFL, too, charges on processing fee were eliminated for loans up to ₹ 50 lakh, while a 50% processing fee is being charged on loans over ₹ 50 lakh.

Those with stable earnings haven't been impacted by the pandemic so much, and in fact they are looking to cash-in on the opportunity. At LIC Housing, we too have seen a rebound in the mid-segment owing to a growing demand for large spaces. We have been experiencing potential buyers taking the plunge on the back of property prices bottoming out.

PMAY fuelling demand

The recovery in housing finance sector was faster also due to the inherent demand and sops given by the Government under the Pradhan Mantri Awas Yojana (PMAY), which envisages affordable housing for all by giving borrowers financial means to purchase a home via a subsidy on home loan interest rates.

The CLSS (Credit Linked Subsidy Scheme), a component of PMAY under which not only economically weaker, but middle-income groups can also avail of home loans at reduced EMIs, is expected to be a major driver of MIG home loans currently. It provides the required confidence to prospective first-time buyers to go ahead with their purchases, and augurs well for the sector. LICHFL earns 35-40% of its loan book from this segment, and this is expected to be a significant growth driver going forward. Total loan disbursed under PMAY CLSS was ₹ 15,443.19 crore, making us the one of the largest lender under the scheme.

Setting the agenda for our future

During these challenging circumstances, our focus remains to improve our market share and advance on tech-enabled customer service. We continued to follow our 4-R Strategy to seize the new opportunities emerging in the past year and to further strengthen customer relationships. Our investments in Project RED (Reimagining Excellence through Digital transformation) are aimed to generate our long-term objective of creating more stakeholder value, expanding geographies and delivering elevated and best-in-class customer service. Moving forward, we are working towards consolidating our position in all the areas, providing better customer service, delivering value to all our stakeholders and improving market share.

Driving growth

We see bright prospects to record double-digit growth this fiscal, supported by the return of home loan growth to pre COVID-19 levels, government push, revival in affordable housing segment, and new products and support measures. As sentiments are improving day-by-day, we expect a rub off in the realty space. A big chunk of an upwardly mobile middle-class segment, urbanisation rates, and the emerging concept of Work from Home (WFH) will sustain demand. We seek to continue our focus on the core strength area of retail home loans to individuals.

What lies ahead - Outlook for FY2022

FY2022 is still a COVID year – and we are not out of market uncertainties just yet. The second round of lockdown in April-May 2021 affected market sentiments, even as the vaccination campaign of the Government induced the much-required confidence. However, FY2022 will also be a year of consolidation and a year of customers with our improved digital footprint. It will be a year wherein Project RED will see the maximum projects.

> Even though this year has had many challenges, we are operationally ready to face them and seize the emerging opportunities.

With all the above, we hope to emerge as a much stronger LICHFL, with even greater strength, vitality and robustness, and with a great sense of confidence and capabilities.

With the optimal use of technology, we continue to live our dream of building a roof for every Indian by supporting affordable housing. With the Indian economy expected to record near double-digit growth, we too foresee healthy growth in disbursements and profitability. We remain positive on the intrinsic demand for housing. Despite the second wave, we expect a bounce back, but with even higher intensity. Demand is visible across sectors and loan segments. Small towns and affordable loans have already taken a lead. People relocating to native towns aided growth momentum in Tier 2/3 cities, while the concept of WFH continues to sustain demand.

Finally, I take this opportunity to thank our management team and express my gratitude to all our employees, without whose relentless support we could not have steered this journey to new milestones.

I also thank our Board of Directors for their continued support and guidance and for having inspired us to perform better in these difficult circumstances.

Thanking you,

Yours sincerely,

M.R. Kumar

Chairman

Message from the Managing Director & CEO

Dear Shareholders,

FY2021 can be described as a unique year. The sudden outbreak of the COVID-19 pandemic altered broader outlook, witnessed global economies facing slowdown fears and India's GDP growth slowing down, with challenges emanating from a strict lockdown regime.

Although the first wave of COVID-19 was contained and economic activities resumed around the third quarter of FY2021, the resurgence of the virus in the second wave was far more devastating. Lockdowns were again imposed across the country. The outlook still continues to be uncertain in terms of its impact on economic recovery.

The housing finance sector too initially grappled with liquidity and demand, but in the second half of the fiscal year, consumption demand gradually increased across segments. While initially, growth was restricted to the affordable housing finance sector only, later the mid, upper and premium segments also grew. At LICHFL, we had a satisfying year with a rising loan book, even as we maintained our profitability, asset quality and solvency, and took collaborated efforts to overcome the difficult circumstances.

The Government and the Reserve Bank of India (RBI) took steps and granted a moratorium twice which ended in August 2020. At LICHFL, we too offered moratorium to our customers to soften the COVID-19 blow. And I'd like to share that most of the borrowers paid back their EMIs. After the moratorium, we have witnessed more than 96% of the collection happening.

How we performed

During FY2021, Income stood at ₹ 19,848 crore as compared to ₹ 19,670 crore in the previous year, while Profit After Tax rose 13.8% at ₹ 2,734 crore, against ₹ 2,401 crore earlier. Our Outstanding Loan Portfolio was up 10% at ₹ 2,32,003 crore, in comparison with ₹ 2,10,578 crore. Individual Loan Portfolio also increased 10% to ₹ 2,16,047 crore. A dividend of 425% was recommended for FY2021 by the Board.

Despite a challenging environment, there was a healthy growth in disbursement, especially in the individual home loan segment. Total disbursement was ₹ 55,223 crore vis-à-vis ₹ 46,936 crore a year ago. Individual home loan disbursement was up 125%, from ₹ 37,539 crore to ₹ 46,926.99 crore. Strong business traction with good disbursement led to growth in our assets under management and the outstanding portfolio. With retail disbursements rising, net interest income remained stagnant. Our Net Interest Margin was 2.37% vis-à-vis 2.38% in the previous year.

Operational performance

FY2021 has probably been one of our best years in terms of operations in the past decade. We witnessed good customer retention, with a reduction in cost of funds. Improvement in products in the past year led to a sustained market share. In terms of disbursement, we had the best 3rd and 4th quarters in the fiscal year, which can be well attributed to our market outreach, product innovation and distribution network.

Making adequate provisioning

Gross NPA rose to 4.12% in March 2021 vis-à-vis 2.86% in March 2020. The NPA levels are being monitored stringently and continue to be a matter of high priority. The good news is that we also made recoveries in some big accounts during the year. We set aside a provision of ₹ 984.8 crore. Provisions were high due to NPA recognition from the moratorium book. Beefing up the provisioning has been comforting for asset quality, as we continue to build protection against the anticipated stress.

Improving asset quality

The COVID-induced slowdown impacted performance of housing finance companies with lower housing credit growth and rise in GNPAs. With loss of livelihood and reduction in incomes, especially for self-employed borrowers engaged in non-essential services, COVID is likely to impact the asset quality of retail home loans At LICHFL, we remained strongly committed to preserve our asset quality and have been closely monitoring it and also preparing for higher provisioning. An NPA Warrior and Core Team has been constituted at the local level, with stringent monitoring at the corporate office.

Digital – the way forward

As companies are becoming more and more agile and nimble-footed, one trend that we see accelerating is the precipitation of shift to digital and rapid adoption of technology. Even though this was happening earlier too, the crisis has offered an opportunity to hasten the transformation. We too evaluated our technology stack to operate with flexibility and agility, and gain the capability to respond and adjust quickly to changing circumstances.

Digital has become the way forward. With the establishment of Project RED (Reimagining Excellence through Digital transformation), we expect a profound impact on the established way of our operations. As we made differentiated investments to strengthen our offerings, accelerated our digital capabilities and adopted tech-led processes, our strategy of driving a 'digital first' approach became particularly relevant in the current context.

We invested in Project RED with long-term objectives that will generate more stakeholder value, expand our geographies, thereby contributing to the economic growth of the country. We have made massive strides in accelerating our customers' journey through our differentiated offerings. Our ultimate objective behind this is to organize and automate every facet of customer interaction and deliver elevated customer experience. Our technology investments will increase further – as we keep gaining capabilities to face the crisis and reduce future disruptions.

Innovating and advancing

During the year, we introduced a special home loan product Griha Varishtha for pensioners, catering to individuals covered under defined pension benefits. The tenure is till the attainment of 80 years of age or maximum of 30 years, whichever is earlier, under the Defined Benefit Pension Scheme. Close to ₹ 1,000 crore has already been sanctioned under the scheme since its introduction in July 2020. Apart from this, our innovative product offerings are gaining traction. Such as the 2020 Home Loan Offer that gives 6 EMI waivers for borrowers opting for ready-to-move-in homes and 48 months principal repayment moratorium for under-construction projects put fullstop at construction projects.

Towards a sustainable future

We have brought about changes in our liability mix and also reduced the overall weighted average cost of funds. We are also looking at re-skilling distribution to support remote onboarding. To further improve the quality of our existing assets, especially in the backdrop of the moratorium, we shaped up a special task force – the NPA Warrior Team – for efficient asset recovery and to imbibe a sense of accountability. In addition to adopting tech-led processes, we are collaborating our insights with that of our customers to further strengthen our asset quality.

Years of persistence

Even though this year has had many challenges, we are operationally ready to meet them and seize the emerging opportunities. We are confident of FY2022 being a year of growth. We will also continue to surpass your expectations yet again, paving our way for a promising future.

Our inherent strengths, coupled with our products and services, growing affluence and changing consumer preference towards trusted partners, and digital manner of engagement present an exciting opportunity for us.

In the end, I take this opportunity to thank our shareholders and my colleagues on the Board who have been valuable guide in steering LIC HFL to new heights. We also thank our customers who have patronised Brand LICHFL to make it the fastest-growing HFC in India. We also thank our regulator, the National Housing Bank, for their continuous and timely guidance.

Lastly, I am also thankful to our shareholders who reposed their trust and confidence in the Company. We are committed to work through the current environment and our future feels bright and exciting.

Your trust and confidence in us helped us build a very strong organisation, whose future has always been more promising.

Together, we shall overcome and triumph!

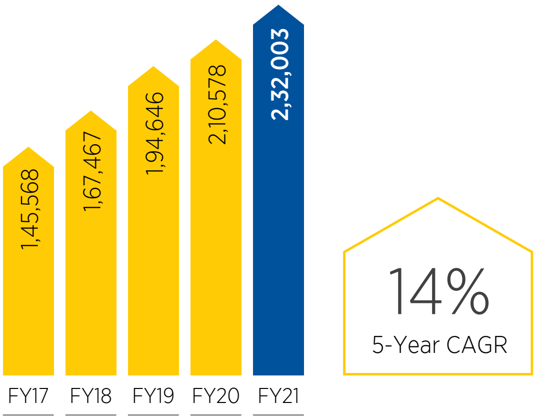
Yours very sincerely,

Y Viswanatha Gowd

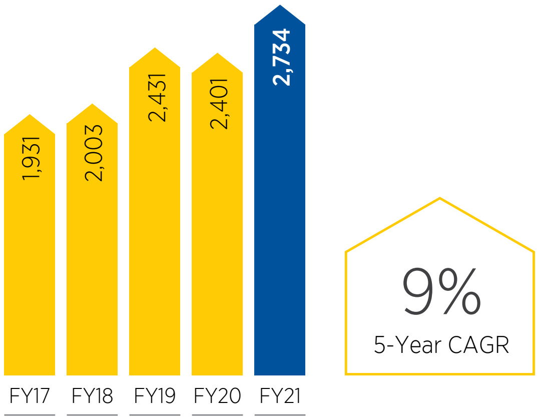
Managing Director & CEO

Enhancing value for our investors and other stakeholders

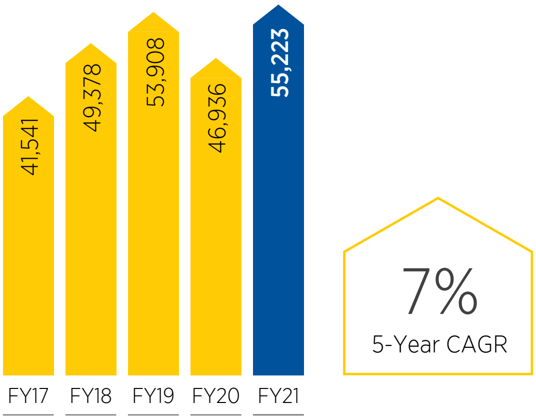
Outstanding Loan Portfolio (₹ Crore)



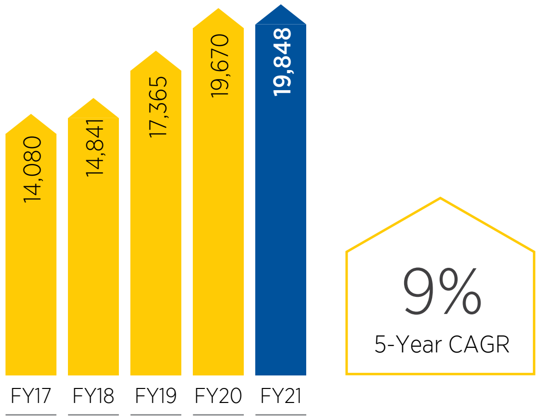
Profit After Tax (₹ Crore)



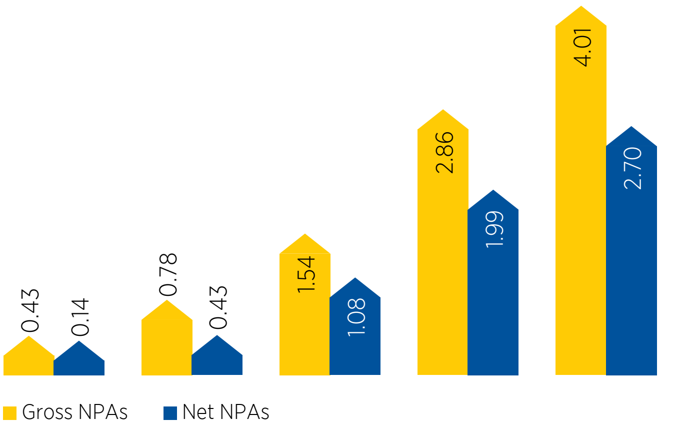
Disbursement (₹ Crore)



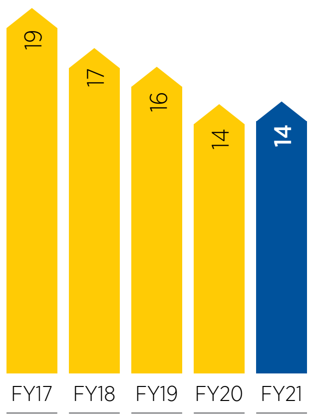
Income (₹ Crore)



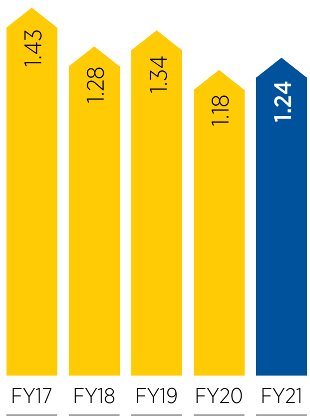
Gross and Net NPAs (%)



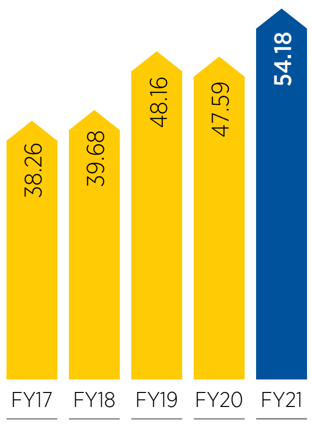
Return on Average Equity (%)



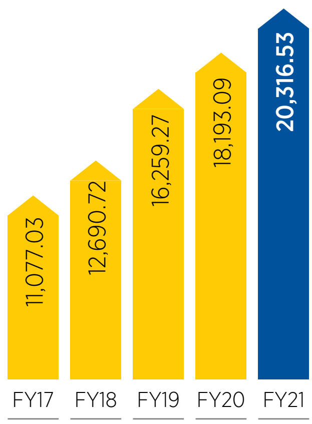
Return on Average Loan Assets (%)



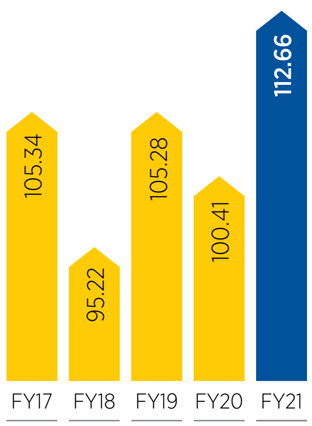
Earnings Per Share (₹)



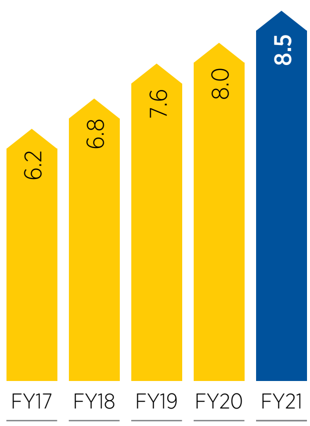
Net Worth (₹ Crore)



Profit Per Employee (₹ Lakh)



Dividend Per Share (₹)



Differentiated strategies to drive asset quality

We have one of the industry's best asset quality. Even during the pandemic, we managed to keep our asset quality from worsening sharply. We have been focusing on our asset quality which is very robust and stable. This asset quality is under-pinned by stringent credit appraisal mechanism and retail loan generated. Despite hiccups of the pandemic, our asset quality is expected to be superior.

Going forward, we have the ability to drive business growth while maintaining healthy capitalization, asset quality and profitability.

Sourcing low-cost funds

Funding cost at LICHFL moderated with incremental funds being raised at 115 basis points lower. This helped bring down our cost of funds and significantly improve our margins. Our ability to source low-cost liabilities can be attributed to our strong parentage, favourable housing finance cycle and 14-15% ROE. Our Triple A rating and inherent negotiation skills helped us to reduce our cost of funds. Besides, we also diversified our liability sources through Commercial Paper, refinancing through National Housing Bank (NHB) and through growth in our retail deposits.

Further, we are all set to launch a major overhaul in the administrative process of deposit mobilization through a new tech platform and service provider, which will significantly reduce our turnaround time and drastically improve our customer experience.

Stringent credit appraisal

We are reputed for our best asset quality with 87% of the loans being individual home loans. Our credit appraisal module passes through several stringent channels which reduce the scope of default. Various types of support measures from the authorities for borrowers have prevented a sharp deterioration of our asset quality.

During the year, we maintained an adequate provisioning for non-performing assets (NPA) at ₹ 3,745.19 crore. We also stringent our balance sheet with significant capital and provisioning by setting aside a provision of ₹ 984.8 crore. With this, we continued to build protection against the anticipated stress. This substantial provisioning facilitated us in taking adequate care of maintaining a healthy asset quality.

Healthy ratios

Our average loan to value ratio and instalment-to-income ratio are amongst the lowest in the housing finance industry in India. Our loan-to-value is in the range of 50-60%, as against the regulatory limit of 90% for loans up to ₹ 20 lakh, and 80% for loans above ₹ 20 lakh and up to ₹ 75 lakh, and 75% for loans above ₹ 75 lakh. Our instalment to Net Income ratio on incremental sanction is 29%. Our low average ticket size of the loan of ₹ 25 lakh and pan-India spread of business adequately disperses our risks.

Best recovery mechanism

Further, we have one of the best recovery mechanism in its category to address our non-performing assets (NPAs). By virtue of our robust system recovery vertical, we have a good NPA warrior team and a Special Task Force who do regular follow-ups from back office, corporate office and regional office. The recovery vertical also provides an option for loan restructuring. About 1.5% of our loan portfolio has been restructured by granting them an extension of up to 24 months.

Embedding a future-fit LIC Housing Finance

Through our pervasive and expanding presence, we hope to tap into a large pool of underserved demand for loans, growing from increasing urbanisation, and rising household incomes. The number of growing marketing offices will ensure the company's strong loan book growth, with granularity, dispersion and quality.

We are focusing on entrenching our priorities to stay ahead in the market and to achieve our objective of maximising our long-term intrinsic value. We are creating a strategic positioning that will help us build future value. We are also building our operational excellence as our core competency and our ability to execute our strategy and deliver consistent performance.

We are reputed for our strong business foundation, an extensive distribution network and our proven industry expertise. We are a respected and trusted financial services company, taking pride in having served over 30 lakh prudent home owners. Our growing distribution network and 12,000 market intermediaries helped us with the concept of Feet on Street.

Deepening footprint

Owing to our progressively widening and deepening geographic footprint, we have the ability to service the largest number of customers in the shortest time, translating into a growing customer base across income segments and market cycles. Over the years, we have widened our presence to be proximate to our customers. We invested in an extensive pan-Indian network of 9 Regional Offices, 24 Back Offices and 282 Marketing Offices across India.

Currently, 58% of our loan book is contributed by Tier 2-3 cities, while the remaining 42% comes from Top 7 cities in India. As we deepen our market penetration, we are expanding our business operations further into Tier 3-4 cities, while at the same time focusing on expanding our digital presence. Going forward, we plan to selectively expand our business operations into in Tier 3-4 cities in India.

Unlocking our potential. To unleash yours.

We are known to be the market trendsetters. During the year, we offered the lowest rate of interest at 6.9%. This has been the result of new product innovation, modification in existing products, as well as competitive and best-in-class pricing of product offerings. This resulted in an all-time high disbursement of ₹ 55,000 crore during the year, besides also attracting serious home buyers and a larger segment of customers. The Griha Varishtha scheme launched during the year has been a game-changer – with no parallel in the market.The scheme caters to individuals covered under defined pension benefits. The tenure is till the attainment of 80 years of age or maximum of 30 years, whichever is earlier, under the Defined Benefit Pension Scheme.

Increasing retail disbursement

We are set to increase our retail loan book and grow profitably through our tech-leveraged retail-focused business model. In FY2021, the retail portion in our portfolio book increased 10% to ₹ 2,16,047 crore (77.0%) – up from ₹ 1,96,340 crore (76.9%) in FY2020. The rise in retail disbursement has also impacted our net interest income.

We are also experiencing a change in our customer profile. While 87% of our total portfolio caters to the salaried class with an incremental ticket size of ₹ 25 lakh, the self-employed and those engaged in different professions are also seeking home loans.

We continue to capitalise on the growing demand for ready and under-construction houses. Further, through our Feet on Street scheme, we look for further customer potential through our existing and approved offices in and around the areas to procure increased business. Besides, we are also serving the NRI segment through our representative offices in Dubai and Kuwait, which help us in servicing the increasing needs of an expatriate population in the GCC countries. NRI loans are available for a maximum term of 15 to 20 years with disbursement facility in Indian rupees and repayments in India

Leveraging government schemes

We remain aligned with the Government's larger vision of achieving 'Housing for All by 2022', which is driving us to serve this segment in a sustainable manner, and at the same time, work our way towards achieving this vision. We are also tapping the financing opportunity in the affordable segment as demand for affordable housing is being met with increasing supply. Today, we are the 2nd highest HFC in the affordable housing finance segment, breaking away from the traditional methods of credit assessment and sourcing.

We are also leveraging the Prime Minister Awas Yojana (PMAY) scheme, through Company's Apna Ghar scheme which is about 34% of our current loan book being contributed by this. Since the scheme's inception in 17th June, 2015, customers are eligible for credit-linked subsidy scheme under this scheme since. Our total loan disbursed during the year under PMAY is ₹ 15,443.19 crore disbursed to 68,633 borrowers, making us one of the largest lenders under the Apna Ghar Scheme. Moving forward, we expect this to be a significant growth driver.

Reimagining Digital for distinctive experiences

At LIC Housing Finance, we are constantly and proactively deploying new technologies to improve our efficiency, operational consistency and cost effectiveness, thus creating a strong foundation for future growth. We have made our processes simpler through best-in-class propositions, while continuing to provide them with seamless experiences across channels.

Effective deployment of technology in all aspects of our operations has streamlined our processes and augmented our operating efficiencies. We have developed efficient solutions that enable us to deliver a seamless experience to our customers at every step, right from the application stage to online payment of EMI.
Our key focus on technology has led to acceleration of turnaround time, integration of processes, minimizing duplication of process and enhancing productivity.

Value for everyone, everywhere

To provide the best service possible, we introduced the HOMY app, our official Home Loans mobile app, in February 2020. This is the easiest, fastest, and most convenient way of availing home loans through the online channel. During the year, online home loan approvals through the App amounted to ₹ 2,285 crore.

With the App, a customer can confirm his eligibility for a pre-approved home loan based on KYC and other details. The software can also be used by LIC Housing Finance agents to communicate with the customers and deliver real-time services. They can also set the period of repayment, upload records, and submit the loan application. Besides, they can track their loan application and download the pre-filled application and EMI calculator.

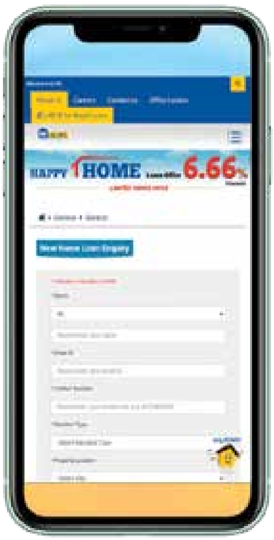
The App is extremely easy to use and offers a wide range of services for prospective customers. It offers maximum simplicity and ease in making the home buying experience hassle-free for the customers. The App has managed to facilitate 51,858 home applications since its launch. Nearly 40,087 of these customers have had their home loans sanctioned. Of these, loans have been disbursed for an amount of ₹ 4,583.73 crore to 23,686 customers.

The HOMY App

₹2,285 crore
Value of Home Loans approved through the App

7-8%
Percentage of Home Loans disbursed through HOMY App

1 Million
Downloads of HOMY App



How does it help

Pre-Application Services	Post Application Services
To get instant loan offers based on eligibility, set duration of repayment, upload documents, and submit loan application	Tracking of loan application and downloading pre-filled application

Project RED to improve efficiencies

We aim to further improve our efficiencies through Project RED. Our key objective is to create value across the entire spectrum of stakeholders including employees, shareholders, business associates, existing and potential customers. We are targeting at bringing about transformational changes by organically linking our work culture, strengthening processes across verticals, deepening customer engagement, and adopting best-in-class technology to build further capacity.

We aim to work towards the ultimate objective of organizing and automating every facet of customer interaction under the project, aimed at improving efficiencies at every level of the organisation and delivering elevated customer experience. The customer response to the project has been massive. We are investing in Project RED with long-term objectives that will generate more stakeholder value and expand geographies, thereby contributing to India's economic growth.

40%
Work currently through digital mode

95%
Plan to increase work through digital mode shortly

Engaging with consultants

We also engaged with Boston Consulting Group as a consultant for the project. Through this, we aim to set up a high-level project implementation group, which will approve and monitor capacity building plans of every constituent in the company. Through this, we also propose to ensure a uniform approach to manage and regulate the entire gamut of our operations through collaboration of all functional departments. This high-level project implementation group is targeted at approving and monitoring capacity building plans of every constituent.

Transformational changes through BCG

- **Video KYC/ENach**
- **Introduction of customer helpline**
- **Deposit holders getting good service**

Awards & Recognition

Felicitated as the "Top Home Loan Provider" by the Times Real Estate Icons West India 2020, conducted by Optimal Media Solutions, a Times Group Company

Featured among Dun & Bradstreet India's list of "India's Top 50 Companies 2020"

Corporate Information

BOARD OF DIRECTORS

M.R. Kumar	:	Chairman
Raj Kumar	:	Director
Jagdish Capoor	:	Director
Dharmendra Bhandari	:	Director
V. K. Kukreja	:	Director
Ameet N. Patel	:	Director
P. Koteswara Rao	:	Director
Kashi Prasad Khandelwal	:	Director
Sanjay Kumar Khemani	:	Director
Akshay Kumar Rout	:	Director
Jagennath Jayanthi	:	Director
Y. Viswanatha Gowd	:	Managing Director & CEO

GENERAL MANAGER (TAXATION) & COMPANY SECRETARY

Nitin K. Jage

SENIOR EXECUTIVES

P Dwivedi	: General Manager (Marketing)
Dipak Kumar Bardoloi	: General Manager (HR, Audit, OS, Estates, Legal & Vigilance)
Deepak Kumar	: General Manager (Accounts)
R. Rajnikanth	: General Manager (Recovery)
Patanjali Dhar	: General Manager (Credit Appraisal)
Meenakshi Kumar	: General Manager (Subsidiary Monitoring & CRM)
Angel Johnson	: General Manager (IT)
Sudipto Sil	: Chief Financial Officer
Purti Y Samant	: Chief Risk Officer
J. P. Tripathi	: Joint General Manager (Credit Appraisal)
K. R. Ramesh	: Joint General Manager (Recovery - Project/NHC)
Sadhana Deshpande	: Joint General Manager (Accounts)
N Mahesh	: Joint General Manager (Marketing, PR & Publicity)
D S Rawat	: Chief Manager (Marketing - Business Development)
Jayshri Waman Wartak	: Chief Manager (Audit)
V Krishna Mohan	: Chief Manager (OS)
J Sangameswar	: Chief Manager (Recovery - Retail)
Hitesh B Talreja	: Chief Manager (IT)
R Murali	: Chief Manager (Recovery - Legal)

REGIONAL MANAGERS

Praveen Kumar	: Central Region
R.C. Khora	: East Central Region
Satyabrata Nayak	: Eastern Region
Gurmel Singh Parmar	: North Central Region
Gajraj Singh Gill	: Northern Region
V C Lathika	: South Central Region
Jaya Prakash Babu D	: South Eastern Region
M Govindaraju	: Southern Region
Subrata Ghoshal	: Western Region, Mumbai

AUDITORS

Joint Statutory Auditors

M/s. M.P. Chitale & Co.,
Chartered Accountants, Mumbai

M/s. Gokhale & Sathe,
Chartered Accountants, Mumbai

BANKERS

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

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENT

Link Intime India Pvt. Ltd.
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083
Phones : 022 - 28515606, 28515644
Fax : (022) 22641349
Email: support@sharexindia.com
Website: http://www.sharexindia.com

CORPORATE OFFICE

131 Maker Tower, "F" Premises,
13th Floor, Cuffe Parade,
Mumbai – 400 005.
Phones: 022-22178600,
22178700 & 22178611
Fax: (022) 22178777
CIN: L65922MH1989PLC052257
Email: lichousing@lichousing.com
Website: www.lichousing.com

DEBENTURE TRUSTEE

Vistra ITCL (India) Limited
Plot C-22, G-Block,
Bandra-Kurla Complex,
Bandra East, Mumbai – 400051.
Phone : 022-26533333
Fax : 022- 26593038
Email: info@ilfsindia.com
Website : www.ilfsindia.com

Axis Trustee Services Ltd.
Axis House, 2nd Floor,
Wadia International Centre,
Pandurang Budhkar Marg,
Worli, Mumbai – 400025.
Phones: 022-24255215 / 24255216
Fax: 022-24254200
Email: debenturetrustee@axistrustee.com
Website: www.axistrustee.com

SBICAP Trustee Company Ltd.
Apeejay House, 6th Floor,
3, Dinshaw Wachha Road,
Churchgate, Mumbai - 400 020.
Phone : 022-43026629
Fax: 022-22040465
Email: neha.bane@sbicaptrustee.com

Catalyst Trusteeship Limited
GDA House, First Floor, Plot No. 85
S. No. 94 & 95, Bhusari Colony (Right),
Kothrud, Pune - 411038
Phone: 022-249220555
Fax: 022-249220505
Website: www.catalysttrustee.com

Date of Annual General Meeting	:	**Monday, 27th September, 2021**
Time	:	**3.00 PM**
Venue	:	Through Video Conference ('VC') / other audio visual means ('OAVM') in compliance with the applicable provisions of The Companies Act, 2013 read with MCA General Circular No. 14/2020, dated 8th April, 2020, MCA General Circular No. 17/2020, dated 13th April, 2020, MCA General Circular No. 20/2020, dated 5th May, 2020; 22/2020 dated 15th June, 2020; 33/2020 dated 28th September, 2020 and 39/2020 dated 31st December, 2020 and Circular No. 10/2021 dated 23rd June, 2021.
Date of E-Voting		
Start Date	:	**24th September, 2021 (09:00 AM)**
End Date	:	**26th September, 2021 (05:00 PM)**

APPEAL TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies through electronic mode. The companies can now send various notices / documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register their e-mail addresses at enotices@linkintime.co.in, in respect of holdings in dematerialized mode with the Depository through their concerned Depository Participants.

Those holding shares in physical forms are requested to send their e-mail address directly to the Company or to Registrar & Transfer Agent where various notices / documents can be send through electronic mode.

Board of Directors

Shri M.R. Kumar

Chairman

Shri M.R. Kumar, took charge as Chairman, LIC of India on 14th March, 2019. He joined LIC of India in 1983 as a Direct Recruit Officer. In a career spanning more than three and a half decades, he has had the unique privilege of heading three Zones of LIC of India, viz, Southern Zone, North Central Zone and Northern Zone, headquartered at Chennai, Kanpur and Delhi, respectively. His rich experience working pan India, in different Zones and in different streams of insurance management has given him a deep insight into the demographics and insurance potential of the country.

He also Chairs the Boards of domestic and international subsidiaries of LIC of India viz. LIC Housing Finance Ltd, LIC Mutual Fund AMC, LIC Pension Fund Ltd, LIC Credit Card Services Ltd, IDBI Bank Ltd as well as the Joint ventures on foreign soil viz. LIC (International) B.S.C.(c), Bahrain, LIC Lanka Ltd, LIC Nepal Ltd and LIC Singapore Pte. Ltd.

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

Shri Raj Kumar

Non-Executive Director

Born in the year 1962, in Nabha Town of Punjab, graduated in Science from DAV College, Jalandhar in 1981, Shri Raj Kumar joined the Corporation as a 13th Batch Direct Recruit in the year 1984. He has put in 37 years of dedicated service in LIC of India.

Presently, he is the Managing Director of Life Insurance Corporation of India. He also holds the following prestigious positions:
- Chairman on the Board of LICHFL Asset Management Co. Ltd.
- Director on the Board of LIC (Lanka) Ltd.
- Trustee of LIC Golden Jubilee Foundation
- Member of the Governing Board of the National Insurance Academy, Pune

He had, also, been the Chairman on the Board of
- LICHFL Care Home Ltd.

Director on the Board of:
- LIC of Bangladesh Ltd., Dhaka
- Rajasthan Financial Corporation, Jaipur
- High Energy Batteries Ltd., Chennai
- Reliance Naval Ltd., Mumbai

He was conferred with "Most Influential Human Resource Officer in Asia"- Awarded by CHRO, Asia in the year 2015-2016.

He has previously handled several significant assignments, in various capacities in LIC of India, such as Chief Executive Officer of LIC Mutual Fund Asset Management Ltd., Zonal Manager of Central Zone, Bhopal, Executive Director of Estate & Office Services, Human Resource Development and International Operations. He has also held additional charge as Director of Management Development Centre, Borivali and Vigilance Department of LIC of India. He was also Chief Public Information Officer and Appellate Authority, under Right to Information, of LIC of India. He has also headed two prestigious divisions of LIC i.e. Gorakhpur and Jaipur.

Shri Raj Kumar has attended various training programmes at IIM-Ahmedabad, ISB-Hyderabad, NIA-Pune, Delhi Productivity Council-Delhi, MDC-Mumbai, Third World Development Centre-Delhi, National Institute of Advance Studies-Bangalore etc.

Shri Raj Kumar is an avid reader and his areas of interest are spirituality, music and science.

Shri Jagdish Capoor

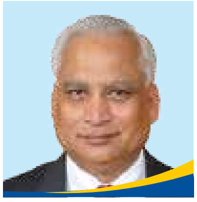
Independent Director

Shri Jagdish Capoor served Reserve Bank of India in various capacities for 39 years and finally retired as Deputy Governor in 2001 after serving in that position for more than four years. During his tenure as Deputy Governor, he was appointed as Chairman of Deposit Insurance and Credit Guarantee Corporation and Chairman of RBI Note Mudran Limited (currency press). These were concurrent charges. He was also appointed on Boards of several banks viz. State Bank of India, Bank of Baroda, National Housing Bank, Exim Bank, National Bank for Agriculture and Rural Development and Infrastructure Development and Finance Co Ltd.

While with RBI, he was deputed to Unit Trust of India to take over as Chairman temporarily for about a year in 1996.

After retirement from RBI, he served as Chairman of HDFC Bank, Agriculture Finance Corporation, Banyan Tree Bank Limited - Mauritius and the Bombay Stock Exchange.

Presently, he is serving on several corporate boards, prominent among them being Manappuram Finance Limited, LIC Housing Finance Limited, HDFC Securities Limited, LIC Pension Fund Limited, LICHFL Trustee Company Limited, and Spandana Sphoorty Financial Limited. He was also a member of the Board of Governors, Indian Institute of Management, Indore and had served the same for more than 10 years.



Dr. Dharmendra Bhandari

Independent Director

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

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

He was also associated with the Department of Supervision for regulation of banks in India, including the overseas operations of Indian Banks and the branches of foreign banks in India, and in setting up market intelligence for surveillance and monitoring of banking system in India. He was also a member of the Central Council of the Institute of Chartered Accountants of India.

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

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

Shri V. K. Kukreja

Independent Director

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

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

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

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

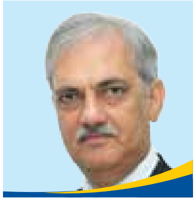
Global exposure: -

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

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

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

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



Shri Ameet N. Patel

Independent Director

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

His core practice consists of tax planning, appeals and representations and Information Technology related issues. Lately, he has been focusing on tax related issues pertaining to the financial services sector – particularly FPIs and also NRIs.

He is a member of the Finance & Taxation Panels of CII's Maharashtra Region. He is also chairman of Taxation Committee of Bombay Chartered Accountants' Society (which is a voluntary body of CAs with about 9,000 members from across India). He headed this organization as its President in the year 2009-10.

He is an independent director and also the chairman of the audit committee of SBM Bank (India) Ltd. as also of Avtar Instalments Private Limited.

He has been actively involved with the activities of the Institute of Chartered Accountants of India and has been a regular speaker at various seminars and conferences organised by the ICAI, BCAS, Assocham, CII, private banks, income-tax department's Regional Training Institutes, Rotary Clubs, private banks such as Kotak Mahindra Bank and other bodies.

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

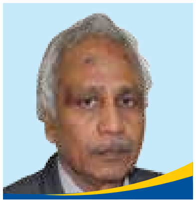
"Calculators to Computers – a Paradigm Shift"

"Shares and Securities - Taxation & Accounting"

"Tax Deduction at Source"

"FAQs on e-TDS"

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



Shri P. Kotewara Rao

Non-Executive Director

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

For a brief period of one year, Shri P Koteswara Rao was General Manager in LIC Housing Finance Limited in charge of Credit Appraisal and Project Finance before moving to LIC of India as Chief (Investment/Operations), Central Office, Mumbai. He had served in the Board of SKS Trust Private Limited as nominee Director for more than three years. His hobbies include reading books. He has attended a programme on Strategic Leadership at Indian School of Business, Hyderabad. Global exposure: Shri P Koteswara Rao participated in training programme on Fixed Income Instruments at Asian Institute of Management, Manila, Philippines. He was one of the speakers in the seminar conducted by Insurance Institute of India on ERM in June 2019 on Risk Management. After retiring from the services of LIC of India as Chief (Investment) on 31st March, 2016, he has joined Insurance Institute of India, Mumbai, as Faculty (life) and continues to be faculty member. He has given faculty support on Insurance subjects, including Regulatory Matters, Investment, Risk Management, etc.

Shri Kashi Prasad Khandelwal

Independent Director

Shri Kashi Prasad Khandelwal is Chartered Accountant by profession for last 43 years. He was appointed as Financial Audit Consultant by World Bank, Washington, USA in August 2010 for the Emergency Monrovia Urban Sanitation (EMUS) Project, funded for Monrovia City Corporation, Govt. of Liberia.

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

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

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

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

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

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

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

Shri Sanjay Kumar Khemani

Non-Independent Director

CA Sanjay Khemani, aged 53 years, is a Practicing Chartered Accountant. He stood first in the Western Region in CA intermediate exam and was all India first in CA final exam and was awarded gold medal and adjudged as the best student of the year. He is also a qualified Company Secretary. He has done his Diploma in System Audit from ICAI and also certification course from ICAI on Forensic Accounting & Fraud Prevention and on Valuation. He is IBBI registered valuer for Securities and Financial Assets class.

He is senior partner of M/s M M Nissim & Co LLP, Chartered Accountants. He is heading the BFSI practice of the Firm since last more than 20 years and have been involved in providing assurance, taxation, risk consultancy, management consultancy services to large public sector as well private sector entities in the BFSI sector. He has also rich experience of conducting forensic audits as well as special monitoring of large projects on behalf of lenders.

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

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

Shri Akshay Kumar Rout

Independent Director

Akshay Rout, 62, completed 38 years of public service in February 2019, when he relinquished charge as Director General in Swachh Bharat Mission, Ministry of Drinking Water and Sanitation, Government of India. He served for 34 years in the Civil Services (Indian Information Service) in a range of commanding positions, after some early years in banking. Akshay Rout is a leader in Communication, social mobilisation, public campaigns and public participation, institution building, training, academic and capacity development and CSR implementation.

As Director General, Akshay Rout contributed to strategy, implementation, communication, and consolidation in Swachh Bharat Mission (deemed as the world's largest) covering about 6 lakh villages and 2.5 lakh Gram Panchayats that has culminated in an Open Defecation Free India. He set out countrywide models of involving crores of Indians, particularly the poor, the weaker sections, the marginalised groups, women, youth and children for a self-empowering sanitation movement that led to better health, higher security, greater dignity, higher livelihood and overall better living conditions.

From 2009 to 2014, as Director General in Election Commission of India, Akshay Rout led initiatives that yielded significant increase in enrolment and record turnout of voters in all elections. Towards this, Rout effectively put together a network of partnerships involving government agencies, civil society, educational institutions, youth outfits, corporate and media organisations. He is associated with interventions like SVEEP (Systematic Voters' Education and Electoral Participation), NVD (National Voters' Day), now acclaimed and adopted worldwide.

Akshay Rout laid the foundation of India International Institute of Democracy and Election Management (IIIDEM), a global knowledge and Resource Centre to meet the critical need for capacity development in election management both at home and abroad; and was its first Director General. He was invited to observe national elections in Mexico, Tanzania, Russia, Australia and South Korea under various international programmes.

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

During 2019-20, Akshay Rout served UNICEF and UNOPS to support India and other national governments in scaling up their safe water and sanitation programmes. He was Senior Adviser with the public sector Indian Renewable Energy Development Agency, IREDA during 2020-2021. He is currently: Visiting Professor at the Central University of Odisha, Senior WASH Adviser (Covid Response), Ministry of Education with UNICEF, and Director on the Board of LIC Housing Finance Limited.

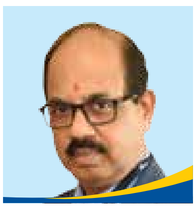
Akshay Rout is a triple Masters: in English literature from Utkal University; in Economics and Management from University of Manchester; and in Public Policy and Sustainable Development from TERI University. He speaks, writes and mentors on sanitation, communication, broadcasting, public participation and elections and democracy. He has co-authored the Swachh Bharat Revolutions: Four Pillars of India's Behaviour Change Transformation, Harper Collins, 2019 and co-authored: Making News, Oxford, 2006.

Akshay Rout is associated with two historic achievement in recent times: the sustained increase in voters' registration and turnout in Indian elections & the fulfilment of the Swachh Bharat Mission - both globally celebrated examples of behaviour change communication.

Ms J. Jayanthi

Independent Director

J Jayanthi started her career as direct recruit officer with The New India Assurance Co Ltd, in the year 1985. She has risen to the rank of General Manager and superannuated in November 2020. She is a Post Graduate in Commerce from University of Madras, ICWAI (Inter) and Fellow of Insurance Institute of India. In her career spanning 35 years, she worked in various places across the country. She was heading a Division as Senior Divisional Manager & as Chief Regional Manager in charge of Large Corporate and Broker Office, Chennai. She handled corporate as well as retail customers besides Brokers. As Deputy General Manager, was in charge of Chennai Regional Office, one of the leading flagship offices of her organisation and on her promotion as General Manager, she was posted to Head Office Mumbai and in charge of various technical departments like Fire, Engineering, Motor, Crop Insurance (PMFBY). During her voyage of over three decades and a half in her career, she handled challenging scenarios and environments, associating with people within and outside the organisation in which she worked with diverse capabilities and culture. Her working style, people orientation, quick decision making & sound technical knowledge has resulted in success in each of her assignments.



Shri Y. Viswanatha Gowd

Managing Director and Chief Executive Officer

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

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

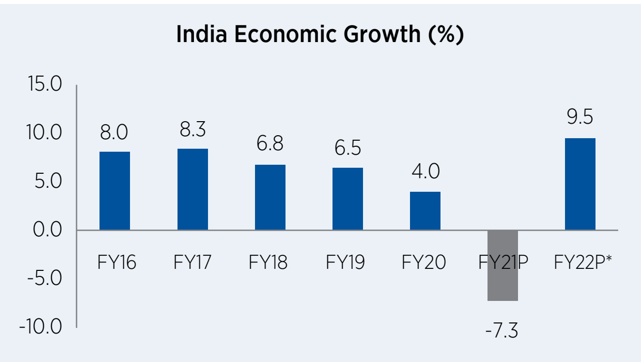
In a career spanning over three decades in LIC of India, Shri Gowd has made his mark in the areas of Marketing, Finance, and Pension & Group schemes. He holds the privilege of heading two divisions of LIC of India viz. Udipi and Dharwad as Senior Divisional Manager.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MACROECONOMIC OUTLOOK

Indian economy faced an unprecedented contraction especially in the mid 2020 due to the outbreak of COVID-19 pandemic and the resultant lockdowns. The economy saw the worst contraction ever of 23.9% YoY in the first quarter of F.Y.2021. However, with the gradual relaxation of mobility restrictions and large fiscal and monetary stimulus announced by the Government, the economic activity showed significant improvement in the second-half of F.Y.2021. This was reflected in improvement in certain key economic indicators like power consumption, inter and intra state mobility, manufacturing capacity utilisation, business expectations and consumer confidence. The growth was further aided by launching the vaccination drive which altogether resulted in the country's progress towards a V-shaped recovery. According to provisional estimates by National Statistical Office (NSO), Indian GDP is estimated to contract by 7.3% in F.Y.2021 as compared to growth of 4.0% in F.Y.2020.

Real economy indicators moderated in April and May 2021, as many states imposed restrictions to arrest the renewed surge in infections. The second wave has intensified in metros/cities, and relative to the first wave, it has spread rapidly across states, regions, and into rural pockets. The Reserve Bank of India (RBI) in its Monetary Policy Committee (MPC) estimated Indian economy to grow by 9.5% in F.Y.2022 on the back of the outbreak of the second wave and its concomitant implications on the overall economy.



Source: National Statistics Office; F.Y.2021 Provisional Estimates dated 31st May, 2021.

*RBI Monetary Policy June 2021.

Headline inflation was elevated for most part of the year led by supply chain disruptions due to the pandemic and spikes in key food prices. Inflation, however, moderated subsequently due to seasonal easing in food prices since December 2020, albeit with an upside push from adverse base effects during February-March 2021. RBI has projected Inflation outlook at 5.1% for F.Y.2022 stating Inflation risks are broadly balanced between better southwest monsoons, buffer stocks, and high global commodity prices. The Monetary Policy Committee (MPC) also decided to continue with the accommodative stance as long as necessary to support growth on a sustainable basis and mitigate the impact of COVID-19.

Outlook

As the second wave of COVID-19 sweeps the country with alarming speed and severity, the re-imposition of lockdowns by several states are likely to temporarily dent the economic activities. Rural demand, that was relatively resilient last year, may get hit this time given a much adverse impact of the second wave on the rural sector. With restrictions and containment measures being localised and targeted, businesses and households have learned to adapt. Consequently, the dent to aggregate demand is expected to be moderate in comparison to a year ago. The rural demand is expected to recover on the prospects of normal monsoon in 2021 by India Meteorological Department. Moreover, RBI would continue to focus on revival in economy by ensuring ample liquidity in the system, providing targeted liquidity support to stressed segments of the economy and safeguarding financial stability.

INDUSTRY OUTLOOK

REAL ESTATE AND HOUSING SECTOR

The Indian Housing sector play a vital role in the economic development of the country. The housing/construction and Real Estate Sector supports more than 350 ancillary industries in the country. Residential Real Estate segment which already witnessing downturn since last few years was on the verge of revival due to systematic structural reforms and policies undertaken such as the implementation of the Real Estate (Regulation and Development) Act (RERA), GST etc. The Indian government's call to provide 'Housing for All' had also brought affordable housing to the limelight, boosting demand for the previously suppressed sector. The gradual recovery that was seen post various reforms came to a standstill in March 2020 due to COVID-19 pandemic. The pandemic led to severe disruption in the real estate sector due to restricted mobility and nationwide lockdown. Even post easing of lockdown, construction activities were stalled due to labour shortage and muted sales. However, the sector has exhibited its resilience particularly in the second half of 2020 as evident from the heightened activities across the cities.

The unprecedented crisis created by COVID-19 outbreak has proven to be yet another turning point for the Indian residential real estate sector. The importance of possessing a physical asset has been felt much more during these challenging times when 'stay at home' and 'stay safe' seem to be the mantras for avoiding infection. Also, with homes now being utilised as workplaces and for online education, the definite need for owning a home has been established.

A few key emerging growth drivers that are likely to shape the future of the Indian residential real estate sector include:

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Key emerging growth drivers

- Need for larger homes: With the forced lockdown and continued WFH and online schooling, people are now eyeing larger homes – even if they have to move to the peripheries to fit their budgets. There is high demand for 2.5 BHK and 3.5 BHK configurations so that the extra space can be converted into a makeshift workspace.

- A rise in demand for Plotted Developments: Self-owned homes (villas or row houses) provide better social distancing compared to the apartments. As a result, demand for plotted developments is on a rise.

- Housing requirements may rise in Tier II-III Cities: There is a rise in reverse migration across the length & breadth of India as the urban residents are looking to remain safe and be with the family. Also, with WFH being the new normal, working professionals can work from their hometowns. As a result, there may be a rise in housing requirements from the Tier II-III cities.

- Embrace Digital: The pandemic increased the pace of digital adoption in real estate. Homebuyers are finding it convenient to do virtual site visits and discussions and come in close contact with the real estate developers only during the final stages. As per Anarock, out of 10 virtual site visits done for prospecting, homebuyers are now physically visiting only the top 3 shortlisted projects. The trend is likely to continue going forward.

- Focus on Affordable-To-Mid-Segment: Affordable-to-mid-segment housing will continue to remain in demand as homebuyers having an appetite for new property purchases will look to rationalise their quantum of investments. Nearly 70% - 75% supply has been in this segment across the top 7 cities of India and that is where, the demand lies as well. Amidst stagnant prices and all time low home loan rates at 6.75-7.0%, the affordability is at all-time best.

- Government Initiative: To address the need for decent rental housing at an affordable rate, the Government has planned Affordable Rental Housing Complexes (ARHCs) for migrant workers/urban poor under Pradhan Mantri Awas Yojana - Urban (PMAY-U). This will provide ease of living to urban migrants/poor in the industrial sector.

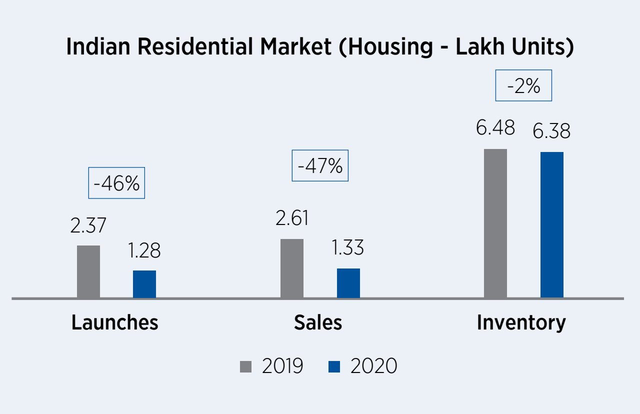
Source: Anarock

Sales momentum in India's top cities

The near stoppage of business activity across all markets because of COVID-19 during Q2 2020 and its phased resumption in a weak economic environment weighed heavily on the sales volume. Construction activity had also been similarly crippled during Q2 2020 due to the lockdown and the sheer exodus of construction workers from the cities to their hometowns. However, workers started returning to the cities from Q3 2020 as construction sites were allowed to resume operations. However, the trend of sales exceeding launches continued in 2020 as well. Around 1.38 lakh units were sold across the top 7 cities of India. While sales declined by 47% in 2020 compared to 2019, it has increased by 72% in Q4 2020 compared to Q3 2020 as India unlocked and activities gained momentum.

New launches

Top 7 cities of India witnessed the lowest launches of this decade during 2020 amid COVID-19 pandemic. Nearly 1.28 lakh units were added in 2020. While the launches declined by 46% in 2020 compared to the previous year, last quarter of 2020 has shown an improvement of 62% on quarter and 2% compared to same period last year, the mid-end segment dominated the launches in 2020 and accounted for nearly 40% of the total supply. The total share of mid-end segment and high-end segment increased from 49% in 2019 to 61% in 2020. Sales exceeding launches during 2020 led to a marginal decline of 2% in unsold inventory compared to the previous year.



Source: Anarock India Residential Real Estate 2020 Annual Round-up.

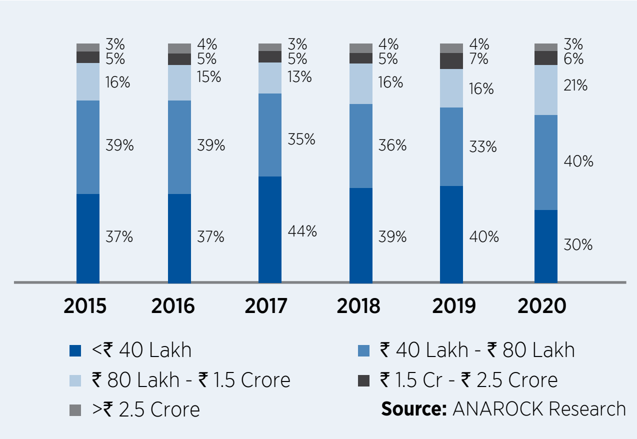
Note: Figures represent the top seven cities of India – Mumbai Metropolitan Region (MMR), NCR-Delhi, Bengaluru, Chennai, Pune, Hyderabad and Kolkata.

Focus on Affordable and mid-segment (Units Price - Affordable: ₹ < 40 Lakh; mid-end: ₹ 40 Lakh - ₹ 80 Lakh)

The share of the affordable segment shrunk to 30% in 2020 from 40% in 2019 due to delay in launching of new projects by developers in this segment as the COVID-19 outbreak impacted the livelihoods of homebuyers targeted for this segment significantly. However, mid-end and high-end segments gained prominence during 2020 and these segments together accounted for 61% of the overall launches, compared to 49% in 2019.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Budget Segmentation of Supply



Source: Anarock India Residential Real Estate 2020 Annual Round-up.

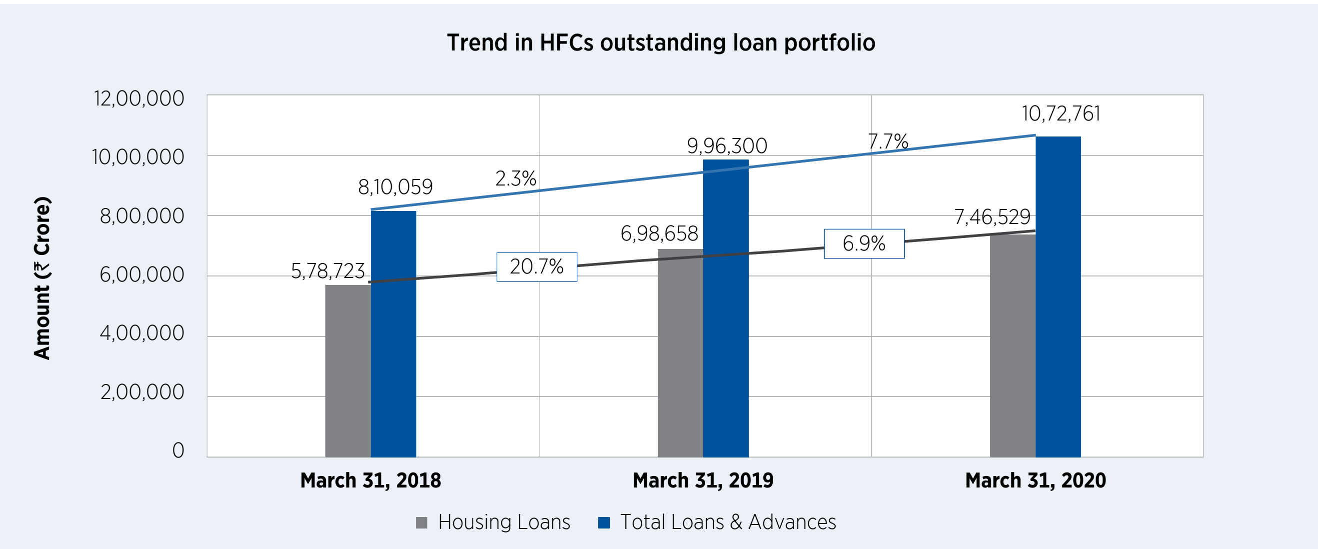
The unprecedented crisis created by COVID-19 outbreak has proven to be yet another turning point for the Indian residential housing sector and is poised to recover in 2021. Developers will continue to focus on completion of existing and delayed projects to reinstate confidence among buyers. Housing demand is expected to remain buoyant in the coming years. Prices have remained range-bound across the cities in the last few years. Despite the rise in demand during second half of 2020, developers have been cautious and preferred to keep prices under check. Prices are likely to remain stable in 2021 as well despite rising cost of inputs as developers may look to keep the demand momentum up and any price hike may deter buyers from taking decisions. However, the emergence of stronger COVID-19 second wave may postpone the recovery in housing sector to second half of F.Y.2022 as various key cities are under partial lockdown, which resulted in slowdown in site visits and footfall.

HOUSING FINANCE INDUSTRY - STRUCTURE & DEVELOPMENT

Housing Finance Companies (HFCs) serves as an alternative financing channel to the real estate and housing sector and are a part of non-banking financial companies (NBFC) sector. The real estate and housing finance sector witnessed moderation in growth post IL&FS crisis in September 2018. However, the sector had started gaining momentum with proactive measures and various initiatives by the Government, RBI and National Housing Bank (NHB). The government, both at center and states, is a facilitator and is assisted by two regulators, RBI and National Housing Bank. The provisions of National Housing Bank Act, 1987 were amended w.e.f. August 09, 2019 pursuant to the Finance Act, 2019 thereby shifting the power to govern Housing Finance Companies (HFCs) from National Housing Bank (NHB) to the Reserve Bank of India (RBI). Consequently, the RBI, on 22nd October, 2020 issued the Regulatory Framework for HFCs. As on 30th June, 2020, there were 101 total registered HFCs operating in India of which 17 were granted Certificate of Registration (CoR) with permission to accept public deposits. Of these 17 HFCs, 6 are required to obtain prior written permission from NHB before accepting any public deposits.

Credit Growth of HFCs

HFCs experienced headwinds in F.Y.2020, with slowdown in credit growth, decline in profitability and deterioration in asset quality primarily on account of the contagion effect of liquidity crisis of September 2018. Combined growth of HFCs and Individual Housing Loan of Banks grew 10% in F.Y.2020 as compared to 16% in F.Y.2019. HFCs' market share of total individual housing loans stood at 34% in F.Y.2020 as compared to 36% in F.Y.2019. Over F.Y.2018 to F.Y.2020, the housing loan portfolio of HFCs grew 18% CAGR to ₹ 7.47 lakh crore as on 31st March, 2020 while the total loan portfolio grew to ₹ 10.73 lakh crore, up 16% CAGR.



Source: NHB

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The HFCs, which were already facing growth moderation and asset quality woes in the wholesale segment, witnessed an even more challenging operating environment in F.Y.2021 due to the COVID-19 induced disruptions. These HFCs not only witnessed slowdown in disbursements and hence moderation in portfolio growth, but also witnessed increased pressure on asset quality in F.Y.2021. The HFC's on-book portfolio growth moderated to 4.3% (excluding the portfolio of one large player, which had sizeable write-offs) in F.Y.2021 from portfolio growth of 6% (Y-o-Y) in F.Y.2020. However, steady growth in disbursements witnessed in the last two quarters of F.Y.2021 driven by gradual pick-up in demand for housing credit providing some hope of incremental growth trajectory.

LOOKING AHEAD

With demand for housing loans picking up during the last two quarters of F.Y.2021, most of the HFCs have already reached near pre-COVID level disbursements to achieve further higher disbursements. Consequently, HFCs are likely to witness a growth rate of 6-8% during F.Y.2021 and 8-10% in F.Y.2022 as per the ICRA Rating agency. ICRA expects HFCs to maintain healthy liquidity in the near-term as most of them are gradually reducing their reliance on short-term funding sources like commercial papers, which has helped improved asset liability mismatches. Moreover, healthy provision cover maintained by most of the entities is expected to provide cushion and protect the profitability from COVID-related asset quality stress in F.Y.2022. While HFCs are expected to regain their profitability and growth trajectory in F.Y.2022, the rising COVID-19 infections and localised lockdowns remain a concern area. Hence, HFCs' ability to maintain the growth momentum and keep slippages under control would be critical for maintaining the credit profile.

Affordable Housing Finance to drive long-term growth

Over the last decade, several new players have emerged in the housing finance space, focusing primarily on the affordable housing segment. As per the latest ICRA report as on February 2021, the total portfolio of the new affordable housing finance companies (AHFC)s in the affordable housing space stood at ₹ 55,061 crore as on 30th September, 2020 and registered a moderate year-on-year (Y-o-Y) growth of 9%. At this current size, AHFCs accounted for around 5% of the overall Indian HFCs market as on 30th September, 2020. Since the segment caters to largely self-employed and middle-to-low income borrowers, the impact of COVID-19 pandemic on earnings and savings could lead to the deferment of home purchases for some time by such borrowers. Thus, the AHFCs portfolio growth is expected at 8-10% in F.Y.2022. The long-term growth outlook for the sector remains positive given the large underserved market, favourable demographic profile, housing shortage and Government support in the form of tax sops and subsidies. As per ICRA, growth of AHFCs is expected to pick up in F.Y.2022 and will remain higher than HFC industry.

Recent Government Initiatives to support housing finance

- ₹ 70,000 crore boost to housing sector and middle income group through extension of Credit Linked Subsidy Scheme for MIG under PMAY(U) upto 31st March, 2021.
- Partial credit guarantee Scheme 2.0 for Liabilities of NBFCs/MFIs was announced in which existing Partial Credit Guarantee Scheme was revamped and was extended to cover the borrowings of lower rated NBFCs, HFCs and other Micro Finance Institutions (MFIs).
- An additional outlay of ₹ 18,000 crore for the urban housing scheme (PMAY-U) in Atmanirbhar 3.0.
- Subsequent to the announcement of Scheme for Affordable Rental Housing Complexes for Migrant Workers and Urban Poor, Union Cabinet gave its approval for developing of Affordable Rental Housing Complexes (AHRCs) for urban migrants / poor as a sub-scheme under Pradhan Mantri Awas Yojana – Urban PMAY(U).
- The Ministry of Housing and Urban Affairs has recommended all the states to consider reducing stamp duty of property transactions in a bid to push real estate activity, generate more revenue and aid economic growth. Consequently, National Real Estate Development Council – Maharashtra announced zero stamp duty on housing sales until 31st December, 2020.
- In March 2020, RBI had announced moratorium on repayment of term loans in order to provide relief to borrowers impacted by the COVID-19 related disruptions. Initially, the moratorium was allowed till May 31 but was subsequently extended by another three months, to 31st August, 2020.
- Special Liquidity Scheme of ₹ 30,000 crore for NBFC/HFC.
- The RBI has extended fresh support under another Special Liquidity Facility-2 (SLF-2) of ₹ 10,000 crore to the NHB for one year to support the housing sector.

Revised Regulatory Framework Issued by RBI to benefit HFCs

The revised regulatory framework for HFCs, issued by RBI in October 2020, aimed at harmonising the regulations between HFCs and NBFCs in a non-disruptive manner.

- The RBI allowed transition time till 31st March, 2024 to the existing registered HFCs to continue the business as HFCs to fulfil the asset-based criteria of (a) minimum percentage of total assets towards housing finance to be 50% by 31st March, 2022, 55% by 31st March, 2023 and 60% by 31st March, 2024, and (b) minimum percentage of total assets towards housing finance for individuals to be 40%

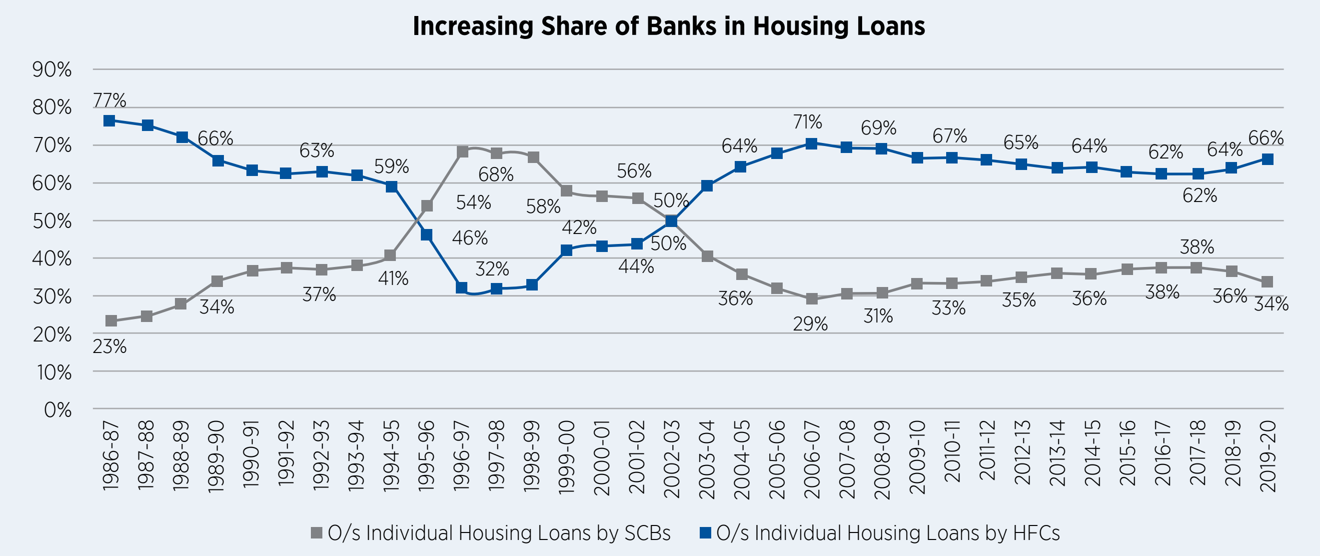
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

by 31st March, 2022, 45% by 31st March, 2023 and 50% by 31st March, 2024.

- HFCs were required to reduce total borrowings to 12x of their Net Owned Funds (NOF) and increase Capital Adequacy Requirement (CAR) to 15% in phased manner by 31st March, 2022.
- RBI has maintained the minimum NOF for HFCs at ₹ 20 crore. For existing HFCs, the timeline continues to be ₹ 15 crore by 31st March, 2022 and ₹ 20 crore by 31st March, 2023.

COMPETITION

Over fiscals 2018-19, HFCs' share in home loans outstanding increased. However, starting F.Y.2019, the trend reversed with banks growing faster than HFCs due to the NBFC crisis and liquidity issues faced by HFCs. In the backdrop of overall economic scenario, the housing finance sector witnessed a moderation in growth during F.Y.2019-20. The pace of growth of banks remained higher than that of HFCs, partly supported by portfolio buyouts, leading to increase in their market share of Individual Housing Loan to 66% as compared to HFCs' share of 34%. This shows the rising competition from the banks.



Source: NHB

PE investments

The past few years have witnessed the emergence of private equity (PE) funds and institutional investors pumping money in construction finance through structured deals and mezzanine financing, while NBFCs are selective with quality and liquidity of assets they are investing in. The sustained caution among NBFCs of which HFCs are also part of, with their exposure to real estate, have provided private equity players a robust pipeline of real estate project financing transactions. Driven by increasing transparency and returns, there's a surge in private investment in the sector.

According to Knight Frank, Private Equity (PE) investments in real estate sector reached US$ 4.06 billion in 2020, a decline of 40% YoY. Private equity investments in 2019 stood at nearly US$ 6.8 billion. The decline is mainly due to slowdown in overall PE investment in 2020 because of the COVID-19 pandemic. Out of the total PE investment, US$ 2.64 billion (64% of annual investments) came in the last quarter of 2020. A likely recovery of economy, improving trade relations, policy support and progress on the vaccination front, are the key factors which would drive the sentiment henceforth. The resultant push in PE investment could lead to US$ 6 billion in 2021 as per IBEF Report on real estate. Over the years, most HFCs, NBFCs have announced their strategy to reduce their wholesale exposure. Going ahead, this will open up opportunistic investments for private equity funds.

OPPORTUNITIES

The mortgage penetration in India is substantially low as compared to the developed and developing nations, leaving huge scope for growth in demand for housing loans. Mortgage penetration although lower in India is improving due to ease of financing, tax incentives and widening reach of financiers. RBI slashing the key lending rate as well as all-time low-interest rates have spurred many home-buyers to explore investment in purchasing house. Home loan trends and Government initiatives to revive the sector are acting as growth drivers to India's real estate sector to help it recover faster and emerge stronger.

The current crisis has also exposed the financial services industry to new ways of working. COVID-19 is likely to be an accelerator for digital adoption in lending space. Lenders are seen to

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

be working towards strengthening of their digital platforms across the lending value chain. The HFCs are also expected to revisit product offerings and consider changes in the current operating model. In case 'Reverse migration' happens, it may create housing demand in Tier II & Tier III cities. Besides offering new business opportunities, it will also help in reduction of geographical risk in the portfolio of the HFCs as the HFCs expand their coverage of business.

Post the transfer of regulation of HFCs to RBI, HFCs are to be treated as one of the categories NBFCs for regulatory purposes. This regulatory convergence will provide level playing field to HFCs and NBFCs, discouraging or eliminating scope for regulatory arbitrage and hence will benefit the HFCs.

BENEFITS OF BUYING PROPERTY

1) Tax Benefit

Tax deduction on home loan repayment of principal amount can be claimed under Section 80C with a limit of ₹ 1.5 lakh per annum – stamp duty and registration charges can also be claimed under Section 80C. However, it needs to be claimed in the year in which these expenses are paid. Furthermore, one can claim tax deduction under Section 24 of up to ₹ 2 lakh on home loan interest, whereas first time home owners can also claim additional deduction of upto ₹ 50,000 under Section 80EE.

The income tax deduction limit on interest paid on loans taken for affordable housing was increased from ₹ 2 lakh to ₹ 3.5 lakh per annum for self-occupied property valued under ₹ 45 lakh in the Union Budget 2019-20. In Union Budget 2021-22, the additional deduction of ₹ 1.5 lakh, over and above the existing ₹ 2 lakh, provided under the Section 80EEA has been extended by one more year till 31st March, 2022.

2) A good investment option

If a person buys property, good returns are guaranteed, whereas there is no value for the money if one pays each month as rent.

3) Security

Having a roof over one's head is a basic necessity for any human being and hence, owning a house provides lifetime security.

THREATS (BOTTLENECKS)

Over the past two years, the HFCs have been subjected to stress due to multiple adverse issues which have impacted their liquidity position and profitability of varying levels across the market. The COVID-19 induced lockdown has impacted the HFCs up to a great extent and is further likely to pose several challenges for the sector. These challenges can be broadly classified into following categories:

- **Asset Liability Mismatch:** HFCs had excessively used the short-term funding route and raised funds through commercial papers (CPs) and short-term non-convertible debentures (NCDs) in last few years. As these companies were raising money through short-term debt and were lending credit to longer-term projects, it led to asset liability mismatches and liquidity issues, given the impending maturity of CPs and NCDs.

- **Cost of Capital:** Funding of long dated assets with short-term liabilities leading to an asset liability mismatch and defaults by certain players has impacted the fund flow to the sector and resulted, interalia, in rising cost of capital.

- **Deterioration in Asset Quality:** Increasing exposure to non-housing loans had a dampening effect on the asset quality of HFCs. With the economic slowdown, coupled with stalled projects in the real estate space, the asset quality of HFCs particularly in the builder loan portfolio will be a cause of concern. Given the cash flow stress faced by the borrowers, the overdues of HFCs have increased in F.Y.2021 as reflected by proforma GNPAs of around 2.7% as on 31st December, 2020 as compared to reported GNPA of 2.4% as on 31st March, 2020. ICRA estimates the reported GNPAs for F.Y.2021 to be higher by 50-100 basis points, compared to F.Y.2020, and the same to remain elevated in F.Y.2022 as well.

- **Profitability under pressure:** With lower interest income getting booked and prices remain stagnant for past few years, the revenue is already under stress among the HFCs. Coupled with this, is the additional provisioning due to the COVID-19 moratorium benefit cases, restructuring benefit cases and an increase in the Non-Performing Assets (NPA) across the board. Overall, this leads to complete stress in maintaining the bottom-line numbers.

Stress Points in HFCs

- Cost overruns due to the unavailability of labour on account of pandemic-induced restrictions, and delayed investments by buyers in the affordable housing sector.

- Huge housing inventory pile-up coupled with refinancing risks faced by realtors and stress in the SME sector.

- Volatility in the interest rates that could enhance the interest rate risk and disrupt the sustainability of margin of HFCs.

- Macro-economic factors including resurgence of COVID-19 and subsequent impact on employment will remain a potential challenge to HFCs in adjusting to delay and defaults on repayment commitments.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- Competitive advantage of Bank to approach their regular customers by offering lower interest rates than HFCs and zero processing fee.

OUTLOOK

The housing finance industry has grown at a healthy pace in the past few years, supported by growing demand from increasing population owing to economic and social development, the Government's consistent focus on promoting housing and a benign regulatory environment encouraging growth. Favourable industry dynamics, such as a growing population, low mortgage penetration, rising affordability and the increasing nuclearisation of families, also contributed to the loan book growth of HFCs in the past decade.

However, the low consumer confidence owing to economic slowdown on account of COVID-19 is expected to impact the off-take of home loans, thereby affecting the loan books of HFCs and Banks. The insecurities arising out of job losses, salary cuts and other uncertainties is expected to further shrink the demand for residential real estate. The under construction housing projects have also got impacted because of labour migration and lockdowns, which delayed project execution, completion and sales, and has further impacted the cash flow of this segment. Prolonged COVID-19 led slow down might impact the Company negatively on multiple fronts i.e. liquidity, asset quality, loan growth etc.

Affordable housing and mid-price houses to gain momentum

According to provisional data by Prop Equity, sales or absorption of housing units rose by 21% across top 7 cities to 1,05,183 units during the quarter ending March 2021 versus 87,236 units in quarter ending March 2020. However, the new supply or launches of housing units declined 40% YoY to 59,737 units in the same quarter. During the quarter, higher demand was witnessed in ready to move in units and the projects nearing completion.

Under residential units, the affordable housing and mid-price houses are expected to witness better demand and early recovery as against units with high ticket size especially with continuation of credit linked subsidy scheme by Government. New project launches in the industry are to be impacted during the ongoing F.Y. as developers focus on completion of under-construction properties and clearing their existing inventories. Moreover, restricted lending by banks and other financial institutions will also deter developers from announcing new projects.

Factors affecting growth

The business growth and key performance parameters – asset quality, solvency, liquidity, earnings of HFCs are expected to be muted, particularly in the short term, and recovery be contingent on the overall economic turnaround. The likely loss of livelihoods and a reduction in income, especially for self-employed borrowers engaged in non-essential services, are likely to impact income and hence, the asset quality of retail home loans as well.

HFCs' core strengths to be the key

Going ahead, HFCs remain better placed in the overall lending space, however, are poised to witness some asset quality pressure in the near term. On the asset side, high-yielding products such as builder and Loan against Property (LAP) loans will be replaced to some extent, by relatively lower yield products like affordable housing loans and home loans to self-employed customers. On the liability side, as players reduce their reliance on short-term borrowings, the cost of borrowings is expected to rise. These two factors are expected to result in lower NIMs for HFCs. As traditional borrowing routes of term lending from banks and capital market borrowings shrunk, HFCs had to switch to loan securitisation, which witnessed an unprecedented rise in F.Y.2019 and F.Y.2020, to manage liquidity and ALM challenges.

According to ICRA, the adoption of the co-lending model with Bank could offset some of the HFC's concerns over the medium term viz. ability to manage asset quality and liquidity, reshape their balance sheets and co-exist with banks will largely determine their sustenance over the medium-to-long term.

Migration of people to their hometowns in Tier II and Tier III cities due to the current pandemic has also created a huge opportunity in terms of potential demand for affordable housing in such cities. With an aim to further boost buyer sentiment and reduce the overall cost of purchase for buyers, some states have also announced reductions in stamp duty. While the muted price growth, lower interest rate along with several other factors, has increased housing affordability in India to a great extent. However, low yields might be detrimental to the investor spirit and impact the foreign investment volume in the country, especially from the NRI segment.

While most homebuyers are expected to adopt a wait and watch stance till the situation tends towards normalcy, the fundamental demand for housing in India is likely to continue to be strong on factors such as Government thrust on affordable housing, favourable demographics, urbanisation, improving affordability etc. Further, timely measures announced by GoI and RBI are expected to alleviate the housing and housing finance sector thereby easing pressure and making funds available for distressed segments.

SEGMENT-WISE REPORTING

Segment has been identified in line with the Accounting Standard on segment reporting, taking into account the organisation structure as well as the differential risk and returns

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

of these segments. LIC Housing Finance Ltd. (the Company / LICHFL) is exclusively engaged in the Housing Finance business and revenues are mainly derived from this activity.

RISKS AND CONCERNS

Risk management is an integral part of the Company. The risk management measures broadly include risk assessment, risk catalogue, risk appetite framework, risk planning, risk culture, internal controls and good governance. The Company clearly defines risk appetite, functional policies and key risk indicators (KRIs) to explicitly define the level and nature of risk that it is willing to take. The Company has a risk management structure that proactively identifies the risks, implementing robust risk mitigation measures and continuous review of the same.

An effective risk management is a crucial and strategic tool for the Company's performance as housing finance company has been exposed to various kinds and degrees of risks. The Board has delegated the responsibility of risk management to its risk management committee (RMC), which reviews the efficacy of our risk management framework, provides important oversight and assesses whether it is consistent with the risk tolerance levels as laid down.

The key risks associated with a HFCs' business are credit risk, interest rate & market risk, liquidity risk and operational risk. Over the years under operation, LICHFL has created a robust business planning and processes to mitigate risks arises from any adverse liquidity situations, interest rate and currency fluctuations by using tools such as time-bucket wise liquidity statements, duration gap and forex exposure reports. In order to safeguard and mitigate any adverse movements in liquidity, interest rates and exchange rates, the Company takes continuous optimisation of asset liability management function. The prudent process ensures that Net Interest Income (NII) is not adversely affected irrespective of adverse changes in the above risks as far as possible.

Some of the major associated risks and mitigations have been discussed as follows:

1. Credit Risk

Credit risk is the risk of default on a debt that may arise from a borrower failing to make required payments of principal or interest amount to the lender. Lenders are exposed to default risk in virtually all forms of credit extensions. The loan is classified as Non-Performing Asset (NPA) in the Company's books, if the customer is not able to settle the dues within 90 days of due date.

Standardised credit approval process including a comprehensive credit risk assessment is in place, which encompasses analysis of relevant quantitative and qualitative information to ascertain the creditworthiness of the borrower. The loans are disbursed in the lump sum, based on progress of construction of the security etc. and recovered in Equated Monthly Instalments (EMIs). the Company on an ongoing basis conducts a dynamic and static analysis of data and portfolio, identify trends and red flags where actions are required and take corrective actions on the basis of data analytics output.

The Company has in place Standard Operating Procedure (SOP) document, which clearly defines the due-diligence guidelines including credit appraisal, legal appraisal, technical appraisal, verification, valuation, documentation etc. The SOP is reviewed on a regular basis and updated if required based on the learnings and industry developments.

2. Market Risk

Market risk is the risk of a decrease in the value of the Company's assets held for trading or an increase in the value of its liabilities held for trading, due to fluctuations in interest rates, credit spreads, external factors or prices in the market where the assets and liabilities are traded. The balance sheet items like housing loans at floating rate, loans to developers at floating rate, Non-Convertible Debentures (NCDs) with options, bank loans with option, foreign currency bank loans, coupon swaps, etc. are exposed to market risks. This risk can be divided into following two types:

i. Interest Rate Risk

Interest rate risk refers to fluctuations in the Company's net interest income and the value of its assets and liabilities due to adverse movement in the interest rates viz. hardening or softening of interest rates by market forces or by RBI intervention. The risks could be higher interest cost on the liabilities or reduced interest yields on the assets. Maturity mis-matches or re-pricing of assets and liabilities are the frequently occurred events in the lending business, which constitute additional risks.

The Company on a regular basis tracks, the composition and pricing of assets and liabilities, which helps in mitigating this risk. In addition, the Company's Asset Liability Committee (ALCO) Committee actively review the interest rate scenario and monitors the ALM position to undertake appropriate actions whenever required.

ii. Liquidity Risk

It is the risk of insufficient liquid assets or limited access to finance market to meet contractual maturities of liabilities, regulatory requirements or the investment needs of the Company. In addition,

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the finance company need to have enough liquidity at any point of time to manage redemptions, higher than expected disbursals, operational expenses etc. Some external factors such as CRR hike, higher government borrowing programme and advance tax outflows, etc. could also impact the liquidity of the Company. At the same time, any excess liquidity is also detrimental for the business.

With the deep understanding of the market conditions gained through decades of experience, the Company follows a prudent policy on the management of its fund flow activities, assets and liabilities. The management also defines all parameters in terms of maintaining liquid investments to cater to immediate liquidity requirements. The Company's borrowing plan is dependent on the market liquidity conditions and business requirements on evolving basis. Also, the Company's well-diversified pool of resources strives to optimise its borrowings between short-term and long-term debt to mitigate such risks.

3. Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Any breach in processes or systems and people may result in capital, financial and reputational damage. LICHFL's operational and financial growth could have an adverse impact, if it is unable to successfully implement its operational controls.

The Company has sound internal control systems and regular monitoring mechanisms in place to ensure effective business operations and adequacy of controls. In addition, the Company has stringent MIS reporting structures to manage such risks. In October 2020, the Company launched Project RED – with an aim to organise and automate every facet of customer interaction to deliver elevated customer experience. To be implemented over the next 21 months, this digital transformative initiative is expected to bring transformational changes by organically linking LICHFL's work culture, strengthening processes across all verticals, deepen customer engagement and adopting the best-in-class technology to build capacity.

The operational risks can be sub divided into the following categories:

i. Compliance risk

LICHFL, being a housing finance company, requires to deal with various compliances framed by several regulators, government bodies, associations etc. Inability of the Company to comply with the ever evolving rules and regulation may impact business operations and financials. As the Company is regulated by NHB and RBI, registered with ROC and its equity shares are listed on the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and the Luxembourg Stock Exchange, it is imperative for the Company to follow all the applicable laws. To ensure all compliances, the Company's designated Compliance Officer takes utmost care of all the requirements on an on-going basis.

ii. Legal risk

It is the cost of litigation due to cases arising out of lack of legal due diligence. The lending nature of the business involves entering into many legal agreements to safeguard their interest. Any omission, negligence, fraud or misdeed in legal due diligence or any other legal processes may cause legal risk. The Company's primary business being lending money for/against mortgage loans, is also exposed to such legal risks. The Company has high expertise and dedicated legal and technical team having significant experience in the sector. Competent legal team ensures effective monitoring of vigorous legal processes and systems for title verification and legal appraisal of all the loan documents. The Company also has well defined standards of customer delivery and the operational mechanism to adhere to such standards aimed at minimum instances of customers' grievances.

4. Regulatory Risk

The Company's operations are governed by various regulatory and governing bodies. Inability of the Company to comply with the ever-evolving rules and regulation may impact business continuity. To mitigate these risks, the Company rigorously reviews and manages all the changes/directives/rules issued or expected to be issues by various such bodies' viz. NHB, SEBI, RBI etc. and amend their operations and systems from time to time as required.

5. Competition Risk

Lucrative growth prospects of the highly fragmented housing finance market poses threat from competitors, which may result in loss of revenue or lower market share. Housing finance industry is growing very rapidly due to economic growth, increased urbanisation, government incentives, acceptability of credit in society and rise in nuclear families, for which it is bound to attract many new players.

With a strong track record of positive ALM and lower NPA, the Company has created a unique reputation in the market it operates. In order to mitigate risk, the Company continues to focus on customer-centricity,

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

utilisation of state-of-the-art infrastructure facilities, including IT interfaces and effective marketing strategies. Due to a long-standing position in the industry and agile team across the verticals, the Company always strives to stay ahead with improved product offerings, prices and customer service.

ASSET LIABILITY MANAGEMENT

The Company abides by 'The Asset Liability Management System for Housing Finance Companies – Guidelines' issued by NHB. The Company has a Board-approved Asset and Liability Management (ALM) policy. The policy specifies the prudential gap limits and the tolerance limits and the reporting mechanism. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Management reports are periodically reviewed by Asset Liability Committee (ALCO) and ALCO in turn apprises the Board on ALM issues periodically.

The average loan to value in respect of the retail loans is in the range of 50-60% (as against the regulatory limit of 90% for loans up to ₹ 30 lakh and 80% for loans above ₹ 30 lakh and up to ₹ 75 lakh and 75% for loans above ₹ 75 lakh) and its instalment to income ratio is 32.18%, both being amongst the lower ones in the industry. The low average ticket size of the loan of ₹ 20.27 lakh and pan-India spread of business, adequately disperses the risk.

The Company has one of the best recovery machineries in its category to address NPAs, supported by legislations such as SARFAESI Act.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

LICHFL has put in place adequate system of internal controls commensurate with its size and the nature of its operations. The Company follows stringent procedures, systems, policies and processes to ensure accuracy in recording financial information, safeguarding asset from unauthorised use, prevention and detection of frauds and errors, completeness of accounting records, timely preparation of reliable financial information and compliance with statutes and laws. Regular internal audits and checks ensure that responsibilities are executed effectively. Reports of the internal auditors are regularly reviewed by the management and corrective actions are initiated to strengthen the controls and enhance the effectiveness of the existing systems. Summaries of the reports and actions taken are presented to the Audit Committee of the Board.

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

The Company's borrowing is planned taking into consideration ALM gaps, interest rate mismatches and the prevailing market conditions. LIC Housing Finance has got highest rating for bank borrowings, non-convertible debentures, commercial paper and public deposit scheme from CRISIL / CARE rating agencies, which has helped the Company to procure funds at very competitive rates.

The prime lending rate of the Company is regularly reviewed and revised as it is a benchmark for asset pricing. Since around 97% of the asset portfolio is on the floating rate, the Company re-prices the loan assets consequent upon the revision in prime lending rate of the Company at specified intervals.

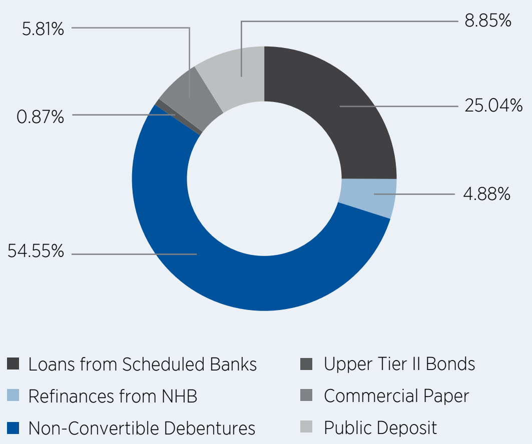
The Company also reviews the fund position on daily basis and parks surplus funds in liquid mutual fund schemes, fixed deposits as per the Board approved policy with an objective of reducing the negative carry to the extent possible.

The derivative contracts selectively entered into by the Company to manage risks associated with interest rate movement are regularly monitored and the Company unwinds such transaction at the appropriate time.

The composition of outstanding borrowings as on 31st March, 2021 & the ratings assigned by rating agencies is as under:

Particulars	Percent to total Borrowing	Rating
Loans from Scheduled Banks	25.04%	CRISIL AAA/Stable & CRISIL A1+
Refinances from NHB	4.88%	-
Non-Convertible Debentures	54.55%	CRISIL AAA/Stable & CARE AAA Stable
Upper Tier II Bonds	0.87%	CRISIL AAA/Stable & CARE AAA Stable
Commercial Paper	5.81%	CRISIL A1+ & ICRA A1+
Public Deposit	8.85%	FAAA (Stable)
Total	100.00%	

Composition of Borrowings as on 31st March, 2021



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

BASIS OF PREPARATION OF IND-AS FINANCIAL STATEMENTS

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Standalone Financial Statements as per the Indian Accounting Standards ('IND AS') prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended with effect from 1st April, 2017. Accordingly, the Company has prepared these Standalone Financial Statements, which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2021 and accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements" or "Financial Statements").

The Standalone Financial Statements have been prepared on the historical cost basis except for certain financial instruments and certain employee benefit assets, which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which any market participant would have taken into account while pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised within the fair value hierarchy into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability. The financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest Crore except when otherwise stated.

PERFORMANCE / OPERATION HIGHLIGHTS

During the year, the Company sanctioned ₹ 64,965.98 crore, as against ₹ 48,498.71 crore in the year before and disbursed ₹ 55,223.16 crore, as against ₹ 44,318.00 crore in the year before, registering an increase by 33.95% in sanctions and an increase by 24.61% in disbursements over the last year. The growth is despite lockdown, as a result of widespread pandemic-COVID-19. For the year ended 31st March, 2021, the Company's revenue from operations was ₹ 19,847.15 crore as against ₹ 19,696.69 crore in the previous year. Gross profit before tax for year ended 31st March, 2021 was ₹ 3,348.57 crore when compared to ₹ 3,268.99 crore of the previous year, showing a growth of 2.43% over the previous F.Y. Net Profit after tax for the year ended 31st March, 2021 was ₹ 2,734.34 crore as against ₹ 2,401.84 crore during the same period last year, resulting into a growth by 13.84%. The outstanding loan portfolio grew by 10.17% to ₹ 2,32,013.80 crore as on 31st March, 2021 as against ₹ 2,10,600.42 crore as on 31st March, 2020.

KEY ELEMENTS OF STATEMENTS OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2021

- The Revenue from operations amounted to ₹ 19,847.15 crore as on 31st March, 2021 as against ₹ 19,696.69 crore on 31st March, 2020 which resembles a growth of 0.76%.
- Net profit before tax for year ended 31st March, 2021 was ₹ 3,348.57 crore as against ₹ 3,268.99 crore of the previous year. Net interest margin for the year was 2.37%.
- Tax provision for the year amounted to ₹ 958.00 crore as compared to ₹ 828.98 crore in the previous year.
- The Net Interest Income grew by 8.13% over the previous year and stood at ₹ 5,070.05 crore on 31st March, 2021, as against ₹ 4,688.96 crore on 31st March, 2021.
- For the year ended 31st March, 2021, dividend @ 425% is being recommended as against dividend @ 400% in the previous year.

IMPAIRMENT ASSESSMENT

The references below show the Company's impairment assessment and measurement approach. It should be read in conjunction with the Summary of significant accounting policies.

The Company applies general approach to measure for credit losses prescribed by Ind AS 109, which provide to recognise 12-months expected credit losses where credit risk has not increased significantly since initial recognition and to recognise lifetime expected credit losses for financial instruments for which there have been significant increase in credit risk since initial recognition considering all reasonable and supportable information, including that is forward-looking.

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DEFINITION OF DEFAULT

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on his contractual obligations.

The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses and the calculation and presentation of interest revenue.

Stage-wise Categorisation of Loan Assets

The Company categorises loan assets into stages based on the Days Past Due status:

- Stage 1 [0-30 days Past Due]: It represents exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. The Company uses the same criteria mentioned in the standard and assumes that when the days past due exceeds '30 days', the risk of default has increased significantly. Therefore, for those loans for which the days past due is less than 30 days, the Company recognises as a collective provision, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months.

- Stage 2 [31-90 days Past Due]: The Company collectively assesses ECL on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Company recognises as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset).

- Stage 3 [More than 90 days Past Due]: The Company identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events, that have a detrimental impact on the estimated future cash flows of that asset, have occurred. The Company uses the same criteria mentioned in the Standard and assumes that when the days past due exceeds '90 days', the default has occurred.

RETAIL LOANS:

As at 31st March, 2021, the loan book of the Company constituted of 93.12% of retail portfolio. Depending on the nature of the financial instruments and the credit risk information available for particular groups of financial instruments, an entity may not be able to identify significant changes in credit risk for individual financial instruments before the financial instrument becomes past due. In case of retail loans, the financial instruments are backed by sufficient margin of underlying security which absorbs the associated risks. Hence, the Company has performed the assessment of significant increase in credit risk on a collective basis for retail loans by considering information that is indicative of significant increase in credit risk on groups of financial instruments.

For the purpose of determining significant increase in credit risk and recognising loss allowance on a collective basis, the Company has grouped financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increase in credit risk identified on a timely basis.

PROJECT LOANS:

As at 31st March, 2021, the loan book constituted 6.88% project portfolio. Project loans are far less in number compared to mortgage loans and more in terms of value per loan. The loans are also credit rated internally. However, the Company does not have any history of the loan transitioning from one rating to the other over a fairly long period of time to arrive at a reliable transition matrix. The Company has used transition matrix compiled and published by a premier rating agency in India for arriving default rate.

Accordingly, loans have been identified into different groups as given below:

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

(₹ in Crore)

	Stage 1		Stage 2		Stage 3		Total	
	Outstanding Balance	Impairment Loss	Outstanding Balance	Impairment Loss	Outstanding Balance	Impairment Loss	Outstanding Balance	Impairment Loss
As at 31st March, 2021	2,08,018.16	117.16	14,336.50	37.17	9,659.13	3,745.19	2,32,013.80	3,899.53
As at 31st March, 2020	1,94,678.78	0.10	9,605.48	0.15	6,316.16	2,612.20	2,10,600.42	2,612.45
As at 31st March, 2019	1,83,135.46	23.91	8,564.12	111.53	2,952.64	1,524.04	1,94,652.22	1,659.48

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ECL MODEL AND ASSUMPTIONS CONSIDERED IN THE ECL MODEL

The Company has used Markov chain model for estimating the probability of default on retail loans. In a Markov chain model for loans receivable, an account moves through different delinquency states each quarter. For example, an account in the "Regular" state this quarter will continue to be in the "Regular" state next month if a payment is made by the due date and will be in the "90 days past due" state if no payment is received during that quarter. Another valuable feature is that the Markov chain model maintains the progression and timing of events in the path from "Regular" to "Defaulted". For example, an account in the "Regular" state doesn't suddenly become "Defaulted". Instead, an account must progress monthly from the "Regular" state to the "90 days past due" state to the "180 days past due" state and so on until foreclosure activities are completed and the collateral assets are sold to pay the outstanding debt.

The transition matrix in the Markov chain represents the period-by-period movement of receivables between delinquency classifications or states. The transition evaluates loan quality or loan collection practice. The matrix elements are commonly referred to as "roll-rates" since they denote the probability that an account will move from one state to another in one period. The transition matrix is referred to as the "delinquency movement matrix".

The loan portfolio for the past several quarters are analysed to arrive at the transition matrix. Each loan is traced to find out how the loan has performed over the last several quarters. The days past due is grouped into 6 buckets namely Regular [0 days past due], 1 to 90 days past due, 91 to 180 days past due, 181 to 270 days past due, 271 to 365 days past due and above 365 days past due. In a subsequent quarter, the loan may continue to remain in the same bucket or move into the next bucket or previous bucket depending upon the repayments made by the customer. The bucket intervals are 90 days and the data points considered are also quarterly. The occurrences of every loan over the past several quarters are considered to arrive at the total transitions happening from different buckets in the previous quarter to different buckets in the current quarter. The Company has considered the quarterly loan performance data starting from the quarter ending 30th June, 2013 onwards to compute the transition matrix. The total number of such transition occurrences is converted as a percentage to arrive at the transition matrix.

The Company has used transition matrix, compiled and published by a premier rating agency in India for arriving default rate for Project loans since the Company do not have any history of the loan transitioning from one rating to the other over a fairly long period of time to arrive at a reliable transition matrix. Accordingly, the transition matrix is computed using matrix multiplication.

Probability of Default

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

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

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

Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

The probability of default (PD) of a loan which is less than 30 days past due [Stage 1] is represented by the one-year transition matrix. This PD is used to measure the quantum of the loan that is likely to move into the buckets 90 days past due and above over the next 12 months. The PD of a loan which is 30 days past due and less than 90 days past due [Stage 2] is represented by the transition matrix of the corresponding maturity period of the loan. This PD is used to measure the quantum of the loan that is likely to move into the buckets 90 days past due and above, over the remaining life of the loan. The PD of a loan which is 90 days past due [Stage 3] is 100% as the loan has already defaulted. This PD is used to measure the quantum of the loan that is defaulted as on the valuation date over the remaining life of the loan.

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Loss given at default

Value of collateral property: The loans are secured by the adequate property. The property value for those loans which are over 90 days past due are regularly updated. The present value of such collateral property should be considered while calculating the Expected Credit Loss. The Company initiates the recovery process of NPA accounts, within the statutory time limit as per SARFAESI and other applicable laws and accordingly, the realisable period has been considered for computing the Present Value of Collateral.

ASSET LIABILITY MANAGEMENT (ALM)

All assets and liabilities are categorised into various time-period categories in accordance with contracted maturities or anticipated re-pricing date.

Housing Finance being the Company's core business, maintaining the liquidity for meeting the growth perspective in the business as also to honour its committed repayments, is the fundamental objective of the Asset Liability Management (ALM) framework. Investment being the Company's ancillary activity is derived of this ALM requirement and it is imperative to constantly monitor the liquidity of the Company's investments to achieve its core objective.

The Asset Liability Management Committee (ALCO) of the Company oversees efficient management of risk associate with derivative transactions. Company identifies, measures, monitors the exposure associated with derivative transaction. For effective mitigation of risk, it has an internal mechanism to conduct regular review of the outstanding contracts which is reported to the ALCO & Risk Management Committee of the Board which in turn reports to the Audit Committee and to the Board of Directors.

MARKETING

LICHFL has established itself as a leading player and possesses one of the industry's most extensive marketing networks in India. As on 31st March, 2021, the Company has a well spread network of 9 Regional Offices, 282 Marketing Offices, 24 Back Offices to conduct the credit appraisal and administrative functions and a centrally-operated Customer Service Point. In order to establish its footprints in the international market, the Company has set up its representative offices in Dubai and Kuwait as well. However, it may be mentioned that representative office at Kuwait would be operational till 30th September, 2021 following Warba Insurance Company's (principal agent for Kuwait Office) inability to continue its principal agent business owing to local regulatory laws. The Company has established strong team of Home Loan Agents, Direct Selling Agents and Customer Relation Associates ensuring last-mile connectivity with end customers.

During the year, the Company through various media publicised its products in various parts of the country and the same has been an impetus for successful marketing.

RECOVERY MANAGEMENT

The amount of gross Non-Performing Assets (NPA) as at 31st March, 2021 was ₹ 9,659.13 crore, which is 4.23% of the loan portfolio of the Company, as against ₹ 6,316.16 crore i.e., 3.04% of the loan portfolio as at 31st March, 2020. The net NPA as at 31st March, 2021 was ₹ 5,913.94 crore i.e. 2.59% of the loan portfolio vis-à-vis ₹ 3,703.96 crore i.e. 1.78% of the loan portfolio as at 31st March, 2020. The total cumulative provision towards housing loan portfolio including provision for standard assets as at 31st March, 2021 is ₹ 2,758.93 crore as against ₹ 2,631.62 crore in the previous year.

During the year, the Company has written off ₹ 356.91 crore provision as against an amount of ₹ 35.05 crore, provision written off in respect of retail & non-retail during the previous year.

The Company continuously focuses on accelerating the recovery by initiating all-out efforts and deploying more of its resources towards the crucial area of its operations.

HUMAN RESOURCES DEVELOPMENT

The Company believes that human resources are the most critical element responsible for the growth of the Company. It ensures a safe, conducive and productive work environment across its business operations. The Company is committed towards the well-being and development of employees through various initiatives such as performance and appraisal, learning management, talent management, internal and external training programmes etc. Its HR policies provide a work atmosphere that leads to employee satisfaction, determined motivation, and a high retention rate. The Company consistently reviews its business and people policies to improve ways of working.

As on 31st March, 2021, the Company had 2,427 employees who have been contributing to the progress and growth of the Company. As on 31st March, 2021, the loan asset per employee was ₹ 95.60 crore and net profit per employee was ₹ 1.13 crore.

CONCLUSION WITH CAUTION

Statements in this report, describing the Company's objectives, projections, estimations, expectations are "forward-looking statements" within the meaning of applicable laws, guidelines and regulations. These statements are based on certain assumptions in respect of future events and Company assumes no responsibility in case the actual results differ materially due to change in internal or external factors.

BOARD'S REPORT

To the Members of LIC Housing Finance Limited

Your Directors are pleased to present the Thirty Second Annual Report together with the Audited Financial Statements for the year ended 31st March, 2021 of LIC Housing Finance Limited ('the Company').

FINANCIAL RESULTS

(₹ in crore)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Profit before Tax	3,348.57	3,268.99
Tax Expense	614.23	867.15
Profit after Tax	2,734.34	2,401.84
Other Comprehensive Income	(2.40)	(6.85)
Total Comprehensive Income	2,731.94	2,394.99
Appropriations		
Special Reserve u/s 36(1)(viii) of the Income Tax Act,1961	829.99	749.99
Statutory Reserve u/s 29C of NHB Act,1987	0.01	0.01
General Reserve	700.00	600.00
Dividend	403.73	383.54
Final Tax on Dividend pertaining to the previous year paid during the year	-	77.61
Balance carried forward to next year	798.21	583.83
	2,734.34	**2,401.84**

The Board of Directors has assessed the performance of the Company during the year under review and also taken cognisance of the impact of the coronavirus disease (COVID-19) which has been declared as a pandemic. As the COVID-19 continues to spread around the world, many companies are facing unprecedented challenges which have adversely impacted their operations. Consequently, there is a great deal of uncertainty and it has affected global economy, financial markets, lives and livelihoods and the resultant impact has been felt by the Company.

DIVIDEND

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

Considering the performance of the Company during the financial year 2020-2021, the Board of Directors felt the need to strike a balance between being prudent and conserving capital in the Company, while at the same time catering to the expectations of shareholders, also considering the Dividend Distribution Policy and also after assessing the capital buffers and liquidity levels of the Company, have recommended payment of dividend for the financial year ended 31st March, 2021 of ₹ 8.50 per equity share of face value of ₹ 2/- per share i.e. @ 425 percent, as against ₹ 8.00 per equity share of face value of ₹ 2/- per share for the previous year i.e. @ 400 percent. The total dividend outgo for the current year would amount to ₹ 428.96 crore, as against ₹ 403.73 crore for the previous year. The dividend payable shall be subject to the approval of the Members of the Company at the ensuing Annual General Meeting.

Following the amendment in the Finance Act, 2020, the imposition of the Dividend Distribution Tax has been abolished. Accordingly, the dividend amount received by the shareholders of the Company, for the financial year ended 31st March, 2020, onwards is taxable in the hands of the shareholders for which the Company is required to deduct tax at source under Section 194K from dividend paid to the shareholders at the prescribed rates.

The Dividend Distribution Policy is available on the website of the Company at https://www.lichousing.com/downloads/DIVIDEND%20DISTRIBUTION%20POLICY%202021.pdf and forms part of this Board's report as Annexure - 8.

INDIAN ACCOUNTING STANDARDS

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

PERFORMANCE

Income and profit

The Company earned total revenue of ₹ 19,847.69 crore, marginally higher than the previous year. The percentage of administrative expenses to the housing loans, which was 0.29 percent in the previous year, has slightly increased to 0.30 percent during the financial year 2020-21.

Profit before tax and after tax stood at ₹ 3,348.57 crore and ₹ 2,734.34 crore respectively as against ₹ 3,268.99 crore and ₹ 2,401.84 crore, respectively, for the previous year. Profit before tax increased by 2.43 percent over the previous year while profit after tax showed an increase of 13.84 percent over that of the previous year.

LENDING OPERATIONS

LIC Housing Finance Limited is a housing finance company registered with National Housing Bank (NHB) and is mainly engaged in financing purchase / construction of residential flats / houses to individuals and project finance to developers, Loan against Property (LAP), Lease Rental Discounting (LRD) etc. All other activities revolve around the main business of the Company. The business of the Company was impacted in the first half of the financial year due to the imposition of a strict national lockdown. The growth trajectory improved gradually as restrictions were lifted and from September 2020 onwards, growth trends normalised. Subsequently, the demand for home loans surpassed expectations. These factors impacted the overall performance of the loan book.

As at 31st March, 2021 the loan book constituted of 93.12 per cent of retail portfolio and 6.88 per cent of project portfolio.

Individual loans:

During the year the main thrust continues on individual housing loans. The Company has sanctioned 245,543 individual housing loans for ₹ 62,869.21 crore and disbursed 222,285 loans for ₹ 52,211.91 crore (inclusive of Non Core Non-Housing Individual) during FY 2020-21. Housing loan to Individual i.e. retail loans constitute 96.77 percent of the total sanctions and 94.54 percent of the total disbursements for the FY 2020-21 as compared to 92.92 percent and 94.42 percent respectively during the FY 2019-20. The gross retail loan portfolio grew by over 10.17 percent from ₹ 1,96,340 crore as on 31st March, 2020 to ₹ 2,16,047 crore as on 31st March, 2021.

The cumulative sanctions and disbursements since incorporation, in respect of individual housing loans are:

Amount sanctioned: ₹ 4,51,461.39 crore

Amount disbursed: ₹ 4,30,198.80 crore

30,38,002 customers have been serviced by the Company up to 31st March, 2021 since inception.

Project loans:

The project loans sanctioned and disbursed by the Company during the year amounted to ₹ 2,096.77 crore and ₹ 3,011.25 crore respectively. Corresponding figures for the previous year were ₹ 3,693.19 crore and ₹ 2,618.35 crore. These loans are generally for short durations, giving better yields as compared to individual housing loans.

AWARDS AND RECOGNITIONS:

- Featured amongst 'India's Top 500 Companies 2020' by Dun & Bradstreet
- Awarded 'Top Home Loan Provider' at Times Real Estate Icon Awards .

MARKETING AND DISTRIBUTION

During the year under review, efforts were taken to further strengthen the distribution network. The distribution network of the Company consists of 282 Marketing Offices and 1 Customer Service Point. The distribution network also includes 50 offices of LICHFL Financial Services Ltd., a wholly owned subsidiary of the Company, engaged in distribution of various financial products including housing loans. The Company has representative offices in Dubai and Kuwait.

REPAYMENTS

During the F.Y. 2020-2021, ₹ 32,151.50 crore was received by way of schedule repayment of principal through monthly instalments as well as prepayment of principal ahead of schedule, as compared to ₹ 28,895.38 crore received in the previous year.

NON-PERFORMING ASSETS AND PROVISIONS

The amount of gross Non-Performing Assets (NPA) as at 31st March, 2021 was ₹ 9,659.13 crore, which is 4.23 percent of the loan portfolio of the Company, as against ₹ 6,316.16 crore i.e., 3.04 percent of the loan portfolio as at 31st March, 2020. The net NPA as at 31st March 2021 was ₹ 5,913.94 crore i.e. 2.59 percent of the loan portfolio vis-à-vis ₹ 3703.96 crore i.e. 1.78 percent of the loan portfolio as at 31st March, 2020. The total cumulative provision towards housing loan portfolio including provision for standard assets as at 31st March, 2021 is ₹ 2758.93 crore as against ₹ 2631.62 crore in the previous year.

During the year, the Company has written off ₹ 356.91 crore provision as against an amount of ₹ 35.05 crore, provision written off in respect of retail & non retail during the previous year.

RESOURCE MOBILISATION

During the year, the Company mobilised funds aggregating to ₹ 1,32,946.17 crore by way of the Non-Convertible Debentures (NCD), Term Loans / Line of Credit (LoC) / Working Capital Demand Loan (WCDL) from banks, NHB refinance, Commercial Paper and Public Deposits. The Company raised an amount of ₹ 1,800 crore through issuance of Tier II Bonds, which would enable the company to increase its Capital Adequacy Ratio. Funds were also mobilised from NHB under its refinancing facilities. The following is a brief about the various sources of fund mobilised during FY 2020-2021:

NON-CONVERTIBLE DEBENTURES (NCD)

During the year, the Company issued NCD amounting to ₹ 18,760 crore on a private placement basis which have been listed on Wholesale Debt Segment of National Stock Exchange of India Ltd. The NCD have been assigned highest rating of 'CRISIL AAA/Stable' by CRISIL & 'CARE AAA/Stable' by CARE. As at 31st March, 2021, NCD amounting to ₹ 1,13,367.71 crore were outstanding. The Company has been regular in making repayment of principal and payment of interest on the NCD.

As at 31st March, 2021, there were no NCD which have not been claimed by the Investors or not paid by the Company after the date on which the said NCD became due for redemption. Accordingly, the amount of NCD remaining unclaimed or unpaid beyond due date is Nil.

TIER II BONDS

During the year, the Company has issued Tier II Bonds amounting to ₹ 1,800 crore. As at 31st March, 2021, the outstanding Tier II Bonds stood at ₹ 1,795.12/- crore. Considering the balance term of maturity as at 31st March, 2021, ₹ 1,795.12/- crore of the book value of Tier II Bonds is considered as Tier II Capital as per the Guidelines issued by NHB for the purpose of Capital Adequacy.

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

The total loans / LOC outstanding from the Banks and Other Financial institution as at 31st March, 2021 are ₹ 52,013.20 crore as compared to ₹ 43,188.28 crore as at 31st March, 2020. The Refinance from NHB as at 31st March, 2021 stood at ₹ 10,119.54 Crore as against ₹ 1,882.17 Crore as at 31st March, 2020. During the year, the Company has availed ₹ 9,600 crores Refinance from NHB under various refinance schemes. As at 31st March, 2021, Commercial Paper amounting to ₹ 12,230.25 Crore were outstanding as compared to ₹ 7628.71 Crore for corresponding previous year. During the year 2020-21, the Company issued Commercial Paper amounting to ₹ 12,758.59 Crore from market as compared to ₹ 19,152.23 Crore for the previous year.

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

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

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

UNPAID/UNCLAIMED DIVIDEND

During the financial year under review, your Company has transferred unclaimed dividend of ₹ 1,07,35,998 /- pertaining to the financial year 2012-13 to the Investor Education and Protection Fund (IEPF), established by the Central Government, on expiry of seven years from the date of transfer to unpaid dividend account.

TRANSFER OF SHARES TO IEPF

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Rules made thereunder, the Company has transferred in aggregate 1,62,502 equity shares of ₹ 2/- each to IEPF in respect of which the dividend remained unclaimed for a period of seven consecutive years i.e. from 2012-13 till the due date of 4th September, 2020 after following the prescribed procedure.

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

PUBLIC DEPOSITS

As at 31st March, 2021, the outstanding amount on account of Public Deposits was ₹ 7,510.52 crore as against ₹ 6,384.09 crore in the previous year and outstanding amount on account of corporate deposits was ₹ 10,825.15 crore as against ₹ 6,224.91 crore in the previous year. During F.Y. 2020-21, the number of depositors has reduced for public deposit from 42427 to 37804 and for corporate deposit increased from 1099 to 1856.

₹ 3,381.15 crore has been collected as public deposits while ₹ 8,86.61 crore was as corporate deposits. Total aggregate amount collected ₹ 12,167.76 crore.

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

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

1,065 deposits amounting to ₹ 198.57 Crore which were due for repayment on or before 31st March, 2021 were not claimed by the depositors. Since then, 209 depositors have claimed or renewed amounting to deposits of ₹ 40.43 crore as on 20th August, 2021 of this report. Depositors are appropriately intimated for renewal / claim of their deposits through an authorised agency. Further, adequate follow-up is made in respect of those cases where deposits are lying unclaimed.

As per the provisions of Section 125 of the Companies Act, 2013, deposits and interest thereon remaining unclaimed for a period of seven years from the date they became due for payment have to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government, accordingly, as on 20th August, 2021 ₹ 6,64,000/- against unclaimed principal and ₹ 4,81,207/- against unclaimed interest on deposits have been transferred to IEPF.

Being a housing finance company registered with the National Housing Bank established under the National Housing Bank Act, 1987, the disclosures as per Rule 8(5)(v)&(vi) of the Companies

(Accounts) Rules, 2014 read with section 73 and 74 of the Companies Act, 2013 are not applicable to the Company.

REGULATORY COMPLIANCE

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

The Company has been following guidelines, circulars and directions issued by National Housing Bank (NHB) from time to time. In fact, the Company has complied with the Housing Finance Companies (NHB) Directions, 2010 and other directions/ guidelines prescribed by NHB regarding deposit acceptance, accounting standards, prudential norms, capital adequacy, credit rating, corporate governance, information technology framework, fraud monitoring, concentration of investments, risk management, capital market exposure norms and Know Your Customer and Anti-Money Laundering and thereafter with the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 which has been notified on February 17, 2021 in supersession of the regulations/ directions as given in Chapter XVII of these directions.

Your Company has been maintaining capital adequacy as prescribed by the NHB. The capital adequacy was 15.28 percent as at 31st March, 2021, after considering the loan to value ratio for deciding risk weightage.

The Company also has been following directions / guidelines / circulars issued by SEBI and MCA from time to time, applicable to a listed company.

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

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

AUDIT REPORTS AND AUDITORS

Audit Reports and observations

Statutory Audit, Auditor and Statutory Audit Report

The statutory auditors namely M/s. Gokhale & Sathe, Chartered Accountant (Firm Registration No.: 103264W) and M/s. M. P. Chitale & Co., Chartered Accountant (Firm Registration No.: 101851W) were appointed as Joint Statutory Auditors of the Company for a term of 5 consecutive years at 30th AGM and to hold office until the conclusion of the Thirty Fifth Annual General Meeting to be held in the year 2024. However as per the guidelines for appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by the Reserve Bank of India vide ref. no. DoS.CO.ARG/ SEC.01/08.91.001/2021-22 dated 27th April, 2021, the Statutory Auditors are required to be appointed on annual basis and the intimation of the appointment has to be given to RBI for every year, accordingly the Board proposes and recommends to the members of the Company, the appointment of Statutory Auditors till the conclusion of 33rd Annual General Meeting (AGM) of the Company to be held in the year 2022.

M/s. Gokhale & Sathe, Chartered Accountant (Firm Registration No.: 103264W) and M/s. M. P. Chitale & Co., Chartered Accountant (Firm Registration No.: 101851W) have confirmed to the Company that they continue to satisfy the eligibility criteria as mentioned in Section 141 of the Companies Act, 2013.

The remuneration payable to each of the Joint Statutory Auditors will be ₹ 65,72,700/- per annum plus applicable taxes / cess and out of pocket expenses on actual basis (being ₹ 32,86,350/- per annum per firm plus applicable taxes / cess and out of pocket expenses on actual basis) for financial year 2021-22 as determined by the Board of Directors in consultation with them for the purpose of audit of the Company's accounts at the Corporate Office along with consolidated accounts as well as at all Back Offices to be allotted equally between them in consultation with the management subject to approval of the members of the Company at an ensuing AGM.

In terms of the guidelines issued by RBI vide circular No.DoS. CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, the Joint Statutory Auditors continue to satisfy the eligibility norms as prescribed and have submitted their eligibility certificate in the prescribed manner to the Company.

For qualification, reservation or adverse remark it may be referred to the Joint Statutory Auditors' Report dated 15th June, 2021 for the financial year 2020-21 alongwith Annexure B note on IFC and the same is enclosed with the financial statements in this Annual Report.

Internal Audit, Auditor and Audit Report

Internal Audit of Back Offices

The Company has an in-house mechanism for Internal Audit of all its back offices, which are the nodal offices looking after the accounting, sanction and disbursement functions. Such Audit is conducted by the team(s) of in-house officials of audit department. The Company maintains an exhaustive checklist/ questionnaire for the purpose of such Audit and the same is updated regularly. The In-house internal audit team(s) submit quarterly reports in respect of the back offices, assigned to them and such reports are periodically reviewed by the Internal Audit Committee at Corporate Office, which is a management level

Committee at the Corporate Office. Detailed deliberations take place in respect of key points related to Internal Audit Reports and the same is also placed before the Audit Committee of the Board for their information and guidance.

Internal Audit of Corporate Office

M/s. Borkar & Muzumdar, Chartered Accountants, Mumbai are Internal Auditors for Internal Audit of the Corporate Office for financial year 2020-21 and their term was further extended for two year for FY 2021-22 and FY 2022-23. No adverse remark or observation has been cited by them in their four (4) quarterly Audit Reports for the financial year 2020-21.

Systems and procedures are being upgraded from time to time to provide checks and alerts for avoiding fraud arising out of misrepresentation, if any, made by borrower/s while availing the housing loans and non-housing loans.

Secretarial Audit, Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. N. L. Bhatia & Associates, Practicing Company Secretaries conducted the secretarial audit of the Company for the financial year 2020-21.

The Secretarial Auditor's Report for the financial year 2020-21 does not contain any qualification, reservation or adverse remark. Report of the Secretarial Auditor for the financial year 2020-21 in Form MR-3 is annexed to this report as Annexure 9.

Cost Records and Cost Audit:

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

Corporate Governance

Your Company has been complying with the principles of good Corporate Governance over the years. The Board of Directors supports the broad principles of Corporate Governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity. The report on Corporate Governance is appended as a separate section in this Annual Report.

A certificate from Shri Bhaskar Upadhyay (FCS 8663 and Certificate of Practice No.:9625), Partner of M/s. N. L. Bhatia & Associates, Practicing Company Secretaries, Mumbai (UIN: P1996MH055800), regarding compliance of the conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the Corporate Governance Report, which does not contain any qualification, reservation or adverse remark.

Management Discussion and Analysis Report

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

Business Responsibility Report

In terms of Regulations 34(2)(f) of the SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015, the top 1000 listed entities, based on the market capitalization (calculated as on 31st March of every financial year), business responsibility report describing the initiatives taken by these listed entities from an environmental, social and governance perspective, in the format as specified by SEBI from time to time, has been included as part of the Annual Report. Accordingly, Business Responsibility Report in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the National Voluntary guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, Govt. of India., is presented in a separate section forming part of the Annual Report.

Depository System

For transaction of the Company's shares in dematerialised form, the Company has entered into an agreement with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. (NSDL). The shareholders have a choice to select the Depository Participant. As at 31st March, 2021, 5108 members of the Company continue to hold shares in physical form. As per the Securities and Exchange Board of India's (SEBI) circular, the Company's shares have to be transacted in dematerialised form and therefore, members are requested to convert their holdings to dematerialised form.

OUTLOOK FOR 2021-2022

- Focus on growth of Retail Home Loans, along with that of Non Housing Loans for better margins.
- Continued focus on PMAY-CLSS in alignment with Government Initiatives "Housing for all by 2022" from time to time & thus ensuring achievement of targets in numbers since it being last year of subsidy scheme.
- Augmentation of distribution network and activation in line with the initiative of Paradigm Shift.
- Penetration into under-represented geographies by utilizing connector model.
- Making use of builders / developers as distribution channel / Connectors.
- Continuous relation building with Builders and synergy between project and retail loans.
- To create brand LICHFL as a source of trusted partner exuding consumer confidence.
- Understanding the inherent risks to the business and managing it effectively.
- Widespread market studies assisting modelling of loan products to suit customer needs.

- Making use of information provided by marketing offices about ground market conditions.
- Continued focus on Business Potential Mapping for sustained business growth.
- Focus on Advance Processing Facility (APF) approvals as a core activity to generate bulk business.
- Leveraging alternate business channels viz., Direct Marketing Executive (DME) channel, LICHFL Financial Services Ltd. for generating additional business.
- Making Homy App / Online loan application more effective.
- Adoption of e-Appraisal for minimizing Turn Around Time (TAT).
- Implementation of various initiatives under Project RED
- Achievement of Term Targets- Monthly, Quarterly by all Units.
- Overseas Offices to be made more effective and productive.
- Continuous 'Training' to intermediaries and Marketing Officials to increase productivity.
- Monitoring of TAT at different levels.
- Training / workshops for Project Finance Teams at ROs.
- Identification of 22 centres apart from Metros to have business contribution in Project Finance segment.
- Introduction of the concept of Digital Office to achieve competitiveness and tap into millennial customers.
- Tie up with various lead aggregators and property portals for business.
- Outreach to customers by strengthening the Camp Office concept for Sanction & Disbursement at select locations.
- Positioning as a thought leader in industry through placement of related articles across media including digital.

THE MANAGEMENT PERSPECTIVE ABOUT FUTURE OF THE COMPANY

While the recent times have been tough due to the onslaught of the second wave of the COVID-19 pandemic, due to various unlock initiatives by the Government, the local authorities, the lives seems to have been returning to normalcy. Further, the various initiatives by the Reserve Bank of India including that of providing the One Time Restructuring for the stressed loans have immensely helped both the lenders as well as the borrowers to come out of the stressed times and recover from the same. Also the infusion of liquidity by the RBI and other development banks have eased the liquidity situation and have made lending cheaper. While all these remains supply side interventions, it is expected that there would be more initiatives, going forward, to boost the demand for housing loans. The return of the migrated labour force to their work places has also kept the construction activities rolling and slowly as the vaccination initiatives further picks up, the economic activities are expected to return in full swing.

Although, the Company has experienced a surge in the delinquencies in the recent times and had restrictions in carrying out the business activities in full capacity, the Company has developed parallel alternatives through digitization of its processes and workflows by its digitization initiative under project RED. The initiatives such as E-KYC, V-KYC, Penny Drop, Video PD etc., have contributed towards continuance of the Company's business activities even during the period where travel restrictions were in force. The management would continue to focus on digitization of its processes while augmenting the same with the efficient, motivated and trained work force, so that to convert this adverse situation to the advantage of the Company through its re-engineered business processes.

The Company not only intends to focus on underwriting and disbursement activities but it very well understand the need of being agile in the fronts of loan servicing, monitoring and recovery. All these fronts are constantly being reviewed in the light of the digitised initiatives.

The Company in order to make best use of its operational advantages, intends to synergise its customer base by connecting the builders/developers with property buyers by creating a property market place though web portal and is working towards introducing this initiative and for making it a profitable venture.

With the dynamic regulatory and compliance environment in which the Company operates, the management would endeavour to put in place all the best governance practices through constant review and upgradations of its compliance initiatives, judicious management of its treasury and other aspects of its operations for ensuring co-ordinated and result oriented efforts in its business as well as in expanding its reach, market share as well as market capitalization in order to ensure maximum Shareholders wealth.

COMPLIANCE UNDER COMPANIES ACT, 2013

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

ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 the Annual Return as on 31st March, 2020 is available on the website of the Company in the following link: www.lichousing.com/annual_general_meeting.php.

REPORTING OF FRAUDS BY AUDITORS:

During the year under review, neither the joint statutory auditors nor the secretarial auditor has reported to the Audit Committee, under Section 143(12) of the Companies Act, 2013 any instances of fraud committed against the Company by its officers or employees, the details of which was required to be mentioned in the Board's report.

SECRETARIAL STANDARDS:

The Company complies with all applicable mandatory secretarial standards issued by The Institute of Company Secretaries of India.

RATING RATIONALE:

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

Total Bank Loan Facilities Rated	₹ 40059.88 crore
Long Term Rating	CRISIL AAA/ Stable (Reaffirmed)
Short Term Rating	CRISIL A1+ (Reaffirmed)

₹ 25000 Crore Non-Convertible Debentures	CRISIL AAA/ Stable (Assigned)
₹ 3000 Crore Tier II Bond	CRISIL AAA/ Stable (Reaffirmed)
₹ 25000 crore Non-Convertible Debentures	CRISIL AAA/ Stable (Reaffirmed)
₹ 25000 crore Non-Convertible Debentures	CRISIL AAA/ Stable (Reaffirmed)
₹ 25000 crore Non-Convertible Debentures	CRISIL AAA/ Stable (Reaffirmed)
₹ 5000 crore Non-Convertible Debentures	CRISIL AAA/ Stable (Reaffirmed)
₹ 15000 crore Non-Convertible Debentures	CRISIL AAA/ Stable (Reaffirmed)
₹ 10000 crore Non-Convertible Debentures	CRISIL AAA/ Stable (Reaffirmed)
₹ 5000 crore Non-Convertible Debentures	CRISIL AAA/ Stable (Reaffirmed)
₹ 5976 crore Non-Convertible Debentures	CRISIL AAA/ Stable (Reaffirmed)
₹ 15000 crore Non-Convertible Debentures	CRISIL AAA/ Stable (Reaffirmed)
₹ 15000 crore Non-Convertible Debentures	CRISIL AAA/ Stable (Reaffirmed)
₹ 20000 crore Non-Convertible Debentures	CRISIL AAA/ Stable (Reaffirmed)
₹ 33833 crore Non-Convertible Debentures	CRISIL AAA/ Stable (Reaffirmed)
₹ 1600 crore Upper Tier II Bond	CRISIL AAA/ Stable (Reaffirmed)
₹ 1750 crore Tier II Bond	CRISIL AAA/ Stable (Reaffirmed)
Fixed Deposits Programme	FAAA/ Stable (Reaffirmed)
₹ 17500 crore Commercial Paper	CRISIL A1+ (Reaffirmed)

CARE Ratings had reaffirmed its 'CARE AAA; Stable' rating ₹ 35.842.90 crore for non-convertible debenture issue of LIC Housing Finance Limited.

Also, CARE Ratings had assigned its 'CARE AAA; Stable' rating to the tune of ₹ 3,000 crore for Tier II Bonds issue of LIC Housing Finance Limited and reaffirmed its 'CARE AAA; Stable'. The unutilised amount as on 28.07.2021 was ₹ 1,200 crore.

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

BOARD MEETINGS HELD DURING THE YEAR:

During the year under review, 7 Board meetings were held. Detailed information on the meetings of the Board as well as Committee meetings, their composition and attendance record of the members of respective Committees of the Board are included in the Report on Corporate Governance which forms part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

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

(a) in the preparation of the annual accounts, the applicable accounting standards has been followed and there are 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 at the end of the financial year and of the profit of the company for that period;

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

(d) the Directors have prepared the annual accounts 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. Note on Internal Financial control is attached as Annexure 1 to this Report and

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

STATEMENT ON DECLARATION FROM INDEPENDENT DIRECTORS:

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

It is an endeavour of the Company to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of 31st March, 2021, the Board had Twelve members, consisting of two non-executive directors nominated by LIC of India including Chairman and one executive director who is Managing Director & CEO nominated by LIC of India; three non-executive and non-independent directors, while rest six are independent directors including one independent woman director.

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

The performance of the members of the Board, and the Board as a whole were evaluated at the meeting of Independent Directors held on 1st March, 2021.

We affirm that except nominee director (Chairman, LIC Director and Managing Director & CEO) were paid sitting fees for Board and Committee (other than for Corporate Social Responsibility Committee) meetings attended by them. However, Managing Director & CEO is paid remuneration as applicable to an Officer in the cadre of Executive Director of LIC of India and PLI as per the terms laid out in the Nomination and Remuneration Policy of the Company.

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

For qualification, reservation or adverse remark it may be referred to the Joint Statutory Auditors' Report dated 15th June, 2021 for the financial year 2020-21 alongwith Annexure B note on IFC.

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

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

Considering the nature of the industry in which the Company operates, all Related Party Transaction that were entered during the financial year were in the ordinary course of the business of the Company and were on arm's length basis. There were no materially significant related party transaction entered by the Company with Promoters, Directors, key managerial personnel or other persons which may have a potential conflict with the interest of the Company. All such Related Party Transactions are placed before the Audit committee for approval, wherever applicable. Prior omnibus approval as per SEBI (LODR) is also obtained from Audit Committee for the Related Party Transactions which are of repetitive nature as well as in ordinary course of business.

The Related Party Transactions Policy and Procedures as reviewed by Audit Committee and approved by Board of Directors are uploaded on the website of the Company and is annexed as Annexure 2 to this report.

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

AMOUNTS, IF ANY WHICH IT PROPOSES TO CARRY TO ANY RESERVES:

The Company has transferred ₹ 829.99 crore to Special Reserve u/s 36(1)(viii) of the Income-tax, Act, 1961 and ₹ 0.01 crore to the Statutory reserve u/s 29C of NHB Act; and an amount of ₹ 700 crore to General Reserve.

AMOUNT, IF ANY, WHICH IT RECOMMENDS SHOULD BE PAID BY WAY OF DIVIDEND:

₹ 428.96 crore is proposed to be paid by way of dividend to shareholders of the Company i.e. ₹ 8.50 per equity share of face value of ₹ 2/- each.

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

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. 31st March, 2021 and the date of the Board's Report i.e. 20th August, 2021

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

A. Conservation of energy –

(i) The steps taken and impact on conservation of energy-

The Company has replaced models of computers, printers, and other equipment which were consuming between 50 to 90 percent more energy than energy-efficient models. This has ensured reduction in energy consumption and resultant saving in costs.

Air conditioning equipment is cleaned and serviced on routine basis thereby saving energy and costs and giving required cooling.

The office has LED lights and after office hours, only the required lights and air conditioning is used thereby saving energy and minimizing energy wastage.

(ii) The steps taken by the Company for utilizing alternate sources of energy-

The Company is in the process of exploring use of alternate source of energy.

(iii) The capital investment on energy conservation equipments-

None

B. Technology absorption –

(i) The efforts made towards technology absorption – Initiated a digital transformation Project RED to automate and digitize various processes of the company. Also, implemented online services for customer on boarding etc.

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

- Reduced TAT for customer onboarding
- Online payment services
- Online rewriting

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

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

(b) The year of import – Not applicable.

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

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

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

C. Foreign Exchange Earnings and Outgo-

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

During the year ended 31st March, 2021, the Company does not have any foreign currency earning and the foreign currency spent is ₹ 1.98 crore. This does not include foreign currency cash flows in derivatives and foreign currency exchange transactions.

RISK MANAGEMENT POLICY FOR THE COMPANY:

The Board of the Company has constituted a Risk Management Committee to frame, implement, monitor, review risk management policy; review of the current status on the outer limits prescribed in the Risk Management policy and report to the Board; review the matters on risk management. Risks faced by the Company are identified and assessed. For each of the risks identified, corresponding controls are assessed and policies and procedure are in place for monitoring, mitigating and reporting risk on a periodic basis. In the opinion of the Board, none of the risks faced by the Company threaten its existence.

The Company has a Risk Management Policy in place. During the financial year under review, the Risk Management Policy of the Company was reviewed and put up to the Board in the Board Meeting dated 3rd March, 2021.

REMUNERATION POLICY

The Company framed the Remuneration Policy in order to align with various provisions under "SEBI LODR REGULATIONS" vide its circular no.CIR/CFD/Policy Cell/2/2014 dated

17th April 2014 and circular no.CIR/CFD/Policy Cell/7/2014 dated 15th September 2014.

The Nomination & Remuneration Committee recommends to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees as per sub-section (3) of Section 178 and based on the functions of the Board of Directors as indicated under Schedule IV (as per section 149) annexed to the Companies Act, 2013 and the Rules made thereunder.

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

REMUNERATION TO NON-EXECUTIVE DIRECTORS:

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

In future if Company decides to pay any remuneration / commission to Non–Executive Independent Directors, then the same will be in compliance with Regulation 17(6)(ca) of the "SEBI LODR REGULATIONS" as amended from time to time.

REMUNERATION TO NON-EXECUTIVE NOMINEE DIRECTORS:

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

REMUNERATION TO EXECUTIVE NOMINEE DIRECTOR:

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

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

However, the remuneration payable to Executive Nominee Director at any point of time shall be within the limits specified as per Regulation 17(6)(e) of the "SEBI LODR REGULATIONS" LODR REGULATIONS") as amended from time to time.

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

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY:

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

COMPOSITION OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE IS AS FOLLOWS:

Shri Jagdish Capoor	Chairman	Independent Director
Dr. Dharmendra Bhandari	Member	Independent Director
Shri Y.Viswanatha Gowd	Member	Managing Director & CEO

ANNUAL EVALUATION MADE BY THE BOARD OF ITS OWN PERFORMANCE:

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

The Board of Directors carried out an annual evaluation of its performance, Board level committees and Individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, at the meeting of Independent Directors held on 1st March, 2021.

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

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

The Board reviewed the performance of the Individual Directors on the basis of the criteria such as the contribution of the Individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, presented views convincingly, resolute in holding views etc.

In addition, the Chairman was also evaluated on the key aspects of his role.

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

Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement:

Pursuant to Section 129 of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and also of its subsidiaries and associates, in the same form and manner as that of the Company which shall be laid before the ensuing Thirty Second Annual General Meeting of the Company alongwith the Company's Financial Statement under sub-section (2) of Section 129 i.e. Standalone Financial Statement. Further, pursuant to the provisions of Accounting Standard ('AS') 21, Consolidated Financial Statements notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, issued by the Ministry of Corporate Affairs, the Consolidated Financial Statements of the Company alongwith its subsidiaries and associates for the year ended 31st March, 2021 form part of this Annual Report.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the annual report of the Company, the annual financial statements and the related documents of the Company's subsidiary and associate companies are hosted on the website of the Company.

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

DIRECTORS:

As of 31st March, 2021, the Board had Twelve members, consisting of two non-executive directors nominated by the promoter, LIC of India which includes the Chairman, Shri M.R Kumar and Director Shri Vipin Anand. The Managing Director & CEO, Shri Y.Viswanatha Gowd, who is the only executive director in the Board is also a Nominee of the LIC of India. Apart from these three (3) nominee directors there are three (3) non-executive and non-independent directors namely Shri P Koreswara Rao, Shri Sanjay Kumar Khemani and Shri Akshay Kumar Rout. Other 6 board members are independent directors including one independent woman director namely Ms. Jagennath Jayanthi. The other independent Directors are Shri Jagdish Capoor, Dr. Dharmendra Bhandari, Shri Ameet N Patel, Shri V. K. Kukreja, Shri Kashi Prasad Khandelwal.

SUCCESSION PLANNING:

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

In terms of Article 138(b) of the Articles of Association of Company, LIC of India is entitled to nominate upto one third of the total number of directors of the Company and therefore, the Board after consideration, approved posting of senior official from LIC of India as Nominee of LIC of India for the post of COO as part of succession plan for MD & CEO with a view to ensure stability and effective implementation of long term business strategies.

APPOINTMENTS / RESIGNATIONS OF DIRECTORS:

Nomination and Remuneration Committee after considering the profile, qualifications, etc., of Shri Akshay Rout (DIN-08858134) and in terms of 'Fit and Proper' criteria adopted by the Board on 10th March, 2017 pursuant to NHB notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February, 2017 also in accordance with the SEBI(LODR) Regulations, 2015 as well as after undertaking the process of due diligence, recommended to the Board of Directors of the Company, Shri Akshay Rout (DIN-08858134), to be suitable and eligible for the appointment of Non-Executive Non Independent Director of the Company with effect from 28th September, 2020 liable to retire by rotation. Based on the recommendation of Nomination and Remuneration Committee, the Board considered and after having thought fit pursuant to the provisions of the SEBI(LODR) Regulations, 2015, Sections 152, 161 and other applicable provisions, if any of the Companies Act, 2013 and the Rules made thereunder, including any amendment, modification, variation or re-enactment thereof read with Schedule IV to the Companies Act, 2013, for the time being in force, and 'fit and proper' criteria adopted by the Board, approved the appointment of Shri Akshay Rout (DIN-08858134) as Additional Non Executive Director of the Company, liable to retire by rotation.

Nomination and Remuneration Committee after considering the profile, qualifications, etc., of Ms Jagennath Jayanthi (DIN 09053493), and in terms of 'Fit and Proper' criteria adopted by the Board on 10th March, 2017 pursuant to NHB notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February, 2017 also in accordance with the SEBI(LODR) Regulations, 2015 as well as after undertaking the process of due diligence, recommended to the Board of Directors of the Company, Ms Jagennath Jayanthi (DIN 09053493), to be suitable and eligible for the appointment of Additional Non-Executive Independent Director of the Company for a period of five consecutive years with effect from 5th February, 2021 not liable to retire by rotation, subject to the approval of the shareholders in the forthcoming 32nd Annual General Meeting (AGM). Based on the recommendation by Nomination and Remuneration Committee, the Board considered and after having thought fit pursuant to the provisions of the SEBI(LODR) Regulations, 2015, Sections 149, 152, 161 and other applicable provisions of the Companies Act, 2013 the Rules made thereunder, including any amendment, modification, variation or re-enactment thereof read with Schedule IV to the Companies Act, 2013, Article 141 of the Articles of Association of the Company, Ms Jagennath Jayanthi (DIN 09053493) as an Additional Non-Executive Independent Director of the Company for a period of five consecutive years with effect from 5th February, 2021 not liable to retire by rotation, subject to the approval of the shareholders in the forthcoming 32nd Annual General Meeting (AGM).

On the recommendation of the Nomination and Remuneration Committee, the Board considered and accorded its consent in its Board Meeting held on 2nd February, 2021 and further recommended the appointment of Shri Yerur Viswanatha Gowd (DIN 09048488), Managing Director and Chief Executive Officer (MD & CEO) as a Director and MD & CEO as also Key Managerial Personnel (KMP) for a period of 3 years and beyond, maximum upto 5 years effective from 1st February, 2021 or as decided by LIC of India from time to time on payment of remuneration and PLI for the aforesaid period to the shareholders / members of the Company for approval in the forthcoming Annual General Meeting of the company based on terms of Notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 09.02.2017 issued by NHB and other applicable provisions of the Companies Act, 2013 and SEBI (LODR), 2015, NHB Directions and any other notification(s),circular(s),order(s) etc. made under the said statute(s) and considering the process of due diligence and scrutiny of the declarations undertaken by the Nomination and Remuneration Committee. The appointment of Shri Yerur Viswanatha Gowd (DIN 09048488) as MD & CEO and also as Key Managerial Personnel (KMP) is pursuant to the provisions of Sections 2(78), 2(94), 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other Rules framed thereunder read with Schedule V to the Companies Act, 2013 including any amendment, modification, variation or re-enactment thereof for the time being in force and the Articles 138, 161 and 194(c) of Articles of Association of the Company, subject to approval of the members in the 32nd Annual General Meeting and such other consents and permission as may be necessary, and subject to such modifications, variations as may be approved and acceptable to the appointee, the consent of the Board of Directors be and is hereby accorded for the appointment of Shri Yerur Viswanatha Gowd (DIN 09048488) as Managing Director & CEO as also KMP of the Company for a period of 3 years and beyond, maximum upto 5 years effective from 1st February, 2021 or as decided by LIC of India from time time, on payment of remuneration and PLI for the aforesaid period.

The terms and conditions of his service shall be determined from time to time by LIC of India and the Board of LIC Housing Finance Limited and that, the remuneration payable to him shall be within the limit as per the Companies Act, 2013. His appointment as Managing Director & CEO as also Key Managerial Personnel shall be without prejudice to his continuing service in LIC of India.

The Nomination and Remuneration Committee after considering the profile, qualifications, etc., of Shri Raj Kumar (DIN: 06627311) and in terms of 'Fit and Proper' criteria adopted by the Board on 10th March, 2017, pursuant to NHB notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February, 2017, also in accordance with "SEBI LODR REGULATIONS" as well as after undertaking the process of due diligence, recommended to the Board of Directors of the Company, Shri Raj Kumar (DIN: 06627311), to be suitable and eligible for the appointment of Non-Executive Non Independent (Nominee) Director of the Company with effect from 13th August, 2021 liable to retire by rotation. Based on such recommendation, the Board considered and after having thought fit, pursuant to the provisions of the "SEBI LODR REGULATIONS", Sections 152, 161 of the Companies Act, 2013 and read with Schedule IV, approved appointment of Shri Raj Kumar (DIN: 06627311) as Additional Non Executive (Nominee) Director of the Company liable to retire by rotation.

Ms. Savita Singh (DIN 01585328), Independent director had tendered her resignation from Directorship of the Company with effect from 9th November, 2020, on account of personal reason.

Shri Siddhartha Mohanty (DIN: 08058830), Executive - Nominee Director had tendered his resignation from Directorship of the Company with effect from 1st February, 2021 on account of repatriation to LIC of India.

Shri Vipin Anand (DIN 05190124) had tendered his resignation from Directorship of the Company with effect from 30th July, 2021 on attainment of superannuation from the services of LIC of India.

Thus as on 13st August, 2021, the Board of Directors of the Company consists of twelve members, five of them are non-executive directors including Chairman and one LIC Director, while other three are non-executive non-independent directors. Managing Director & CEO is executive whole time director. Remaining six directors are independent directors including one independent woman director.

DIRECTOR RETIRING BY ROTATION:

Shri Pottimutyala Koteswara Rao, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment

APPOINTMENTS / RESIGNATION OF THE KEY MANAGERIAL PERSONNEL:

Shri Yerur Viswanatha Gowd, Managing Director & CEO, Mr. Nitin K. Jage, General Manager & Company Secretary and Mr. Sudipto Sil, CFO are the Key Managerial Personnel (KMP) as per the provisions of the Companies Act, 2013.

During the Financial year 2020-2021 Shri Yerur Viswanatha Gowd had been appointed in the place of Shri Siddhartha Mohanty who had been transferred back to LIC of India with effect from 1st February, 2021.

COMMITTEES OF THE BOARD:

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

The Company has following Committees of the Board:

- Audit Committee
- Stakeholders Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Executive Committee
- Debenture Allotment Committee
- Strategic Investment Committee
- IT Strategy Committee

Composition of Audit Committee is as follows:

• Shri Jagdish Capoor	Chairman	Independent Director
• Dr. Dharmendra Bhandari	Member	Independent Director
• Shri Ameet Patel	Member	Independent Director
• Shri Kashi Prasad Khandelwal	Member	Independent Director

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

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

SUBSIDIARIES AND GROUP COMPANIES

As on 31st March, 2021, the Company has four Subsidiaries namely, LICHFL Care Homes Limited, LICHFL Asset Management Company Limited, LICHFL Trustee Company Private Limited and LICHFL Financial Services Limited. The Consolidated financial statements incorporating the results of all the subsidiaries of the Company for the year ended 31st March, 2021, are attached along with the statement pursuant to Section 129 of the Companies Act, 2013, with respect to the said subsidiaries. Brief write up including performance and financial position of each of the subsidiaries is provided as under:

1. LICHFL Care Homes Limited (LICHFL CHL)

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

During the FY 2020-2021, the Company earned a Profit before Tax (PBT) of ₹ 38.05 Lakhs and Profit after Tax (PAT) stood at ₹ 37.29 Lakhs.

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

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

With life expectancy going up and number of elderly citizens rising year after year, the Company is set on a growth trajectory keeping LIC & LIC HFLs' vision for fulfilment of Corporate Social Responsibility at the forefront.

2. LICHFL Asset Management Company Limited (LICHFL AMC)

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

The Company was appointed as Investment Manager in 2010 to raise and manage the LICHFL Sponsored, LICHFL Urban Development Fund (LUDF). The Company has raised total commitments of ₹ 529.35 Crore from Banks, Financial Institutions, Corporates and HNIs as against the targeted size of ₹ 500 Crore and announced financial closure on 30th March, 2013. The Company has deployed ₹ 461.30 Crore in 9 Portfolio Companies, acquisition or operation of affordable / mid income housing, related infrastructure and Hospitals. With receipts from 6 exits, the Fund has so far achieved an IRR of 27.29%.

The Company also launched a new Alternative Investment Fund (AIF) namely LICHFL Housing & Infrastructure Fund (LHIF), with a total corpus of ₹ 1,000 Crore including Green Shoe Option (GSO) of ₹ 250 Crore and the focus of the Fund is on Affordable Housing and Property backed Infrastructure in sectors which include Educational Institutions, Hospitals, Industrial Parks & Warehouses. As on 31st March 2021, the Company has already received total Commitment of ₹ 812 crore out of which Contribution Agreement was signed.

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

During the FY 2020-21, the Company earned a Profit before Tax (PBT) of ₹ 1,136.52 Lakh and Profit after Tax (PAT) stood at ₹ 769.47 Lakh. The Company has recommended dividend @ 27.50% for FY 2020-21 on its paid up share capital.

3. LICHFL Trustee Company Private Limited (LICHFL TCPL)

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

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

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

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

During the FY 2020-21, the Company earned a Profit before Tax (PBT) of ₹ 15.21 Lakh and Profit after Tax (PAT) of ₹ 11.56 Lakh.

4. LICHFL Financial Services Limited (LICHFL FSL)

LICHFL FSL, a wholly owned subsidiary of LIC Housing Finance Limited, was incorporated on 31st October, 2007, for marketing of housing loan, insurance products (Life and General Insurance), mutual funds, fixed deposits, credit cards. It became operational in March, 2008 and at present has 47 offices spread across the country.

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

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

The Company has earned a Profit before Tax (PBT) of ₹ 1,892.97 Lakh and Profit after Tax (PAT) of ₹ 1,295.90 Lakh for the FY 2020-21 and recommended dividend @ 25% for FY 2020-21 on paid up share capital of ₹ 9.50 Crores.

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

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

As on 31st March, 2021, the Company has two associate companies namely LIC Mutual Fund Asset Management Company Limited and LIC Mutual Fund Trustee Company Private Limited.

The Annual Report which consists of the financial statements of the Company on standalone as well as consolidated financial statements of the group for the year ended 31st March, 2021, has been sent to all the members of the Company. It does not contain Annual Reports of Company's subsidiaries. The Company will provide Annual Report of subsidiaries upon request by any member of the Company. These Annual Reports are also be available on Company's website viz www.lichousing.com.

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

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a Whistle Blower Policy in place which provides whistle blowers to raise concerns relating to reportable matters as defined in the policy. The mechanism adopted by the Company encourages the whistle blower to report genuine concerns or grievances and provides for adequate safeguards against victimisation of whistle blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee.

EMPLOYEE STOCK OPTION:

No stock options were issued to the Directors or any employees of the Company as the Company does not have any such scheme.

EMPLOYEE REMUNERATION:

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

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

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

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

Executive Director (MD&CEO)	Ratio to median remuneration
Shri Yerur Viswanatha Gowd	8:1

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

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

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

KMP	% increase in remuneration in the financial year
Executive Director (MD&CEO)*	-2.55%
Company Secretary	2.08%
Chief Financial Officer**	-19.06%

*Remuneration of MD & CEO includes Salary for the month from Apr-20 to Jan-21 & PLI which was given during F. Y. 2020-21 to the MD & CEO who has been repatriated to LIC of India.

**Remuneration of CFO includes Salary for the month of Apr-19 & PLI which was given for F. Y. 2019-20 to the CFO who has been repatriated to LIC of India.

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

11.37%

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

2427

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

Particulars	31 March, 2021	15 November 1994	% Change
Market Price (in ₹)	428.10**	12*	3467.5

*Adjusted Issue price on account of sub-division

**BSE-closing Price ₹ 428.10

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

Decrease in managerial remuneration for the year was -2.55%. The average annual Increase in the salaries of the employees other than managerial personnel during the year was 11.37% on account of increase in DA and scale at which new recruitment at officer level was made.

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

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

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

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

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

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

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

(a) Number of complaints received in the year: 1

(b) Number of complaints disposed of during the year: 1

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

(d) Number of workshops or awareness programme against sexual harassment carried out: Your Company on a regular basis sensitizes its employees on prevention of sexual harassment through various workshops, awareness programmes.

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

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

HUMAN RESOURCES

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

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

ACKNOWLEDGMENTS

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

For and on behalf of the Board

Chairman

Place: Mumbai

Date: 20th August, 2021

ANNEXURE 1
TO THE BOARD'S REPORT

NOTE ON INTERNAL FINANCIAL CONTROL

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

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

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

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

4. **Risk Management System:** The Company has in place a Risk Management Policy which provides a framework to address the risk faced by the Company on a sustainable basis. The risk management function within the Company is responsible for review of existing risks and identifying potential risks and risk mitigation measures. There is a system of quarterly reporting to the Risk Management Committee, Audit Committee and the Board.

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

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

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

ANNEXURE 2
TO THE BOARD'S REPORT

RELATED PARTY TRANSACTION POLICY AND PROCEDURES

Policy:

LIC Housing Finance Limited recognizes that related party transactions present a potential or actual risk of conflicts of interest (or the perception thereof) and therefore the Company has adopted this policy, under which all Related Party Transactions will be subject to approval or ratification in accordance with the procedures set forth in this policy.

Definitions:

Related Party: [Section 2(76)]

With reference to company, Related Party would mean and include the following:

i) A director or his relative;

ii) Key Managerial Personnel or their 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 is a director or holds alongwith his relatives, more than 2% of its paid-up share capital;

v) A person on whose advice, directions or instruction (except given in professional capacity) a director or manager is a accustomed to act;

vi) A holding / subsidiary or associate company, subsidiary's and such person as would be prescribed.

Relative: [Section 2(77)]

For the purposes of this policy and pursuant to Rule 4 of the Companies (Specification of Definitions, Details) Rules, 2014 a person shall be deemed to be the relative of another if he or she is related to another in the following manner, namely:

i) Father (including step father);

ii) Mother(including step mother);

iii) Son (including step-son);

iv) Son's wife;

v) Daughter;

vi) Daughter's husband;

vii) Brother (including step-brother);

viii) Sister (including step-sister).

Related Party Transaction [Section 188] liable to be treated as Related Party Transactions is as set below:

- Sale, purchase or supply of any goods or materials;
- Selling or otherwise disposing of, or buying, property of any kind;
- Leasing of property of any kind;
- Availing or rendering of any services;
- Appointment of any agent for purchase or sale of goods, materials, services or property;
- Such related party's appointment to any office or place of profit in the Company, its subsidiary company or associate company;
- Underwriting the subscription of any securities or derivatives thereof, of the company;

Arm's length transaction: Arm's length transaction means transaction between two related or affiliated parties that is conducted as if they were unrelated so that there is no conflict of interest.

Types of the transactions considered as related party as per the Regulation 2(1)(zc) of SEBI(LODR) Regulations, 2015 and IND AS-24, of the Companies (Indian Accounting Standards) Rules, 2015 and any other statue, law, standards, regulations or other governmental instruction relating to the Related Party Transactions.

Key Managerial Personnel: [Section 2(51)]

In relation to a company, Key Managerial Personnel means the following:

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) And such other officer as may be prescribed.

For the purpose of this policy, a Related Party Transaction is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which the Company (including any of its subsidiaries or associate) was, is or will be a participant and the amount involved exceeds 10% of the networth or 10% of turnover and in which any Related

Party (as defined above) had, has or will have a direct or indirect interest.

Procedures:

The Audit Committee of the Board of Directors of the Company will review the relevant facts and circumstances of each Related Party Transaction, including if the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party and the extent of the Related Party's interest in the transaction, take into account the conflicts of interest and either approve or disapprove the Related Party Transaction. Any Related Party Transaction that would be entered into and would continue only if the Audit Committee has approved or ratified such transaction in accordance with the guidelines set forth in this policy. If advance approval of a Related Party Transaction requiring the Audit Committee's approval, is not practicable, then the transaction may be preliminarily entered into by management subject to ratification of the transaction by the Audit Committee at the Audit Committee's next regularly scheduled meeting; provided that if ratification will not be done, management will make all reasonable efforts to cancel or annul such transaction.

All Related Party Transactions shall require prior approval of the Audit Committee. The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:

a. The Audit Committee shall laydown the criteria for granting omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature;

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

c. Such omnibus approval shall specify the following:

   - Name(s) of the Related Party;
   - Nature of the transaction;
   - Maximum amount of transaction that can be entered into;
   - The indicative base price / current contracted price and the formula for variation in the price, if any, and;
   - Such other conditions as the Audit Committee may deem fit.

d. In such cases where the need for Related Party Transactions cannot be foreseen and details as required above are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding the limits, as mentioned in the Companies Act, 2013 and the rules thereunder as amended from time to time, per transaction;

e. The Audit Committee shall review, atleast on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given;

f. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

The Audit Committee will have the discretion to recommend / refer any matter relating to the Related Party Transactions to the Board for the approval.

Management will present to the Audit Committee each proposed Related Party Transaction, including all relevant facts and circumstances, and will update the Audit Committee as to any material changes to an approved or ratified Related Party Transaction and will provide a status report annually at a regularly scheduled meeting of the Audit Committee, of all then current Related Party Transactions.

No director shall participate in approval of a Related Party Transaction for which he or she is a Related Party.

Approval of Board of Directors:

All the Related Party Transactions under Section 188 of the Companies Act, 2013 shall be approved by the Board of Directors of the Company, however this provision will not apply to the transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.

Approval by the Members

The prior approval of the shareholders by way of an ordinary resolution shall be required in respect of Specified Transaction(s) with Related Party(ies) as defined under Section 2(76) of the Act and exceeds the following threshold limits;

S. No	***Nature of the Transaction***	***Threshold Limit***
i	*Sale, purchase or supply of any goods or materials, directly or through appointment of agent.*	*Amounting to 10% or more of the turnover of the Company or ₹ 100 crore, whichever is lower.*
ii	*Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent*	*Amounting to 10% or more of the net worth of the Company or ₹ 100 crore, whichever is lower.*
iii	*Leasing of property of any kind.*	*Amounting to 10% or more of the turnover or 10% or more of the net worth of the Company, or ₹ 100 crore, whichever is lower*

S. No	Nature of the Transaction	Threshold Limit
iv	*Availing or rendering of any services, directly or through appointment of agent.*	*Amounting to 10% or more of the turnover of the Company or ₹ 50 crore, whichever is lower.*
v	*Appointment of any Related Party to any office or place of profit in the Company, its subsidiary company or associate company.*	*Monthly remuneration exceeding two and half lakh rupees.*
vi	*Underwriting the subscription of any securities or derivatives thereof, of the Company.*	*Remuneration for underwriting exceeding 1% of the net worth of the Company.*

The limits specified in point no. (i) to (iv) above shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

The turnover or net worth as mentioned in point no. (i) to (iv) above shall be computed on the basis of audited financial statement of the Company on standalone basis for the preceding financial year.

Provided further that no member of the company shall vote on above stated ordinary resolution, to approve any contract or arrangement which may be entered into by the Company, if such member is a related party.

All Material Related Party Transactions shall require approval of the shareholders by way of an ordinary resolution. No Related Party(ies) shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not

Factors / Criteria to be considered while granting approval to Related Party Transactions:

The Audit Committee / Board will consider the following factors, among others, to the extent relevant to the Related Party Transactions while granting its approval:

a. Whether the terms of the Related Party Transaction are fair and on arms' length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;

b. Whether there are any compelling business reasons for the Company to enter into a Related Party Transaction and the nature of alternative transactions, if any;

c. Whether the Related Party Transaction would affect the independence of an independent director;

d. Whether the transaction qualifies to be a transaction in ordinary course of business;

e. Whether the proposed transaction includes any potential risk issues that may arise as a result of or in connection with the proposed transaction;

f. Whether the Related Party Transaction would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the terms and size of the transaction, the purpose and timing of the transaction, the overall financial position of the director or other Related Party, the direct or indirect nature of the Director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of the any proposed relationship and any other factors the Board / Committee deems relevant.

Pre-Approved Transactions:

The Audit Committee has reviewed and pre-approved each of the following types of Related Party

Transactions, which will be deemed to be approved or ratified, as applicable under this policy:

1. **Managerial Remuneration**
   a) To Managing Director & CEO if the remuneration is required to be reported / circulated to the shareholders pursuant to requirement of the Companies Act, 2013 and such remuneration has been approved, or recommended to the Company's Board of Directors for approval, by Nomination and Remuneration Committee of the Board of Directors of the Company; or

   b) To Key Managerial Personnel if the remuneration is required to be reported / circulated to the shareholders pursuant to requirement of the Companies Act, 2013 and such remuneration has been approved, or recommended to the Company's Board of Directors for approval, by Nomination and Remuneration Committee of the Board of Directors of the Company.

2. **Transactions that are in the Company's ordinary course of business such as the following:**

a) Borrowing or Raising of funds in the nature of NCD, Bonds (Tier I or II, subordinate etc) for business of the company from the promoter, repayment / payment of interest or principal towards secured or unsecured loans.

b) Issue of equity shares, PTC and payment of interest or other return on such subscription.

3. Transactions that are in the nature of payment of rent, dividend, reimbursement of municipal taxes, reimbursement of electricity expenses, reimbursement of gratuity for staff on deputation from promoter, payment for staff training, conference and towards renovation and repairs either to promoter or subsidiary or associate.

Disclosure:

All Related Party Transactions are to be disclosed in the Company's applicable returns / report as required by the Companies Act, 2013, Listing Agreement. Furthermore, any material Related Party Transactions will be placed before the Board of Directors for approval.

Other Agreements:

Management will assure that all Related Party Transactions are not in violation of and are approved in accordance with any requirements of the Company's financing or other material agreements.

Review & Monitoring of Related Party Transactions:

The Audit Committee may review and monitor a Related Party Transaction taking into account the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy, subject to compliance with the requirements of the Companies Act, 2013 and Listing Regulations.

Interpretation:

This policy is intended to comply with the requirement of the Companies Act, 2013, Indian Accounting Standards, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other statue, law, sandards, regulations or other governmental instruction relating to the related party, as amended from time to time. Notwithstanding anything herein to the contrary, this policy will be interpreted only in such a manner as to comply with the requirement of the Companies Act, 2013 with the Rules thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with any amendments notified thereafter.

ANNEXURE 3
TO THE BOARD'S REPORT

FORM NO. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
   a) Name(s) of the related party and nature of relationship: N.A.
   b) Nature of contracts/arrangements/transactions: N.A.
   c) Duration of the contracts/arrangements/transactions: N.A.
   d) Salient terms of the contracts or arrangements or transactions including the value if any: N.A.
   e) Justification for entering into such contracts or arrangements or transactions: N.A.
   f) Date(s) of approval by the Board: N.A.
   g) Amount paid as advance, if any: N.A.
   h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: N.A.
2. Details of material contracts or arrangements or transactions at arm's length basis:
   a) Name(s) of the related party and nature of relationship: Annexure 5 to this report.
   b) Nature of transactions: As per Annexure 6 to this report.
   c) Duration of the transactions: On going basis.
   d) Salient terms of the contracts or arrangements or transactions including the value if any: As per Annexure 6 to this report.
   e) Date(s) of approval by the Board: 15th June, 2021.
   f) Amount paid as advance, if any: Nil.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 20th August, 2021

M. R. Kumar
Chairman

ANNEXURE 4
TO THE BOARD'S REPORT

ANNUAL CSR REPORT 2020-21

1. Brief outline on CSR Policy of the Company: The Company aims to build self-reliant communities, through series of social initiatives in the field of Education, Skill training and Sustainable livelihood enhancement, Health Care, Environmental Sustainability and Rural Development. The CSR projects/programs are guided by CSR Policy duly approved by the Board of Directors of the Company and aligned to comply with the requirements of Section 135 of the Companies Act, 2013.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Jagdish Capoor	Independent Director	3	3
2	Dr. Dharmendra Bhandari	Independent Director	3	3
3	Shri Y Viswanatha Gowd**	Managing Director & CEO	3	1
4	Shri Siddhartha Mohanty*	Managing Director & CEO	3	2

* Shri Siddhartha Mohanty got promoted as MD, Life Insurance Corporation of India (LIC India) and transferred back to LIC India on 01st February 2021.

** Shri Y Viswanatha Gowd has taken the charge of MD and CEO, LIC HFL on 1st February 2021.

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. : www.lichousing.com/corp_soci_res_policy.php

4. Provide the details of Impact assessment of CSR projects carried out inpursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social-Responsibility Policy) Rules, 2014 : The Company conducted impact assessment of major CSR projects of previous financial year as per the provision of CSR Rule 2021. The project covered under impact assessment are: Educational merit scholarship, School Sanitation initiative, Preservation of Natural Resource, Rural development project, Humanitarian response to Gaja Cyclone, Assam flood and COVID-19. A summary of the findings of the impact assessment studies is provided in Annexure 1 of the Annual Report on CSR.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any — Not Applicable

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
1	FY2020-21	Not Applicable	Not Applicable
	TOTAL		

1. Average net profit of the company as per Section 135(5) : 3151.44 Crore
2. (a) Two percent of average net profit of the company as per Section 135(5) : 63.03 Crore
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil.
   (c) Amount required to be set off for the financial year, if any : Not applicable
   (d) Total CSR obligation for the financial year (7a+7b- 7c) : 63.03 Crore

3. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	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
6.91 Crore	47.02 Crore	29th April 2021	PM CARE Fund	8.79	The Company will be transferring the said amount within specified timeline

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sl. No	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/ No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial Year (in ₹)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implemen-tation Direct (Yes/No)	(11) Mode of Implementation Agency	
				State	District						Name	CSR Registration number
1	Humanitarian Assistance for COVID-19	Disaster management-relief	Yes	Uttar Pradesh	Agra	12 months	50,00,000	49,84,950	15,050	Yes	Direct	NA
2	Humanitarian Assistance for COVID-19	Disaster management-relief	Yes	Mizoram	Aizawl	12 months	15,09,000	15,00,000	9,000	Yes	Direct	NA
3	Humanitarian Assistance for COVID-19	Disaster management-relief	Yes	Telangana	Hyderabad,	12 months	48,87,745	47,72,228	1,15,517	Yes	Direct	NA
4	Humanitarian Assistance for COVID-19	Disaster management-relief	Yes	Maharashtra	Mumbai	12 months	15,00,000	10,00,000	5,00,000	No	Keshav Shrusti	NA
5	Nirnayam	Contributions to public funded Universities	Yes	Uttar Pradesh	Kanpur Nagar	36 Months	1,06,08,000	0	1,06,08,000	No	Indian Institute of Technology Kanpur	NA
6	Nirnayam	Preventive health care	Yes	Maharashtra	Mumbai	12 Months	7,00,00,000	0	7,00,00,000	No	TATA Cancer Centre	NA
7	Vidhyadhan Scholarship	Promoting education	Yes	PAN India	Multiple districts	36 Months	3,61,81,950	0	3,61,81,950	No	Buddy4Study India Foundation	NA
8	SATHI Knowledge On Wheels	Promoting education	Yes	Maharashtra	Palghar	14 Months	28,87,930	21,90,983	6,96,947	No	Keshav Shrusti	NA
9	SATHI	Promoting education and Sanitation	Yes	Karnataka and Puduchchery	Chithradurga, Davankere, Thumkuru and Karaikal	12 Months	4,56,00,000	0	4,56,00,000	No	Gramalaya Trust	NA
10	LIFE	Vocational Training and Livelihood Enhancement	Yes	Himachal Pradesh and Uttarakhand	Solan and Nainital	12 Months	1,00,00,000	0	1,00,00,000	No	People Science Institute	NA

(1) Sl. No	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/ No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial Year (in ₹)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implementation Direct (Yes/No)	(11) Mode of Implementation Agency	
				State	District						Name	CSR Registration number
11	LIFE	Vocational Training and Livelihood Enhancement	Yes	Assam and Tripura	Jorhat and East Tripura	12 Months	1,03,09,000	0	1,03,09,000	No	Seven Sisters Development Assistance	NA
12	LIFE	Vocational Training and Livelihood Enhancement	Yes	Telangana and Karnataka	Jayashankar Bhupalpally and Raichur	12 Months	99,55,098	0	99,55,098	No	Vrutti	NA
13	LIFE	Vocational Training and Livelihood Enhancement	Yes	Madhya Pradesh	Chhindwara, Anuppur and Sagar	36 Months	3,29,05,000	0	3,29,05,000	No	Self-Reliant Initiatives through Joint Action	NA
14	LIFE	Vocational Training and Livelihood Enhancement	Yes	Andhra Pradesh	Visakhapatnam	36 Months	1,49,98,324	0	1,49,98,324	No	Kovel foundation	NA
15	LIFE	Vocational Training and Livelihood Enhancement	Yes	Kerala	Thrissur	12 Months	1,25,32,000	0	1,25,32,000	No	Santhi Medical Information Centre	NA
16	UDHYAM	Vocational Training and Livelihood Enhancement	Yes	Bihar, Jharkhand, Chhattisgarh and West Bengal,	Gaya, Hazaribagh, Korba and Kolkata	12 Months	1,66,00,000	0	1,66,00,000	No	Lok Bharti education Society	NA
17	HRIDAY	Rural development	Yes	Jharkhand	Jalpa	12 Months	2,50,93,315	0	2,50,93,315	No	Sahbhagi Shikshan Kendra	NA
18	HRIDAY	Rural development	Yes	Uttar Pradesh	Lucknow	12 Months	97,29,900	0	97,29,900	No	PANI Society	NA
19	HRIDAY	Rural development	Yes	Andhra Pradesh	Vizianagaram	12 Months	1,14,26,900	0	1,14,26,900	No	Action for Food Production	NA
20	HRIDAY	Rural development	Yes	Tamil Nadu	Krishnagiri	12 Months	2,78,71,298	0	2,78,71,298	No	MYRADA	NA
21	HRIDAY	Rural development	Yes	Haryana	Mewat	12 Months	1,89,19,725	0	1,89,19,725	No	S M Segal foundtion	NA
22	HRIDAY	Rural development	Yes	Rajasthan	Baran	12 Months	1,71,70,500	0	1,71,70,500	No	ARHO foundation	NA
23	HRIDAY	Rural development	Yes	Bihar	Gaya	12 Months	1,77,54,516	0	1,77,54,516	No	Integrated Development Foundation	NA
24	HRIDAY	Rural development	Yes	Maharashtra	Plaghar	12 Months	2,42,61,300	0	2,42,61,300	No	Krushi Vikas Gramin Prashikshan Sanstha	NA
25	Back to school	Promoting education	Yes	PAN India	Multiple districts	12 Months	4,70,00,000	0	4,70,00,000	Yes	Direct	NA
							48,47,01,501	1,44,48,161	47,02,53,340			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/ No)	(5) Location of the project		(6) Amount spent for the project (in ₹.)	(7) Mode of implemen-tation Direct (Yes/No)	(8) Mode of implementation – through implementing agency	
				State	District			Name	CSR registration number
1	Humanitarian Assistance for COVID-19	Disaster management-relief	Yes	Telangana	Hyderabad,	50,00,000	Yes	Direct	NA
2	Humanitarian Assistance for COVID-19	Disaster management-relief	Yes	Punjab	Sangrur	39,99,240	Yes	Direct	NA
3	Humanitarian Assistance for COVID-19	Disaster management-relief	Yes	Andhra Pradesh	Anantapur	50,00,000	Yes	Direct	NA
4	Humanitarian Assistance for COVID-19	Disaster management-relief	Yes	Nagaland	Kohima	25,00,000	Yes	Direct	NA
5	Humanitarian Assistance for COVID-19	Disaster management-relief	Yes	Maharashtra	Mumbai	60,00,000	Yes	Direct	NA
6	Humanitarian Assistance for COVID-19	Disaster management-relief	Yes	New Delhi	Delhi	50,00,000	No	International Association of Human Values	NA
7	Nirnayam	Preventive health care	Yes	Maharashtra	Mumbai	75,00,000	No	Indian Red Cross Society	NA
8	Nirnayam	Preventive health care	Yes	Maharashtra	Mumbai	79,62,500	No	Shusrusha hospital	NA
9	Humanitarian Assistance	Measures for the benefit of armed forces veterans, war widows and dependents	Yes	New Delhi	Delhi	1,00,00,000	No	Kendriya Sanik Board Welfare fund	NA
	TOTAL					**5,29,61,740**			

(d) Amount spent in Administrative Overheads : An amount of ₹ 17,33,304/- has been spent and an amount of ₹ 29,97,200/- is being provisioned for administrative overheads.

(e) Amount spent on Impact Assessment, if applicable : Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : 6,91,43,205/-

(g) Excess amount for set off, if any : Not applicable

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per Section 135(5)	63,02,88,547.00
(ii)	Total amount spent for the Financial Year	6,91,43,205.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

4. (a) 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) (in ₹)	Amount spent in the reporting Financial Year (In ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (In ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	FY2019-20	Nil*	21,30,65,442	NA	NA	NA	17,24,67,569
2	FY2018-19	Nil	18,78,02,879	NA	NA	NA	NA
3	FY2017-18	Nil	6,78,63,247	NA	NA	NA	NA
	TOTAL		**46,87,31,568**	**-**	**-**	**-**	**17,24,67,569**

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

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	**Project ID.**	**Name of the Project**	**Financial Year in Which the project was commenced**	**Project duration**	**Total amount allocated for the project (in ₹)**	**Amount spent on the project in the reporting Financial Year (in ₹)**	**Cumulative amount spent at the end of reporting Financial Year (in ₹)**	**Status of the project Completed / Ongoing**
1	PC.11.1803	SATHI	2019-20	12 months	59,16,250	59,16,250	59,16,250	Completed
2	PC.11.1805	HRIDAY	2019-20	12 Months	1,15,22,724	15,22,724	1,15,22,724	Completed
3	PC.11.1827	Nirnayam	2019-20	12 Months	3,84,64,225	1,00,00,000	3,00,00,000	Ongoing
4	PC.11.1830	UDAN	2019-20	12 Months	1,37,98,804	37,98,804	1,37,98,804	Completed
5	PC.13.1901	VIDYA	2019-20	12 Months	1,30,98,000	25,00,000	75,59,895	Ongoing
6	PC.14.1904	Vidhyadhan	2019-20	12 Months	2,79,75,000	1,73,20,000	2,04,57,000	Ongoing
7	PC.14.1906	HRIDAY	2019-20	12 Months	1,87,68,320	87,68,320	1,87,68,320	Ongoing
8	PC.14.1907	UDAN	2019-20	18 Months	1,49,95,329	30,70,250	61,21,243	Ongoing
9	PC.14.1908	SATHI	2019-20	12 Months	60,75,800	14,16,250	32,47,700	Ongoing
10	PC.14.1909	SATHI	2019-20	12 Months	92,40,000	90,66,063	90,66,063	Completed
11	PC.14.1911	UDAN	2019-20	12 Months	1,97,67,560	97,97,780	1,97,67,560	Completed
12	PC.15.1912	Nirnayam	2019-20	12 Months	4,00,00,000	1,00,00,000	3,00,00,000	Ongoing
13	PC.16.1916	SATHI	2019-20	12 Months	3,80,00,000	92,50,000	92,50,000	Ongoing
14	PC.16.1917	SATHI	2019-20	12 Months	55,00,000	55,00,000	55,00,000	Ongoing
15	PC.17.1019	Nirnayam	2019-20	12 Months	39,20,000	25,00,000	25,00,000	Ongoing
16	PC.18.1901	Humanitarian response to COVID - 19	2019-20	06 Months	4,85,00,000	3,00,00,000	4,00,00,000	Completed
17	PC.18.1902	Humanitarian response to COVID - 19	2019-20	06 Months	4,50,00,000	3,00,00,000	4,00,00,000	Completed
18	PC.18.1903	Humanitarian response to COVID - 19	2019-20	06 Months	75,00,000	74,31,898	74,31,898	Completed
19	PC.18.1904	Humanitarian response to COVID - 19	2019-20	06 Months	4,00,00,000	3,84,01,289	3,84,01,289	Completed
	TOTAL				**40,80,42,012**	**20,62,59,628**	**31,93,08,746**	

5.	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)	:	No capital assets have been created or acquired in the name of the Company through CSR spend in the financial year 2020-21
	(a) Date of creation or acquisition of the capital asset(s)	:	Not applicable
	(b) Amount of CSR spent for creation or acquisition of capital asset.	:	Not applicable
	(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	:	Not applicable
	(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	:	Not applicable

6. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): The Company had intends to contribute towards genuine projects and partner with only reputed implementation agencies with proven track record. Subsequently the Company gave predominant emphasis on periodically monitoring and impact generation from the CSR contribution made by it. In financial year 2020-21 the Company has made its best endeavor to appraise and process the contribution requests received by it. The Company is committed towards spending maximum CSR funds.

Sd/-	Sd/-	Sd/-
Chief Executive Officer & Managing Director or Director	Chairman of CSR Committee	General Manager (Taxation) & Company Secretary

ANNEXURE 5
TO THE BOARD'S REPORT

RELATED PARTY DISCLOSURE

a. Related Party Policy:

Related Party Policy is uploaded on the website of the Company and annexed to the Director Report.

b. Names of Related Parties:

(i) **Enterprise having Significant Influence on the Company**

Life Insurance Corporation of India

(ii) **Enterprises over which Control exists**

LICHFL Care Homes Limited

LICHFL Financial Services Limited

LICHFL Asset Management Company Limited

LICHFL Trustee Company Private Limited

(iii) **Associates of the Company**

LIC Mutual Fund Asset Management Limited

LIC Mutual Fund Trustee Private Limited

(iv) **Key Management Personnel**

Key Management Personnel	For the year ended March 31, 2021	For the year ended March 31, 2020
Shri Vinay Sah	-	MD & CEO (Resigned on 01.08.2019)
Shri Siddhartha Mohanty	MD & CEO (Resigned on 01.02.2021)	MD & CEO (From 01.08.2019)
Shri Y Viswanatha Gowd	MD & CEO (From 01.02.2021)	-
Shri Nitin K Jage	Company Secretary	Company Secretary
Shri P Narayanan	-	Chief Financial Officer (Resigned on 10.05.2019)
Shri Sudipto Sil	Chief Financial Officer	Chief Financial Officer (From 10.05.2019)
Directors (Executive or Otherwise)		
Shri M R Kumar	Chairman	Chairman
Shri Hemant Bhargava	-	Non-Executive Nominee Director (Resigned on 01.08.2019)
Shri Vipin Anand	Non-Executive Nominee Director	Non-Executive Nominee Director (From 11.11.2019)
Shri Jagdish Capoor	Independent Director	Independent Director
Smt Savita Singh	Independent Director (Resigned on 09.11.2020)	Independent Director (Re-designated as Independent Director from 01.04.2019)
Shri Dharmendra Bhandari	Independent Director	Independent Director
Shri V K Kukreja	Independent Director	Independent Director
Shri Ameet Patel	Independent Director	Independent Director
Shri P Koteswara Rao	Non Independent Director	Non Independent Director (Re-designated as Non Independent from 04.05.2019)
Shri Kashi Prasad Khandelwal	Independent Director	Independent Director (From 01.07.2019)
Shri Sanjay Kumar Khemani	Non Independent Director	Non Independent Director (From 01.07.2019)
Shri Akshay Rout	Non Independent Director (From 28.09.2020)	-
Smt Jagennath Jayanthi	Independent Director (From 05.02.2021)	-

c. **Details of transactions and balance at the year end with related parties:**

(₹ in Crore)

Related Party	Nature of transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
Life Insurance Corporation of India			
	Repayment of non-convertible debentures	2,000.00	500.00
	Interest expenses on Secured and Unsecured loans	1,362.63	1,461.83
	Dividend Payment	162.75	154.62
	Rent Rates and Taxes	8.94	8.12
	Reimbursement of Electricity Expenses	0.56	0.45
	Payment for Staff training, Conference, etc.	-	0.02
	Reimbursement of Gratuity, Mediclaim, GSLI and Pension Fund for staff posted from LIC	1.25	1.12
	Net Contribution to LIC of India, P & GS, for Gratuity premium for employees (Post Employment Benefit Fund with Related Entity)	10.90	8.45
	Balance as at the year end towards non convertible debentures (Credit)	14,550.00	16,550.00
	Balance as at the year end towards Interest Accrued on non convertible debentures (Credit)	**399.14**	**452.84**
	Balance as at the year end-Others (Credit)	**1.08**	**2.39**
LICHFL Care Homes Limited			
	Dividend Income	1.00	-
	Rent Received	0.26	0.24
	Investment in Public Deposit with the Company	35.30	-
	Interest Expense on Public Deposit with the Company	0.33	-
	Balance as at the year-end (Credit)	**35.63**	**-**
LICHFL Financial Services Limited			
	Dividend Income	2.38	3.80
	Investment in Public Deposit by LICHFL Financial Services Ltd with the Company	15.00	24.00
	Redemption of Public Deposit by LICHFL Financial Services Limited with the Company	24.00	-
	Interest Expense on Public Deposit by LICHFL Financial Services Limited	1.31	1.52
	Commission Expenses on Loan Business	58.03	43.49
	Commission Expenses on Public Deposit	0.19	0.30
	Rent Received	0.49	0.46
	Payment of Expenses	0.19	0.20
	Reimbursement of Expenses	0.19	0.20
	Balance as at the year end towards payment of Commission Expense on Loan Business (Credit)	11.79	5.10
	Balance as at the year end towards payment of Commission Expense on Public Deposit (Credit)	-	0.01
	Balance as at the year end towards Public Deposit and Accrued Interest on Public Deposit (Credit)	**15.88**	**25.52**
	Balance as at the year end -Others (Debit)	**0.01**	**0.01**
LICHFL Asset Management Company Limited			
	Dividend Income	2.39	2.18
	Investment in Public Deposit by LICHFL Asset Management Co. Ltd with the Company	7.97	10.63
	Redemption of Public Deposit by LICHFL Asset Management Co. Ltd with the Company	7.53	7.15
	Interest Expense on Public Deposit by LICHFL Asset Management Co. Ltd.	1.06	1.03
	Payment of Expenses	0.18	0.19
	Reimbursement of Expenses	0.18	0.19
	Balance as at the year end towards Public Deposit and Accrued Interest on Public Deposit (Credit)	**15.28**	**14.35**
	Balance as at the year end- Others (Debit)	**0.01**	**0.01**

Related Party	Nature of transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
LIC Mutual Fund Asset Management Limited			
	Dividend Income	-	0.22
Key Management Personnel			
Shri Vinay Sah, MD & CEO (Resigned on 01.08.2019) Shri Siddhartha Mohanty, MD & CEO (Resigned on 01.02.2021) Shri Y Viswanatha Gowd	*Managerial remuneration-Total	***0.59	**0.60
	Short Term Employment Benefits	0.58	0.59
	Post -Employment Benefits	0.01	0.01
	Interest Expense on investment in Public Deposit by Close Members	0.01	-
	Balance as at the year end towards investment in Public Deposit by Close Members and Accrued Interest on Public Deposit (Credit)	0.07	-
Shri Y Viswanatha Gowd, MD &CEO (From 01.02.2021)	Outstanding Amount of Loan taken from the Company	-	0.47
Shri Nitin K Jage, Company Secretary	*Managerial remuneration-Total	0.42	0.41
	Short Term Employment Benefits	0.42	0.41
	Post-Employment Benefits	-	-
	Investment in Public Deposit	-	0.04
	Outstanding Amount of Loan taken from the Company	0.03	0.08
Shri P Narayanan, CFO (Upto 10.05.2019) & Shri Sudipto Sil (From 10.05.2019)	*Managerial remuneration-Total	0.33	***0.40
	Short Term Employment Benefits	0.33	0.40
	Post-Employment Benefits	-	-
	Investment in Public Deposit	-	-
	Interest Expense on investment in Public Deposit	-	-
	Investment in Public Deposit by Close Members of family	0.07	0.48
	Interest Expense on investment in Public Deposit by Close Members	0.05	0.04
Directors (Executive or Otherwise)	Sitting Fees Paid	0.48	0.50
Shri Vipin Anand, Non-Executive Nominee Director	Outstanding Amount of Loan taken from the Company	-	0.40
Shri Jagdish Capoor, Independent Director	Investment in Public Deposit	-	0.10

*As the Provision for Performance Linked Incentive (PLI) and Leave encashment is accrued for the company as a whole and not decided individually, hence not included. However payment made during the financial year 2020-2021 has been included.

** The amount includes Performance Linked Incentive (PLI) paid to Shri Vinay Sah, MD & CEO (Upto 01.08.2019) during the Financial year 2019-2020 and salary paid to Shri. Siddhartha Mohanty, MD & CEO, (From 01.08.2019) and Shri Vinay Sah, MD & CEO for financial year 2019-2020.

*** The amount includes Performance Linked Incentive (PLI) paid to Shri Siddhartha Mohanty, MD & CEO (Upto 01.02.2021) during the Financial year 2020-2021 and salary paid to Mr. Siddhartha Mohanty, MD & CEO, (From 01.02.2021) and Shri Y. Viswanatha Gowd, MD &CEO for financial year 2020-2021.

**** The amount includes Performance Linked Incentive (PLI) paid to Shri P Narayanan, CFO (Upto 10.05.2019) during the Financial year 2019-2020 and salary paid to Shri Sudipto Sil, CFO (From 10.05.2019) and Shri P Narayanan, CFO for financial year 2019-2020.

Gratuity payable by the Company to the Company Secretary and CFO is ₹ 0.20 Crore as a post-employment benefit. For the MD & CEO, an amount of 5% of Basic Salary plus DA is contributed as a post- employment benefit to LIC.

For and on behalf of the Board of Directors

Place: Mumbai
Date : 20th August, 2021

M. R. Kumar
Chairman

ANNEXURE 6
TO THE BOARD'S REPORT

FORM AOC-1

Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries / associate companies.

Part 'A' Subsidiaries

Amt in ₹

Sl. No.	Name of the Subsidiary Company	Reporting period	Reporting currency	Issued, subscribed and paid up Capital	Reserves & surplus	Total assets	Liabilities (excluding share capital & reserves)	Investments	Turnover	Profit/ (Loss) before taxation	Tax Expenses / (Credit)	Profit / (Loss) after taxation	Proposed dividend	% of shareholding
1	LICHFL Care Homes Limited	April 2020 - March 2021	INR	500,000,000	155,358,793	1,279,570,345	624,211,552	20,540,934	37,223,353	3,805,243	75,808	3,729,435	Nil	100
2	LICHFL Financial Services Limited	April 2020 - March 2021	INR	95,000,000	577,320,962	788,212,955	115,891,993	Nil	602,768,551	189,297,053	59,707,138	129,589,915	25%	100
3	LICHFL Asset Management Company Limited	April 2020 - March 2021	INR	91,944,000	411,915,503	608,098,785	104,239,282	497,318,091	166,133,326	113,652,018	36,705,480	76,946,538	27.50%	94.62
4	LICHFL Trustee Company Private Limited	April 2020 - March 2021	INR	900,000	5,284,028	6,441,043	257,015	6,325,514	1,695,112	1,520,641	364,847	1,155,794	Nil	100

Part 'B' Associate

Sl. No.	Name of the Company	Reporting period	Reporting currency	Issued, subscribed and paid up Capital	Reserves & surplus	Total assets	Liabilities (excluding share capital & reserves)	Investments	Turnover	Profit/ (Loss) before taxation	Tax Expenses / (Credit)	Profit / (Loss) after taxation	Proposed dividend	% of shareholding
1	LIC Mutual Fund Asset Management Company Limited (Unaudited)	April 2020 - March 2021	INR	110,000,000	1,098,566,940	1,315,020,140	106,453,200	601,073,140	514,121,830	49,787,840	-	49,787,840	Nil	39.30
2	LIC Mutual Fund Trustee Private Limited (Unaudited)	April 2020 - March 2021	INR	100,000	3,364,920	3,578,047	113,127	Nil	2,078,315	1,243,165	312,905	930,260	Nil	35.30

ANNEXURE 7
TO THE BOARD'S REPORT

DIVIDEND DISTRIBUTION POLICY

INTRODUCTION

Normally Companies do not distribute entire profit earned amongst the shareholders. Part of profit is ploughed back as retained earnings and only Part of the profit gets distributed to the shareholders. The part that is distributed is the **dividend**. Dividends are declared at the Annual General Meeting of the shareholders based on the recommendation of the Board of Directors of the Company.

Dividend policy of a company is the strategy followed to decide the amount of **dividends** and the timing of the payments. There are various factors that frame a dividend policy of the Company viz. availability of better investment opportunities, estimated volatility of future earnings, tax considerations, financial flexibility, legal restrictions, profitability, stability of dividend payout and retained earnings, liquidity and cash flows, investment variables and financial variables, financial leverage, last year/s dividend, regulations, industry growth rate and capital investment needs.

DIVIDEND DISTRIBUTION POLICY OF LIC HOUSING FINANCE LIMITED

The Board of Directors (the "Board") of LIC Housing Finance Limited (the "Company") has to adopt the Dividend Distribution Policy (the "Policy") of the Company as required in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

EFFECTIVE DATE

The Policy shall become effective from the date of its adoption by the Board i.e. 16.01.2017.

PURPOSE:

The Securities and Exchange Board of India ("SEBI") vide its Notification dated July 08, 2016 has amended the Listing Regulations by inserting Regulation 43A in order to make it mandatory to have a Dividend Distribution Policy in place, by the top five hundred listed companies based on their market capitalization calculated as on the 31st day of March of every year. The Company being one of the top five hundred listed company as per the market capitalization as on the last day of the immediately preceding financial year, the Board of the Company recognizes the need to lay down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend to its shareholders and/or retaining or plough back of its profits. The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders.

OBJECTIVES:

Objective of Dividend Distribution policy of the Company would be to define policy and procedures in relation to the calculation, declaration, and settlement of dividend and time period within which dividend payments would be made to its shareholders. There are various financial parameters, external and internal factors which are considered in forming the Dividend Distribution Policy for the Company.

To ensure that the Company has sufficient distributable profits and / or general reserves, as determined by a review of the Company's audited financial statements, prior to any declaration and / or payment of dividend.

Declaration of dividend on the basis of parameters in addition to the elements of this Policy or resulting in amendment of any element or the Policy will be regarded as deviation. Any such deviation on elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale will be disclosed in the Annual Report by the Board of Directors.

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company shall pursue this Policy, to pay, subject to the circumstances and factors enlisted hereon, progressive dividend, which shall be consistent with the performance of the Company over the years.

SCOPE, LAW AND REGULATIONS IN RESPECT OF DIVIDEND PAYMENT:

The declaration and payment of dividend shall be governed by various provisions of the Companies Act, 2013 and most importantly chapter - VIII i.e. from Section 123 to 127 deals with *"Declaration and payment of dividend"*, The Companies (Declaration and Payment of Dividend) Rules, 2014 ; Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; Section 27 of Security Contract Regulation Act, 1956; Income-tax Act, 1961; Secretarial Standards on Dividend (SS-3); NHB Guidelines / Circulars / Notifications, FEMA 1999, SEBI Guidelines / Circulars etc. as amended from time to time and to the extent applicable.

The Company will adhere to the provisions of Law as stated in above para.

The policy set out herein generally relates to final Dividend, certain principles also apply to Interim Dividend declared by the Board of Directors, as stated hereinafter.

Trading Window: In terms of regulation 2(1)(n) of SEBI (Prohibition of Insider Trading) Regulations, 2015, declaration of dividends (interim or final) shall be treated as "Unpublished Price Sensitive Information" hence company shall comply with norms / compliances of trading window read with company's Insider Trading Policy viz. Code of internal procedures and conduct for regulating, monitoring and reporting of trading by insiders pursuant to regulation 9(1) and Schedule B of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

Secretarial Standards: The Company will comply with Secretarial Standards as and when the Secretarial Standards are notified and enforced by the Ministry of Corporate Affairs.

Right / Title to dividends: It shall be governed by Section 27 of Security Contract Regulation Act, 1956 and other applicable laws, rules and regulation as amended and enforced from time to time.

The Policy shall not apply to:

Determination and declaring dividend on preference shares if any, issued in future as the same will be as per the terms of issue, approved by the shareholders;

Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law;

Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.

However, the Board reserves the right to modify this policy to accommodate the preference shares or make a separate policy for preference shares in accordance with applicable provisions of the law as stated in above para as and when it deems fit and necessary.

I. GENERAL TERMS

The general considerations of the Company for taking decisions with regard to dividend payout or retention of profits shall be as following:

The management would discuss and recommend to the Board on dividend payment, considering the circumstances or factors but not limited to the following:

a) Future expansion plans;

b) Profit earned during the current financial year;

c) Overall financial conditions;

d) Cost of raising funds from alternative sources;

e) Applicable taxes; (including dividend distribution tax / tax deductible at source on dividend (TDS) as the case may be)

f) Money market conditions;

g) Macro-economic situations, etc.

h) Investor's expectation and other relevant factors.

i) Carry forward losses, if any.

The dividends are declared at the Annual General Meeting of the Company, based on recommendations of the Board.

Free Reserves:

The word "Free reserves" has been defined under Section 2(43) of Companies Act, 2013 to mean such reserves which, as per the latest audited balance sheet of a company, are available for distribution as dividend. However the following shall not be treated as free reserves; any amount representing unrealized gains notional gains on revaluation of assets, whether shown as a reserve or otherwise or any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value.

Clause 2(1)(l) of the NHB Directions, 2010 defines "Free Reserves" to include the balance in the share premium account, capital and debenture redemption reserves and any other reserve shown or published in the balance sheet of the company and created through an allocation of profits, not being (1) a reserve created for repayment of any future liability or for depreciation in assets or for bad debt or (2) a reserve created by revaluation of the assets of the company;

Interim dividend:

The Board of Directors of a company may declare interim dividend during any financial year out of the surplus in the profit and loss account and/or out of profits of the financial year in which such interim dividend is sought to be declared. In case the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding three financial years in terms of Section 123(3) of Companies Act, 2013.

Final Dividend:

It is declared by the members at an Annual General Meeting as "Ordinary Business" in terms of Section 102(2)(ii) of the Companies Act, 2013 only if recommended by the Board of Directors and at a rate not more than what is recommended by the directors in accordance with the Articles of Association of a company.

Powers to SEBI:

Since, the Company is listed on the Stock Exchanges, Section 24 of the Companies Act, 2013 confers on SEBI, the power of administration of the provisions pertaining to non-payment of dividend. In any other case, the powers remain vested in Central Government.

Dividend Payout Ratio:

The dividend payout ratio measures the percentage of Net Profit After Tax (PAT) that is distributed to shareholders in the form of dividends during the year. In other words, this ratio shows the portion of profits, the company decides to keep to fund for operations and the portion of profits that is distributed amongst its shareholders. It is calculated by dividing the proposed dividend (excluding taxes on dividend) by the Profit after tax and depreciation.

II. PARAMETERS TO BE CONSIDERED FOR DECLARATION OF DIVIDEND PAY-OUT

The Board shall consider the following, while taking decisions of a dividend payout during a particular year:

1. Dividend shall be declared or paid only out of:
    I. Current period profit
        a) after providing for depreciation in accordance with law;
        b) after transferring to reserves such amount of profits as may prescribed under National Housing Bank Act, 1987, Companies Act, 2013 and the rules made thereunder, Income-tax Act, 1961 or under any other laws or statutes.

    II. The profit from any previous financial year(s)
        a) after providing for depreciation in accordance with law; and
        b) out of the amount available for dividend that remains undistributed after prescribed appropriations have been made; or

    III. Out of I or II or both

2. Before declaring any dividend, the losses, if any, of any previous year(s) must be set off against the profit of the Company for the current year or previous year.

3. In terms of third proviso of Section 123(1)(b) of the Companies Act, 2013 no dividend shall be declared or paid by a company from its reserves other than free reserves.

III. OTHER FINANCIAL PARAMETERS

In addition to the aforesaid parameters such as realized profits, the decision of dividend payout or retention of profits shall also be based on the following:

1. Income and profitability parameters:
    I. Net Interest Income (NII);
    II. Profit Before Tax (PBT) and Profit After Tax (PAT);
    III. Return on Assets (RoA);
    IV. Return on Equity (RoE);
    V. Earnings Per Share (EPS);
    VI. Profit growth targets and market expectations.

2. Capitalization level parameters:
    I. Net Owned Funds (NOF);
    II. Capital Risk Adequacy Ratio (CRAR), Tier I capital and Tier II capital;
    III. Gross leverage and net leverage.

3. Portfolio quality parameters:
    I. Absolute values of gross NPA and net NPA
    II. Gross NPA and net NPA as percentage of loan assets
    III. Provisioning levels and provision coverage
    IV. Change in regulatory provisioning requirements
    V. Outlook on portfolio quality

IV. FACTORS THAT MAY AFFECT DIVIDEND PAYOUT

A. External Factors

Taxation and other regulatory concern

- Dividend distribution tax or any tax deduction at source as required by applicable tax regulations in India, as may be applicable at the time of declaration of dividend.
- Any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company at the time of declaration of dividend.

Product/market expansion plan

The Company's growth oriented decision to conserve cash in the Company for future expansion plan impacts shareholders expectation for the long run, which shall have to be considered by the Board before taking dividend decision.

Macroeconomic conditions

Considering the state of economy in the country, the policy decisions that may be formulated by the Government / regulator and other similar conditions prevailing in the market which may have a bearing on or affect the business of the Company, the management may consider retaining a larger part of the profits to have sufficient reserves to absorb unforeseen circumstances.

Various macroeconomic factors like GDP growth rate, inflation rate, government policies (especially related to housing), industry specific factors like demand for housing, real estate scenario, etc. would be considered by the Company in finalizing the dividend payment for the financial year.

B. Internal Factors

The Board and Management may decide to utilize its profit for

i. Business expansion and growth;

ii. Capital expenditure;

iii. Upgradation of technology and physical infrastructure;

iv. Creation of contingency fund;

v. Acquisition of brands and businesses;

Growth outlook for the housing sector and competition intensity may result in margin pressures and result in need to shore up equity capital levels to strengthen operational leverage.

Present liquidity scenario and outlook for the same is the most important fact for any finance company. The Company being in the lending business, it relies on its ability to raise funds efficiently to undertake its lending activities. If the liquidity scenario is poor or if the outlook is adverse, then the Company may choose to hold back dividend pay-outs to shore up equity capital levels.

Being in financial sector, the Company is subject to operational risk, fraud risk, regulatory risk, and legal risk. Incidence of substantial loss from these risks may impact dividend pay-outs.

V. CIRCUMSTANCES UNDER WHICH DIVIDEND PAYOUT MAY OR MAY NOT BE EXPECTED

The Board shall consider the factors provided above under Para **II**, **III** and **IV**, before determination of any dividend payout after analyzing the prospective opportunities and threats, viability of the options of dividend payout or retention etc. The decision of dividend payout shall, majorly be based on the aforesaid factors considering the balanced interest of the shareholders and the Company.

VI. DECLARATION OF DIVIDEND IN THE EVENT OF INADEQUACY OR ABSENCE OF PROFITS IN ANY YEAR

Declaration of dividend out of accumulated profits: In terms of second proviso to Section 123(1) of the Companies Act, 2013 where, owing to inadequacy or absence of profits in any financial year, any company proposes to declare dividend, out of the accumulated profits earned by it in previous years and transferred by the company to the reserves, such declaration of dividend shall not be made except in accordance with the Companies (Declaration and Payment of Dividend) Rules, 2014.

In terms of Rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014 as amended from time to time, in the event of inadequacy or absence of profits in any year, the company may declare dividend out of free reserves subject to the fulfillment of the following conditions, namely:-

(1) The rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it, in the three years immediately preceding that financial year:

Provided that this sub-rule shall not apply to a company, which has not declared any dividend in each of the three preceding financial years.

(2) The total amount to be drawn from such accumulated profits shall not exceed one tenth of the sum of its paid-up share capital and free reserves as appearing in the latest audited financial statement.

(3) The amount so drawn shall first be utilised to set off the losses incurred in the financial year in which dividend is declared, before any dividend in respect of equity shares is declared.

(4) The balance of reserves after such withdrawal shall not fall below fifteen per cent of its paid up share capital as appearing in the latest audited financial statement.

(5) No company shall declare dividend unless carried over previous losses and depreciation not provided in previous year are set off against the profit of the company of the current year, the loss or depreciation, in previous years is set off against the profit of the company for the year for which dividend is declared or paid.

VII. MANNER OF DIVIDEND PAYOUT

The discussion below is a summary of the process of declaration and payment of dividends, and is subject to applicable regulations:

In case of final dividends

1. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.

2. The dividend as recommended by the Board shall be approved / declared at the annual general meeting of the Company.

3. The payment of dividends shall be made within 30 days from the date of declaration, to the shareholders entitled to receive the dividend as per the record date / book closure period pursuant to the applicable law/regulations.

4. In terms of Regulations 29(1) and (2) of the Listing Regulations, an intimation of atleast 2 working days (excluding the date of intimation and date of

meeting of the Board) is required to be given to the stock exchanges, prior to the meeting of the Board at which the recommendation of final dividend is to be considered.

5. In terms of Regulation 30, of the Listing Regulations, the outcome of the meeting shall be intimated, online, immediately to the Stock Exchanges within 30 minutes of the closure of the Board meeting.

6. In terms of Regulation 43(1) of the Listing Regulations, the Company shall declare and disclose the dividend on per share basis only.

7. In terms of Regulation 42(3) of the Listing Regulations, the Company shall intimate book closure / Record date for recommendation or declaration all dividend at least five working days (excluding the date of intimation and the record date) before the record date fixed for the purpose.

8. In terms of Section 123(5) of the Companies Act, 2013 (**Dividend to be paid to Registered Shareholders**), no dividend shall be paid by a company in respect of any share therein except to the registered shareholder of such share or to his order or to his banker and shall not be payable except in cash. Provided that nothing in this sub-section shall be deemed to prohibit the capitalization of profits or reserves of a company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company.

9. Any dividend payable (**Mode of payment of dividend**) in cash shall be paid by using any of the electronic mode of payment facility approved by the Reserve Bank of India. Provided that where it is not possible to use electronic mode of payment, 'payable-at-par' warrants or demand draft / pay order may be issued and if the dividend amount exceeds ₹ 1,500/-, the 'payable-at-par' warrants or cheques shall be sent by speed post/registered post.

   For the above purpose, a separate bank account of the Company in the name and style of LIC Housing Finance Limited - Dividend – cum - unpaid Dividend A/c – ---' would be opened with any Nationalised / Scheduled Bank / Private Bank.

   Further, the Company, through its Registrar & Share Transfer Agent (RTA) shall maintain bank details of their investors (a) for investors holding securities in dematerialized mode, by downloading the same from the system of depositories. (b) for investors holding securities in physical mode, by updating bank details of the investors at their end. The Company/RTA shall mandatorily print the bank account details of the investors on such payment instruments and in cases where the bank details of investors are not available, the listed entity shall mandatorily print the address of the investor on such payment instructions.

10. Dividend distribution tax / tax deductible at source on dividend will be deducted & paid as per the applicable laws, as amended from time to time.

11. A company which fails to comply with the provisions of Sections 73 (Prohibition on acceptance of deposits from public) and Section 74 (Repayment of deposits, etc., accepted before commencement of this Act) of the Companies Act, 2013 shall not, so long as such failure / default continues, declare any dividend on its equity shares in terms of Section 123(6).

12. Right of dividend to be held in abeyance pending registration of transfer of shares, shall be governed in terms of Section 126(a) of the Companies Act, 2013 as amended from time to time.

13. The Company shall determine the date of closure of the register of members and the share transfer register of the Company as per requirements of Section 91 of the Companies Act, 2013 read with Regulation 42 of the Listing Regulations. The Company shall give notice in advance of atleast seven working days (excluding the date of intimation and the record date) to stock exchange(s) of record date specifying the purpose of the record date. The date of commencement of closure of the transfer books should not be on a day following a holiday.

14. The Company shall give atleast a 7 days prior notice by advertisement, stating the dates of closure of its transfer books / record date, at least once in a vernacular newspaper in the principal vernacular language having a wide circulation in the district in which the Registered Office of the Company is situated and atleast once in English language in an English newspaper circulating in the district and has wide circulation in the place where the registered office is located and publish the Notice on the website of the Company in terms of Rule 10 of the Companies (Management and Administration) Rules, 2014.

15. The time gap between two book closure and record date would be at least SEBI time limit days in terms of Regulation 42(4) of the Listing Regulations.

16. A cheque or warrant for payment of Dividend would be valid for three months from the date thereof and, where such cheque or warrant remains unpaid after this initial period of validity, a fresh instrument by way of demand draft / pay order would be issued which would have a validity of three months from the date of issue.

17. The Company would issue a fresh demand draft or pay order or electronic transfer of funds, in lieu

thereof, within 30 days of the receipt of a request for revalidation.

18. A duplicate Dividend warrant would be issued only after the expiry of the validity of the original Dividend warrant and the reconciliation of the paid amounts thereof. In case the original instrument is not tendered to the Company, a duplicate warrant would be issued only after obtaining requisite indemnity / declaration from the Shareholder. Where the amount of dividend warrant exceeds a sum of ₹ 5000/- the indemnity / declaration shall be obtained from the shareholder on a non-judicial stamp paper of ₹ 100/-.

19. In the case of defaced, torn or decrepit or error crept-in while printing, if any, on the Dividend warrants, a duplicate warrant may be issued before the expiry of the validity period of the Dividend warrant on surrender to the Company of such defaced, torn, decrepit warrant or the warrant with printing error.

20. Particulars of every Dividend warrant issued as aforesaid should be entered in a Register of Duplicate Dividend Warrants, indicating the name of the member to whom the Dividend warrant is issued, the number and amount of the Dividend warrant, in lieu of which the duplicate warrant is issued, the date of issue of such duplicate warrant and the reason for issuing duplicate warrant.

In case of interim dividend

1. Interim dividend, if any, shall be declared by the Board.

2. Before declaring interim dividend, the Board shall consider the financial position of the Company that enables the payment of such dividend.

3. The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on record date/book closure period pursuant to the applicable law.

4 to 20 of above para i.e. **In case of final dividend under VII Manner of Dividend Payout** is also applicable to Interim Dividend.

VIII. MANNER OF UTILISATION OF RETAINED EARNINGS

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Market expansion plan;
- Diversification of business;
- Long term strategic plans;
- Other such criteria as the Board may deem fit from time to time.
- To maintain adequate liquidity levels, the Company may also invest a part of the retained earnings in liquid mutual funds, bonds, non-convertible debentures, pass through certificates and other securities.
- Upgradation and introduction of new technology.
- Regulatory requirement of maintaining / increasing Capital Adequacy Ratio.

IX. PARAMETERS FOR VARIOUS CLASSES OF SHARES

1. The factors and parameters for declaration of dividend to different class of shares (**though at present there is only one such class**) of the Company shall be same as covered above.

2. The payment of dividend shall be based on the respective rights attached to each class of shares (**though at present there is only one such class**) as per their terms of issue.

3. The dividends shall be paid out of the Company's distributable profits and/or general reserves, and shall be allocated among shareholders on a pro-rata basis according to the number of each type and class of shares held.

4. Dividend when declared shall be first paid to the preference shareholders of the Company **(though at present there is none)** as per the terms and conditions of the issue.

X. UNPAID OR UNCLAIMED DIVIDEND TO BE TRANSFERRED TO INVESTOR EDUCATION PROTECTION FUND (IEPF)

Transfer to IEPF after 7 years: Any money transferred to the unpaid dividend account of a company in pursuance of Section 124 of the Companies Act, 2013 which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established u/s 125(1) of the Companies Act, 2013 and the Company shall file a statement in "Form DIV-5" to the Authority constituted under the Act to administer the fund and such authority shall issue a receipt to the Company as evidence of such transfer. [Section 124(5)].

Shares shall also be transferred to IEPF: In terms of Section 124(6) of the Companies Act, 2013, all shares in respect of which dividend has not been claimed/ remained unpaid for seven consecutive years or more shall be transferred in the name of IEPF alongwith a statement containing such details as may be prescribed. If any person who has a claim on such shares and/or dividend can lodge his claim with IEPF in such manner as may be prescribed.

Manner in which unclaimed dividend to be transferred to IEPF: The Company shall deposit the unclaimed dividend amount after lapse of 7 years to IEPF within the prescribed period, in the prescribed mode maintain the particulars of unpaid dividend transferred to IEPF for a period of 8 years from the date of such transfer.

In terms of Regulation 43(2) of the Listing Regulations, the listed entity shall not forfeit unclaimed dividends before the claim becomes barred by law and such forfeiture, if effected, shall be annulled in appropriate cases.

Display of details in the website: The Company shall upload the details of unpaid and unclaimed dividend transferred to IEPF in the Company's website in PDF format, year wise.

ROC filing after 7 years: The Company shall file with the ROC one copy of the challan evidencing deposit of the amount to the Fund in Form-1 in terms of Rule 3 (ii)(b) of Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, as amended from time to time.

XI. REVIEW

Dividend Policy shall be reviewed at least once a year. The revised policy shall be put up to the Board for approval.

XII. AMENDMENT

To the extent any change/amendment is required as per any applicable law, the Managing Director & CEO of the Company shall be authorised to review and amend the Policy, to give effect to any such changes / amendments. Such amended policy shall be periodically placed before the Board for ratification immediately after such changes.

XIII. SYNOPSIS

The management upon compliance to all the rules, guidelines, and regulations as applicable from time to time while recommending to the Board of Directors the rate of dividend (exclusive of the dividend distribution tax / including tax deductible at source on dividend, as the case may be as per the Finance Act from time to time) would also take into account dividend declared during the three preceding years.

Nonetheless, the Board reserves the right not to declare dividend or decide any rate of dividend, for a particular year owing to certain regulatory restrictions, if any, during the year, capital conservation prudence, or other exigencies which shall be stated by the Board.

ANNEXURE 8
TO THE BOARD'S REPORT

Web links

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

Sr. No.	Name of the policy / code / document	Brief Summary	Web link
1.	Dividend Distribution Policy	The policy details guidelines for dividend distribution for equity shareholders as per Listing Regulations	https://www.lichousing.com/downloads/DIVIDEND%20DISTRIBUTION%20POLICY%202021.pdf
2.	Corporate Social Responsibility Policy	The Company recognizes its obligation towards society and therefore the policy lays down its focus areas for contributions, mechanism for implementation, monitoring of the projects / activities towards social and economic development of the underprivileged / economically backward section of the society irrespective of gender, caste, creed and religion in areas around which Company operates.	https://www.lichousing.com/downloads/CSR%20Policy%20FY_2021-22.pdf
3.	Policy For Determining Material Subsidiaries	The policy determines the guidelines for material subsidiaries of the Company and also provides governance framework for material subsidiaries.	https://www.lichousing.com/downloads/Policy_for_Determining_material_Subsidiaries.pdf
4.	Policy For Determination of Materiality	The policy determines the requirements for disclosing material events including deemed material events for the Company.	https://www.lichousing.com/downloads/Policy%20for%20determination%20of%20Materiality%20of%20an%20Event%20or%20information%202021.pdf
5.	Governance Guidance	The Governance Guidelines has been prepared to keep abreast with regulatory changes, incorporate best professional practices and enhance board effectiveness.	https://www.lichousing.com/downloads/Governance%20Guidelines.pdf
6.	Whistle Blower Policy	The Company adopted whistle blower mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud.	https://www.lichousing.com/downloads/Whistle%20Blower%20Policy%202021.pdf
7.	Related Party Transaction Policy and Procedures	The policy regulates all the transactions between the Company and its related parties	https://www.lichousing.com/downloads/RELATED%20PARTY%20TRANSACTION%202021.pdf
8.	Code of conduct for Board of Directors and senior Management	The code details on uncompromising business ethics and compliance program.	https://www.lichousing.com/downloads/Code%20of%20Conduct%20for%20Board%20Members%20and%20Senior%20management.pdf
9.	Familiarisation Programme For Independent Directors	The policy is aimed at familiarising Independent directors about their role, rights, responsibilities, business model, etc.	https://www.lichousing.com/downloads/Familiarization%20Program%2001.03.2021.pdf
10.	Remuneration Policy	The policy details the compensation principles	https://www.lichousing.com/pdf/Remuneration-Policy.pdf
11.	Policy On Archiving of Information or Content Hosted on Website	The policy lays the guidelines on archival and retention of records of the Company.	https://www.lichousing.com/downloads/POLICY%20ON%20ARCHIVING%20OF%20INFORMATION%20OR%20CONTENT%20HOSTED%20ON%20WEBSITE%202021.pdf

Sr. No.	Name of the policy / code / document	Brief Summary	Web link
12.	Corporate Disclosure Policy	The policy lays down procedure for disclosure / dissemination of Price Sensitive Information.	https://www.lichousing.com/downloads/Corporate%20Disclosure%20Policy.pdf
13.	Policy On Preservation Of Documents	The policy is as per the Regulation 9 of the Listing Regulations, 2015 and it determines preservation period for records / documents based on their reference value and legal requirements.	https://www.lichousing.com/pdf/Policy-on-Preservation-of-Documents-1.pdf
14.	Board Diversity Policy	The policy sets out the approach to ensure diversity and committed to equality of opportunity in all aspects of its business.	https://www.lichousing.com/pdf/Board-Diversity-Policy.pdf
15.	Corporate Culture Policy	The policy is as part of requirement under Regulation 4(2)(f)(iii) of the Listing Regulations, 2015.	https://www.lichousing.com/pdf/Corporate-Culture-Policy.pdf
16.	Principal and Policies of business responsibility	It is In accordance with Regulation 34(2)(f) of Listing Regulations, 2015, the Company has adopted the nine key principles of Business Responsibility.	https://www.lichousing.com/pdf/Principles-and-Policies-of-Business-Responsibility.pdf
17.	Code Of Internal Procedure and Conduct for Insider Trading-2015	The code is guideline to regulate, monitor and report trading in securities of the Company.	https://www.lichousing.com/downloads/Policy%20for%20prevention%20of%20Insider%20Trading%202021.pdf
18.	Annual Report		https://www.lichousing.com/annual_report.php

ANNEXURE 9
TO THE BOARD'S REPORT

To,
The Members,
LIC Housing Finance Limited

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

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

(2) We have followed the 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 Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

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

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

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

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

(7) Due to lock down it was impossible to conduct a Physical Audit and hence the Company has extended Virtual Data Room facility to the Auditor for performing Secretarial Audit.

For M/S. N.L. Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
UDIN: F005436C000461507

Bharat Upadhyay
Partner
FCS: 5436
CP. NO.: 4457
PR NO.: 700/2020.

Date: June 14, 2021
Place: Mumbai

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

To,
The Members,
LIC Housing Finance Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices adopted by **LIC Housing Finance Limited** having **Corporate Identification Number (CIN) L65922MH1989PLC052257 (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 the Secretarial Audit, we hereby report that in our Opinion, the Company has, during the Audit period covering the Financial Year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2021 according to the provisions of:

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

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

(iii) The Depositories Act, 1996 and the Regulation and Bye-Laws framed thereunder.

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable.

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

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

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

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

a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.

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

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

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

e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 as amended from time to time.

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

g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time.

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

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

j. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not Applicable to the Company during the Financial Year**.

k. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not Applicable to the Company during the Financial Year**.

1. Tax Laws:
   - All applicable provisions of the Central GST laws, respective State GST laws and IGST laws.
   - Income Tax Act, 1961.
2. Indian Stamp Act, 1899 and the State Stamp Acts.
3. The Labour Welfare Fund, Act, 1953.
4. Indian Contract Act, 1872.
5. Negotiable Instruments Act, 1881.
6. Information Technology Act, 2000.
7. Whistle Blowers Protection Act, 2011.
8. Registration Act, 1908.
9. Limitation Act, 1963.
10. The Shops and Establishment Act.
11. The Prevention of Money Laundering Act, 2002.
12. Compliance with Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI).
13. The Real Estate (Regulation and Development) Act, 2016.
14. Compliance with Insolvency & Bankruptcy Code (IBC).
15. Compliance with Code of Wages, 2019.
16. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI);

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

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

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

Adequate Notice is given to all Directors to Schedule the Board and Committee Meetings. Agenda and detailed notes on agenda were sent adequately in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.

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

We further report that, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that, the Company had implemented the Digital Database under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

During the Financial Year under review, the **Meeting of Independent Directors was held on March 1, 2021 for Board Evaluation**.

At the **Annual General Meeting held on September 28, 2020** the Shareholders approved the following by way of **Special Resolution**:

i. Issuance of **Redeemable Non-Convertible Debentures and/Or Other Hybrid Instruments on a Private Placement Basis** for cash at par, premium or discount up to ₹ 50, 500/- Crore.

ii. Re-Appointment of **Shri V K Kukreja (DIN- 01185834)** as an Independent Director of the Company to hold office for a second term commencing with effect from June 30, 2020 to June 29, 2025 not liable to retire by rotation.

iii. Re-Appointment of **Shri Ameet Patel (DIN- 00726197)** as an Independent Director of the Company to hold office for a second term commencing with effect from August 19, 2020 to August 18, 2025 not liable to retire by rotation.

For M/S. N.L. Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
UDIN: F005436C000461507

Bharat Upadhyay
Partner
FCS: 5436
CP. NO.: 4457
PR NO.: 700/2020.

Date: June 14, 2021
Place: Mumbai

REPORT ON CORPORATE GOVERNANCE

The corporate governance is a tool through which an organisation directs and controls itself and the people associated with it by established standards and codes of conduct. Through good Corporate Governance it is ensured fair and ethical business decisions are carried out by taking various stakeholder's interest into account. Corporate Governance is the key to integrity of corporations, financial institutions and capital market.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

Your Company has strong legacy of transparency and ethical governance practices. The Company has adopted code of conduct for its Directors and employees which is hosted on its website. The Company complies with all requirements stipulated under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015), "SEBI LODR REGULATIONS" and shortened version of Listing Agreement entered into with the Stock Exchanges with regard to Corporate Governance. The Company also complies with the applicable provisions of the Master Direction- Non Banking Financial Company (Reserve Bank) Directions, 2021.

BOARD OF DIRECTORS

Composition

It is our belief that the Board of Directors of the Company needs to have an appropriate mix of executive, non-executive and independent directors to maintain its independence and clearly carve out functions of governance and management. The Listing Regulations mandate that for a company with a non-executive chairman, who is representing a promoter, at least half of the Board should consist of independent directors. As on 31st March, 2021, the Board of the Company comprised of Twelve members consisting of two Non-Executive Non-Independent Promoter Directors including Chairman, Shri M. R. Kumar, Non-Executive Nominee Director and Shri Vipin Anand, one Executive Nominee Director, Shri Y.Viswanatha Gowd, who is Managing Director & CEO, Three Non-Executive Non Independent Directors and Six Non-Executive Independent Directors includes one women Independent Director Ms Jagennath Jayanthi, thereby fulfilling the requirement of the Companies Act, 2013 and the Listing Regulations. The Executive and Non-Executive Directors are competent and knowledgeable personalities in their respective fields. None of the Directors on the Board hold Directorship in more than 10 public companies and none of them is a member of more than 10 committees or chairman of more than 5 committees in Companies in which they are Directors. Necessary disclosures in this regard as on 31st March, 2021 have been made by the Directors. The Directors are not related to each other.

The average tenure of members on our Board is 3.1 years as of 31st March, 2021. The average tenure of executive director (whole-time director) is 0.2 years, independent directors is 4.24 years and that of the non-executive non-independent directors including chairman is 1.68 years.

The average tenure of Board members in years as on 31st March, 2021 is as follows:

Tenure on Board

Name of the Director	Original date of appointment	Tenure (in years) as on 31st March, 2021	Earlier of retirement date / term ending date	Average tenure (in years)
Non-executive Non independent Directors including Chairman				
M. R. Kumar	25.03.2019	2.00	NA	1.68
Vipin Anand	11.11.2019	1.4	NA	
P Koteswara Rao	11.06.2018	2.8	NA	
Sanjay Kumar Khemani	01.07.2019	1.7	NA	
Akshay Kumar Rout	28.09.2020	0.5	NA	
Executive – Whole-time Director				
Y. Viswanatha Gowd	01.02.2021	0.2	NA	0.2
Independent Directors				
Jagdish Capoor*	25.05.2012	8.9	23.05.2022	4.8
Dr. Dharmendra Bhandari**	19.08.2014	6.6	18.08.2024	
Ameet N Patel****	19.08.2015	5.6	18.08.2025	
V. K. Kukreja***	30.06.2015	5.8	30.06.2025	
Ms. Jagennath Jayanthi	05.02.2021	0.1	04.02.2026	
Kashi Prasad Khandelwal	01.07.2019	1.7	30.06.2024	

*reappointed for a second term w.e.f 24.05.2017 ** reappointed for a second term w.e.f 19.08.2019
*** reappointed for a second term w.e.f 30.06.2020 **** reappointed for a second term w.e.f 19.08.2020

REPORT ON CORPORATE GOVERNANCE

The Independent Directors actively take part in the proceedings of the Board and Committee meetings which enables qualitative decision-making. They receive sitting fees for attending the Board and Committee meetings, other than Corporate Social Responsibility Committee meetings and do not have any other material or pecuniary relationship or transactions with the Company, its Promoters, its Directors, Management, Subsidiaries or Associates. In F.Y. 2020-21, the composition of the Board was in conformity with "SEBI LODR REGULATIONS" Details of Board Meetings and the last Annual General Meeting attended by Directors, number of other Directorships / Committee membership and chairmanship (viz. Audit Committee and Stakeholders Relationship Committee as per "SEBI LODR REGULATIONS" held by them as on 31st March, 2021 are tabulated below:

Sr. No.	Directors	Category of Directorship	Attendance at 31st Annual General Meeting	Attendance at the Board meetings (No. of meetings held – 7)	No. of Directorships of other Companies (other than LIC Housing Finance Ltd.)	No. of Committees Membership / Chairmanship (other than LIC Housing Finance Ltd.)		Directorships in other Listed entities and category
						Member	Chairman	
1.	Shri M. R. Kumar (DIN- 03628755)	Non Executive Nominee Director Chairman	Present	7	11	-	7	i. IDBI Bank Ltd- Chairman ii. ACC LTD- Non-Executive Director
2.	Shri Vipin Anand (DIN- 05190124)	Non Executive Non Independent	Present	6	7	3	-	GRASIM INDUSTRIES LTD- Non-Executive and Non-Independent Director
3.	Shri Jagdish Capoor (DIN- 00002516)	Independent and Non-Executive	Present	6	7	3	1	i. SPANDANA SPHOORTY FINANCIAL LIMITED- Independent Director ii. Manappuram Finance Limited- Independent and Non-Executive Chairman
4.	Dr. Dharmendra Bhandari (DIN- 00041829)	Independent and Non-Executive	Present	7	7	2	2	-
5.	Shri V. K. Kukreja (DIN- 01185834)	Independent and Non Executive	Present	7	1	2	-	-
6	Shri Ameet N. Patel (DIN- 00726197)	Independent and Non Executive	Present	7	2	2	2	-
7.	Shri P Koteswara Rao (DIN- 06389741)	Non-Executive Non Independent	Present	6	-	-	-	-
8.	Shri Kashi Prasad Khandelwal (DIN -00748523)	Independent and Non-Executive	Present	7	4	6	5	i. Kesoram Industries Ltd-Independent Director ii. GPT Infraprojects Limited-Independent Director iii. Birla Tyres Limited
9.	Shri Sanjay Kumar Khemani (DIN -00072812)	Non-Executive Non Independent	Present	7	-	-	-	-

REPORT ON CORPORATE GOVERNANCE

Sr. No.	Directors	Category of Directorship	Attendance at 31st Annual General Meeting	Attendance at the Board meetings (No. of meetings held – 7)	No. of Director-ships of other Companies (other than LIC Housing Finance Ltd.)	No. of Committees Membership / Chairmanship (other than LIC Housing Finance Ltd.)		Directorships in other Listed entities and category
						Member	Chairman	
10.	Shri Akshay Kumar Rout^ (DIN- 08858134)	Non-Executive Non Independent	Not Applicable	4	-	-	-	-
11	Shri Y Viswanatha Gowd ^^ (DIN-09048488)	Executive	Not Applicable	1	4	5	-	-
12	Ms Jagennath Jayanthi^^^ (DIN-09053493)	Independent and Non Executive	Not Applicable	1	-	-	-	-
13	Ms Savita Singh* (DIN-01585328)	Independent and Non Executive	Present	2	1	1	-	-
14	Shri Siddhartha** Mohanty (DIN- 08058830)	Executive	Present	5	1	-	-	-

* Ms Savita Singh Resigned on 9th November, 2020.

** Shri Siddhartha Mohanty Resigned on 1st February, 2021 on account of repatriation to LIC of India.

^ Shri Akshay Kumar Rout was appointed on 28th September, 2020

^^ Shri Y Viswanatha Gowd was appointed on 1st February, 2021

^^^ Ms Jagennath Jayanthi was appointed on 5th February, 2021

Note:

1) Excludes Foreign Companies, Private Limited Companies and Companies under Section 8 of Companies Act, 2013, Trusts and Alternate Directorships as per Regulation 26 of the Listing Regulations.

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

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

Role of the Board of Directors:

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

Certificate from Company Secretary in practice:

Shri Bhaskar Upadhyay (FCS 8663 and Certificate of Practice No. 9625), Partner of M/s. N. L. Bhatia & Associates, Practicing Company Secretaries, Mumbai (UIN: P1996MH055800) has issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the "SEBI LODR REGULATIONS" / Ministry of Corporate Affairs or any such statutory authority.

Board appointments / membership criteria:

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

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfil the conditions specified in the Companies Act, 2013 and Listing Regulations and are independent of the Management.

REPORT ON CORPORATE GOVERNANCE

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

Definitions of director qualification, skills and attributes	
Corporate Governance	Need to have the knowledge to steer the organisation towards achieving its objectives while operating effectively, responsibly, legally and sustainably, adopts best practices in corporate governance, including relevant governance codes, practices, roles, duties, responsibilities and accountabilities of individual directors and of the Board as a whole.
Leadership and stakeholder relations	Need to understand how to deliver effective leadership, build good stakeholder relations and develop a strategically aligned and value based organisational performance.
Strategy	Demonstrate an understanding of market demands including retail customer needs as well as the importance of customer centric service, good commercial judgement, understanding of the relationship between risk and reward, Company's relative position and challenges and understanding of alternative / disruptive business models.
Finance / Technical	Need to understand how to assess the organisation's financial position and steer its financial performance in order to stay solvent and develop sustainable plans, demonstrate an understanding of how to interpret financial statements and accounts in order to assess the financial health of an organisation, understating of finance in all its facets including housing finance, knowledge of relevant products / schemes, housing, banking, funding through debt and equity, capital markets, regulatory framework and knowledge of relevant legislative issues.
Strategic thinking	Ability to identify opportunities and threats to the organisation, taking account of the internal and external business environment, propose alternative options, present creative and innovative solutions. Identify the potential impact of decisions and offer contingency plans and risk mitigation.
Analysis and use of information	Ability to actively seek reliable, sufficiently detailed and timely information from wide range of sources, assimilate and synthesise financial, technical and qualitative information, simplify complex information.
Decision making	Ability to evaluate proposals using a range of criteria, SOP, existing schemes, etc., identify their advantages and disadvantages, take decisions even in the face of uncertainty, take calculated risks in the context of the organisation's strategy and protecting its commercial interests.
Communication	Ability to communicate effectively, listen dispassionately, carefully, and attentively. Communicate articulately, clearly and concisely.
Leadership	Strong leadership skills enable Directors to solve problems, cope with crisis and change and inspire others to follow them in pursuit of the values and goals of the organisation, display confidence, self-assurance and conviction. Inspire, support and motivate others.
Influencing	Ability to build good network and relationships within and beyond the organisation, persuade and influence others including those of equal, greater or subordinate status and power. Identify the needs, interests and influence of internal and external stakeholders and build appropriate and effective relationships as well as demonstrate shrewdness and political astuteness.
Ethical	Demonstrate behaviour which conforms to high standards of public conduct, place interest of the organisation above self in all business matters, identify and disclose conflicts of interest relating to self and others when these become apparent.
Professional	Need to have professional attitude and outlook towards their role, maintain high standards of skill, care and diligence in professional activities, take responsibility for one's performance and behaviour and that of the organisation, act as an advocate for the organisation, both internally and externally.

REPORT ON CORPORATE GOVERNANCE

Definitions of director qualification, skills and attributes	
Performance oriented	Focus on the goals of the organisation and the priorities agreed by the Board, identify and take opportunities to enhance the organisation's business advantage, set challenging but achievable goals and standards of performance for themselves and others. Encourage a culture of learning in the organisation.
Independent	Should be willing to disagree and take an independent stance in the face of dissenting views and to potential detriment, encourage rigorous discussion and diverse views, adopt an inquisitive approach and actively question assumptions and test propositions. Willing to challenge the status quo and historical ways of doing things.

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

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

EVENTS AFTER BALANCE SHEET DATE:

Shri Vipin Anand (DIN- 05190124) has resigned as Non-Executive (Nominee) Director from the Board of the Company consequent upon attainment of superannuation from the services of Life Insurance Corporation of India with effect from 30th July, 2021.

The NRC after considering the profile, qualifications, etc., of Shri Raj Kumar (DIN: 06627311) and in terms of 'Fit and Proper' criteria adopted by the Board on 10th March, 2017, pursuant to NHB notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February, 2017, also in accordance with "SEBI LODR REGULATIONS" as well as after undertaking the process of due diligence, recommended to the Board of Directors of the Company, Shri Raj Kumar (DIN: 06627311), to be suitable and eligible for the appointment of Non-Executive Non Independent (Nominee) Director of the Company with effect from 13th August, 2021 liable to retire by rotation. Based on such recommendation, the Board considered and after having thought fit, pursuant to the provisions of the "SEBI LODR REGULATIONS", Sections 152, 161 of the Companies Act, 2013 and read with Schedule IV, approved appointment of Shri Raj Kumar (DIN: 06627311) as Additional Non Executive (Nominee) Director of the Company liable to retire by rotation.

The Company convened the Extra Ordinary General Meeting of the Shareholders on 19th July, 2021 for approving allotment of 4,54,00,000 Equity shares to its promoter's on preferential basis, the result of which has been put on hold on the instruction of stock Exchanges (BSE and NSE). Subsequently the stock exchanges have allowed to publish the result of voting in respect of allotment of equity shares subject to satisfying certain conditions, which the Company is in process of complying.

REPORT ON CORPORATE GOVERNANCE

BOARD MEETINGS

The meetings of the Board of Directors are scheduled in advance. The Company Secretary prepares the agenda for the meetings in consultation with the Managing Director & CEO. The detailed agenda and other relevant notes are circulated to the Directors well in advance. The Directors can suggest additional items for deliberation. Members of the Senior Management team are invited in the meetings to provide additional information and clarification, if required. During FY 2020-2021, Seven (7) Board meetings were held, as listed below:

Sr. no.	Dates on which the Board Meetings were held	Total strength of the Board	No. of Directors present
1.	19th June, 2020	11	11
2.	24th August, 2020	11	10
3.	28th September, 2020	11	11
4.	11th November, 2020	11	10
5.	29th January, 2021	11	10
6.	2nd February, 2021	10	9
7.	3rd March, 2021	12	12

Directorship term:

The Board constantly evaluates the contribution of members and as and when reappointments are made, the same are updated on the Company's website. As per the Act / Regulations, two-third of the non-independent directors are liable to retire by rotation and one-third of them should mandatorily retire by rotation every year. Executive Director is appointed by the shareholders for a maximum term of five years or up to the term of superannuation whichever is earlier. An Independent Director shall hold the term of office for five (5) consecutive years on the Board of the Company and would be eligible for reappointment by passing of a special resolution by the shareholders.

Succession planning:

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

In terms of Article 138(b) of the Articles of Association of Company, LIC of India is entitled to nominate upto one third of the total number of directors of the Company and therefore, the Board after consideration, approved posting of senior official from LIC of India as Nominee of LIC of India for the post of COO as part of succession plan for MD & CEO with a view to ensuring stability and effective implementation of long term business strategies. LIC of India had posted Shri Y. Viswanatha Gowd as COO of the Company and subsequently was appointed as MD and CEO on 1st February, 2021 whose appointment is being put up to the Members for their approval in the 32nd AGM to be held on 27th September, 2021.

NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY DIRECTORS:

Except Shri M. R. Kumar, and Dr. Dharmendra Bhandari, who hold 300 and 500 equity shares respectively, none of the Directors of the Company is holding any equity shares of the Company. The Company has not issued any convertible instruments till date.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

During the year under review, the Company had provided suitable training to Independent Directors, familiarizing them with the company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates and business model of the company. The details of such familiarisation programme are disclosed on the Company's website https://www.lichousing.com/downloads/Familiarization%20Program%2001.03.2021.pdf

SITTING FEE:

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

BOARD COMMITTEES:

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

AUDIT COMMITTEE:

The Committee comprises of Four Non-Executive Independent Directors with expertise in finance, accounts, and treasury. During the year, five (5) Audit Committee meetings were held. The composition of Audit Committee, the dates on which the Audit Committee meetings were held and the attendance of the members at the said meetings are as under:

Composition

Shri Jagdish Capoor	Chairman	Independent Director
Dr. Dharmendra Bhandari	Member	Independent Director
Shri Ameet Patel	Member	Independent Director
Shri Kashi Prasad Khandelwal	Member	Independent Director

REPORT ON CORPORATE GOVERNANCE

Dates of Audit Committee Meetings & Attendance of Members:

Sr no.	Dates on which Audit Committee meetings were held	Shri Jagdish Capoor	Dr.Dharmendra Bhandari	Shri Ameet N. Patel	Shri Kashi Prasad Khandelwal
1	18th June, 2020	Attended	Attended	Attended	Attended
2	24th August, 2020	Attended	Attended	Attended	Attended
3	10th November, 2020	Attended	Attended	Attended	Attended
4	28th January, 2021	Attended	Attended	Attended	Attended
5	3rd March, 2021	Attended	Attended	Attended	Attended

Shri Nitin K. Jage, General Manager (Taxation) and Company Secretary, acts as Secretary to the Committee.

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

Role and Powers of Audit Committee

The terms of reference of the Audit Committee comprise:

Role

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

ii. Recommendation for appointment, remuneration, and terms of appointment of auditors of the company;

iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

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

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

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

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

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

   e. Compliance with listing and other legal requirements relating to financial statements;

   f. Disclosure of any related party transactions;

   g. Modified opinion(s) in the draft audit report.

v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency on utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

vii. Reviewing and monitoring the Auditor's independence and performance and effectiveness of audit process;

viii. Approval or any subsequent modification of transactions of the company with related parties.

ix. Scrutiny of inter-corporate loans and investments.

x. Valuations of undertakings or assets of the company wherever it is necessary.

xi. Evaluation of Internal Financial Controls and Risk Management systems.

xii. Reviewing, with the management, performance of Statutory and Internal auditors, adequacy of the Internal Control Systems;

xiii. Reviewing the adequacy of Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xiv. Discussion with the Internal Auditors of any significant findings and follow up thereon;

xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

REPORT ON CORPORATE GOVERNANCE

xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

xviii. To review the functioning of the Whistle Blower Mechanism;

xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc of the candidate;

xx. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

xxi. reviewing the 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.]

(The term related party transactions shall have the same meaning as provided in "SEBI LODR REGULATIONS".

Powers

i. To investigate any activity within its terms of reference.

ii. To seek information from any employee.

iii. To obtain external legal or other professional advice.

iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee mandatorily reviews the following:

1. Management discussion and analysis of financial condition and results of operations;

2. Statement of significant related party transactions submitted by management;

3. Management letters / letters of internal control weakness issued by the statutory auditors;

4. Internal audit reports relating to internal control weakness;

5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit committee.

6. Statement of deviations :

   a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable.

   b) Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice.

Meetings are scheduled well in advance. The Audit Committee considers and recommends quarterly and yearly financial results for approval by the Board. The Joint Statutory Auditors and Internal Auditor of the Corporate Office are invited to attend the meeting. The head of the Internal Audit function attends the Audit Committee meetings; the Committee also invites other Heads of the Departments (HODs) to be present as may be necessary.

EXECUTIVE COMMITTEE

The Executive Committee formed by the Board has been empowered with the following:

1) To frame the norms, policies, guidelines, conditions, parameters for all housing loan schemes including Project Finance schemes.

2) To relax / waive / alter the norms/ guidelines/ conditions of the housing loan schemes including Project Finance schemes on case to case basis.

3) To sanction loans to Builders and Developers under Project Loans beyond the limits delegated to GM's Committee as per Financial Power Standing Order (FPSO), 1990 (as amended from time to time) on recommendation of the HODs Committee as constituted by the Managing Director & CEO from time to time.

4) To sanction loans under Rental Securitization of the loan amount more than the amount delegated to General Managers' Committee as per FPSO.

5) To sanction loans under Individual loan schemes beyond the loan amount delegated to General Managers' Committee as per FPSO.

6) To approve any new loan scheme that the Company may launch.

7) To revise the interest rate in the existing schemes & new schemes of Individual/ Project loans/ Apna Hospital / Unsold Inventory.

8) To modify/ restructure existing and new schemes for Individual / Project loans.

9) To revise terms and conditions of the existing & new Individual/ Project loans.

10) To take over the portfolio of the Housing Loans, subject to the limits as specified by the Board from time to time.

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11) To waive Interest, Additional Interest, and other charges beyond the limits delegated to Managing Director & CEO in respect of the One Time Settlement under FPSO.

12) To waive principal amount irrespective of the waiver amount involved in respect of One Time Settlement beyond the limits delegated to Managing Director & CEO under FPSO.

13) To approve the Reserve price under SARFAESI Act, 2002 beyond the limits delegated to Managing Director & CEO under FPSO.

14) To approve LICHFL- PLR and to review & revise the same from time to time.

15) To approve the purchase / construction of the property for office building / staff quarters beyond the limits delegated to Managing Director & CEO, generally on such terms and conditions as it may think fit and in any such purchase or other acquisition to accept such title, as it may believe or may advise to be reasonably satisfactory.

16) To borrow money for the purpose of the business of the Company subject to the limit specified by the Board from time to time.

17) To approve the payment to arrangers for fund mobilization.

18) To approve the payment of processing or any other fees payable to Banks/FIs.

19) To approve the availing of re-finance from National Housing Bank.

20) To delegate to Managing Director & CEO any or all of the powers listed above for a specific period.

21) To approve / ratify relaxation/ waiver/ refund of processing fees, administrative fee, prepayment charges in respect of project finance (including at the time of revalidation).

22) To approve / ratify restructuring / reschedulement of project loan.

23) To approve revision of rate of interest in respect of project loans on case to case basis.

24) To approve/ ratify issue of NOC, release of charge in respect of project loan.

25) To approve the cases under consortium/ Joint financing.

26) To approve takeover of existing project loan/ term loan of other institution/s.

27) To approve loan against unsold inventory.

28) To approve loan against Apna Hospital Scheme.

29) To modify existing schemes.

The Executive Committee meets as and when required for considering and approving loan proposals / offers within the power delegated to it. During the year, eighteen (18) Executive Committee meetings were held. The composition of Executive Committee, the dates of the meetings held and the attendance of the members at the said meetings are as under:

Composition of the Executive Committee:

Shri V.K. Kukreja	Chairman	Independent Director
Shri P. Koteswara Rao	Member	Non-Independent Non- Executive Director
Shri Sanjay Kumar Khemani	Member	Non-Independent Non- Executive Director
Shri Y.Viswanatha Gowd *	Member	Managing Director & CEO

Dates of Executive Committee Meetings & Attendance of Members:

Sr no.	Dates on which Executive Committee meetings were held	Shri V. K. Kukreja	Shri P Koteswara Rao	Shri Sanjay Kumar Khemani	Shri Siddhartha Mohanty**	Shri Y. Viswanatha Gowd*
1.	6th June, 2020	Attended	Attended	Attended	Attended	Not Applicable
2.	28th June, 2020	Attended	Attended	Attended	Attended	Not Applicable
3.	13th July, 2020	Attended	Not Attended	Attended	Attended	Not Applicable
4.	31st July,2020	Attended	Attended	Attended	Attended	Not Applicable
5.	7th August, 2020	Attended	Attended	Attended	Attended	Not Applicable
6.	31st August,2020	Attended	Attended	Attended	Attended	Not Applicable
7.	24th September, 2020	Attended	Attended	Attended	Attended	Not Applicable
8.	21st October, 2020	Attended	Not Attended	Attended	Attended	Not Applicable
9.	2nd November, 2020	Attended	Attended	Attended	Attended	Not Applicable
10.	20th November,2020	Attended	Attended	Not Attended	Attended	Not Applicable
11.	15th December, 2020	Not Attended	Attended	Attended	Attended	Not Applicable
12.	30th December, 2020	Attended	Attended	Not Attended	Attended	Not Applicable
13.	15th Janauary, 2021	Attended	Attended	Attended	Not Attended	Not Applicable

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Sr no.	Dates on which Executive Committee meetings were held	Shri V. K. Kukreja	Shri P Koteswara Rao	Shri Sanjay Kumar Khemani	Shri Siddhartha Mohanty**	Shri Y. Viswanatha Gowd*
14.	27th January, 2021	Attended	Not Attended	Attended	Attended	Not Applicable
15.	16th February, 2021	Attended	Attended	Attended	Not Applicable	Attended
16.	26th February, 2021	Attended	Attended	Attended	Not Applicable	Attended
17.	22nd March, 2021	Attended	Attended	Attended	Not Applicable	Attended
18.	30th March, 2021	Attended	Attended	Not Attended	Not Applicable	Attended

* inducted on committee on 2nd February, 2021 in place of Shri Siddhartha Mohanty.

** Member of the committee upto 1st February, 2021

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee (SRC) looks into issues related to shareholders, like transfer / transmission of shares, issue of duplicate share certificate/s, non-receipt of dividend, annual report and other related matters. The Committee also advises to improve investor services and to provide prompt and sufficient information. Further, to expedite share transfers in physical form, the Board has delegated power for approving the share transfers to the Committee of Officers of the Company.

SEBI (LODR) (Amendment) Regulations, 2018, Para 3(g) and Para 3(u)(b)(ii), has modified and extended the roles and responsibilities of SRC to include the following

i. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.

ii. Review of measures taken for effective exercise of voting rights by the shareholders

iii. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent

iv. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / Annual Reports / statutory notices by the shareholders of the company.

Further, the Chairman of the SRC is required to be present at the AGMs to answer queries of the security holders.

Composition of the SRC is as follows:

Shri Ameet N. Patel	Chairman	Independent Director
Shri Kashi Prasad Khandelwal	Member	Independent Director
Shri Y. Viswanatha Gowd*	Member	Managing Director & CEO

Date of Stakeholder Relationship Committee Meeting & Attendance of Members:

Sr no.	Dates on which Stakeholder Relationship Committee meeting were held	Shri Ameet N Patel	Shri Kashi Prasad Khandelwal	Shri Y. Viswanatha Gowd*
1.	2nd March, 2021	Attended	Attended	Attended

Ms Savita Singh resigned on 9th November, 2020.

*Shri Y. Viswanatha Gowd was inducted on 2nd February, 2021 in place of Shri Siddhartha Mohanty

The Board has delegated power to issue duplicate share certificate/s to the Committee of Directors so as to expedite the process of issuing duplicate share certificate/s from time to time to the shareholders in case original share certificate/s is/are lost, upon receipt of necessary documents required for the purpose.

COMPLIANCE OFFICER

Shri Nitin K. Jage, General Manager (Taxation) and Company Secretary, acts as the Compliance Officer.

DETAILS OF SHAREHOLDERS' COMPLAINTS:

Particulars	No. of Complaints
Number of Complaints at the beginning of the Year	5
Number of complaints / requests in respect of non-receipt of Annual Report, Address change, change in ECS details, non-receipt of Duplicate Share Certificate/s, Revalidation of Dividend Warrant etc. received during the year	13
Number of complaints / requests in respect of non-receipt of Annual Report, Address change, change in ECS details, non-receipt of Duplicate Share Certificate/s, Revalidation of Dividend Warrant etc. resolved during the year	17
Number of Complaints at the end of the Year	1

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Request pertaining to dematerialisation and transfer of shares:

Nature of request	Requests received	No. of Shares involved
Dematerialisation	329	3,40,500
Transfer of shares	11	6,000

The requests for dematerialisation and transfers were promptly attended and there were no requests pending for approval as on 31st March, 2021.

OTHER COMMITTEES:

Debenture Allotment Committee:

The Debenture Allotment Committee is empowered to raise funds by allotting Non-Convertible Debentures (NCDs), to the successful applicants from time to time in different tranches. All tranches are listed on National Stock Exchange (NSE) in whole sale debt (WDM) segment.

Composition of the Debenture Allotment Committee is as follows:

Shri Y. Viswanatha Gowd*	Member	Managing Director & CEO
Shri Jagdish Capoor	Alternate Member	Independent Director
Dr. Dharmendra Bhandari	Alternate Member	Independent Director

Dates of Debenture Allotment Committee Meetings & Attendance of Members:

Sr no.	Dates on which Debenture Allotment Committee Meetings were held	Shri Siddhartha Mohanty**	Shri Jagdish Capoor (Alternate Member)	Dr. Dharmendra Bhandari (Alternate Member)	Shri Y. Viswanatha Gowd^
1.	26th June, 2020	Attended	Attended	Not Applicable *	Not Applicable
2.	2nd July,2020	Attended	Attended	Not Applicable *	Not Applicable
3.	15th July, 2020	Attended	Not Applicable *	Attended	Not Applicable
4.	26th August, 2020	Attended	Attended	Not Applicable *	Not Applicable
5.	10th September, 2020	Attended	Attended	Not Applicable *	Not Applicable
6.	25th September, 2020	Attended	Not Applicable *	Attended	Not Applicable
7.	9th October, 2020	Attended	Attended	Not Applicable *	Not Applicable
8.	1st December, 2020	Attended	Not Applicable *	Attended	Not Applicable
9.	11th December, 2020	Attended	Attended	Not Applicable *	Not Applicable
10.	21st December, 2020	Attended	Not Applicable *	Attended	Not Applicable
11.	31st December, 2020	Attended	Attended	Not Applicable *	Not Applicable
12.	22nd January, 2021	Attended	Not Applicable *	Attended	Not Applicable
13.	28th January, 2021	Attended	Attended	Not Applicable *	Not Applicable
14.	22nd February, 2021	Not Applicable	Not Applicable *	Attended	Attended
15.	1st March, 2021	Not Applicable	Attended	Not Applicable *	Attended
16.	8th March, 2021	Not Applicable	Attended	Attended	Not Attended
17.	15th March, 2021	Not Applicable	Attended	Not Applicable *	Attended
18.	19th March, 2021	Not Applicable	Not Applicable *	Attended	Attended
19.	25th March, 2021	Not Applicable	Attended	Not Applicable *	Attended
20.	31st March, 2021	Not Applicable	Not Applicable *	Attended	Attended

*being Alternate Member(s)

** Member of the Committee upto 1st February, 2021

^ Inducted on 2nd February, 2021 in place of Shri Siddhartha Mohanty .

Nomination & Remuneration Committee (NRC)

Nomination & Remuneration Committee comprises of four Non-Executive Directors and the Chairman of the Committee is an Independent Director as per "SEBI LODR REGULATIONS".

The terms of reference of the NRC are as follows:

(1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors, a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(2) formulation of criteria for evaluation of performance of independent directors and the board of directors;

(3) devising a policy on diversity of board of directors;

(4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

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(5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

(6) recommend to the board, all remuneration, in whatever form, payable to senior management.

Composition of the NRC is as follows:

Shri Jagdish Capoor	Chairman	Independent Director
Shri V K Kukreja	Member	Independent Director
Dr Dharmendra Bhandari	Member	Independent Director
Shri Sanjay Kumar Khemani	Member	Non- Independent Non –Executive Director

Dates of NRC Meetings and Attendance of Members:

Sr. No.	Dates on which Nomination & Remuneration Committee meetings were held	Shri Jagdish Capoor	Shri V K Kukreja	Dr Dharmendra Bhandari	Shri Sanjay Kumar Khemani
1.	18th June, 2020	Attended	Attended	Attended	Attended
2.	20th August, 2020	Attended	Attended	Attended	Attended
3.	24th September, 2020	Attended	Attended	Attended	Attended
4.	10th November, 2020	Attended	Attended	Attended	Attended
5.	28th January, 2021	Attended	Attended	Attended	Attended
6.	2nd February, 2021	Attended	Attended	Attended	Attended
7.	2nd March, 2021	Attended	Attended	Attended	Attended

CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:

The Directors except Shri M. R. Kumar, Chairman, Shri, Vipin Anand Director, Shri Y.Viswanatha Gowd, Managing Director & CEO, and Shri Siddhartha Mohanty Ex-Managing Director & CEO, were paid sitting fees for attending Board and Committee meetings, other than Corporate Social Responsibility Committee meetings .

During the F.Y. ended 31st March, 2021, directors except nominee directors, namely Shri M. R. Kumar, Shri Vipin Anand, and Shri Y. Viswanatha Gowd were paid sitting fees @ ₹ 35,000/- for attending every Board meeting, ₹ 25,000/- for attending every Executive Committee Meeting, ₹ 20,000/- for attending every Debenture Allotment Committee / Audit Committee meeting, ₹ 15,000/- attending for Risk Management Committee / Nomination & Remuneration Committee / Stakeholder Relationship Committee / Investment Committee Meetings / Independent Directors' meeting.

The details of sitting fees paid to the Directors during the period from 1st April, 2020 to 31st March, 2021 is mentioned below:

Names of Non –Executive Directors	Sitting fees (In ₹)
Shri Jagdish Capoor	6,75,000/-
Ms Savita Singh	70,000/-
Dr. Dharmendra Bhandari	8,05,000/-
Shri V. K. Kukreja	9,30,000/-
Shri Ameet N. Patel	3,80,000/-
Shri P Koteswara Rao	6,60,000/-
Shri Kashi Prasad Khandelwal	3,80,000/-
Shri Sanjay Kumar Khemani	7,25,000/-
Shri Akshay Kumar Rout	1,40,000/-
Ms Jagennath Jayanthi	55,000/-

REMUNERATION POLICY

The Company framed the Remuneration Policy in order to align with various provisions under "SEBI LODR REGULATIONS" vide its circular no.CIR/CFD/Policy Cell/2/2014 dated 17th April 2014 and circular no.CIR/CFD/Policy Cell/7/2014 dated 15th September 2014.

The Nomination & Remuneration Committee recommends to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees as per sub-section (3) of Section 178 and based on the functions of the Board of Directors as indicated under Schedule IV (as per section 149) annexed to the Companies Act, 2013 and the Rules made thereunder.

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

Remuneration to Non-Executive Directors:

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

In future if Company decides to pay any remuneration / commission to Non–Executive Independent Directors, then the same will be in compliance with Regulation 17(6)(ca) of the "SEBI LODR REGULATIONS" as amended from time to time.

Remuneration to Non-Executive Nominee Directors:

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

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Remuneration to Executive Nominee Director:

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

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

However, the remuneration payable to Executive Nominee Director at any point of time shall be within the limits specified as per Regulation 17(6)(e) of the "SEBI LODR REGULATIONS") as amended from time to time.

Remuneration to Key Managerial Personnel (other than MD & CEO) and other employees:

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

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

The remuneration paid to Managing Director & CEO of Company for F.Y. 2020-2021 is as under:

Particulars	Shri Siddhartha Mohanty	Shri Y. Viswanatha Gowd
	April 2020 to January 2021	February 2021 to March 2021
	Amount In ₹	Amount In ₹
Gross Salary, Sodexo and medical lumpsum	43,03,219.00*	4,05,819.00
Contribution to pension and gratuity funds	2,50,893.10	45,228.20
Perquisites in cash or in kind	2,66,650.00	6,32,101.00
Total	48,20,762.10	10,83,148.20

* It may be mentioned here that Performance linked incentive (PLI) for F.Y. 2020-2021 was paid during the F.Y. 2021-2022 and calculated as per the performance criteria (like growth in portfolio, recovery ratio, NPA ratio and Profit After Tax) approved by the Board.

The evaluation criteria for performance evaluation of Independent Directors as well as Remuneration Policy laid down by the NRC are appended to this Annual Report.

MEETING OF INDEPENDENT DIRECTORS

Separate meeting of the Independent Directors of the company was held on 1st March, 2021 in which, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole. The Independent Directors reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors.

ANNUAL EVALUATION MADE BY THE BOARD OF ITS OWN PERFORMANCE:

The Board of Directors carried out an annual evaluation of its own performance, Board committees and individual directors, pursuant to the provisions of the Act and as prescribed by "SEBI LODR REGULATIONS".

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

The committee evaluated its own performance after seeking inputs from the committee members on the basis of criteria such as the composition of committee, effectiveness of committee meetings, functioning, etc.

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

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of Chairman was evaluated. The performance of the Independent Directors were evaluated by circulation of the questionnaire, wherein the non-independent directors assigned their comments on various attributes of skill, expertise and experience of the Independent Directors. In this manner the performance of the entire Board was evaluated during FY 2020-2021.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee monitors implementation of the CSR Policy and apprises the

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Board accordingly. The CSR Budget of the Company for the F.Y. 2020-21 was ₹ 63.03 crore out of which the Company spent ₹ 06.91 crore and a provision of ₹ 56.12 crore has been made for CSR proposals sanctioned by the Company during F.Y. 2020-21. The projects undertaken under CSR expenditure are spread across following sectors viz. health care, education, livelihood development, community development and COVID-19 relief.

Composition of the CSR Committee is as follows:

Shri Jagdish Capoor	Chairman	Independent Director
Dr. Dharmendra Bhandari	Member	Independent Director
Shri Y. Viswanatha Gowd*	Member	Managing Director & CEO

Dates of CSR Committee Meetings & Attendance of Members:

Sr. no.	Dates on which CSR Committee Meetings were held	Shri Jagdish Capoor	Dr. Dharmendra Bhandari	Shri Siddhartha Mohanty**	Shri Y. Viswanatha Gowd*
1.	24th November, 2020	Attended	Attended	Attended	Not Applicable
2.	1st March, 2021	Attended	Attended	Not Applicable	Attended
3.	26th March, 2021	Attended	Attended	Not Applicable	Attended

* Inducted on 2nd February, 2021.

**Member of the Committee upto 1st February, 2021.

RISK MANAGEMENT COMMITTEE

The Company has Risk Management Committee (RMC) to identify the risks impacting the business of the Company and to take appropriate measures to mitigate the same. The terms of reference of RMC shall comprise of:

- review of Risk Management Policy,
- review of the current status of the Risk Management Policy and Report to the Board,
- review the matters on Risk Management and
- review and monitor types of risks the Company is exposed to.

Composition of the RMC is as follows:

Shri V. K. Kukreja	Chairman	Independent Director
Dr. Dharmendra Bhandari	Member	Independent Director
Shri P. Koteswara Rao	Member	Non-Executive Non-Independent Director
Shri Y. Viswanatha Gowd**	Member	Managing Director & CEO

Dates of RMC Meetings and Attendance of Members:

Sr no.	Dates on which Risk Management Committee Meetings were held	Shri V. K. Kukreja	Dr. Dharmendra Bhandari	Shri P. Koteswara Rao	Shri Siddhartha Mohanty *	Shri Y. Viswanatha Gowd**
1.	18th June, 2020	Attended	Attended	Attended	Attended	Not Applicable
2.	20th August, 2020	Attended	Attended	Attended	Attended	Not Applicable
3.	10th November, 2020	Attended	Attended	Attended	Attended	Not Applicable
4.	28th January, 2021	Attended	Attended	Attended	Attended	Not Applicable
5	2nd March, 2021	Attended	Attended	Attended	Not Applicable	Attended

*Shri Siddhartha Mohanty resigned from the Company on 1st February, 2021 due to his repatriation to LIC of India.

** Inducted in the Committee on 2nd February, 2021 in place of Shri Siddhartha Mohanty

During the year Ms. Purti Y. Samant was appointed as the Chief Risk Officer (CRO) in compliance with the Policy Circular No. 95 dated 29th May, 2019 issued by NHB.

IT Strategy Committee

As per NHB/ND/DRS/Policy Circular No. 90/2017-18 dated 15th June, 2018, all Housing Finance Companies are mandated to form IT Strategy Committee. Therefore the Board constituted the IT Strategy Committee and prescribed the role of the committee as below:-

(a) Formulating policies pertaining to IT strategies, cyber securities including Cyber Crisis Management Plan (CCMP), and other interrelated matters to IT governance.

(b) Providing inputs to Board and senior management for implementation.

REPORT ON CORPORATE GOVERNANCE

(c) Review of Policies, strategies, cyber security arrangements, etc., and amendment thereto, as and when required.

(d) Ascertaining that the management has implemented processes and practices to ensure that the deliverables as per the Policies framed are achieved.

(e) Reviewing periodically on the value added to the business, by the IT strategies implemented.

(f) Ensuring that IT investments represent a balance of risk and benefits and conduct cost-benefit analysis by evaluating that the budgets are acceptable.

(g) Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.

(h) Ensuring proper balance of IT investments for sustaining Company's growth and becoming aware about exposure towards IT risks and controls.

(i) Carrying out any other function as may be required by other applicable laws and amendments thereto.

Composition of the IT Strategy Committee is as follows:

Dr. Dharmendra Bhandari	Chairman	Independent Director
Shri V. K. Kukreja	Member	Independent Director
Shri Y. Viswanatha Gowd**	Member	Managing Director & CEO
Ms Angel Johnson	Chief Information Officer	Senior Management Personnel
Shri Hitesh Talreja	Chief Technology Officer	Senior Management Personnel

Dates of IT Strategy Committee Meetings and Attendance of Directors:

Sr. no.	Dates on which IT Strategy Committee meetings were held	Dr Dharmendra Bhandari	Shri V K Kukreja	Shri Siddhartha Mohanty *	Shri Y. Viswanatha Gowd **
1	18th June, 2020	Attended	Attended	Attended	Not Applicable
2	20th August, 2020	Attended	Attended	Attended	Not Applicable
3	27th January, 2021	Attended	Attended	Attended	Not Applicable
4	2nd March, 2021	Attended	Attended	Not Applicable	Attended

*Shri Siddhartha Mohanty resigned from the Company on 1st February, 2021 due to his repatriation to LIC of India

** Shri Y. Viswanatha Gowd was inducted on 2nd February, 2021 in place of Shri Siddhartha Mohanty

SUBSIDIARY COMPANIES

The Company has four subsidiaries, namely LICHFL Care Homes Limited, LICHFL Financial Services Limited, LICHFL Asset Management Company Limited and LICHFL Trustee Company Private Limited.

The Company does not have a 'material non-listed Indian subsidiary'. During the year, the Audit Committee reviewed the financial statements of said unlisted subsidiary companies and in particular the investment made by them.

The minutes of the Board meetings of Subsidiary companies were placed before Audit Committee and the Board. The management also appraised their Boards, the statement of significant transactions entered into by the unlisted subsidiaries of the company.

GENERAL BODY MEETINGS

Annual General Meeting

The details of the location and time of the last three Annual General Meetings are given below:

Year	Location	Date	Time
2017-18	"M. C. Ghia Hall", Bhogilal Hargovindas Building, 4th Floor, 18/20 Kaikhushru Dubash Marg, behind Prince of Wales Museum, Mumbai – 400 001	20th August,2018	3.00 p.m.
2018-19	"M. C. Ghia Hall", Bhogilal Hargovindas Building, 4th Floor, 18/20 Kaikhushru Dubash Marg, behind Prince of Wales Museum, Mumbai – 400 001	28th August, 2019	3.00 p.m.
2019-20	Through Video Conference ('VC') / Other Audio Visual Means ('OAVM') in compliance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular no. 14/2020, dated 8th April, 2020, MCA General Circular no. 17/2020, dated 13th April, 2020 and MCA General Circular no. 20/2020 dated 5th May, 2020.	28th September, 2020	3:00 p.m.

REPORT ON CORPORATE GOVERNANCE

Special resolutions passed at the three previous Annual General Meetings

2018: (i) Issuance of Redeemable Non-Convertible Debentures and / or other hybrid instruments on a private placement basis.

(ii) Approving the increase in limits of borrowing by the Company.

2019: (i) Issuance of Redeemable Non-Convertible Debentures and / or other hybrid instruments on a private placement basis.

(ii) Re-appointment Dr Dharmendra Bhandari as Independent Director of the Company.

(iii) Approving the increase in limits of borrowing by the Company.

2020: (i) Approval of Issuance of Redeemable Non-Convertible Debentures and / or other hybrid Instruments on a private placement basis.

(ii) Re-Appointment of Shri V. K. Kukreja (DIN-01185834) as an Independent Director of the Company for the second term.

(iii) Re-Appointment of Shri Ameet Patel (DIN-00726197) as an Independent Director of the Company for the second term.

During the Year 2020-2021 the Company did not conduct any Postal Ballot.

UNCLAIMED DIVIDENDS AND TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Pursuant to Section 124 of Companies Act 2013, the Company has transferred the unclaimed final dividend for the F.Y. 2012-13 on due date to the Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amount lying with companies) Rules, 2012. The Company has uploaded the details of unclaimed dividends lying with the Company as on 28th September, 2020 (date of last Annual General Meeting) on the website of the Company namely www.lichousing.com and also on the website of the Ministry of Corporate Affairs. After completion of seven years, no claims shall lie against the said fund or against the company for the amount of Dividend so transferred, nor shall any payment be made in respect of such claims under Companies Act, 1956. The Companies Act, 2013 provides for claiming such dividends from the Central Government. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), equity shares in respect of which dividends have not been claimed for seven (7) consecutive F.Y. from 2012-13 will be transferred to the IEPF Authority in accordance with the aforesaid rules.

DISCLOSURES

None of the transactions with any of the related parties were in conflict with the interests of the Company.

The details of all transactions with related parties, in the manner required, to be tabled before the Audit Committee as per the "SEBI LODR REGULATIONS", on quarterly basis during F.Y. 2020-21. The policy on dealing with Related Party transactions and procedures is disclosed on the company's website and Related Party Transactions are appended to the Directors' Report.

https://www.lichousing.com/downloads/RELATED%20PARTY%20TRANSACTION%202021.pdf

There were no instances of non-compliance, penalties, strictures imposed on the Company by the Stock Exchanges or the "SEBI LODR REGULATIONS" or any statutory authority of any matter related to the capital markets during the last three years.

The Company has laid down the procedures to inform Board members about the risk assessment and minimization procedures and the Board reviews the Risk Management report on quarterly basis.

The Company has a Code of Conduct for prevention of insider trading known as "LICHFL Code of Conduct for Prevention of Insider Trading" in the shares and securities of the Company by its Directors and designated employees.

Consequent to the amendments to the SEBI (Prohibition of Insider Trading) Regulations, 2015 as well as issuance of certain clarifications by SEBI on Prohibition of Insider Trading, the Company's "LICHFL Code of Conduct for Prevention of Insider Trading was revised during the year. It is applicable to all directors, employees, their immediate relatives and other connected persons. These identified persons are prohibited from trading in the securities of the Company during the restricted trading periods notified by the Company, from time to time and whilst in possession of any unpublished price sensitive information relating to the Company.

The Company has a Code of Conduct for its Directors and the Senior Management. The code includes the duties of Independent Directors as laid down in the Companies Act, 2013.

The above Codes are hosted on the Company's website –

https://www.lichousing.com/downloads/Code%20of%20Conduct%20for%20Board%20Members%20and%20Senior%20management.pdf

REPORT ON CORPORATE GOVERNANCE

and has been circulated to all the members of the Board and Senior management and the compliance of the same has been affirmed by them. A declaration confirmed by Managing Director and CEO is given below:

Compliance with Code of Conduct ....

I confirm that for the year under review, Directors and senior management have affirmed their adherence to the provisions of the Code of Conduct.

For LIC Housing Finance Limited

Y. Viswanatha Gowd
Managing Director & CEO

Mumbai, 31st March, 2021

The Company has a whistleblower policy – a Vigil Mechanism for employees to report to the management any concerns about unethical behaviour, actual or suspected fraud or violation of the rules and regulations. The Board confirms that no personnel were denied access to the Audit Committee.

The Company does not have an Employee Stock Option Scheme.

In the preparation of financial statements no treatment materially different from that prescribed in the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and applicable in respect of these financial statements has been followed.

Directors confirm that the Company has adequate resources to continue its business and, therefore, financial statements are prepared on a going concern basis.

The Company has formulated policy for determining 'material' subsidiaries. The same has been hosted on the website of the Company namely www.lichousing.com/Polices & Codes/Policy for Determining Material Subsidiaries. However, none of the Company's subsidiaries' income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth of the listed holding company (LIC Housing Finance Limited) and its subsidiaries in the F.Y. 2020-2021.

The Company has also adopted Policy on archiving of information content, hosted on website (www.lichousing.com/Policies & Codes/Policy on Archiving of Information or Content) and Policy for Preservation of Documents (www.lichousing.com/Policies & Codes/Policy on Preservation of Documents).

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. Number of complaints filed during the year: One

b. Number of complaints disposed of during the financial year: One

c. Number of complaints pending as on end of the financial year: NIL

POLICY ON FIT AND PROPER CRITERIA FOR THE DIRECTORS

The Company has formulated and adopted a Policy on Fit and Proper Criteria for the Directors, in accordance with NHB CG Directions pursuant to Master Directions – Non- Banking Financial Company (Reserve Bank) Directions, 2021 which inter-alia, lay down the fit and proper criteria of the Directors at the time for their appointment/reappointment and on a continuing basis.

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part

Total fees for all services paid by the Company on a consolidated basis, to the Statutory Auditors, is given below:

Particulars	For the year ended March 31, 2021 Amount (₹ In crore)
As auditor	0.31
Tax Audit	0.08
For Quarterly Limited Reviews	0.15
In any other manner (Certification work)	0.07
Reimbursement of Expenses to Auditors	0.06
Total	**0.67***

The present joint statutory auditors namely Gokhale & Sathe, Chartered Accountants [Firm Registration No. (FRN) 103264W] and M.P. Chitale & Co., Chartered Accountant

REPORT ON CORPORATE GOVERNANCE

(FRN 101851W) were appointed in the 30th Annual General Meeting held on 28.08.2019.

Total fees for all services paid by the Subsidiary Company and Associate Company on a consolidated basis, to the Statutory Auditors, is given below:

Sr. No.	Name of Subsidiary Company and Associate Company	Total Fees paid (₹ In Lakh)
	Subsidiary	
1	LICHFL Care Homes Limited	1.90
2	LICHFL Financial Services Limited	1.81
3	LICHFL Asset Management Company Limited	5.50
4	LICHFL Trustee Company Private Limited	0.38
	Associates	
1	LIC Mutual Fund Asset Management Company Limited	6.00#
2	LIC Mutual Fund Trustee Private Limited	0.50#

V. C. Shah & Co., Chartered Accountant (FRN 108918W) are the statutory auditors of this associate Company.

INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

The Company has formulated and adopted the Internal Guidelines on Corporate Governance in accordance with Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 which lay down the Corporate Governance practices of the Company and the same is available on the website of the Company at the URL:

https://www.lichousing.com/downloads/Governance%20Guidelines.pdf

CEO / CFO CERTIFICATION

As required by "SEBI LODR REGULATIONS", the Managing Director & CEO / CFO certificate is appended in the Annual Report.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE:

As required by "SEBI LODR REGULATIONS", Certificate from M/s. N. L. Bhatia & Associates, Practicing Company Secretaries, Mumbai (UIN: P1996MH055800, FCS 1176 and Certificate of Practice No.:422), on compliance of the conditions of Corporate Governance is appended in the Annual Report.

MANDATORY / NON-MANDATORY REQUIREMENTS:

During F.Y. 2020-2021, the Company has duly complied with all mandatory requirements of "SEBI LODR REGULATIONS". The Company is in compliance with all the Non – Mandatory requirements listed in "SEBI LODR REGULATIONS" except that half-yearly financial results including summary of significant events are presently not being sent to the shareholders. However, the quarterly, half-yearly as well as the annual results are published in the newspapers.

FINANCIAL CALENDAR FOR 2021-22 (PROVISIONAL)

a.	Unaudited Financial Result for the first quarter ending 30th June, 2021	In the month of July, 2021
b.	Unaudited Financial Result for the second quarter ending 30th September, 2021	In the month of October, 2021
c.	Unaudited Financial Result for the third quarter ending 31st December, 2021	In the month of January, 2022
d.	Audited Financial Result for the fourth quarter & year ending 31st March, 2022	In the month of May, 2022
e.	Annual General Meeting for the year ending March, 2022	In the month of September, 2022

MEANS OF COMMUNICATION

Timely disclosure of relevant and reliable information on financial performance is at the core of good governance.

The channels of communication include informative Annual Report containing Directors' Report, Report on Corporate Governance, Management's Discussion and Analysis Report and the audited Financial Statements (standalone & consolidated).

The Company also communicates with the shareholders through its website, www.lichousing.com. The quarterly and annual financial results as well as shareholding pattern and Memorandum and Articles of Association of the Company, Code of Conduct for Board of Directors and Senior Management and Code of Conduct for Insider Trading are hosted on the Company's website for information of its shareholders.

Quarterly / Annual Financial Results: The quarterly unaudited financial results and audited yearly financial results of the Company are announced within stipulated period. The audited/ unaudited financial results were published in vernacular language newspaper and leading English newspapers namely Business Standard - English (all editions), Business Line (all editions), The Free Press Journal (all editions), Navshakti (all editions) and Business Standard-Hindi (all editions).

The audited financial statements viz., Balance sheet, Profit and Loss Account, Cash-Flow Statement including schedules and notes thereon, press releases and presentations made to analysts were hosted on the Company's website.

NEAPS (NSE Electronic Application Processing System) and BSE Corporate Compliance & Listing Centre: NSE and BSE have developed web-based applications for corporates. Periodical compliances like financial results, shareholding pattern, corporate governance reports, etc. are filed electronically on NEAPS and BSE Listing Centre.

REPORT ON CORPORATE GOVERNANCE

Press Release, Presentations etc.: The Company quarterly organizes Investors' Meet to communicate with institutional investors and analysts, etc. Official news/press releases and presentations, transcripts of the ConCalls made to investors/ analysts are hosted on the Company's website from time to time and also informed to Stock Exchanges.

Website: The Company's website www.lichousing.com contains dedicated section 'INVESTORS' having updated relevant information for shareholders.

Annual Report: Annual Report containing inter-alia Standalone Audited Financial Statements, Audited Consolidated Financial Statements, Auditors' Report, Directors' Report, Management Discussion and Analysis, Corporate Governance Report, Business Responsibility Report is circulated to the members who are entitled. The same is also uploaded on the website of the Company which can be accessed at the following link-https://www.lichousing.com/annual_general_meeting.php

SCORES (SEBI Complaints Redressal System): SEBI processes investors' complaints in a centralized web-based complaints redressal system i.e. SCORES. Through this system, a shareholder can lodge complaint(s) against a Company for his grievance, The RTA under intimation to the Company uploads the action taken on the complaint which can be viewed by shareholder. The Company and shareholder can seek clarifications online through SEBI.

Letters to Investors: Regular reminders are being sent to the Shareholders for claiming unpaid/ unclaimed dividend/ Shares every year.

Green initiative: Sending important communication to shareholders through email - In terms of the Green initiative launched by the Ministry of Corporate Affairs, to allow service of documents to the members through electronic mode. The Company from the last few years has been sending various communications/ documents like Annual Report, Notice of AGM, NACH intimation etc. through e-mail to those shareholders who have registered their email id with the DP/ RTA.

In view of the prevailing COVID situation and in compliance of MCA/SEBI Circulars, Annual Report has been sent to all eligible shareholders through email only. Efforts have also been made to update / validate the registered email-IDs of shareholders, through CDSL and NSDL, prior to sending emails to eligible shareholders.

To comply with the newly enacted provisions of the Income Tax Act, 1961 and to give fair chance to all eligible shareholders with respect to exemption from deduction of TDS on dividend, communication was sent to shareholders giving them an opportunity to submit necessary documents (Form 15 G, Form 15 H, Form 10 F, declaration-NRI,FPI,FII).

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report forms part of the Directors' Report.

GENERAL SHAREHOLDER INFORMATION

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65922MH1989PLC052257.

a) Annual General Meeting :

Date and time: 27th September, 2021 (Monday) at 3:00 pm.

Venue: "Through Video Conference (VC)/ Other Audio Visual Means (OAVM)"

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

c) Book closure: From, 19th September, 2021 to, 27th September, 2021 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend, if approved by the Members.

d) Dividend payment date: On or after 4th October, 2021 but within 30 days from the date of declaration.

Pursuant to the changes introduced by the Finance Act, 2020, with effect from 1st April, 2020, the Company would be required to deduct tax at the prescribed rates on the dividend paid to its shareholders. The TDS rate would vary depending on the residential status of the shareholders and the documents submitted by them and accepted by the Company.

e) The shares of the Company are listed on the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and the Luxembourg Stock Exchange.

REPORT ON CORPORATE GOVERNANCE

f) Stock Exchanges:

Name of Stock Exchanges	Address	Stock Code
Bombay Stock Exchange Ltd.	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001. Tel. Nos. :022-22721233 / 22721234 Fax No. : 022-22721919 Website : www.bseindia.com	500253
National Stock Exchange of India Ltd.	Exchange Plaza, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra – East, Mumbai – 400051. Tel Nos: 022-26598100-114 Fax No. : 022-26598120 Website : www.nseindia.com	LICHSGFIN EQ LICHSGFIN(Debt)
Luxembourg Stock Exchange	35A Boulevard Joseph II, L-1840 Luxembourg. Tel: (352) 47 79 36 – 1 Fax: (352) 47 32 98 Website : www.bourse.lu	US50186U2033

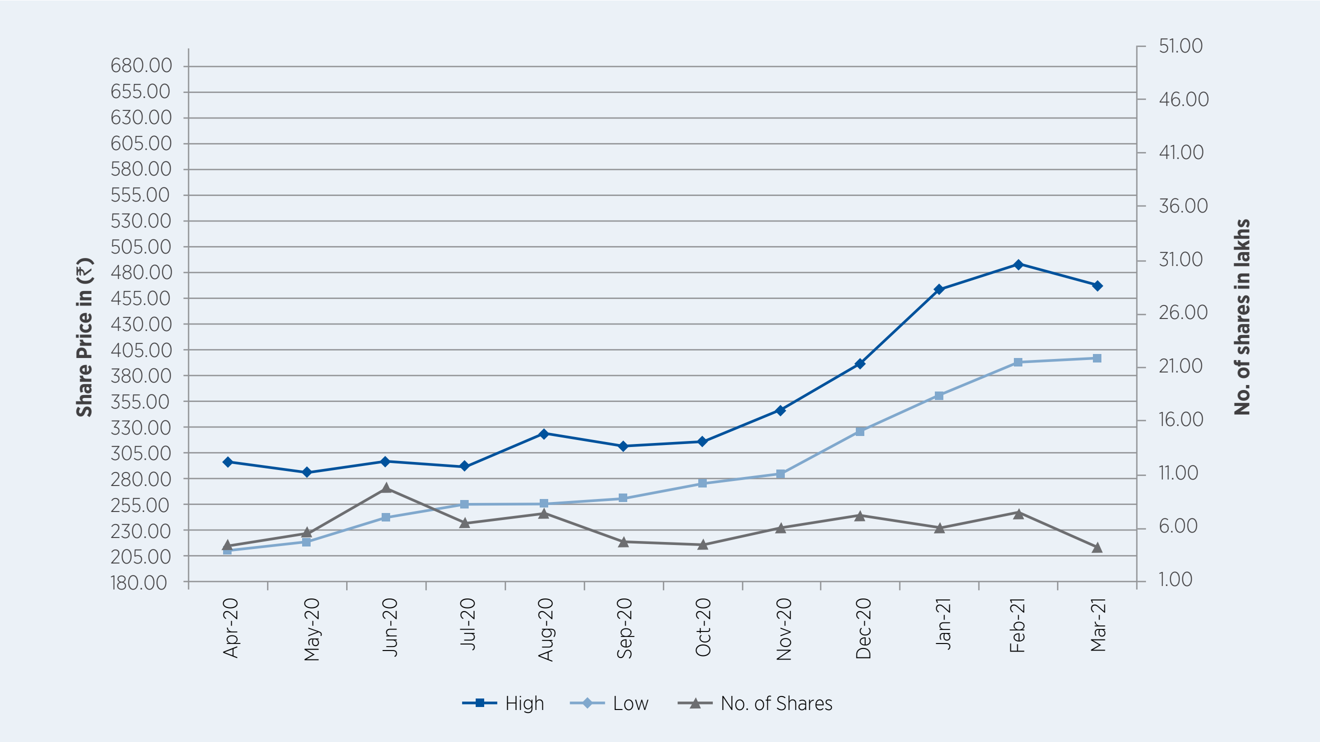
g) International Securities Identification Number (ISIN): INE115A01026

h) Market price data: The monthly high and low stock quotations during the last F.Y. on BSE and NSE were:

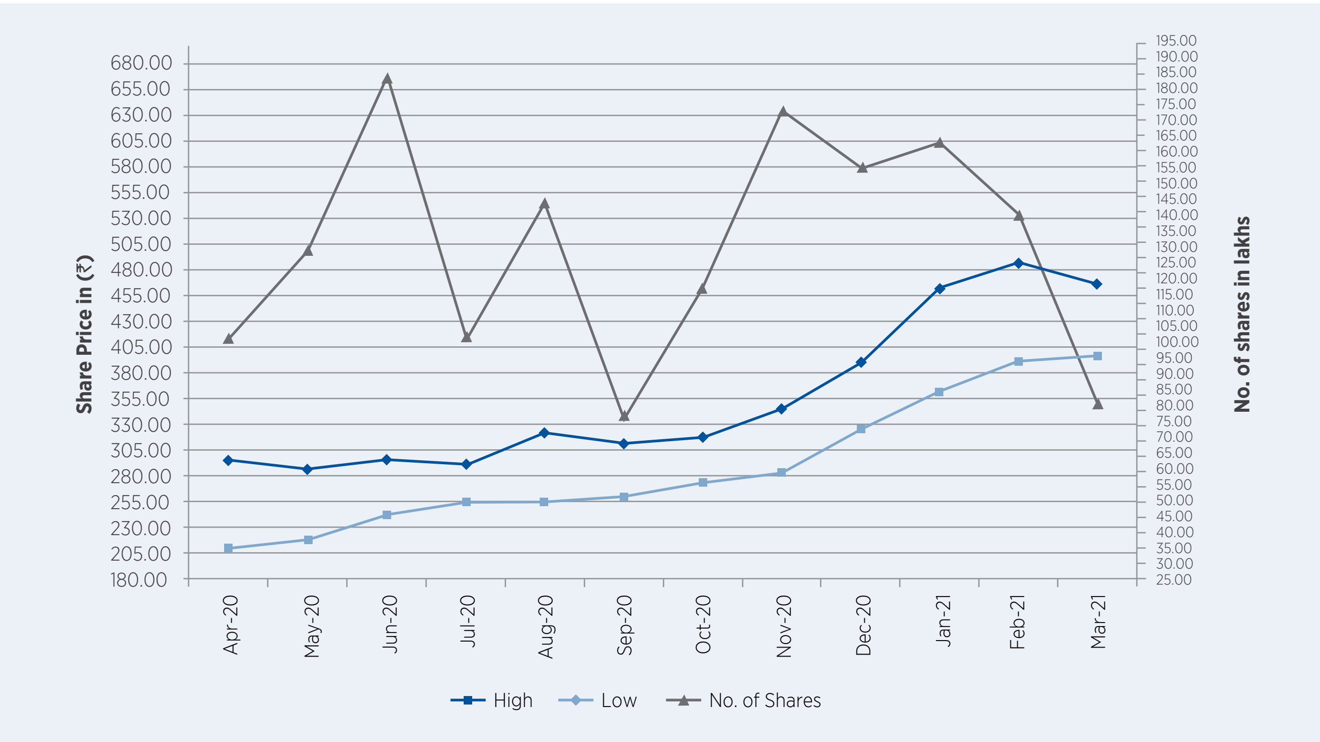
Month	BSE			BSE Sensex		NSE		
	Company's share price (₹)		Volume of shares (Nos.)			Company's share price (₹)		Volume of shares (Nos.)
	High	Low		High	Low	High	Low	
Apr-20	296.50	209.50	4448285	33,887.25	27,500.79	296.85	209.35	101800163
May-20	286.00	219.35	5550835	32,845.48	29,968.45	287.00	219.20	129821833
Jun-20	296.20	242.45	9645040	35,706.55	32,348.10	296.40	242.20	184570408
Jul-20	292.35	255.00	6435450	38,617.03	34,927.20	292.50	255.00	102585276
Aug-20	323.30	255.55	7390385	40,010.17	36,911.23	323.30	255.40	144601724
Sep-20	311.50	260.15	4690042	39,359.51	36,495.98	311.70	260.00	76249371
Oct-20	315.80	274.25	4558216	41,048.05	38,410.20	317.60	274.15	117533471
Nov-20	345.60	283.85	6053923	44,825.37	39,334.92	345.70	283.65	174153404
Dec-20	391.00	326.00	7174585	47,896.97	44,118.10	391.00	325.70	155959074
Jan-21	463.70	361.10	6090785	50,184.01	46,160.46	463.80	362.60	163908504
Feb-21	487.50	392.65	7399033	52,516.76	46,433.65	487.40	392.50	140786517
Mar-21	466.50	396.80	4215810	51,821.84	48,236.35	466.65	397.00	80656527

REPORT ON CORPORATE GOVERNANCE

BSE



NSE



REPORT ON CORPORATE GOVERNANCE

i) Details of Shareholders holding more than 1% of the share capital of the Company as at 31st March, 2021 are given below :

Sr. No.	Name of the shareholders	No. of shares held	% to share capital
1.	Life Insurance Corporation Of India	203442495	40.3125
2.	Government Pension Fund Global	11815273	2.3412
3.	Bank Muscat India Fund	11496000	2.278
4.	Hdfc Life Insurance Company Limited	10029115	1.9873
5.	The Prudential Assurance Company Limited	6839243	1.3552
6.	ICICI Prudential Value Discovery Fund	5393480	1.0687
	Total	**249015606**	**49.3429**

Distribution of shareholding as at 31st March, 2021

LIC Housing Finance Limited							
DISTRIBUTION OF SHAREHOLDING VALUE AS ON 31ST MARCH, 2021							
SR. NO.	SHAREHOLDING OF NOMINAL SHARES			SHAREHOLDER	PERCENTAGE OF TOTAL	TOTAL SHARES	PERCENTAGE OF TOTAL.
1	1	to	5000	300902	99.174	82062566	8.1304
2	5001	to	10000	1250	0.412	9191820	0.9107
3	10001	to	20000	495	0.1631	7319614	0.7252
4	20001	to	30000	157	0.0517	3925336	0.3889
5	30001	to	40000	79	0.026	2833594	0.2807
6	40001	to	50000	57	0.0188	2583016	0.2559
7	50001	to	100000	114	0.0376	8321114	0.8244
8	100001	to	**********	354	0.1167	893088940	88.4837
Total				**303408**	**100**	**1009326000**	**100**

Details of shareholding based on category as on 31st March, 2021:

Category	Share in Demat	Shareholder in Demat	Physical Shares	Physical Holders	Total Shares	Total Value	Total Percent
Promoter FI	203442495	1	0	0	203442495	406884990	40.3125
Clearing Members	873746	339	0	0	873746	1747492	0.1731
Other Bodies Corporate	4154112	1088	23500	21	4177612	8355224	0.8278
Foreign Banks	496	1	0	0	496	992	0.0001
Foreign Company	423272	3	0	0	423272	846544	0.0839
Foreign Financial Institutions	0	0	4500	2	4500	9000	0.0009
Financial Institutions	2508563	1	0	0	2508563	5017126	0.4971
Government Companies	1057133	1	0	0	1057133	2114266	0.2095
Hindu Undivided Family	1400358	4464	3500	3	1403858	2807716	0.2782
Mutual Funds	46807118	91	0	0	46807118	93614236	9.2749
Nationalised Banks	677588	3	0	0	677588	1355176	0.1343
Non Nationalised Banks	1000	1	0	0	1000	2000	0.0002
Non Resident Indians	1555515	3747	500	1	1556015	3112030	0.3083
Non Resident (Non Repatriable)	804996	1920	0	0	804996	1609992	0.1595
Public	48087632	286182	2683691	5079	50771323	101542646	10.0604
Trusts	96705	23	1000	1	97705	195410	0.0194

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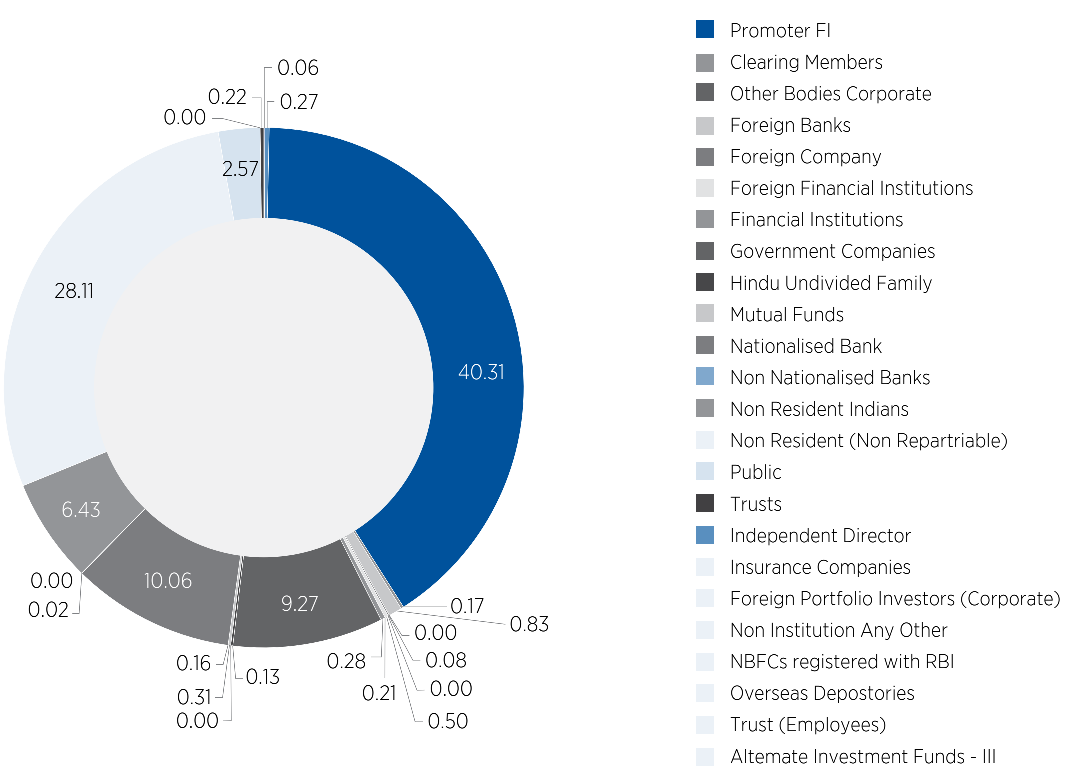
Category	Share in Demat	Shareholder in Demat	Physical Shares	Physical Holders	Total Shares	Total Value	Total Percent
Independent Director	800	2	0	0	800	1600	0.0002
Insurance Companies	32422697	33	5500	1	32428197	64856394	6.4257
Foreign Portfolio Investors (Corporate)	141866488	360	0	0	141866488	283732976	28.1111
Non Institution Any Other	12993675	24	0	0	12993675	25987350	2.5747
NBFCs registered with RBI	6250	4	0	0	6250	12500	0.0012
Overseas Depositories	1125612	1	0	0	1125612	2251224	0.223
Trust (Employees)	290060	3	0	0	290060	580120	0.0575
Alternate Investment Funds - III	1344498	8	0	0	1344498	2688996	0.2664
TOTAL :	**501940809**	**298300**	**2722191**	**5108**	**504663000**	**1009326000**	**100**



j) Global Depository Shares (GDS):

Of the total 5,00,000 GDS issued by the Company, 992 GDSs were outstanding as on 31st March, 2021.

k) Plant location: The Company is mainly engaged in providing housing finance and as such does not have any manufacturing plant.

l) Address for correspondence:

Investors and shareholders can correspond with the Company at following address:

A) The Company Secretary
LIC Housing Finance Limited
Corporate Office,
131 Maker Tower, "F" Premises, 13th Floor, Cuffe Parade,
Mumbai - 400 005.
Phones: (91-22) 22178600 / 22178700 / 22178611.
Fax: (91-22) 22178777.
CIN: L65922MH1989PLC052257.

and / or

REPORT ON CORPORATE GOVERNANCE

B) the Registrar and Transfer Agent of the Company at its following address:

Link Intime India Pvt. Limited
C-101, 247 Park, L.B.S. Marg ,
Vikroli (West), Mumbai - 400 083 ,
Phones: (91-22) 28515606 / 28515644.
Fax: (91-22) 28512885.

m) Share transfer system:

All the share transfers are processed by the Registrar and Transfer Agent, namely, Link Intime India Pvt. Limited and approved by the Committees of the Officers of the Company constituted for this purpose. The Committee meets as and when required to approve share transfers received in physical form.

n) Dematerialisation of shares and liquidity:

The shares of the Company are compulsorily traded in dematerialised form and are available for trading under both the Depository Systems — National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2021, 501940809 equity shares i.e., 99.46% of the Company's share capital were dematerialised.

o) Debt Securities:

The Secured Redeemable Non-Convertible Debentures and Un-secured Redeemable Non-Convertible Debentures issued by the Company are listed for trading on the Wholesale Debt Market Segment WDM of the NSE. Further there has been no instance whereby at any time, the securities (both equity and / or debt) of the Company was suspended from trading.

Debenture Trustees:

Axis Trustee Services Ltd - Axis House, 2nd Floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400025. Phones:022-24255215 / 24255216, Email : debenturetrustee@axistrustee.com, Website : www.axistrustee.com.

Vistra ITCL (India) Limited - Plot C-22, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai – 400051. Phones : 022-26533333 Email: info@ilfsindia.com, Website : www.ilfsindia.com

SBICAP Trustee Company Limited - 202, Maker Tower, 'E', Cuffe Parade, Mumbai- 4000 05.

Phone:022-43026629 Email : corporate@sbicaptrustee.com

Catalyst Trusteeship Limited- Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400098. Phone 022-49220555 Website:- www.catalysttrustee.com

p) list of all credit ratings obtained by the entity along with any revisions thereto during the F.Y., for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.

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

Total Bank Loan Facilities Rated	₹ 40059.88 crore
Long Term Rating	CRISIL AAA/Stable (Reaffirmed)
Short Term Rating	CRISIL A1+ (Reaffirmed)
₹ 25000 Crore Non-Convertible Debentures	CRISIL AAA/Stable (Assigned)
₹ 3000 Crore Tier II Bond	CRISIL AAA/Stable (Reaffirmed)
₹ 25000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 25000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 25000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 5000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 15000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 10000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 5000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 5976 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 15000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 15000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 20000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 33833 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 1600 crore Upper Tier II Bond	CRISIL AAA/Stable (Reaffirmed)
₹ 1750 crore Tier II Bond	CRISIL AAA/Stable (Reaffirmed)
Fixed Deposits Programme	FAAA/Stable (Reaffirmed)
₹ 17500 crore Commercial Paper	CRISIL A1+ (Reaffirmed)

REPORT ON CORPORATE GOVERNANCE

CARE Ratings had reaffirmed its 'CARE AAA; Stable' rating for ₹ 35.842.90 crore for non-convertible debenture issue of LIC Housing Finance Limited.

Also, CARE Ratings had assigned its 'CARE AAA; Stable' rating to the tune of ₹ 3000 crore for Tier II Bonds issue of LIC Housing Finance Limited and reaffirmed its 'CARE AAA; Stable'. The unutilised amount as on 30.06.2021 was ₹ 1200 crore

ICRA Limited had reaffirmed ICRA A1+ rating to the ₹ 17,500 crore commercial paper issue of LIC Housing Finance Limited and has reaffirmed its ICRA A1+.

q) Listing Fees:

The Company has paid listing fees to Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd., (NSE) for listing of equity shares on BSE and NSE for F.Y. 2020-2021. The Company has also paid listing fees for listing of Non-Convertible Debenture on Wholesale Debt market segment on NSE for F.Y. 2019-2020. In respect of GDS listed on Luxembourg Stock Exchange, the Company has paid the listing fees to the Luxembourg Stock Exchange.

r) Demat Suspense Account / Unclaimed Suspense Account:

There are no shares lying under Demat Suspense Account / Unclaimed Suspense Account and hence the Company does not have any Demat Suspense Account / Unclaimed Suspense Account.

s) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

The Company has foreign exchange exposure and hedging is done for a significant portion of the same. The Company is not involved in commodity trading and its hedging activities.

t) Details of non-compliance by listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years;

During F.Y. 2020-2021, the Company has complied with requirements of the National Housing Bank Act, 1987 and Housing Finance Companies (NHB) Directions, 2010.

(u) Details of compliance with mandatory requirements:

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and all the applicable clauses of Regulation 46(2) (b) to (i) of the SEBI LODR REGULATIONS. All applicable Secretarial Standards on Board Meeting and General Meeting were duly complied.

This Corporate Governance Report of the Company for the FY 2020-2021 is in compliance with the requirements of Corporate Governance under SEBI LODR REGULATIONS.

(v) CEO/CFO Certificate:

The Compliance Certificate of the MD & Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) to the Board of Directors as specified in Part B of Schedule II of the SEBI (LODR) has been annexed as Annexure 1 and 2 to this report.

(w) Certification from Company Secretary in Practice:

i) Shri Bhaskar Upadhyay (FCS 8663 and Certificate of Practice No.:9625), Partner of M/s. N. L. Bhatia & Associates, Practicing Company Secretaries, Mumbai (UIN: P1996MH055800) has conducted Secretarial Audit in respect of the FY 2020-2021, as per the provisions of Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and as per Regulation 24A of the SEBI (LODR), 2015 as amended by SEBI (LODR) (Amendment) Regulations, 2018 and the Secretarial Audit Report in Form MR-3 provided by the PCS has been submitted to stock exchanges and annexed to the Board's Report; and the same would be forwarded to the Ministry of Corporate Affairs at the time of submitting this Annual Report.

ii) The Company has also obtained the Annual Secretarial Compliance Report from Shri Bhaskar Upadhyay (FCS 8663 and Certificate of Practice No.:9625), Partner of M/s. N. L. Bhatia & Associates, Practicing Company Secretaries, Mumbai (UIN: P1996MH055800) as required by Capital Market Regulator, SEBI as per Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019, which is to be submitted by a PCS to the listed entity on an annual basis, regarding compliance of all applicable SEBI Regulations and Circulars/ Guidelines issued thereunder.

iii) Shri Bhaskar Upadhyay (FCS 8663 and Certificate of Practice No.:9625), Partner of M/s. N. L. Bhatia & Associates, Practicing Company Secretaries, Mumbai (UIN: P1996MH055800) has also issued a certificate as required under Regulation 34(3) and Schedule V Para C clause (10) (i) of the Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of companies by the SEBI / Ministry of Corporate Affairs

REPORT ON CORPORATE GOVERNANCE

or any such statutory authority. The said certificate of non-disqualification of directors has been annexed herewith in Annexure-3.

The certificates mentioned in (i) and (ii) above has been enclosed with the Report of Directors as Annexure-9.

(x) Utilization of funds raised through Preferential Allotment or Qualified Institutions Placement- Regulation 32(7A):

During the year under review, the Company has not raised any fund through preferential allotment or through Qualified Institutional Placement.

(y) Recommendations of Committee(s) of the Board of Directors:

During the F.Y. 2020-21, there was no instance, where the Board had not accepted the recommendation(s) of any committee of the Board which is mandatorily required.

(z) Ms. Savita Singh (DIN 01585328), Independent director had tendered her resignation from Directorship of the Company with effect from 9th November, 2020, before the expiry of her tenure on account of personal reason. She has also confirmed that there is no other reason other than that disclosed in the resignation letter.

CERTIFICATE OF CORPORATE GOVERNANCE

To,
The Members of
LIC HOUSING FINANCE LIMITED

We have examined all the relevant records of LIC HOUSING FINANCE LIMITED ("the Company") for the purpose of certifying compliance with the conditions of the Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the financial year from April 01, 2020 to March 31, 2021.

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

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

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

FOR M/S. N.L. BHATIA & ASSOCIATES
PRACTICING COMPANY SECRETARIES
UIN: P1996MH055800
UDIN: F008663C000857984

BHASKAR UPADHYAY
PARTNER
FCS: 8663
C.P. NO. 9625

DATE: AUGUST 20, 2021
PLACE: MUMBAI

REPORT ON CORPORATE GOVERNANCE

Annexure-1

The Board of Directors,
LIC Housing Finance Limited.,
Bombay Life Building, 2nd Floor,
45/47, Veer Nariman Road,
Mumbai – 400 001.

Date: 15th June, 2021

ANNUAL CERTIFICATION

We the undersigned Y. Viswanatha Gowd, Managing Director & CEO and Sudipto Sil, Chief Financial Officer hereby certify that for the F.Y. ended 31st March 2021, we have reviewed annual accounts, financial statement and the cash flow statement and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

3. There are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct;

4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of some internal control system of the Company and we have disclosed to the auditors and the Audit Committee the deficiencies, of which we are aware, in the design or operation of the internal control systems and we have taken the steps to rectify these deficiencies.

5. We further certify that:

   (a) there have been no significant changes in internal control during this year.

   (b) there have been no significant changes in accounting policies during this year except as mentioned in the significant accounting policies and notes to accounts.

   (c) there have been some instances of fraud though not significant. There were no involvement of management and there would not have been involvement of employees having a significant role in the Company's internal control system.

Managing Director & CEO **Chief Financial Officer**

REPORT ON CORPORATE GOVERNANCE

Annexure-2

The Board of Directors,
LIC Housing Finance Limited.,
Bombay Life Building, 2nd Floor,
45/47, Veer Nariman Road,
Mumbai – 400 001.

Date: 15th June, 2021

CERTIFICATION

We the undersigned Y. Viswanatha Gowd, Managing Director & CEO and Sudipto Sil Chief Financial Officer hereby certify that for the year ended 31st March 2021, we have reviewed the financial results and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

Managing Director & CEO **Chief Financial Officer**

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Annexure-3

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i)
of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
LIC Housing Finance Limited
Bombay Life Building, 2nd Floor,
45/47, Veer Nariman Road,
Mumbai- 400 001.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of LIC Housing Finance Limited having CIN: L65922MH1989PLC052257 and having its registered office at Bombay Life Building, 2nd Floor, 45/47, Veer Nariman Road, Mumbai- 400 001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the F.Y. ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Directors	DIN	Date of Appointment in Company
1.	Mr. Jagdish Capoor	00002516	25/05/2012
2.	Mr.Dharmendra Bhandari	00041829	19/08/2014
3.	Mr.Sanjay Kumar Khemani	00072812	01/07/2019
4.	Mr. Ameet Navinchandra Patel	00726197	19/08/2015
5.	Mr. Kashi Prasad Khandelwal	00748523	01/07/2019
6.	Mr. Vipan Kumar Kukreja	01185834	30/06/2015
7.	Mr. Mangalam Ramasubramanian Kumar	03628755	25/03/2019
8.	Mr. Vipin Anand	05190124	11/11/2019
9.	Mr. Pottimutyala Koteswara Rao	06389741	11/06/2018
10.	Mr. Akshay Rout	08858134	28/09/2020
11.	Ms. Jagennath Jayanthi	09053493	05/02/2021
12.	Mr. Viswanatha Gowd Yerur	09048488	01/02/2021

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

FOR M/S. N. L. BHATIA & ASSOCIATES
PRACTICING COMPANY SECRETARIES
UIN: P1996MH055800
UDIN: F005436C000461650

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

DATE: JUNE 14, 2021.
PLACE: MUMBAI.

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:** L65922MH1989PLC052257
2. **Name of the Company:** LIC Housing Finance Limited
3. **Registered Address:** Bombay Life Building, 2nd Floor, 45/47, Veer Nariman Road, Fort, Mumbai 400001.
4. **Corporate Office:** 131, Maker Tower "F" Premises, 13th Floor, Cuffe Parade, Mumbai 400 005.
5. **Website:** www.lichousing.com
6. **E-mail id:** lichousing@lichousing.com
7. **Phone:** (+91) 22 2217 8600
8. **Fax:** (+91) 22 2217 8777
9. **Financial Year Reported:** 1st April, 2020 to 31st March, 2021.

   The Company is engaged in the business of providing housing loans to customers (Industrial Activity Code 59225). The motto of the Company is "Sagrahiya arthasahay" which means, enabling individuals to own a house by providing them financial assistance. The Company believes that, every individual shall have their own house. Based on this belief the Company makes efforts to enable individuals to own their house by way of extending loans at competitive rates and follows it up with customer friendly services. The company started its operations in the year 1989 and since then has emerged as a key player in the Housing Finance Sector, as it has enabled millions of individuals to own their dream homes. Accordingly, the main thrust of the business of the Company lies in extending loans to individuals for purchase or construction of house. The Company has till 31st March, 2021 enabled around 30,02,407 individuals to acquire their dream home. Out of this 6,93,660 have women, as first or sole owners and 23,08,747 have men, as first or sole owners. The Company also provides loans to builders and professionals. In order to establish its footprints in the international market, the Company had set up its representative offices in Dubai and Kuwait as well. However, it may be mentioned that representative office at Kuwait would be operational till 30th September, 2021 following Warba Insurance Company's (principal agent for Kuwait Office) inability to continue its principal agent business owing to local regulatory laws. In India, the Company has a top-down structure with the Corporate office at its helm. At the operational level the Company has Nine (9) Regional offices, 24 Back Offices, 282 marketing offices and One Customer Service Point. Further, the Company has around 8514 marketing intermediaries who guide the customers through the loan processes. The Company also provides Online Home loan approvals through its website www.lichousing.com and through the HOMY application.

   The Corporate office frames policies with the guidance of the Board of directors and monitors the overall activities of other offices. The Data Centre (the IT wing of the Company) is a part of the Corporate Office and is responsible for providing and safeguarding data. The Regional Offices oversees the functions of the Area Offices covered under their jurisdictions and the Back Offices are the Accounting units which provide support to the Regional Offices and the Area Offices within their preview.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital:** ₹ 100.99 crore
2. **Revenue from Operations:** ₹ 19,847.15 crore
3. **Profit after Taxes (PAT):** ₹ 2731.94
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** 0.25 per cent (Disbursed amount in ₹ 6.92 core). The CSR spend during FY 2020-2021 aggregates to ₹ 6.92 crore, however, the total amount committed by the Company for CSR activities during FY 2020-2021 is ₹ 63.03 crore, which turns out to be 2.31 % of the PAT. (The Company has sanctioned the funds aggregating to ₹ 63.03 crore, which is the total amount that the Company is required to spend as per Section 135 of the Companies Act, 2013 and accordingly has made a provision of ₹ 56.12 crore.
5. **List of activities in which expenditure in 4 above has been incurred:**

   The CSR activities carried out by company during FY20-21 are

   i) Promoting education including special education:
      (a) By providing scholarships
      (b) Contributions to public funded Universities
      (c) Imparting employment enhancing vocational skills

   ii) Promoting Healthcare:
      (a) including preventive health care.
      (b) through assisting in curative treatment
      (c) through scientific research

   iii) Promoting sanitation and hygiene
      (a) Construction of sanitation complex in school
      (b) Promotion of personal hygiene among students and rural villages.

iv) Through vocational training and entrepreneurship development

(a) Formation of Self Help Group for marginal famers and women

(b) Introducing innovative methods of cultivation

(c) Creating market linkages

(d) Soft skill training on enterprises/ income generation

v) Measures for the benefit of armed forces veterans, war widows and dependents

vi) Disaster relief

(a) Providing humanitarian assistance for COVID-19 relief and management.

vii) Rural development activities

Further details in respect of the above are provided in Annexure 5 to the Board's Report which is a part of this Annual Report.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

The Company has four (4) subsidiaries namely LICHFL Care Homes Limited, LICHFL Asset Management Company Limited, LICHFL Financial Services Limited and LICHFL Trusteeship Company Limited.

2. Do the Subsidiary Company/ Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such subsidiary companies.

No, the Subsidiary Companies have their own BR Initiatives and they have their own CSR budget for undertaking their own business responsibility initiatives. However, one of the subsidiary Company namely LICHFL Care Homes Limited was floated by the Company, in order to cater to the needs of senior citizens and for providing them with better amenities which would serve their old age related needs. The Subsidiary/(ies) also has their own CSR budget.

3. Do any other entity/ entities (e.g. suppliers, distributors etc) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30 percent, 30-60 percent, More than 60 percent]

The Subsidiary companies, to a certain extent, plan their CSR contributions based on the experience of their holding Company with the various implementation agencies. Further, as regards the participation of the suppliers in the BR initiative of the Company is concerned, the Company has various 'code of conduct' in respect of various categories of suppliers of services and strict adherence to such 'codes of conduct' is mandatory to remain empanelled with the Company. Some of the codes have been listed below:

i) Code of Conduct for Recovery Agents

ii) Fair Practices Code

iii) Code of Conduct for Marketing Intermediaries

iv) Policy on Valuation and appointment of Valuers for valuation of properties to be mortgaged with the Company

SECTION D: BR INFORMATION

1. Details of Director/ Directors responsible for BR

a. Details of the Director/ Directors responsible for implementation of the BR policy/ policies:

The Board of the Company is collectively responsible for the implementation of the BR policies of the Company.

b. Details of the BR head:

Sr. no.	Particulars	Details
1.	DIN Number	09048488
2.	Name	Shri Y. Viswanatha Gowd *
3.	Designation	MD & CEO
4.	Telephone number	022-22178602/603
5.	E-mail id	pa.mdceo@lichousing.com

Until 31.01.2021 Shri Siddhartha Mohanty (DIN 08058830) was the MD & CEO and the BR Head. Thereafter, he was repatriated to LIC of India.

2. Principle – wise (as per NVGs) BR Policy/ policies (Reply in Y/N):

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. The gist of the guidelines is enlisted below:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses, should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr no.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for the above principles	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	All the operations of the Company are carried out in compliance with all the applicable statutes, rules and regulations. The Company frames the policies as per the various regulatory requirements and as per the advice of the Board, based on the requirements of the day-to-day operations of the Company. Thereafter, the said policies are reviewed on an ongoing basis. At the time of formulation and review of the policies, the Company ensures that the policies reflect and address the needs, requirements, benefit and overall wellbeing of its stakeholders.								
3.	Does the policy conform to any national / international standards?	All the policies adopted by the Company are in line with the best practices in the industry and are in compliance with the various statutes governing the Company.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	http://www.lichousing.com/policies_codes.php								
7.	Has the policy/policies been formally communicated to all relevant internal and external stakeholders?	Yes, the policy/policies have been communicated to concerned stakeholders. The Company ensures that the communication is an on going process. Further, the said policy/policies have also been hosted on the Company's website and are available in the public domain.								
8.	Does the company have in-house structure to implement the policy / policies?	Yes, the Company has an in-house structure to implement the policy/ polices and the Board of Directors review the same at regular intervals.								
9.	Does the company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Yes, the company has a grievance redressal mechanism to address grievances of different stakeholders at different level of its organizational structure.								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The various policies of the Company have been framed keeping in mind the overall good of various stakeholders. All the policies of the Company are reviewed on a yearly basis. The Company undergoes various Audits both by internal team of auditors and also by external auditors. During the course of such audit(s), it verifies whether all the policies are in place and whether or not they have been properly reviewed. Further, the Company engaged an external agency to monitor and evaluate the progress of ongoing CSR projects of the Company. ongoing projects from the various implementation agencies.								

NOTE-1:

Governance related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

  The Board of Directors reviews the Principles and Policies of Business Responsibility on an annual basis. The CSR Committee of the Company met 3 times during the FY 2020-2021

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

  Business Responsibility Report forms part of the Annual Report and is published annually. The said Annual Report is also hosted on the Website of the Company.

Principle-wise performance are as under:

PRINCIPLE 1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relate to ethics, bribery and corruption cover only the company?**

    The policy relating to ethics, bribery and corruption extends to the suppliers such as agents, valuer etc. These suppliers have to abide by the provisions of the policies governing them and any deviation from the same would result into discontinuance of their services with the Company. Further, at the time of appraisal of CSR projects all efforts are made to ensure that the implementation agencies (NGOs) to whom the contribution is being extended has a clean track record.

2. **Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

    The policy relating to ethics, bribery and corruption extends to the suppliers such as agents, valuers etc. These suppliers have to abide by the provisions of the policies governing them and any deviation from the same would result into discontinuance of their services with the Company. Further, at the time of appraisal of CSR projects all efforts are made to ensure that the implementation agency (NGO) to whom the contribution is being extended, has an established track record in carrying out similar projects.

3. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

    There were 73 unresolved stakeholder complaints (pertaining to depositors, investors including shareholders and customers) at the beginning of financial year 2020-2021 and 23,338 complaints were received during the financial year 2020-2021, from various stakeholders. Out of the total 23,411 complaints, 23,310 complaints, working out to 99.57 percent have been satisfactorily resolved during the year. At the end of the year 101 complaints remained unresolved.

PRINCIPLE 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List upto 3 products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.**

    It is the constant endeavor of the Company to provide products and services that meet customer requirements. These have been designed in such a manner that they fulfil the expectations of the customer and contribute positively to socio-economic development. Preference is given to local suppliers for specialized products and services. The Company has a focus on creating value for customers and the biggest social responsibility of helping people to have their own shelter, is the main objective of the Company and thus, the motto “Sagrihay Arthasahy”. To facilitate the same, the Company has been providing loans to home buyers at competitive rates of interest through its various schemes. The Company through this social objective has enabled the healthy growth of households and has also optimized their investment opportunities, thereby creating an environment conducive to a positive outlook in society.

    The Following are the initiative taken by the Company in this regard:

    a) **Loans guaranteed by IMGC:** The Company continues to be committed to inclusive housing finance and also in facilitating the ‘Housing for All’ initiative of the Government. The Company aim at addressing the housing finance needs of the customers belonging to the informal sector of the society who have sufficient income, but limited documentation. In this regard the Company has also partnered with Indian Mortgage and Credit Guarantee Corporation (IMGC), who against reasonable premium would provide guarantee for fixed part of the loan extended by the Company to the Customers satisfying prescribed criteria, who would otherwise not be eligible to avail housing loan facility.

    b) **Griha Varishta:** The Company has been the first in the industry to launch a product for the senior citizens, who have either retired from PSU insurers, PSUs, Nationalized Banks, Central Govt. & State Govt. and drawing pension under Defined Benefit Pension Schemes (DBPS) who are upto 65 years of age as per last birthday or are Working with PSU Insurers, PSUs, Nationalized Banks, Central Govt. & State Govt. and eligible for pension under Defined Benefit Pension Scheme (DBPS).

    c) **Apna Ghar (Scheme on the lines of Pradhan Mantri Awas Yojana):**

    In line with Government of India, the Pradhan Mantri Awas yogana- Credit Linked Subsidy Scheme (PMAY- CLSS) has been introduced to finance those customers who have no pucca house in any part of India and who does not own a pucca house either in his/her name or in the name of any member of his/her family in any part of India also , the unit should be in the name of the female head of the household or in the joint name of the male head of the household and his wife. Under this Scheme, interest subsidy is provided by Government of India through NHB upto a maximum of ₹ 2.67 lakhs per borrower. Further, the Credit Linked Subsidy Scheme (CLSS) is only for the Low Income Group and Economically Weaker Sections.

2. **For each product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)**

    Since the Company is not involved in any manufacturing activity, the reporting on use of energy, water, raw material etc. is not applicable. However, while considering financing housing project these factors are given due importance.

Further, the Company minimises the consumption of electrical energy and natural resources and tries to prevent pollution of air, water and land. The Company uses energy efficient products wherever it is required and encourages paperless methods in order to limit the use of paper to the extent practicable and also reuse waste paper wherever possible.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

Since the Company is not involved in any manufacturing activity, the reporting on sustainable sourcing is not applicable. Further, during the year, the Company had explored the possibility of accessing the Government E-Marketplace Portal (GeM) for procuring ambulances for carrying out its CSR initiatives, however since the Company is a private entity the said procurement channel was not available for it.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

In today's competitive scenario, the company is utilizing multiple channels and touch points to source business. They are the distribution channels viz. Home loan agents, Customer Relationship Associates and Direct Selling Agents. Also in addition, the Company has developed alternate distribution channel called Direct Marketing Executive (DME). This channel was conceptualized during the year 2017-18 and it has contributed approximately 9% towards Company's Annual Disbursement Target for the year 2020-21.DMEs are paid fixed stipends on achievement of the prescribed threshold business levels alongside the incentives.

In line with the emerging trends, the Company has introduced HOMY, a mobile application based home loan solution which takes care of digital on boarding of customers besides providing the post disbursement services without physically visiting our offices. It allows the marketing intermediaries and the individual users to login their loan application at ease. In the year 2020-21 a total of ₹ 1,800 crore of loan amount sourced through HOMY application was disbursed.

The company has a training policy aimed at capacity building of the marketing teams and distribution channels. There are external agencies empaneled for the purpose of training. Training sessions are conducted through classrooms and virtual platforms in addition to the in house trainings on a regular basis in line with introduction of new tools and products. Also under its digitization and business reengineering initiative project namely project RED, the Company is endeavoring to design such systems and processes wherein it would help the intermediaries in completing certain regulatory compliances through its own software modules and thereby ensure capacity building of its intermediaries and would also have a synergy benefit for the common benefit of both the Company as well as the intermediaries. Also through other digital initiatives the Company has made the work of its intermediaries very easy and convenient.

Further, the Marketing department of the Company publishes 3 monthly magazines pertaining to DMEs , PMAY and another magazine pertaining to the Marketing team. The Compliance department of the Company publishes a monthly magazine namely 'Anvesha'. All these magazines, which are for internal circulation, contains information pertaining to market intelligence and appreciation for the top performers in the respective region and segment.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5 percent, 5-10 percent, >10 percent). Also, provide details thereof, in about 50 words or so.

Since the Company is not involved in any manufacturing activity, the reporting on recycle mechanism is not applicable. However, the IT wastes are outsourced to an agency which disposes off the wastes as per proper waste disposal mechanism. Also, the old papers and documents are scrapped in a manner such that they may be recycled.

PRINCIPLE 3

Businesses should promote the wellbeing of all employees

1. Please indicate the total number of employees:

Total number of employees as on 31st March, 2021 is 2,427.

2. Please indicate the total number of employees hired on temporary/contractual/ casual basis:

During the financial year 2020-2021, 128 individuals were hired on a contractual basis. The Company also has the policy of absorbing the contractual staff, who had been serving the Company on contractual basis for a reasonable period, as a reward for their loyalty, integrity and good performance.

3. Please indicate the number of permanent women employees:

Out of the total employee strength of 2,427 permanent employees as on 31st March, 2021, 790 are women employees as compared to 769 women employees on 31st March, 2020. This constitutes 32.55 per cent of the total strength as against 32.15 per cent as on 31st March, 2020.

4. Please indicate the number of permanent employees with disabilities:

Four (4) permanent employees with disabilities are engaged with the company as on 31st March, 2021.

5. Do you have an employee association that is recognized by the management?

There is no management recognized employee association. However, mechanisms are in place for employees to represent their issues, if any, and those are resolved amicably. The Company also has a proper whistle blower mechanism in place.

6. What percentage of your permanent employees are members of this recognized employee association?

Not applicable.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. no.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/ forced labour/ involuntary labour	LICHFL does not hire child labour, forced labour or involuntary labour – No reported case	Not Applicable
2.	Sexual harassment	One (1)	None
3.	Discriminatory employment	None	Not Applicable

8. What safety & skill up-gradation training was provided in the last year?

- Permanent employees
- Permanent Women employees
- Casual/ Temporary/ Contractual employees
- Employees with disabilities

During the year 2020-2021, sixteen (16) training programmes for upgrading the skills were conducted in house and the employees of the Company participated in eighteen (18) training programmes conducted by external entities. In these 34 training programmes a total of 1,080 employees of the Company were trained and updated. Recently the policy was amended to provide for the online training to its employees. The Company also provides a 'Special Allowance' for its IT employees for taking up courses so that they can remain abreast with the dynamic technological upgradations that happen in the tech space. The Company believes in providing the best quality of training to the employees at all levels in order to uplift their working as well as professional knowledge and enable them to gather various skill sets and has a training policy in place, which has been reviewed and upgraded from time to time to adapt with the changed scenarios.

The Company has also adopted a policy with regard to prevention of Sexual Harassment at work place which is in line with the applicable Act and has in place the prescribed mechanism to deal with the incidents pertaining to Sexual Harassment at work place at the Corporate office level and at the Regional office level. The Company has also setup Internal Complaints Committee (ICC) at the Corporate office and all Regional Offices, which oversees the Sexual Harassment related complaints received from the Area Offices under its jurisdiction. The Service Rules of the company considers Sexual Harassment at work place as misconduct and has also prescribed consequences in case an employee is found guilty of such misconduct. The Management of the Company provides all required support to the ICC to conduct its functions and constantly endeavours for a safe and secure working environment for women.

During the Financial Year 2020-2021 the Company has ensured compliances with all the directives of the Central and State Government as well as the local authorities and have permitted it employees to work from home and has also made the employees available with the parallel infrastructure in this regard. For the limited workforce which attended office, the Company has also provided pick and drop facilities to all such employees, irrespective of cadre, as there was scarcity of public transport due to COVID-19 pandemic. Further, the Company has also enhanced its expenditure towards transport and conveyance reimbursement for its employees during the pandemic situation. The Company also have enhanced the group and medical insurance cover to adequately address the increased health risks brought forth by the pandemic.

PRINCIPLE 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. Has the company mapped its internal and external stakeholders?

The Company's key stakeholders include promoters, employees, customers, business associates, marketing Agents, recovery agents, investors, suppliers, regulatory agencies, CSR implementation agencies and local communities around its sites of operations. The Investors comprise of shareholders (including Institutional Investors, corporate bodies, domestic and foreign institutional investors, foreign bodies etc.).

The Company values the support of its stakeholders and respects the interests and concerns they have towards it. The Company and its employees strive to provide value-based services to the stakeholders.

The Company has continuous interaction with its various stakeholders in order to understand their concerns and assess their requirements and respond to their needs in an effective manner.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders?

The Company considers the entire Country as its work station and thus considers all citizens of the Country as its stakeholders. The Company, during the financial year 2020-2021 has partnered with 34 Implementation Agencies (NGOs) through its CSR activities and has through its various initiatives, in the fields Education, Health care, Vocational Skill Development, Sanitation, Natural Resource Management has undertaken several initiatives to engage with and ensure sustainable development of the marginalised groups in the local communities around its sites of operations. In the course of carrying on the above initiatives, the Company's CSR Team ensured that the Implementation Agency (NGOs) properly identified the disadvantaged, vulnerable and marginalised stakeholders and extended support to them.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

The Company believes in inclusive growth and drives its CSR initiative towards inclusive growth of all, with equitable approach for economic weaker section (EWS). As humanitarian response for COVID -19 pandemic, the Company had distributed dry ration to migrant labours, Personal Protective Equipment (PPE) kit for frontline COVID-19 warriors, Isolation facilities and oxygen concentrator etc. The Company has entered in to CSR partnership with Indian Institute of Technology- Kanpur (IIT-K) for developing mobile screening device to detect early stage of oral cancer. Through the said partnership the company has ensured low cost early detection of oral cancer of marginalised in primary health centre.

As a business responsibility initiative of the Company, it has announced educational merit scholarship namely LIC HFL Vidyadhan scholarship. The said initiative will provide scholarship amount from ₹ 10,000/- to ₹ 20,000/- per academic year to 1000 students from economic weaker section of the community, based on the educational level of students ranging from matriculation till post-graduation. The said program will be implemented in 28 states and 8 union territory in pan India level through online competent exam and scrutinizing process.

4. Does the policy related to protection and making efforts to restore the environment cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?

The Company is determined to focus its attention towards achieving the goal of "Reduce, Reuse and Recycle" in its entire operation and process for sustainable development. The Company is committed to put efforts towards renewable resources to avoid depletion of natural resources wherever possible during the course of carrying on its day to day operations. The Company complies with all legal / regulatory requirements related to environment protection, management and sustainable development. As a responsible corporate citizen the company is fully aware of the direct and indirect environmental impacts of its operations and considers it as a major criterion in all its decisions. The Company being in the business of granting housing loans encourages housing projects which are environmentally safe and secure.

PRINCIPLE 5

Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

All the policies of the Company have been drafted and adopted keeping in mind the creation of stakeholders value. The policies and code of conduct in respect of fair practices also cover the suppliers of the Company such as the home loan and recovery agents etc. No act of the Company has resulted into violation of Human Rights of any stakeholders and all the practices of the Company have been based on the principles of justice and equity grounds.

2. How many stakeholder complaints pertaining to violation of Human Rights have been received in the past financial year and what percent was satisfactorily resolved by the management?

No such instance has been reported during the Financial Year 2020-2021.

PRINCIPLE 6

Businesses should respect, protect and make efforts to restore the environment

1. Does the policy relate to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?

The Company, commits itself to take all necessary initiatives towards optimization and continual reduction in utilization of natural resources and also manmade resources. The Company is determined to focus its attention towards achieving the goal of "Reduce, Reuse and Recycle" in its entire operation / process for sustainable development. The Company is committed to put efforts towards renewable resources to avoid depletion of natural resources wherever possible, during the course of carrying on its day to day operations. The Company complies with all legal / regulatory requirements related to environment protection, management and sustainable development.

2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming etc.?

The Company extended CSR support in promoting and preserving natural resource as part of rural development initiatives. Initiative such as rejuvenation of ponds/ water streams, various type of check dams construction, afforestation drives, rainwater harvesting and ground water recharging etc. are taken up across HRIDAY projects in pan India basis.

However, it may be mentioned here that the Company has opted for efficient processes in order to minimize adverse impact on the environment. The Company has replaced old model of computer, printers, and other equipment which were consuming between 50 to 90 percent more energy than newer energy-efficient models. The Company also has installed motion sensing water taps which ensures minimal wastage of water. The Company has also discontinued the usage of plastic water bottles and have given glass water bottles to its employees. The Company has also instructed all the employees to switch off the lights, Air Conditions around them, when they are not around or after the office timings and the same is constantly reviewed by the support staff. The above initiatives ensure reduction in energy consumption and carbon emission, which had resulted in saving the cost.

3. Does the company identify and assess potential environmental risks?

The Company being in the business of granting housing loans, encourages housing projects which are environmentally safe and secure. However, given the limited applicability, LICHFL is fully aware of the direct and indirect environmental impacts of its operations and considers it as a major criterion, in all its decisions and acts responsibly while funding Housing projects. The Company only considers such projects for funding which have all the environmental clearances. Further, the CSR Committee of the Company has been active in funding environmentally sustainable projects, as it intends to do its bit, in addressing the issue pertaining to environmental sustainability.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

The Company under its CSR initiative has been instrumental in funding projects pertaining to water harvesting, environmental protection, and management of natural resources and providing clean and safe drinking water. These projects contribute towards the sustainable development of local communities and support inclusive growth, equitable development, adding on, the Company is not required to file any environmental compliance report.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc? Y/N. If yes, please give hyperlink for web page etc.

The Company is engaged in providing loans for housing projects. At the time of appraisal of the Projects, it is mandatory for the builders etc. to ensure that the projects are environmentally viable and sustainable; the same is also reflected in the valuation report which forms part of the company's SOP guidelines (Standard Operating Procedures Guidelines). Any major deviations from the construction norms of the local authority is looked into in detail and in cases where the deviation is serious, the proposal for loan is aborted. Thus, the Company associates itself, only with environmentally safe projects.

Further, the Company has the practice of replacing old models of computers, printers, and other equipment which were consuming between 50 to 90 percent more energy than newer energy-efficient models. This has ensured reduction in energy consumption and resultant saving in costs.

Air conditioning equipment is cleaned and serviced on routine basis, thereby saving energy and costs and giving required cooling.

6. Are the Emissions/ Waste generated by the company within the permissible limits given by CPSB/ SPCB for the financial year being reported?

Since the company has been engaged in the business of extending housing loans the above question is not applicable to the Company. However, as mentioned above the Company is determined to focus its attention to achieve the goal of "Reduce, Reuse and Recycle" in its entire operation / process for sustainable development.

7. Number of show cause/ legal notices received from CPSB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

The Company has not received any such Legal notices as the same is not applicable to the Company.

PRINCIPLE 7

Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association?

Although the Company has not secured the membership of any trade and chamber or association, it has close ties with top developer associations like CREDAI, NAREDCO, MCHI and chambers such as ASSOCHAM and FICCI. The Company partners with these associations for their initiatives related to Real Estate.

2. Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company conducts property fairs, wherein it brings the builders and the home buyers to a common platform by acting as a link between them. Through this initiative the Company helps in the growth of the housing as well as housing finance industry. Also by way of better liaisoning with NHB and creation of a separate cell in the Corporate Office, the Company has since inception passed on the subsidy of more than ₹ 2471 Crore and distributed to over more than 115939 beneficiaries during the year.

PRINCIPLE 8

Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof:

The Company has made its effort towards inviting proposals from various non-profitable organisation which are rigorously working towards the upliftment of the Society. Through CSR appraisal mechanism, the company has provided CSR funding to some of the NGOs working in the areas of education, health care and natural resource management. The core of these CSR project contribution has been to ensure that there should be equitable growth and inclusive development. During the reporting period the Company has extended its CSR support on COVID-19 response to various government and non-government agencies by distributing dry ration to migrant labours, Personal Protective Equipment (PPE) kit for frontline covid warriors, Isolation facilities and oxygen concentrator etc.

The company has also partnered with non-profitable organisation namely Seven Sisters Development Assistance (SeSTA) for implementing Livelihood Initiative for Financial Empowerment (LIFE) project in Assam and Tripura States. The said project aims at creating sustainable livelihood for marginalised farmers and women through Self-help Groups (SHGs) effort. In the first year of project intervention, the 2000 beneficiary will be selected and each beneficiary will get average project support of ₹ 5000/- for on-farm and agri allied activities. Based on cluster marketing approach crops and products produced by marginal farmers will be directly sold in open market, through supply chain owned by beneficiary groups and ensure removal of profit cuts by middle man. By using the said approach beneficiaries are able to get 80% higher income than the previous year, hence the project will be sustainable and lead the community in to self-reliance.

2. Are the programmes/ projects undertaken through in-house team/ own foundation / external NGO / Government structures / and any other organisation?

The Company conduct its CSR activities through various implementation agencies (NGOs) and in-house business unit(s). Depending the project requirement in-house CSR function will opt for mode of implementation based on the approval of the competent authority. During the financial year 2020-21 the Company has partnered with 34 non-profit organisation for implementing CSR projects/ activities.

3. Have you done any impact assessment of your initiative?

The Company has conducted impact assessment of major CSR projects of previous financial year as per the provision of CSR Rule 2021. Adding on the company has undertaken frame work adopted by Organisation for Economic Co-operation and Development (OECD) for Impact reporting. The project covered under impact assessment are: Educational merit scholarship, School Sanitation initiative, Preservation of Natural Resource, Rural development project, Humanitarian response to Gaja Cyclone, Assam flood and COVID-19. The summary report of impact assessment, of CSR contribution for the reporting period is attached as annexure of the annual report.

4. What is your company's direct contribution to community development projects – Amount in INR and the details of the project undertaken?

The Company ensures the benefits of CSR initiatives will be directly available for poor/ marginalised and the local community at large. During the reporting period the Company has paid greater thrust for livelihood promotion, in order to diminish ill effect of economic slowdown due to COVID-19. Flagship CSR project of the company namely HRIDAY and LIFE project are driven through community based approach which will results in sustainable growth and development of community.

After pilot phase the Company has scaled up integrated community development project namely Holistic Rural Initiative for Development and Yield (HRIDAY) in 8 states across India. The HRIDAY project will primarily work on following thematic areas healthcare, education, water, sanitation and hygiene (WaSH), livelihood promotion, community empowerment, infrastructure development and Natural Resource Management. Through community engagement process the HRIDAY project will equip the villagers to build self-reliant community. A cluster of 5 villages in aspirational districts has been selected for a period of 3/ 4 years depending on their development circumstances, through annual renewal process execution of the project will be carried out by CSR implementation agencies.

The project is designed to improve the social condition of the people residing in the selected villages by focusing on different aspect of development related to empowerment such as social, educational and financial, heath and infrastructure. Various project initiatives are taken up under the HRIDAY project such as functional literacy centres, malnutrition screening, farmers tool bank, goat bank, income generation program through self-help groups and natural resource management. Through the said intervention CSR project, the Company focus to develop a self-reliant model village by working on all dimensions of development.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

The Company has taken utmost care of sustainability angel of community development initiatives in order to build self-reliant communities. From the project designing stage onwards, inclusive planning of project activities are derived from Participatory Rural Appraisal (PRA) process. By operationalising village development committee (VDC) beneficiary selection will be rendered out by villagers, hence deserving individuals will be shortlisted for project initiates. The said process will increase community cohesion and better project engagement among community members and as an effective withdrawal strategy community contribution and government convergence are incorporated to project activity plan.

Apart from the strategic practices, the Company calls for quarterly monitoring reports from the implementation agencies to ensure the proper utilization of funds. Added to this, the Company analysis the ongoing projects, deliverables and required correction in existing project intervention plan on regular intervals. Further the company take external agency to continuously monitor and evaluate ongoing projects for better outcome and increase accountability. Through all these initiatives the company ensures that this community development initiative is successfully adopted by the community.

PRINCIPLE 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/ consumer cases are pending as on the end of the financial year?

There are Seven 101 customer complaints that are pending as on 31st March, 2021, as 23310 complaints out of the 23411 complaints open during 2020-2021 has been resolved, by the in-house Customer Relationship Management team of the Company. The Company has also enhanced its resources in order to adhere to the resolution of Customer Complaints by way of engaging tele callers who attend to Customer Calls as an endeavour for speedy resolution.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

LICHFL is a housing finance company and hence this question has limited applicability. However, all terms and conditions of housing loan schemes are disclosed to the applicant before financing. The Company also displays the information pertaining to the basket of products at a conspicuous location at each of its operating offices across India. Further the Most Important Terms and Conditions (MITC) are part of the loan kit and the provisions relating thereto, are also explained to the Customer before disbursement. All the above mentioned information, along with much more additional information is also displayed on the Company's website. The Company also has a Comprehensive notice board on its website.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

There is no such instance during the reporting period.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company has not carried out any consumer survey/ consumer satisfaction trends directly, however the Company has an 'Input Committee', consisting of experienced senior employees, having considerable experience in grass root operations of the Company. This committee brings out the customer sentiments and expectations before the 'Product Committee', which is a committee at the Corporate Office responsible for designing a new product. The 'Product Committee' considers the suggestions of the 'Input Committee' while designing a new product and incorporates therein the requirements and expectations of the customers and also makes all efforts to keep the product at par with the market trends and sentiments of the customers.

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

To the Members of LIC Housing Finance Limited

Opinion

We have audited the Standalone Financial Statements of LIC Housing Finance Limited (hereinafter referred to as "the Company"), which comprise the Standalone Balance Sheet as at 31st March 2021, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and Standalone Cash Flow Statement for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information.

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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021 and profit, total comprehensive income, changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 38.4 to the Standalone Financial Statements, which explains the uncertainties and management's assessment of the financial impact due to the lockdown and other restrictions imposed by the Government and condition related to the COVID-19 pandemic situation, for which definitive assessment of the impact would highly depend upon circumstances as they evolve in the subsequent periods.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

A. Key Audit Matters for Holding Company

Key Audit Matter	How the matter was addressed in our audit
Expected Credit Loss – Impairment of carrying value of loans and advances Under Ind AS 109, Expected Credit Loss (ECL) is required to be determined for recognising impairment loss on financial assets which are stated at amortised cost i.e. the loan portfolio of the Company. . The calculation of impairment loss or ECL is based on significant management judgement and considers the historical default and loss ratios of the loan portfolio and, to the extent possible, forward-looking analysis. The significant areas in the calculation of ECL where management estimates and judgements are required as under: 1. Judgements about credit risk characteristics, taking into account class of borrowers, credit risk ratings, date of initial recognition, remaining term to maturity, property valuations, time taken for recovery of stressed loans, industry scenario and other relevant factors for collective evaluation of impairment under various stages of ECL.	**We performed audit procedures set out below** • We understood and assessed the Company's process on timely recognition of impairment in the loan portfolio, both retail loans and project loans. This included assessing the accuracy of the system generated reports of ageing and defaults. • We also performed a test check of the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge and management review controls over measurement of impairment allowances and disclosures in the Standalone Financial Statements. • We have discussed with the management and the external specialists to test the working of the ECL model and reasonableness of assumptions used, more specifically in the light of the regulatory relaxations resulting out of the Covid-19 pandemic and its probable ramifications.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matter	How the matter was addressed in our audit
2. Loan staging criteria 3. Calculation of probability of default and loss given default. 4. Consideration of probability weighted scenarios and forward looking macro-economic factors 5. For Project loans, assessment based on a borrower's financial performance, solvency, liquidity and industry outlook. The Company has also appointed a domain specialist to assist it in arriving at the ECL provisions required to be recognised. Further, the Covid-19 pandemic situation and the lockdown in the country coupled with the regulatory packages granted to the borrowers by RBI in the form of moratorium, One Time Restructuring, etc. has cast an uncertainty on the timing and manner in which the Company would be able to collect the contractual cashflows in the form of repayments from its borrowers. In our opinion this is considered as a Key Audit Matter in view of the criticality of the item to the Standalone Financial Statements and the complex nature of assumptions and judgements exercised by the management. Refer Note 2.14 A(f), "Impairment of Financial Assets" and Note 38.4.2.3, "Impairment Assessment" and 38.4.2.4, "ECL model and assumptions considered in the ECL model", to the Standalone Financial Statements. Refer Note 3.1, "Determination of Expected Credit Loss" to the Standalone Financial Statements and Refer Note 9, "Loans" to the Standalone Financial Statements.	• We performed substantive procedures over validating completeness and correctness of the data and reasonableness of assumptions used in the ECL model including capturing of PD and LGD in line with historical trends of the portfolio and evaluation of whether the results support the appropriateness of the PDs at the portfolio level.; • We performed cut off procedures on a sample basis relating to recoveries at year end that would impact staging of loans; • We test checked the basis of collateral valuation in the determination of ECL provision. • We have relied upon the work done by other experts like Independent Valuers, Lawyers, Legal Experts and other such professionals who have rendered services to the company • We have also obtained management representations wherever considered necessary
IT Systems and controls The company has separate software applications for management of its loan portfolio from origination to servicing and closure and for the routine accounting. Transfer of data from / to these softwares is critical for accurate compilation of financial information. Adequate supervision over these IT controls is required to ensure that these IT applications process data as expected, updates and changes are made in an appropriate manner and confidentiality, availability and integrity is maintained. Such controls mitigate the risk of incorrect financial reporting. Our audit outcome is dependent on the effective functioning of such IT controls.	**We have carried out the following procedures to verify the effectiveness of IT controls:** a. We have planned, designed and carried out the desired audit procedures and sample checks. We have also assessed if these have a bearing on the financial reporting. b. In addition, we have relied on IS and other related audit reports provided by the management, wherever available. c. We also tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit and performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the Standalone Financial Statements. d. We have also obtained management representations wherever considered necessary.

INDEPENDENT AUDITOR'S REPORT

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Director's report and Management Discussion & Analysis (MD&A) report but does not include the Standalone Financial Statements and our auditor's report thereon. The Director's report and MD&A 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 do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Management's Responsibilities for the Standalone Financial Statements

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Standalone Financial Statements.

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

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

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

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

INDEPENDENT AUDITOR'S REPORT

v. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the financial year ended 31st March 2021 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d. in our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

   e. on the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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 Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";

   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, in our opinion and to the best of our information and according to the explanations given to us:

      i. the Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 41(a) to the Standalone Financial Statements.

      ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. there has been no delay in transferring amounts, required to be transferred, to the Investor, Education and Protection Fund by the Company.

3. As required by Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

For **Gokhale & Sathe**
Chartered Accountants
Firm Regn. No. 103264W

Rahul Joglekar
Partner
Membership No.: 129389
UDIN: 21129389AAAAGP6595

Place: Mumbai
Date: June 15, 2021

For **M. P. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 101851W

Ashutosh Pednekar
Partner
Membership No.: 041037
UDIN: 21041037AAAACU1720

Place: Mumbai
Date: June 15, 2021

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of LIC Housing Finance Limited of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of property, plant and equipment under which property, plant and equipment are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification during the year.

(c) According to the information and explanations given to us and the records examine by us and based on the examination of the registered sale deed/ transfer deed /conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and acquired buildings which are freehold, are held in the name of the Company as at the balance sheet date.

In respect of immovable properties of buildings that have been taken on lease and disclosed as property, plant and equipment in the Standalone Financial Statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) The nature of the Company's business is such that it is not required to hold any inventories and, hence, reporting under paragraph 3 (ii) of the order is not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Hence, reporting under paragraph 3 (iii) (a), (b) and (c) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the provisions of Section 185 of the Companies Act, 2013 are not applicable to the Company. The Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186.

(v) As per the Ministry of Corporate Affairs notification dated 31st March 2014, the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company and, hence, reporting under Clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us and to the best of our knowledge, the Central Government has not prescribed the maintenance of cost records under sub-section 1 of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, as amended for the services of the Company, and, hence, reporting under paragraph 3 (vi) of the order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us, and on the basis of examination of the books of account of the company examined by us, in our opinion, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, goods and service tax, cess and other material statutory dues applicable to it. According to information and explanations given to us, no undisputed amounts payable were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, goods and service tax, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government and dues to debenture holders. The Company has not taken loans or borrowings from the Government.

(ix) According to the information and explanations given to us, and on the basis of our examination of the books of account of the Company, money raised by way of debt instruments and term loans have been applied by the Company during the year for the purpose for which they were raised. Apart from money raised by way of debt instruments, the Company has neither raised any moneys by way of initial public offer / further public offer nor were such proceeds pending to be applied, during the current year.

(x) According to the information and explanations given to us, no material fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and on the basis of our examination of the records, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

ANNEXURE A
TO INDEPENDENT AUDITOR'S REPORT

(xii) The Company is not a Nidhi Company and hence, reporting under paragraph 3 (xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records, the Company is in compliance with Section 177 and 188 of the Act where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with directors. Hence, reporting under paragraph 3(xv) of the Order is not applicable.

(xvi) In our opinion and according to information and explanation given to us, the Company is not required to be registered under section 45-IA Reserve Bank of India Act, 1934.

For **Gokhale & Sathe**
Chartered Accountants
Firm Regn. No. 103264W

Rahul Joglekar
Partner
Membership No.: 129389
UDIN: 21129389AAAAGP6595

Place: Mumbai
Date: June 15, 2021

For **M. P. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 101851W

Ashutosh Pednekar
Partner
Membership No.: 041037
UDIN: 21041037AAAACU1720

Place: Mumbai
Date: June 15, 2021

ANNEXURE B
TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of LIC HOUSING FINANCE LIMITED of even date)

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of sub-section (3) of Section 143 of Companies Act, 2013 (the 'Act')

We have audited the internal financial controls with reference to financial statements of **LIC Housing Finance Limited** (hereinafter referred to as "the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls with reference to financial statements (the 'Guidance Note') issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal financial controls with reference to financial statements

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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

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 control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, material weakness has been identified in respect of entity level controls as well as financial closure processes with regard to reconciliations of various suspense accounts carrying old credit balances and supervision and monitoring of flow of information to/from field offices / out sourced agencies to corporate office, necessary for financial closure and reporting leading to deficiencies in operating effectiveness of the Company's Internal financial controls with reference to financial statements as at March 31, 2021.

ANNEXURE B
TO INDEPENDENT AUDITOR'S REPORT

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls with reference to financial statements as of March 31, 2021, based on the internal financial controls with reference to financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls with reference to financial statements issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as of March 31, 2021.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2021 standalone financial statements of the Company, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

For **Gokhale & Sathe**
Chartered Accountants
Firm Regn. No. 103264W

Rahul Joglekar
Partner
Membership No.: 129389
UDIN: 21129389AAAAGP6595

Place: Mumbai
Date: June 15, 2021

For **M. P. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 101851W

Ashutosh Pednekar
Partner
Membership No.: 041037
UDIN: 21041037AAAACU1720

Place: Mumbai
Date: June 15, 2021

BALANCE SHEET

AS AT MARCH 31, 2021

(₹ in crore)

	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Financial Assets			
(a) Cash and Cash Equivalents	5	1,329.15	1,365.72
(b) Bank Balance other than (a) above	6	17.57	613.23
(c) Derivative Financial Instruments	7	5.69	80.48
(d) Receivables	8		
(I) Trade Receivables		-	-
(II) Other Receivables		-	-
(e) Loans	9	2,28,114.27	2,07,987.97
(f) Investments	10	4,635.61	5,496.37
(g) Other Financial Assets	11	105.87	21.41
Total Financial Assets		**2,34,208.16**	**2,15,565.18**
(2) Non-Financial Assets			
(a) Current Tax Assets (Net)	12	-	354.07
(b) Deferred Tax Assets (Net)	13	912.93	520.04
(c) Property, Plant and Equipment	14.1	130.32	134.62
(d) Capital Work in Progress	14.2	-	0.33
(e) Intangible Assets under Development	14.3	3.63	-
(f) Right of Use Assets	14.4	110.78	117.45
(g) Other Intangible Assets	14.5	2.29	1.98
(h) Other Non-Financial Assets	15	139.02	111.92
(i) Assets Held for Sale		126.19	-
Total Non-Financial Assets		**1,425.16**	**1,240.41**
Total Assets		**2,35,633.32**	**2,16,805.59**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Derivative Financial Instruments	7	-	22.90
(b) Lease Liabilities		121.03	125.86
(c) Payables	16		
(A) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		2.80	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		93.32	34.57
(B) Other Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(d) Debt Securities	17	1,25,597.96	1,32,082.26
(e) Borrowings (Other than Debt Securities)	18	62,132.74	45,140.43
(f) Deposits	19	18,335.67	12,608.99
(g) Subordinated Liabilities	20	1,795.12	1,500.00
(h) Other Financial Liabilities	21	6,598.06	6,728.49
Total Financial Liabilities		**2,14,676.70**	**1,98,243.50**
(2) Non-Financial Liabilities			
(a) Current tax liabilities (Net)	22	7.76	-
(b) Provisions	23	142.48	145.33
(c) Other Non-Financial Liabilities	24	285.07	223.66
Total Non-Financial Liabilities		**435.31**	**368.99**
(3) EQUITY			
(a) Equity Share Capital	25	100.99	100.99
(b) Other Equity	26	20,420.32	18,092.10
Total Equity		**20,521.31**	**18,193.09**
Total Liabilities and Equity		**2,35,633.32**	**2,16,805.59**
See accompanying notes forming part of the Standalone Financial Statement	1-56		

As per our report of even date attached

For and on behalf of the Board of Directors

For Gokhale & Sathe
Chartered Accountants
FRN 103264W

For M.P. Chitale & Co.
Chartered Accountants
FRN 101851W

M. R. Kumar
Chairman
DIN: 03628755

Jagdish Capoor
Director
DIN: 00002516

Y. Viswanatha Gowd
Managing Director & Chief Executive Officer
DIN: 09048488

Rahul Joglekar
Partner
M.No.129389

Ashutosh Pednekar
Partner
M. No. 41037

Nitin K. Jage
General Manager (Tax.) & Company Secretary
FCS No. 8084

Sudipto Sil
CFO

Deepak Kumar
General Manager (Accounts)

Place: Mumbai
Date: June 15, 2021

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crore)

	Note	Year ended as at March 31, 2021	Year ended as at March 31, 2020
(1) REVENUE FROM OPERATIONS			
(i) Interest Income	27	19,697.11	19,605.35
(ii) Fees and Commission Income	28	78.82	39.42
(iii) Net gain on Derecognition of Financial Instruments under amortised cost category	29	9.45	5.86
(iv) Others	30	61.77	46.06
Total Revenue from Operations (1)		**19,847.15**	**19,696.69**
(2) Other Income (includes Dividend of ₹ 5.77 crore) (Previous year ₹ 6.19 crore)	31	0.54	(26.93)
(3) Total Income (1+2)		**19,847.69**	**19,669.76**
(4) Expenses			
(i) Finance Costs	32	14,452.58	14,783.86
(ii) Fees and Commission Expenses	33	109.15	60.56
(iii) Net Loss on Derecognition of Financial Instruments under Amortised Cost Category	34	27.42	47.49
(iv) Impairment on Financial Instruments (Expected Credit Loss)	35	1,317.61	952.73
(v) Employee Benefits Expenses	36	293.18	299.09
(vi) Depreciation, Amortization and Impairment	14.1, 14.4 & 14.5	49.44	48.07
(vii) Others Expenses	37	249.74	208.97
Total Expenses (4)		**16,499.12**	**16,400.77**
(5) Profit Before Tax (3-4)		**3,348.57**	**3,268.99**
(6) Tax Expense:			
- Current Tax		958.00	828.98
- Tax Expense for Earlier Years		(21.33)	-
- Deferred Tax		(322.44)	38.17
Total Tax Expenses (6)		**614.23**	**867.15**
(7) Net Profit after Tax (5-6)		**2,734.34**	**2,401.84**
(8) Other Comprehensive Income			
(i) Items that will not be reclassified to Profit or (Loss)		(0.68)	(11.68)
(ii) Income Tax relating to items that will not be reclassified to Profit or (Loss)		(1.72)	4.83
Other Comprehensive Income		**(2.40)**	**(6.85)**
(9) Total Comprehensive Income for the period		**2,731.94**	**2,394.99**
(10) Earnings per Equity Share			
Basic (₹)		54.18	47.59
Diluted (₹)		54.18	47.59
See accompanying notes forming part of the Standalone Financial Statement	1 - 56		

As per our report of even date attached

For and on behalf of the Board of Directors

For Gokhale & Sathe
Chartered Accountants
FRN 103264W

For M.P. Chitale & Co.
Chartered Accountants
FRN 101851W

M. R. Kumar
Chairman
DIN: 03628755

Jagdish Capoor
Director
DIN: 00002516

Y. Viswanatha Gowd
Managing Director & Chief Executive Officer
DIN: 09048488

Rahul Joglekar
Partner
M.No.129389

Ashutosh Pednekar
Partner
M. No. 41037

Nitin K. Jage
General Manager (Tax.) & Company Secretary
FCS No. 8084

Sudipto Sil
CFO

Deepak Kumar
General Manager (Accounts)

Place: Mumbai
Date: June 15, 2021

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

A. EQUITY SHARE CAPITAL

(₹ in crore)

Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
100.99	-	100.99

Balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
100.99	-	100.99

B. OTHER EQUITY

(₹ in crore)

	Reserve and Surplus								Other Comprehensive Income		Total Equity
	Statutory Reserves	Capital Reserve	Securities Premium	General Reserve	Special Reserve I	Special Reserve II	Impairment Reserve	Retained Earnings	Other items (Acturial Gain/(Loss))	Cash Flow Hedge Reserve	
Balance as at April 1, 2019	**0.15**	**0.48**	**1,705.29**	**5,882.97**	**38.98**	**5,104.34**	**-**	**3,423.92**	**2.16**	**-**	**16,158.28**
Add: Total Comprehensive Income for the year	-	-	-	-	-	-	-	2,401.84	(6.85)	-	2,394.99
Add: Gain on ECB Cross Currency Swap	-	-	-	-	-	-	-	-	-	48.62	48.62
Less: Loss due to Exchange Rate Fluctuation on ECB	-	-	-	-	-	-	-	-	-	(48.62)	(48.62)
Less: Dividend of ₹ 7.60/- per equity share of ₹ 2 /- each (including Tax on Dividend of ₹ 77.61 crore)	-	-	-	-	-	-	-	(461.17)	-	-	(461.17)
Transfer to Statutory Reserves	0.01	-	-	-	-	-	-	(0.01)	-	-	-
Transfer to General Reserves	-	-	-	600.00	-	-	-	(600.00)	-	-	-
Transfer to Special Reserve II	-	-	-	-	-	749.99	-	(749.99)	-	-	-
Balance as at March 31, 2020	**0.16**	**0.48**	**1,705.29**	**6,482.97**	**38.98**	**5,854.33**	**-**	**4,014.59**	**(4.69)**	**-**	**18,092.10**
Balance as at April 1, 2020	**0.16**	**0.48**	**1,705.29**	**6,482.97**	**38.98**	**5,854.33**	**-**	**4,014.59**	**(4.69)**	**-**	**18,092.10**
Add: Total Comprehensive Income for the year	-	-	-	-	-	-	-	2,734.34	(2.40)		2,731.94
Add: Gain on ECB Cross Currency Swap	-	-	-	-	-	-	-	-	-	(5.69)	(5.69)
Less: Loss due to Exchange Rate Fluctuation on ECB	-	-	-	-	-	-	-	-	-	5.69	5.69
Less: Dividend of ₹ 7.80/- per equity share of ₹ 2 /- each	-	-	-	-	-	-	-	(403.73)	-	-	(403.73)
Transfer to Statutory Reserves	0.01	-	-	-	-	-	-	(0.01)	-	-	-
Transfer to General Reserves	-	-	-	700.00	-	-	-	(700.00)	-	-	-
Transfer to Special Reserve II	-	-	-	-	-	829.99	-	(829.99)	-	-	-
Transfer to Impairment Reserve	-	-	-	-	-	-	204.78	(204.78)	-	-	-
Balance as at March 31, 2021	**0.17**	**0.48**	**1,705.29**	**7,182.97**	**38.98**	**6,684.32**	**204.78**	**4,610.42**	**(7.09)**	**-**	**20,420.32**

See accompanying notes forming part of the Standalone Financial Statement 1-56

As per our report of even date attached

For and on behalf of the Board of Directors

For Gokhale & Sathe
Chartered Accountants
FRN 103264W

For M.P. Chitale & Co.
Chartered Accountants
FRN 101851W

M. R. Kumar
Chairman
DIN: 03628755

Jagdish Capoor
Director
DIN: 00002516

Y. Viswanatha Gowd
Managing Director & Chief Executive Officer
DIN: 09048488

Rahul Joglekar
Partner
M.No.129389

Ashutosh Pednekar
Partner
M. No. 41037

Nitin K. Jage
General Manager (Tax.) & Company Secretary
FCS No. 8084

Sudipto Sil
CFO

Deepak Kumar
General Manager (Accounts)

Place: Mumbai
Date: June 15, 2021

CASH FLOW STATEMENT

FOR THE PERIOD ENDED MARCH 31, 2021

(₹ in crore)

		Year ended March 31,2021	Year ended March 31,2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax	3,348.57	3,268.99
	Adjustments for		
	Depreciation, Amortization and Impairment (other than Financial Instruments)	49.44	48.07
	Exchange differences on translation of assets and liabilities (Net)	0.01	0.01
	Impairment on Financial Instruments (Expected Credit Loss)	1,317.61	952.73
	Loss/(Gain) on disposal of Property, Plant and Equipment	(0.01)	(0.12)
	Dividend and Interest Income classified as Investing Cash Flows	(5.77)	(6.27)
	Unwinding of discount	(27.38)	(262.53)
	Interest Expense	14,452.57	14,783.82
	Interest Income	(19,514.31)	(19,461.95)
	Adjustments for		
	Movements in Provisions and Gratuity	(0.68)	(11.68)
	(Increase) / Decrease in Other Financial Assets	531.69	(414.52)
	(Increase) / Decrease in Other Non Financial Assets	(49.23)	(32.94)
	Increase / (Decrease) in Other Financial Liabilities	339.56	(5,972.50)
	Increase / (Decrease) in Other Non Financial Liabilities	45.41	132.17
	Interest Paid	(15,004.05)	(15,473.91)
	Interest Received	19,696.50	19,058.02
	Cash generated from Operations	**5,179.93**	**(3,392.62)**
	Income Tax paid	(624.58)	(1,005.00)
	Net Cash Outflow from Operations	**4,555.35**	**(4,397.62)**
	Loans Disbursed (Net of repayments)	(21,623.84)	(15,280.43)
	Deposits (Net of repayments)	5,843.43	4,963.13
	Asset held for sale	(126.19)	-
	Net Cash Outflow from Operating Activities (A)	**(11,351.25)**	**(14,714.92)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		-
	Payments for Purchase of Property, Plant and Equipment	(10.60)	(13.95)
	Proceeds from Sale of Property, Plant and Equipment	0.01	0.16
	Payments for Purchase of Investments	(554.05)	(1,875.10)
	Proceeds from Sale of Investments	1,442.60	3.62
	Dividends Received	5.77	6.19
	Interest Received	-	0.08
	Net Cash (Outflow)/ Inflow from Investing Activities (B)	**883.73**	**(1,879.00)**

CASH FLOW STATEMENT

FOR THE PERIOD ENDED MARCH 31, 2021

(₹ in crore)

		Year ended March 31,2021	Year ended March 31,2020
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Borrowings	1,20,384.58	1,69,252.97
	Repayment of Borrowings	(1,09,504.18)	(1,53,593.63)
	Payments towards Lease Liability	(44.64)	(39.36)
	Transfer to Investor Protection Fund	(1.07)	(0.98)
	Dividends paid to Company's Shareholders	(403.73)	(383.55)
	Dividend Distribution Tax paid	-	(77.61)
	Net Cash Inflow from Financing Activities (C)	**10,430.96**	**15,157.84**
	Effect of exchange differences on translation of foreign currency cash and cash equivalents	(0.01)	-
	Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(36.56)	(1,436.08)
	Cash and Cash Equivalents at the beginning of the period	1,365.72	2,801.80
	Cash and Cash Equivalents at the end of the period	**1,329.15**	**1,365.72**
	Cash and Cash Equivalents as per above comprise of the following		
	(i) Cash on hand	5.96	1.37
	(ii) Balances with Banks (of the nature of cash and cash equivalents)	1,155.77	1,282.15
	(iii) Cheques, drafts on hand	167.42	82.20
	Balances as per Statement of Cash Flows	**1,329.15**	**1,365.72**

As per our report of even date attached

For and on behalf of the Board of Directors

For Gokhale & Sathe
Chartered Accountants
FRN 103264W

For M.P. Chitale & Co.
Chartered Accountants
FRN 101851W

M. R. Kumar
Chairman
DIN: 03628755

Jagdish Capoor
Director
DIN: 00002516

Y. Viswanatha Gowd
Managing Director & Chief Executive Officer
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Rahul Joglekar
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M. No. 41037

Nitin K. Jage
General Manager (Tax.) & Company Secretary
FCS No. 8084

Sudipto Sil
CFO

Deepak Kumar
General Manager (Accounts)

Place: Mumbai
Date: June 15, 2021

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

NOTE 1: CORPORATE INFORMATION:

LIC Housing Finance Limited ("the Company") is a Public Limited Company, having corporate identification number CIN: L65922MH1989PLC052257, is incorporated under the provisions of the Companies Act, 1956 (as amended by the Companies Act, 2013). The shares of the Company are listed on the Bombay Stock Exchange, the National Stock Exchange and the Luxemburg Stock Exchange.

The Company is engaged in the business of providing finance for purchase, construction, repairs, renovation of houses/buildings. The Company's Registered Office and Corporate Office is at Mumbai with a wide network of Operating Offices in India and Representative Offices at Dubai and Kuwait.

The Standalone Financial Statements for the year ended March 31, 2021 were authorized for issuance in accordance with resolution of the Board of Directors on 15th June 2021.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

(A) Significant Accounting Policies:

2.1 Statement of Compliance

Standalone Financial Statements of the Company have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards ("the Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the guidelines issued by the National Housing Bank ("NHB") and Reserve Bank of India (RBI) to the extent applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The Company presents its Balance Sheet in the order of liquidity.

2.2 Basis of preparation of Ind-AS Financial Statements

The Company has prepared these Standalone Financial Statements, which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2021, and accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements" or "Financial Statements") on the historical cost basis except for certain financial instruments and certain employee benefit assets, which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized within the fair value hierarchy into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crore except when otherwise stated.

2.3 Revenue Recognition

The Company has recognised revenue pursuant to a contract (other than a contract listed in paragraph 5 of Ind AS 115) only if the counterparty to the contract is a customer. A customer is a party that has contracted with an entity to obtain services that are an output of the entity's ordinary activities in exchange for consideration.

i. Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at applicable effective interest rate (EIR). The effective interest method is a method of calculating the

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

amortised cost of a financial asset and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

ii. Dividend Income:

Dividend income from investment is recognised when the Company's right to receive the payment has been established provided that it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably.

iii. Fees and Commission Income:

Fees and commission income includes fees other than those that are an integral part of EIR. The Company recognises the fees and commission income in accordance with the terms of the relevant contracts / agreements and when it is probable that the Company will collect the consideration.

iv. Other Income:

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

2.4 Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019 and has reassessed the existing lease contracts on the date of initial application date, i.e. 01.04.2019 for application of Ind AS 116. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated. As permitted by para C8(c)(ii) of Ind AS 116, at the date of initial application, the right to use asset has been measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. As a result there is no cumulative effect of initial application which is required to be recognised in retained earnings at April 1, 2019.

As Lessee

The Company, as lessee has recognised lease liabilities and right-of-use assets, has applied the following approach to all of its leases (a) measured the lease liability at the date of transition to Ind AS by measuring that lease liability at the present value of the remaining lease payments and discounted using the lessee's incremental borrowing rate at the date of transition to Ind AS 116. Lease arrangements entered during the year are measured at incremental borrowing rate computed at the beginning of the year. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if there is change to its assessment whether it will exercise an extension or a termination option. (b) Right Of Use assets are recognized and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of restoration costs and any initial direct costs incurred by lessee. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right of Use Assets are depreciated from the commencement date on a straight- line basis over the shorter of the lease term or useful life of the underlying asset. They are evaluated for recoverability whenever events or changes indicate that their carrying amounts may not be recoverable.

The Company has not applied Ind AS 116 to Short Term Leases, which are defined as leases with a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

As a Lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interest in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

2.5 Functional Currency and Foreign Exchange Transactions

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The Company has accordingly assessed INR as its functional currency.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

The transactions in currencies other than the entity's functional currency are recognised at the rate of exchange prevailing at the date when the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value was determined. Non-monetary items measured at historical cost are not translated.

Exchange difference arising on monetary items is recognised in the Statement of Profit and Loss in the year in which they arise.

2.6 Borrowing Costs

Borrowing costs include interest, commission/brokerage on deposits and exchange differences arising from foreign currency borrowings to the extent they are regarded as adjustment to interest cost. Interest expenses are accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate (EIR) applicable. The effective interest method is a method of calculating the amortised cost of a financial liability and allocating interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

2.7 Employee Benefits

Retirement benefit cost and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the year of a plan amendment or when the Company recognises corresponding restructuring cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the Company recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits to employees in respect of wages and salaries, annual leave, sick leave and short-term employee benefits in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.8 Taxes

Income tax expense represents the sum of current tax and deferred tax.

Current Taxes

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

Deferred Taxes

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which give future economic benefits in the form of adjustment to future income tax liability, is considered as a deferred asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company.

Current and Deferred Tax for the year

Current and Deferred tax are recognised in profit or loss, except when they are relating to items that are recognised in the other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.9 Property, Plant and Equipment

Property, Plant and Equipment are recorded at their cost of acquisition, net of refundable taxes or levies, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. Property, plant and equipment except freehold land held for use for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight - line method as per the useful life prescribed in the Schedule II to the Companies Act, 2013, except in respect of Vehicles (Motor cars) where useful life is estimated as 5 years based on estimated usage of the assets.

Type of Asset	Useful Lives (in years)
Building	60
Furniture & Fixture	10
Vehicles	5
Office Equipment	5
Computers	3
Servers And Networks Equipment	6

Depreciation on additions to Fixed Assets is provided on pro-rata basis from the date of acquisition or installation. Depreciation on assets whose cost individually does not exceed ₹5,000/- is fully provided in the year of purchase. Depreciation on Assets sold, discarded, demolished or scrapped, is provided upto the date on which the said Asset is sold, discarded, demolished or scrapped.

The Company has applied depreciation requirements as per Ind AS 116 in depreciating the right of use assets. The Right of Use Asset is depreciated for the life of the lease term.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

2.10 Intangible Assets and amortisation thereof

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis based on their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses, if any.

Computer software is amortised over the period of three to five years on a straight-line basis.

An item of Intangible Asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Capital Work in Progress

Capital Work in Progress includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses less accumulated impairment losses, if any.

2.11 Impairment of Property, Plant & Equipment and Intangible Assets

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The Company has applied Ind AS 36, Impairment of Assets, to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

2.12 Provisions and Contingent Liabilities

Provisions involving substantial degree of estimation in measurement are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent Liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events that may, but probably will not, require an outflow of resources.

Both provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes. A contingent asset is disclosed in the Financial Statements, where an inflow of economic benefits is probable.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.13 Investment in Subsidiaries and Associates

Investment in subsidiaries and associates are recognized and carried at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

2.14 Financial Instruments

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value through Profit or Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at Fair Value through Profit or Loss are recognised immediately in Statement of Profit and Loss.

A. Financial Assets

a) Recognition and initial measurement

The Company initially recognises loans and advances, deposits and debt securities purchased on the date on which they originate. Purchases and sale of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value except investment in subsidiaries and associates. In the case of financial assets not recorded at FVTPL, transaction costs that are directly attributable to its acquisition are included therein.

b) Classification of Financial Assets and Subsequent Measurement

On initial recognition, a financial asset is classified to be measured at –

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) – debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) – equity investment; or
- Fair Value through Profit or Loss (FVTPL)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain

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or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, on sale/disposal the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on re-measurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognised when:

- The Company's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the Company,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

c) Business Model Test

The Company determines its business model at the level that best reflects how it manages a group of financial assets to achieve its business objective.

The Company's business model is not assessed on instrument to instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed.

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model.

d) Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding

The Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount)

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors.

Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity

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prices, do not give rise to contractual cash flows that are SPPI.

e) Derecognition of Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Modification of contractual cash flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified, and the renegotiation or modification does not result in the derecognition of that financial asset, the Company recalculates the gross carrying amount of the financial asset and shall recognise a modification gain or loss in profit or loss. The gross carrying amount of the financial asset shall be recalculated as at the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets) or, when applicable, the revised effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

f) Impairment of Financial Assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. The Company applies a three-stage approach for measuring ECL for the following categories of financial assets that are not measured at Fair Value through Profit or Loss:

- debt instruments measured at amortised cost and Fair Value through Other Comprehensive Income; and
- financial guarantee contracts.

No ECL is recognised on equity investments, classified as FVTPL.

Expected credit losses is the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

Financial assets migrate through the following three stages based on the change in credit risk since initial recognition:

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Stage 1: 12-months ECL

The Company assesses ECL on exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. For these exposures, the Company recognises as a collective provision the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months. The Company does not conduct an individual assessment of exposures in Stage 1 as there is no evidence of one or more events occurring that would have a detrimental impact on estimated future cash flows.

Stage 2: Lifetime ECL – not credit impaired

The Company collectively assesses ECL on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Company recognises as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset). Similar to Stage 1, the Company does not conduct an individual assessment on Stage 2 exposures as the increase in credit risk is not, of itself, an event that could have a detrimental impact on future cash flows.

Stage 3: Lifetime ECL – credit impaired

The Company identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events, that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised as a collective or specific provision, and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Determining the stage for impairment

At each reporting date, the Company assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for impairment losses reverts from lifetime ECL to 12-months ECL. Exposures that have not deteriorated significantly since origination are considered to have a low credit risk. The provision for impairment losses for these financial assets is based on a 12-months ECL. When an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the income statement.

The Company assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, class of borrowers, credit risk ratings, date of initial recognition, remaining term to maturity, industry and other relevant factors.

Measurement of ECL

ECL are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses is a portion of the life-time expected credit losses and represents the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

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- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.

For further details on how the Company calculates ECL including the use of forward looking information, refer to the Credit quality of financial assets in Note 38.4 Financial risk management.

ECL is recognised using a provision for impairment losses in Statement of Profit and Loss. In the case of debt instruments measured at Fair Value through Other Comprehensive Income, the measurement of ECL is based on the three-stage approach as applied to financial assets at amortised cost. The Company recognises the provision charge in profit and loss, with the corresponding amount recognised in other comprehensive income, with no reduction in the carrying amount of the asset in the Balance Sheet.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

g) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL and Interest income is recognised in Statement of Profit and Loss.

h) Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

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B. Financial Liabilities and Equity Instruments

a) Classification as Debt or Equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of directly attributable transaction costs.

c) Financial Liabilities

Financial liabilities are classified as measured at amortised cost or 'FVTPL'.

A Financial Liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

d) Other Financial Liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

e) Derecognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.15 Assets held for sale

The Company physically repossess properties or other assets in retail portfolio to settle outstanding recoverable and the surplus (if any) post auction is refunded to the loanees. These assets are acquired by the company under SARFEASI Act, 2002 has been classified as assets held for sale, as their carrying amounts will be recovered through a sale of asset. In accordance with Ind AS 105, the company is committed to sell these assets under possession, are measured on balance sheet at the lower of carrying value or fair value and no depreciation is charged on them.

2.16 Hedge Accounting

The Company uses derivative instruments to manage exposures to interest rate and foreign currency risks.

The hedging transactions entered into by the Company is within the overall scope of the Derivative Policy and within the Risk Management framework of the

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company as approved by the Board from time to time and for the risks identified to be hedged in accordance with the same policies. All derivative contracts are recognised on the Balance Sheet and measured at fair value. Hedge accounting is applied to all the derivative instruments as per Ind AS 109. Hedge effectiveness is ascertained periodically on a forward looking basis and is reviewed at each reporting period. Hedge effectiveness is measured by the degree to which changes in the fair value or cash flows of the hedged item that are attributed to the hedged risk are offset by changes in the fair value or cashflows of the hedging instrument.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

Fair Value Hedges

Fair value hedge is a hedge of the exposure to changes in fair value of a recognized asset or liability or unrecognized commitment, or a component of any such item, that is attributable to a particular risk and could affect profit or loss. The cumulative change in the fair value of a hedging derivative is recognised in the Statement of Profit and Loss in net gain on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item is recorded as part of the carrying value of the hedged item in the Balance Sheet and is also recognized as net gain on fair value changes in the Statement of Profit and Loss . The Company classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationship is fixed rate debt issued and other borrowed funds. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Company discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the Statement of Profit and Loss.

Cash Flow Hedges

Cash flow hedge is a hedge of the exposure to variability in the cash flows of a specific asset or liability, or of a forecasted transaction, that is attributable to a particular risk. It is possible to only hedge the risks associated with a portion of an asset, liability, or forecasted transaction, as long as the effectiveness of the related hedge can be measured. The accounting for a cash flow hedge will be to recognize the effective portion of any gain or loss in Other Comprehensive Income (OCI), and recognize the ineffective portion of any gain or loss in Finance cost in the Statement of Profit and Loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

Interest rate benchmark reforms:

Hedging relationships that are directly affected by interest rate benchmark reform gives rise to uncertainties about:

a) the interest rate benchmark (contractually or non-contractually specified) designated as a hedged risk; and/or

b) the timing or the amount of interest rate benchmark-based cash flows of the hedged item or of the hedging instrument.

This may adversely affect the existing hedging relationships so long as the uncertainties exist. In order to provide relief to such hedging relationships the accounting standard Ind AS 109 provides for some relief measures which should be mandatorily applied for such cases.

Accordingly, the Company applies the relief by assuming the following:

1. that the interest rate benchmark on which the hedged cash flows are based is not altered as a result of the reform.

2. when performing prospective assessments, the Company assumes that the interest rate benchmark on which the hedged item, hedged risk and/or hedging instrument are based is not altered as a result of the interest rate benchmark reform.

3. for hedges of a non-contractually specified benchmark component of interest rate risk, the Company applies the separately identifiable requirement only at the inception of such hedging relationships.

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As per the requirements of IND AS the Company ceases applying the aforesaid exceptions when:

a) the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows; or

b) the hedging relationship is discontinued, whichever is earlier.

2.17 Cash and Cash Equivalent

Cash and cash equivalent in Balance Sheet comprise of cash at bank, cash and cheques on hand and short-term deposits with an original maturity of three months or less which are subject to insignificant risk of changes in value.

2.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events including a bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares divided by weighted average no of equity shares year which are adjusted for the effects of all dilutive potential equity shares.

2.19 Statement of Cash Flow

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

2.20 Commitments

Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows:

i. The estimated amount of contracts remaining to be executed on capital account and not provided for; and

ii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

2.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

The Managing Director & CEO is identified as the Chief Operating Decision Maker (CODM) by the management of the Company. CODM has identified only one operating segment of providing loans for purchase, construction, repairs renovation etc. and has its operations entirely within India. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments, as per the Indian Accounting Standard (Ind AS) 108 on 'Segment Reporting

3. KEY ESTIMATES AND JUDGEMENTS:

The preparation of the financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Revisions to accounting estimates are recognised prospectively. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

3.1 Determination of Expected Credit Loss ("ECL")

The measurement of impairment losses (ECL) across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows based on Company's historical experience and collateral values when determining impairment losses along with the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

Elements of the ECL models that are considered accounting judgements and estimates include:

- Bifurcation of the financial assets into different portfolios when ECL is assessed on collective basis.

- Company's criteria for assessing if there has been a significant increase in credit risk.

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- Development of ECL models, including choice of inputs / assumptions used.

The various inputs used and process followed by the Company in measurement of ECL has been detailed in Note 38.4.2.3

3.2 Fair Value Measurements

In case of financial assets and financial liabilities recorded or disclosed in financial statements the company uses the quoted prices in active markets for identical assets or based on inputs which are observable either directly or indirectly for determining the fair value. However in certain cases, the Company adopts valuation techniques and inputs which are not based on market data. When Market observable information is not available, the Company has applied appropriate valuation techniques and inputs to the valuation model.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Information about the valuation techniques and inputs used in determining the fair value of Investments are disclosed in Note 38.3.

3.3 Income Taxes

The Company's tax jurisdiction is in India. Significant judgements are involved in determining the provision for direct and indirect taxes, including amount expected to be paid/recovered for certain tax positions.

3.4 Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding ("SPPI") and the business model test. The Company determines the business model at a level that reflects how the Company's financial instruments are managed together to achieve a particular business objective.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

3.5 Provisions and Liabilities

Provisions and liabilities are recognised in the period when they become probable that there will be an outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires judgment to existing facts and circumstances which may be subject to change.

4. RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

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NOTE 5: CASH AND CASH EQUIVALENTS

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Cash on hand	5.96	1.37
(ii) Balances with Banks*	1,155.77	1,282.15
(iii) Cheques, drafts on hand	167.42	82.20
Total	**1,329.15**	**1,365.72**

*Balances with Banks includes EMD amount of ₹ 0.93 crore (F.Y. 2019-20 ₹ 0.40 crore)

NOTE 6: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Earmarked balances with banks*	8.79	7.85
(ii) Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments**	8.78	605.38
Total	**17.57**	**613.23**

*Balance with Banks includes unclaimed dividend of ₹ 8.79 crore (F.Y. 2019-20 ₹ 7.85 crore)

**Fixed Deposits with Banks includes earmarked deposits created in favour of trustees for depositors towards maintaining Statutory Liquid Ratio amounting to (F.Y. 2019-20 ₹ 196.50 crore); ₹ 8.78 crore (F.Y. 2019-20 ₹ 8.14 crore) created for excess sale proceeds recovered under SARFAESI Act 2002. Fixed deposit placed with banks earns interest at fixed rate.

NOTE 7: DERIVATIVE FINANCIAL INSTRUMENTS

(₹ in crore)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Notional Amount	Fair Value - Assets	Fair Value - Liabilities	Notional Amount	Fair Value - Assets	Fair Value - Liabilities
Part I						
I. Currency Derivatives						
i) Forwards	-	-	-	-	-	-
ii) Currency Swaps (interest/ Principal/ both)	1,425.73	5.69	-	1,425.73	48.62	-
II. Interest Rate Derivatives						
i) Interest Rate Swaps	-	-	-	396.00	31.86	22.90
TOTAL (I)	**1,425.73**	**5.69**	**-**	**1,821.73**	**80.48**	**22.90**
Part II						
i) Fair Value Hedge						
- Currency Derivatives	-	-	-	-	-	-
- Interest Rate derivatives	-	-	-	396.00	31.86	22.90
ii) Cash Flow Hedge						
- Currency Derivatives	1,425.73	5.69	-	1,425.73	48.62	-
- Interest Rate derivatives					-	-
TOTAL (II)	**1,425.73**	**5.69**	**-**	**1,821.73**	**80.48**	**22.90**

NOTE 8: RECEIVABLES:

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Trade Receivables		
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	-	-
(iii) Allowance for Impairment Loss	-	-
(iv) Debts due by directors or other officers of the NBFC or any of them either severally or jointly with any other person or debts due by firms including limited liability partnerships (LLPs), private companies respectively in which any director is a partner or a director or a member	-	-
Total	**-**	**-**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 9: LOANS - AT AMORTISED COST

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(A)		
(i) Term Loans*		
- Individual	1,80,664.63	1,61,842.22
- Others	35,381.90	34,498.03
- Corporate Bodies/ Builders	15,956.15	14,237.42
(ii) Others		
- Loans to staff	8.37	6.15
- Loans against Public Deposit	2.22	15.43
- Finance Lease Receivables	0.53	1.17
Total - Gross (A)	**2,32,013.80**	**2,10,600.42**
Less: Impairment Loss Allowance (Expected Credit Loss)	3,899.53	2,612.45
Total - Net (A)	**2,28,114.27**	**2,07,987.97**
(B)		
(i) Secured by tangible assets	2,29,526.58	2,09,670.37
(ii) Secured by intangible assets	1,736.49	630.59
(iii) Secured by Government Guarantee	553.64	-
(iv) Unsecured	197.09	299.46
Total - Gross (B)	**2,32,013.80**	**2,10,600.42**
Less: Impairment Loss Allowance (Expected Credit Loss)	3,899.53	2,612.45
Total - Net (B)	**2,28,114.27**	**2,07,987.97**
(C)		
(i) Loans in India		
Individual	1,80,675.75	1,61,864.96
Commercial Real Estate Sector	14,549.19	14,133.76
Commercial Real Estate Sector- Others	20,832.71	20,364.28
Builder Loans	10,556.02	9,870.52
Corporate Loans	3,759.21	3,736.31
Other Housing Finance Companies	1,640.92	630.59
Total - Gross (C) (i)	**2,32,013.80**	**2,10,600.42**
Less: Impairment Loss Allowance (Expected Credit Loss)	3,899.53	2,612.45
TOTAL - NET (C) (I)	**2,28,114.27**	**2,07,987.97**
(ii) Loans outside India	-	-
Less: Impairment Loss Allowance (Expected Credit Loss)	-	-
TOTAL - NET (C) (II)	**-**	**-**
TOTAL (C) (I+II)	**2,28,114.27**	**2,07,987.97**

* Loans including interest and installment outstanding due from directors amounts to ₹ Nil (F.Y. 2019-20 ₹ 0.04 crore) and other related parties ₹ Nil (F.Y. 2019-20 ₹ 0.55 crore)

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

a) Equitable / Registered Mortgage of Property.
b) Assignment of Life Insurance Policies, NSC, KVP, FD of Nationalized Bank.
c) Assignment of Lease Rent Receivables.
d) Company Guarantees or Personal Guarantees.
e) Negative lien on unsold inventory.
f) Undertaking to create a security.
g) Loans to employees other than for Housing are secured by lien over Provident Fund balances and / or Hypothecation of Vehicles.

For detail disclosures relating to Credit Risk, Impairment Losses, Movement of Impairment Losses refer Note No 38.4.2 of Standalone Financial Statements.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 10: INVESTMENTS

(₹ in crore)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Amortised cost	Deemed Cost	At Fair Value Through profit or loss	Total	Amortised cost	Deemed Cost	At Fair Value Through profit or loss	Total
Mutual Funds	-	-	2,120.34	2,120.34	-	-	3,562.94	3,562.94
Government Securities*	2,402.42	-	-	2,402.42	1,814.63	-	-	1,814.63
Equity Instruments								
Subsidiaries*	-	68.29	-	68.29	-	68.29	-	68.29
Associates*	-	29.71	-	29.71	-	29.71	-	29.71
Real Estate Venture Fund	-	-	27.98	27.98	-	-	27.98	27.98
Alternative Investment Fund	-	-	9.23	9.23	-	-	1.98	1.98
Total - Gross (A)	**2,402.42**	**98.00**	**2,157.55**	**4,657.97**	**1,814.63**	**98.00**	**3,592.91**	**5,505.54**
(i) Investments outside India	-	-	-	-	-	-	-	-
(ii) Investments in India	2,402.42	98.00	2,157.55	4,657.97	1,814.63	98.00	3,592.91	5,505.54
Total (B)	**2,402.42**	**98.00**	**2,157.55**	**4,657.97**	**1,814.63**	**98.00**	**3,592.91**	**5,505.54**
Less: Allowance for Impairment loss (Expected Credit Loss) (C)	-	-	(22.36)	(22.36)	-	-	(9.17)	(9.17)
Total – Net (D)= (A)-(C)	**2,402.42**	**98.00**	**2,135.19**	**4,635.61**	**1,814.63**	**98.00**	**3,583.74**	**5,496.37**

* The Company has not recognised any provision under Expected Credit Loss on Investments made in Government Securities, Subsidiaries & Associates.

(₹ in crore)

Investment in Mutual Funds carried at Fair Value through Profit & Loss Account	No. of Units as at		Amount as at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Aditya Birla Sun Life Liquid Fund - Growth - Regular Plan	37,96,786.73	1,07,23,403.31	125.03	340.73
Axis Liquid Fund - Regular Growth	5,06,148.08	9,12,063.28	115.04	200.12
Baroda Liquid Fund -Plan A Growth	1,70,185.07	-	40.00	-
BNP Paribas Liquid Fund Growth	1,27,429.90	-	40.03	-
Canara Robeco Liquid Fund - Regular Growth	2,03,324.55	-	50.00	-
DSP Liquidity Fund - Regular Plan - Growth	1,71,259.79	2,48,150.72	50.00	70.03
HDFC Liquid Fund - Regular Plan - Growth	1,24,459.44	5,15,505.53	50.00	200.20
HSBC Cash Fund - Growth	1,96,243.07	3,55,569.12	40.00	70.03
ICICI Prudential Liquid Fund - Growth	41,25,889.53	1,16,51,465.07	125.03	340.81
IDFC Cash Fund - Growth - Regular Plan	4,04,415.31	2,92,878.82	100.03	70.03
Invesco India Liquid Fund - Growth	3,55,952.10	2,57,931.61	100.03	70.02
Kotak Liquid Reqular Plan Growth	3,01,953.59	8,51,828.66	125.03	340.77
L & T Liquid Fund - Regular Growth	2,85,197.88	7,38,384.77	80.03	200.16
LIC MF Liquid Fund - Regular Plan - Growth	9,17,853.88	17,01,410.62	339.87	608.43
Mahindra Liquid Fund - Regular - Growth	5,26,682.65	-	70.01	-
Mirae Asset cash Management Fund - Regular Growth Plan	3,73,208.59	2,41,633.56	80.01	50.02
Nippon India Liquid Fund - Growth Plan	2,30,185.12	4,15,020.45	115.04	200.14
SBI Liquid Fund - Regular Growth	4,99,682.83	11,01,011.33	160.06	340.61
Sundaram Money Fund Regular Growth	2,08,79,579.52	1,20,10,396.20	90.04	50.01
Tata Liquid Fund Regular Plan - Growth	3,10,194.82	2,24,908.62	100.03	70.03
UTI - Liquid Cash Plan - Regular Plan - Growth	3,72,883.34	10,52,707.09	125.03	340.80
Total			**2,120.34**	**3,562.94**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crore)

Investments in Government Securities - Quoted, Fully paid up * carried at Amortized Cost	No. of Shares / Units		Amount as at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
8.33% GOI STOCK 2036	30,000	30,000	0.31	0.31
8.28% GOI STOCK 2032	8,28,000	8,28,000	8.11	8.09
7.35% GOI STOCK 2024	16,00,000	16,00,000	16.30	16.30
8.24% GOI STOCK 2027	11,00,000	11,00,000	11.08	11.08
8.28% GOI STOCK 2027	5,00,000	5,00,000	5.00	5.00
8.12% GOI STOCK 2020	-	10,00,000	-	10.28
8.35% GOI STOCK 2022	20,000	20,000	0.21	0.20
8.83% GOI STOCK 2023	25,00,000	25,00,000	25.88	25.92
8.83% GOI STOCK 2023	17,00,000	17,00,000	17.82	17.92
8.32% GOI STOCK 2032	20,00,000	20,00,000	20.45	20.46
7.80% GOI STOCK 2020	-	65,00,000	-	67.07
8.24% GOI STOCK 2033	30,00,000	30,00,000	32.15	32.20
8.60% GOI STOCK 2028	45,00,000	45,00,000	49.95	50.33
8.60% GOI STOCK 2028	79,50,000	79,50,000	88.82	89.55
7.59% GOI STOCK 2029	85,00,000	85,00,000	87.05	87.22
6.57% GOI STOCK 2033	1,05,00,000	1,05,00,000	105.09	104.99
7.35% GOI STOCK 2024	1,00,00,000	1,00,00,000	103.63	104.06
6.79% GOI STOCK 2029	1,10,00,000	1,10,00,000	111.06	110.98
6.68% GOI STOCK 2031	40,00,000	40,00,000	38.48	38.38
6.68% GOI STOCK 2031	1,10,00,000	1,10,00,000	101.42	100.89
7.59% GOI STOCK 2026	20,00,000	20,00,000	19.97	19.91
7.17% GOI STOCK 2028	60,00,000	60,00,000	59.94	59.82
7.40% GOI STOCK 2035	90,00,000	90,00,000	87.77	87.67
7.26% GOI STOCK 2029	60,00,000	60,00,000	60.61	60.58
7.95% GOI STOCK 2032	60,00,000	60,00,000	61.83	61.90
6.57% GOI STOCK 2033	60,00,000	60,00,000	56.07	55.83
7.57% GOI STOCK 2033	40,00,000	40,00,000	40.72	40.72
7.61% GOI STOCK 2030	30,00,000	30,00,000	31.73	31.79
7.40% GOI STOCK 2035	30,00,000	30,00,000	30.57	30.59
7.95% GOI STOCK 2032	40,00,000	40,00,000	42.44	42.56
7.88% GOI STOCK 2030	30,00,000	30,00,000	31.45	31.56
7.40% GOI STOCK 2035	5,00,000	5,00,000	5.15	5.16
7.57% GOI STOCK 2033	45,00,000	45,00,000	48.00	48.10
7.95% GOI STOCK 2032	55,00,000	55,00,000	58.91	59.10
7.57% GOI STOCK 2033	50,00,000	50,00,000	53.42	53.57
7.95% GOI STOCK 2032	50,00,000	50,00,000	54.01	54.21
7.88% GOI STOCK 2030	65,00,000	65,00,000	68.95	69.24
6.68% GOI STOCK 2031	25,00,000	25,00,000	24.62	24.59
7.40% GOI STOCK 2035	50,00,000	50,00,000	51.83	51.90
6.68% GOI STOCK 2031	25,00,000	25,00,000	24.62	24.59
7.95% GOI STOCK 2032	30,00,000	-	33.57	-
7.50% GOI STOCK 2034	80,00,000	-	87.10	-
7.73% GOI STOCK 2034	35,00,000	-	39.95	-
7.50% GOI STOCK 2034	35,00,000	-	38.84	-
7.73% GOI STOCK 2034	75,00,000	-	85.18	-
7.50% GOI STOCK 2034	25,00,000	-	27.55	-
6.19% GOI STOCK 2034	1,00,00,000	-	98.69	-
6.22% GOI STOCK 2035	90,00,000	-	89.79	-
8.24% GOI STOCK 2033	55,00,000	-	66.29	-
7.26% GOI STOCK 2029	40,00,000	-	42.59	-
6.22% GOI STOCK 2035	60,00,000	-	57.45	-
Total			**2402.42**	**1814.63**

* Kept with designated bank for repayment to depositors

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crore)

Investments in Equity Instruments - Unquoted, Fully paid up	No. of Shares / Units		Amount as at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
In Subsidiaries - Carried at Demeed cost				
LICHFL Care Homes Ltd. (Face Value ₹ 10/- each)	5,00,00,000	5,00,00,000	50.00	50.00
LICHFL Financial Services Ltd. (Face Value ₹ 10/- each)	95,00,000	95,00,000	9.50	9.50
LICHFL Trustee Company Private Ltd. (Face Value ₹ 10/- each)	90,000	90,000	0.09	0.09
LICHFL Asset Management Company Ltd. (Face Value ₹ 10/- each)	87,00,000	87,00,000	8.70	8.70
In Associates - Carried at Demeed cost				
LIC Mutual Fund Asset Management Ltd. (Face Value ₹ 10,000/- each)	4,323	4,323	29.69	29.69
LIC Mutual Fund Trustee Private Ltd. (Face Value ₹ 10/- each)	3,530	3,530	0.02	0.02
Total			**98.00**	**98.00**

(₹ in crore)

Investments carried at Fair value through Profit & Loss Account	No. of Shares / Units		Amount as at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Contribution to Trust				
Other investments-Unquoted, Fully paid up				
(i) Real Estate Venture Fund:**				
CIG Realty Fund - 1 (Face Value ₹ 10/- each)	9,171,429	9,171,429	9.17	9.17
Less: Allowance for Impairment loss			9.17	9.17
			-	-
LICHFL Urban Development Fund (Face Value ₹ 10,000/- each)	50,000	50,000	18.81	18.81
Less: Allowance for Impairment loss			3.96	-
			14.85	**18.81**
Other investments-Unquoted, Fully paid up				
(i) Alternative Investment Fund:**				
LICHFL Housing and Infrastructure Fund (Face Value ₹ 100/- each)	923,124	198,476	9.23	1.98
Less: Allowance for Impairment loss			9.23	-
			-	**1.98**
			14.85	**20.80**

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

NOTE 11: OTHER FINANCIAL ASSETS

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Fixed Deposit For SLR Of Public Deposit maturing beyond 12 months *	82.70	-
(ii) Interest Accrued But not due on Fixed Deposits with Banks	8.18	5.54
(iii) Security Deposits	10.94	10.24
(iv) Other Deposits	0.92	0.80
(v) Dues from Subsidiaries/Associates	0.02	0.52
(vi) Other dues from Staff	2.15	1.91
(vii) Fees Receivable	0.96	2.40
Total	**105.87**	**21.41**

* Fixed Deposits with Banks includes earmarked deposits created in favour of trustees for depositors towards maintaining Statutory Liquid Ratio amounting to ₹ 82.70 crore. Fixed deposit placed with banks earns interest at fixed rate.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

NOTE 12: CURRENT TAX ASSETS (NET)

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Provision under Income Tax	-	283.55
(ii) Tax Paid under Protest	-	70.52
Total	**-**	**354.07**

NOTE 13: DEFERRED TAX ASSETS (NET)

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Deferred Tax Assets	2,442.31	2,049.42
(ii) Deferred Tax Liabilities	(1,529.38)	(1,529.38)
Total	**912.93**	**520.04**

NOTE 14.1: PROPERTY, PLANT & EQUIPMENT

The changes in carrying value of the Property, Plant & Equipment for the year ended March 31, 2021 are as follows:-

(₹ in crore)

Particulars	Freehold Land	Building	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross carrying value as of April 1, 2020	**0.97**	**114.67**	**10.78**	**9.19**	**0.37**	**6.03**	**21.41**	**163.43**
Additions	-	0.72	1.44	0.70	0.11	1.02	2.34	6.33
(Deductions)	-	-	(0.00)	(0.01)	(0.03)	(0.06)	(0.03)	(0.14)
Gross carrying value as of March 31, 2021	**0.97**	**115.39**	**12.22**	**9.88**	**0.45**	**6.99**	**23.72**	**169.62**
Accumulated Depreciation as of April 1, 2020	**-**	**4.44**	**4.63**	**3.27**	**0.24**	**2.91**	**13.31**	**28.80**
Depreciation	-	1.92	1.95	1.26	0.03	1.26	4.21	10.63
(Accumulated Depreciation on Deductions)	-	-	-	(0.01)	(0.03)	(0.06)	(0.03)	(0.14)
Accumulated Depreciation as of March 31, 2021	**-**	**6.36**	**6.58**	**4.52**	**0.24**	**4.11**	**17.49**	**39.30**
Carrying Value as of March 31, 2021	**0.97**	**109.03**	**5.64**	**5.36**	**0.21**	**2.88**	**6.23**	**130.32**

The Debentures are secured by mortgage on an immovable Property Owned by the Company valuing approx ₹ 1.19 crore (Book Value ₹ 0.10 crore).

The changes in carrying value of the Property, Plant & Equipment for the year ended March 31, 2020 are as follows:-

(₹ in crore)

Particulars	Freehold Land	Building	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross carrying value as of April 1, 2019	**0.97**	**107.65**	**9.86**	**8.36**	**0.37**	**4.72**	**18.27**	**150.22**
Additions	-	7.01	0.92	0.84	0.00	1.39	3.15	13.31
(Deductions)	-	-	(0.00)	(0.01)	-	(0.09)	(0.01)	(0.11)
Gross carrying value as of March 31, 2020	**0.97**	**114.67**	**10.78**	**9.19**	**0.37**	**6.03**	**21.41**	**163.43**
Accumulated Depreciation as of April 1, 2019	**-**	**2.92**	**2.54**	**1.99**	**0.18**	**1.81**	**8.59**	**18.03**
Depreciation	-	1.52	2.09	1.29	0.07	1.17	4.73	10.87
(Accumulated Depreciation on Deductions)	-	-	-	(0.01)	-	(0.08)	(0.01)	(0.10)
Accumulated Depreciation as of March 31, 2020	**-**	**4.44**	**4.63**	**3.27**	**0.24**	**2.91**	**13.31**	**28.80**
Carrying Value as of March 31, 2020	**0.97**	**110.23**	**6.14**	**5.92**	**0.13**	**3.12**	**8.10**	**134.62**

The Debentures are secured by mortgage on an immovable Property Owned by the Company valuing approx ₹ 0.72 crore (Book Value ₹ 0.13 crore).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 14.2: CAPITAL WORK IN PROGRESS

The changes in carrying value of Capital Work in Progress for the year ended March 31, 2021 are as follows:-

(₹ in crore)

Particulars	Capital Work in Progress	Total
Gross Carrying Value as of April 1, 2020	0.33	0.33
Additions	0.85	0.85
(Deductions)	(1.18)	(1.18)
Gross Carrying Value as of March 31, 2021	**0.00**	**0.00**
Accumulated Depreciation as of April 1, 2020	-	-
Depreciation for the year	-	-
(Accumulated Depreciation on Deductions)	-	-
Accumulated Depreciation as of March 31, 2021	**-**	**-**
Carrying Value as of March 31, 2021	**-**	**-**

The changes in carrying value of Capital Work in Progress for the year ended March 31, 2020 are as follows:-

(₹ in crore)

Particulars	Capital Work in Progress	Total
Gross Carrying Value as of April 1, 2019	0.00	0.00
Additions	0.33	0.33
(Deductions)	-	-
Gross Carrying Value as of March 31, 2020	**0.33**	**0.33**
Accumulated Depreciation as of April 1, 2019	-	-
Depreciation for the year	-	-
(Accumulated Depreciation on Deductions)	-	-
Accumulated Depreciation as of March 31, 2020	**-**	**-**
Carrying Value as of March 31, 2020	**0.33**	**0.33**

NOTE 14.3: INTANGIBLE ASSETS UNDER DEVELOPMENT

Intangible Assets under Development

The changes in carrying value of Intangible Assets under Development for the year ended March 31, 2021 are as follows:-

(₹ in crore)

Particulars	Software under development
Gross Carrying Value as of April 1, 2020	-
Additions	3.63
(Deductions)	-
Gross Carrying Value as of March 31, 2021	**3.63**
Accumulated Depreciation as of April 1, 2020	-
Depreciation for the year	-
(Accumulated Depreciation on Deductions)	-
Accumulated Depreciation as of March 31, 2021	**-**
Carrying Value as of March 31, 2021	**3.63**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

NOTE 14.4:

The changes in carrying value of the Right of Use Assets for the year ended March 31, 2021:-

(₹ in crore)

Particulars	Right of Use Asset
Opening Value of Right of Use Asset as of April 1, 2020	**150.25**
Additions	42.04
(Disposals)	(1.07)
Gross Carrying Value as of March 31,2021	**191.22**
Accumulated Depreciation as of April 1,2020	32.80
Depreciation for the year	38.15
(Accumulated Depreciation on Disposals)	1.07
Accumulated Depreciation as of March 31,2021	69.88
Terminated cases	**10.56**
Carrying Value as of March 31, 2021	**110.78**

The changes in carrying value of the Right of Use Assets for the year ended March 31, 2020:-

(₹ in crore)

Particulars	Right of Use Asset
Opening Value of Right of Use Asset as of April 1, 2019 due to initial recognition as per Ind AS 116	**0.00**
Additions	153.46
(Disposals)	(3.21)
Gross Carrying Value as of March 31,2020	**150.25**
Accumulated Depreciation as of April 1,2019	-
Depreciation for the year	36.01
(Accumulated Depreciation on Disposals)	(3.21)
Accumulated Depreciation as of March 31,2020	**32.80**
Carrying Value as of March 31, 2020	**117.45**

NOTE 14.5: OTHER INTANGIBLE ASSETS

The changes in carrying value of the Intangible Assets for the year ended March 31, 2021 are as follows:-

(₹ in crore)

Particulars	Software License	Total
Gross Carrying Value as of April 1, 2020	**6.59**	**6.59**
Additions	0.97	0.97
(Deductions)	-	-
Gross Carrying Value as of March 31, 2021	**7.56**	**7.56**
Accumulated Depreciation as of April 1, 2020	4.61	4.61
Depreciation for the year	0.66	0.66
(Accumulated Depreciation on Deductions)	-	-
Accumulated Depreciation as of March 31, 2021	**5.27**	**5.27**
Carrying Value as of March 31, 2021	**2.29**	**2.29**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

The changes in carrying value of the Intangible Assets for the year ended March 31, 2020 are as follows:-

(₹ in crore)

Particulars	Software License	Total
Gross Carrying Value as of April 1, 2019	**6.31**	**6.31**
Additions	0.31	0.31
(Deductions)	(0.03)	(0.03)
Gross Carrying Value as of March 31, 2020	**6.59**	**6.59**
Accumulated Depreciation as of April 1, 2019	3.43	3.43
Depreciation for the year	1.19	1.19
(Accumulated Depreciation on Deductions)	(0.01)	(0.01)
Accumulated Depreciation as of March 31, 2020	**4.61**	**4.61**
Carrying Value as of March 31, 2020	**1.98**	**1.98**

NOTE 15: OTHER NON -FINANCIAL ASSETS

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Capital Advances	4.23	2.62
(ii) Statutory Dues	100.08	73.94
(iii) Prepaid Expenses	31.91	33.00
(iv) Sundry Advances	2.73	2.29
(v) Others	0.07	0.07
Total	**139.02**	**111.92**

NOTE 16: PAYABLES

(₹ in crore)

Trade Payables	As at March 31, 2021	As at March 31, 2020
(i) Total outstanding dues of micro enterprises and small enterprises	2.80	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises *	93.32	34.57
Total	**96.12**	**34.57**

* Includes payable to a related party ₹ 11.01 crore (F.Y. 2019-20 ₹ 5.10 crore)

(₹ in crore)

Other Payables	As at March 31, 2021	As at March 31, 2020
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Total	**-**	**-**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

NOTE 17: DEBT SECURITIES - AT AMORTISED COST

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(1) SECURED:		
Non Convertible Debentures (Refer Note 17.1)	1,11,216.21	1,20,413.62
Zero Coupon Debentures (Refer Note 17.2)	2,151.50	4,044.50
(2) UNSECURED:		
Commercial Paper (Refer Note 17.3)	12,230.25	7,624.14
Total (A) (1+2)	**1,25,597.96**	**1,32,082.26**
Debt securities in India	1,25,597.96	1,32,082.26
Debt securities outside India	-	-
Total (B)	**1,25,597.96**	**1,32,082.26**

NOTE 17.1

Secured by a negative lien on the assets of the Company (excluding current and future receivables and book-debt of whatsoever nature of the Company on which a first pari-pasu floating charge by way of hypothecation to secure the borrowings of the company outstanding as on March 31, 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on March 31, 2015), with a minimum asset cover of 100%. Further the Company shall be entitled to dispose off, transact or otherwise deal, in the ordinary course of business upto 5% of the Specific Assets, including by way of a securitization transaction and as may be required under any law, regulations, guidelines or rules. In addition to above the Debentures would be secured by mortgage on an Immovable Property owned by the Company valuing approx ₹ 0.72 crore (Book Value ₹ 0.13 crore).

The Details of Non Convertible Redeemable Debentures (NCD) are as under:-

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2021
11200 NCD's of ₹ 1000000/- each	28-Jan-30	7.9700%	-	1119.61
25000 NCD's of ₹ 1000000/- each	12-Jul-29	7.9900%	12-Jul-21	2500.00
34000 NCD's of ₹ 1000000/- each	23-Mar-29	8.7000%	-	3400.00
13650 NCD's of ₹ 1000000/- each	25-Jan-29	8.8000%	-	1365.00
16060 NCD's of ₹ 1000000/- each	8-Dec-28	8.7500%	-	1606.00
2749 NCD's of ₹ 1000000/- each	17-Nov-28	8.9700%	-	274.90
9120 NCD's of ₹ 1000000/- each	10-Oct-28	9.0800%	-	912.00
6305 NCD's of ₹ 1000000/- each	24-Sep-28	9.1000%	-	630.50
14770 NCD's of ₹ 1000000/- each	29-Jan-28	7.9500%	27-Aug-21	1477.00
5300 NCD's of ₹ 1000000/- each	23-Nov-27	7.7500%	-	530.00
5000 NCD's of ₹ 1000000/- each	14-Jul-27	7.5600%	-	500.00
7000 NCD's of ₹ 1000000/- each	17-May-27	7.8600%	-	700.00
6000 NCD's of ₹ 1000000/- each	26-Mar-27	7.9500%	-	600.00
10000 NCD's of ₹ 1000000/- each	16-Dec-26	7.1600%	-	1000.00
10000 NCD's of ₹ 1000000/- each	23-Oct-26	7.4800%	-	1000.00
5000 NCD's of ₹ 1000000/- each	25-Sep-26	7.8300%	-	500.00
2000 NCD's of ₹ 1000000/- each	18-Aug-26	7.9000%	-	200.00
4724 NCD's of ₹ 1000000/- each	10-Jul-26	8.4300%	-	472.40
5000 NCD's of ₹ 1000000/- each	29-Jun-26	8.4800%	-	500.00
3488 NCD's of ₹ 1000000/- each	29-Jun-26	8.4800%	-	348.80
3570 NCD's of ₹ 1000000/- each	15-Jun-26	8.4700%	-	357.00
4950 NCD's of ₹ 1000000/- each	10-Jun-26	8.4700%	-	495.00
5100 NCD's of ₹ 1000000/- each	22-May-26	8.4500%	-	510.00
3000 NCD's of ₹ 1000000/- each	27-Apr-26	8.3200%	-	300.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2021
10000 NCD's of ₹ 1000000/- each	3-Mar-26	8.5700%	-	1000.00
5000 NCD's of ₹ 1000000/- each	26-Feb-26	8.5300%	-	500.00
7500 NCD's of ₹ 1000000/- each	28-Jan-26	8.4200%	-	750.00
7500 NCD's of ₹ 1000000/- each	28-Jan-26	8.4300%	-	750.00
15224 NCD's of ₹ 1000000/- each	24-Dec-25	8.7000%	-	1522.40
10000 NCD's of ₹ 1000000/- each	12-Dec-25	8.4000%	-	1000.00
10000 NCD's of ₹ 1000000/- each	13-Nov-25	8.2000%	-	1000.00
3810 NCD's of ₹ 1000000/- each	23-Oct-25	8.2500%	-	381.00
2100 NCD's of ₹ 1000000/- each	8-Oct-25	8.3400%	-	210.00
5000 NCD's of ₹ 1000000/- each	11-Sep-25	5.7760%	-	499.66
3000 NCD's of ₹ 1000000/- each	29-Aug-25	8.5000%	-	300.00
2000 NCD's of ₹ 1000000/- each	29-Aug-25	8.4800%	-	200.00
5000 NCD's of ₹ 1000000/- each	14-Aug-25	8.5500%	-	500.00
3000 NCD's of ₹ 1000000/- each	1-Aug-25	8.5800%	-	300.00
1950 NCD's of ₹ 1000000/- each	18-Jul-25	8.5700%	-	195.00
2050 NCD's of ₹ 1000000/- each	4-Jun-25	8.5000%	-	205.00
10000 NCD's of ₹ 1000000/- each	29-May-25	8.5500%	-	1000.00
10000 NCD's of ₹ 1000000/- each	31-Mar-25	8.2200%	-	1000.00
4250 NCD's of ₹ 1000000/- each	3-Mar-25	8.5200%	-	425.00
6000 NCD's of ₹ 1000000/- each	24-Feb-25	8.5000%	-	600.00
3250 NCD's of ₹ 1000000/- each	12-Feb-25	7.3300%	-	341.02
15100 NCD's of ₹ 1000000/- each	12-Feb-25	7.3300%	-	1509.52
100 NCD's of ₹ 1000000/- each	30-Jan-25	8.4000%	-	10.00
11000 NCD's of ₹ 1000000/- each	24-Jan-25	6.4000%	-	1101.19
14250 NCD's of ₹ 1000000/- each	24-Jan-25	6.4000%	-	1424.30
10000 NCD's of ₹ 1000000/- each	8-Jan-25	8.6100%	-	1000.00
25950 NCD's of ₹ 1000000/- each	20-Dec-24	5.5315%	-	2593.62
10750 NCD's of ₹ 1000000/- each	25-Nov-24	6.1900%	-	1075.74
5000 NCD's of ₹ 1000000/- each	25-Nov-24	6.1900%	-	499.66
27000 NCD's of ₹ 1000000/- each	18-Oct-24	7.7900%	-	2699.75
5000 NCD's of ₹ 1000000/- each	16-Oct-24	9.2200%	-	500.00
6500 NCD's of ₹ 1000000/- each	30-Sep-24	9.2400%	-	650.00
12500 NCD's of ₹ 1000000/- each	6-Sep-24	7.4000%	-	1309.10
10000 NCD's of ₹ 1000000/- each	6-Sep-24	7.4000%	-	1000.00
7700 NCD's of ₹ 1000000/- each	29-Aug-24	7.7800%	-	770.00
5000 NCD's of ₹ 1000000/- each	25-Aug-24	9.4700%	-	500.00
10000 NCD's of ₹ 1000000/- each	25-Aug-24	9.3900%	-	1000.00
14550 NCD's of ₹ 1000000/- each	23-Jul-24	7.7500%	-	1454.29
6050 NCD's of ₹ 1000000/- each	5-Jul-24	9.2900%	-	605.00
16740 NCD's of ₹ 1000000/- each	31-May-24	8.3300%	-	1674.00
2500 NCD's of ₹ 1000000/- each	8-May-24	7.9000%	-	250.00
10000 NCD's of ₹ 1000000/- each	19-Mar-24	9.8000%	-	1000.00
3150 NCD's of ₹ 1000000/- each	5-Mar-24	8.7900%	-	315.00
15000 NCD's of ₹ 1000000/- each	5-Mar-24	8.7900%	-	1499.68
8000 NCD's of ₹ 1000000/- each	22-Feb-24	5.7200%	-	498.48
5000 NCD's of ₹ 1000000/- each	22-Feb-24	5.7200%	-	799.71
1373 NCD's of ₹ 1000000/- each	8-Feb-24	8.5800%	-	137.30

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2021
10000 NCD's of ₹ 1000000/- each	22-Dec-23	7.2500%	-	1000.00
7750 NCD's of ₹ 1000000/- each	8-Dec-23	8.7500%	-	775.00
4480 NCD's of ₹ 1000000/- each	17-Oct-23	9.0800%	-	448.00
2000 NCD's of ₹ 1000000/- each	19-Sep-23	7.8600%	-	200.00
6650NCD's of ₹ 1000000/- each	14-Sep-23	4.9600%	-	664.72
5000 NCD's of ₹ 1000000/- each	25-Aug-23	5.4500%	-	500.38
5000 NCD's of ₹ 1000000/- each	25-Aug-23	5.4500%	-	499.84
9050 NCD's of ₹ 1000000/- each	26-Jul-23	5.2300%	-	904.60
2720 NCD's of ₹ 1000000/- each	9-Jun-23	8.4800%	-	272.00
16630 NCD's of ₹ 1000000/- each	6-Jun-23	9.1900%	-	1663.00
9000 NCD's of ₹ 1000000/- each	21-May-23	8.3700%	-	900.00
5000 NCD's of ₹ 1000000/- each	11-May-23	5.9000%	-	500.66
5200 NCD's of ₹ 1000000/- each	11-May-23	5.9000%	-	519.81
5000 NCD's of ₹ 1000000/- each	25-Apr-23	8.8900%	-	500.00
5250 NCD's of ₹ 1000000/- each	9-Apr-23	9.0000%	-	525.00
10000 NCD's of ₹ 1000000/- each	20-Mar-23	5.3500%	-	1001.59
13000 NCD's of ₹ 1000000/- each	20-Mar-23	5.3500%	-	1299.58
5000 NCD's of ₹ 1000000/- each	12-Mar-23	9.1300%	-	500.00
32500 NCD's of ₹ 1000000/- each	10-Feb-23	7.4500%	-	3249.50
4900 NCD's of ₹ 1000000/- each	19-Jan-23	8.5800%	-	490.00
9100 NCD's of ₹ 1000000/- each	13-Jan-23	7.4450%	-	909.63
7500 NCD's of ₹ 1000000/- each	1-Jan-23	9.2500%	-	750.00
5000 NCD's of ₹ 1000000/- each	17-Dec-22	9.3000%	-	500.00
12050 NCD's of ₹ 1000000/- each	16-Dec-22	7.8500%	-	1205.00
2000 NCD's of ₹ 1000000/- each	13-Dec-22	9.2300%	-	200.00
3000 NCD's of ₹ 1000000/- each	22-Nov-22	7.6000%	-	301.83
11650 NCD's of ₹ 1000000/- each	22-Nov-22	7.6000%	-	1165.00
4000 NCD's of ₹ 1000000/- each	12-Nov-22	9.2500%	-	400.00
3350 NCD's of ₹ 1000000/- each	25-Oct-22	9.0500%	-	335.00
10000 NCD's of ₹ 1000000/- each	17-Oct-22	7.4500%	-	1000.00
2500 NCD's of ₹ 1000000/- each	23-Sep-22	7.8500%	-	252.29
12000 NCD's of ₹ 1000000/- each	23-Sep-22	7.8500%	-	1200.00
5000 NCD's of ₹ 1000000/- each	14-Sep-22	9.3000%	-	500.00
10500 NCD's of ₹ 1000000/- each	30-Aug-22	7.3900%	-	309.92
10500 NCD's of ₹ 1000000/- each	30-Aug-22	7.3900%	-	1052.39
10000 NCD's of ₹ 1000000/- each	30-Aug-22	7.3900%	-	1000.00
5000 NCD's of ₹ 1000000/- each	24-Jul-22	9.3500%	-	500.00
15000 NCD's of ₹ 1000000/- each	15-Jul-22	7.4200%	-	1543.46
11000 NCD's of ₹ 1000000/- each	15-Jul-22	7.4200%	-	1100.00
20350 NCD's of ₹ 1000000/- each	20-Jun-22	8.5000%	-	2035.00
5000 NCD's of ₹ 1000000/- each	10-Jun-22	7.4800%	-	500.00
3000 NCD's of ₹ 1000000/- each	23-May-22	7.7800%	-	300.00
2500 NCD's of ₹ 1000000/- each	3-May-22	7.8000%	-	250.00
6518 NCD's of ₹ 1000000/- each	19-Apr-22	8.6850%	-	651.80
10000 NCD's of ₹ 1000000/- each	28-Mar-22	4.5450%	-	999.80
5000 NCD's of ₹ 1000000/- each	24-Mar-22	7.9500%	-	500.00
4950 NCD's of ₹ 1000000/- each	24-Mar-22	9.1700%	-	495.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2021
2000 NCD's of ₹ 1000000/- each	10-Feb-22	9.4300%	-	200.00
3000 NCD's of ₹ 1000000/- each	30-Jan-22	9.4500%	-	300.00
25000 NCD's of ₹ 1000000/- each	14-Jan-22	8.5950%	-	2500.00
5000 NCD's of ₹ 1000000/- each	13-Jan-22	7.5700%	-	500.00
19350 NCD's of ₹ 1000000/- each	28-Dec-21	7.0300%	-	1934.97
7500 NCD's of ₹ 1000000/- each	19-Nov-21	7.2200%	-	749.94
2000 NCD's of ₹ 1000000/- each	11-Nov-21	9.9000%	-	200.00
1400 NCD's of ₹ 1000000/- each	21-Oct-21	7.6600%	-	140.00
3000 NCD's of ₹ 1000000/- each	19-Oct-21	7.8100%	-	300.00
4970 NCD's of ₹ 1000000/- each	14-Oct-21	7.5900%	-	497.00
5000 NCD's of ₹ 1000000/- each	19-Sep-21	9.4000%	-	500.00
16750 NCD's of ₹ 1000000/- each	17-Sep-21	8.2534%	-	1675.00
2000 NCD's of ₹ 1000000/- each	27-Aug-21	7.7500%	-	200.00
15950 NCD's of ₹ 1000000/- each	23-Aug-21	7.2400%	-	1594.95
5000 NCD's of ₹ 1000000/- each	29-Jul-21	7.6700%	-	500.00
1050 NCD's of ₹ 1000000/- each	27-Jul-21	8.1900%	-	105.00
5000 NCD's of ₹ 1000000/- each	15-Jul-21	8.3000%	-	500.00
3400 NCD's of ₹ 1000000/- each	13-Jul-21	6.5700%	-	339.96
5000 NCD's of ₹ 1000000/- each	7-Jun-21	9.8000%	-	500.00
5010 NCD's of ₹ 1000000/- each	4-Jun-21	6.9500%	-	500.96
2500 NCD's of ₹ 1000000/- each	21-May-21	8.4500%	-	250.00
5000 NCD's of ₹ 1000000/- each	11-May-21	9.4000%	-	500.00
5050 NCD's of ₹ 1000000/- each	10-May-21	8.3700%	-	505.00
TOTAL				**111,216.21**

* Reissue premium (₹ 175.50Crs.)/ discount (₹ 2.00 Crs.).
Transactions of amount ₹ 14550 crore are with related party

The Details of Non Convertible Redeemable Debentures (NCD) are as under:-

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2020
11200 NCD's of ₹ 1000000/- each	28-Jan-30	7.9700%	-	1,119.40
25000 NCD's of ₹ 1000000/- each	12-Jul-29	7.9900%	12-Jul-21	2,500.00
34000 NCD's of ₹ 1000000/- each	23-Mar-29	8.7000%	-	3,400.00
13650 NCD's of ₹ 1000000/- each	25-Jan-29	8.8000%	-	1,365.00
16060 NCD's of ₹ 1000000/- each	8-Dec-28	8.7500%	-	1,606.00
2749 NCD's of ₹ 1000000/- each	17-Nov-28	8.9700%	-	274.90
9120 NCD's of ₹ 1000000/- each	10-Oct-28	9.0800%	-	912.00
6305 NCD's of ₹ 1000000/- each	24-Sep-28	9.1000%	-	630.50
14770 NCD's of ₹ 1000000/- each	29-Jan-28	7.9500%	27-Aug-21	1,477.00
5300 NCD's of ₹ 1000000/- each	23-Nov-27	7.7500%	-	530.00
5000 NCD's of ₹ 1000000/- each	14-Jul-27	7.5600%	-	500.00
7000 NCD's of ₹ 1000000/- each	17-May-27	7.8600%	-	700.00
6000 NCD's of ₹ 1000000/- each	26-Mar-27	7.9500%	-	600.00
10000 NCD's of ₹ 1000000/- each	16-Dec-26	7.1600%	-	1,000.00
10000 NCD's of ₹ 1000000/- each	23-Oct-26	7.4800%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	25-Sep-26	7.8300%	26-Nov-20	500.00
2000 NCD's of ₹ 1000000/- each	18-Aug-26	7.9000%	-	200.00
4724 NCD's of ₹ 1000000/- each	10-Jul-26	8.4300%	-	472.40

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2020
5000 NCD's of ₹ 1000000/- each	29-Jun-26	8.4800%	-	500.00
3488 NCD's of ₹ 1000000/- each	29-Jun-26	8.4800%	-	348.80
3570 NCD's of ₹ 1000000/- each	15-Jun-26	8.4700%	-	357.00
4950 NCD's of ₹ 1000000/- each	10-Jun-26	8.4700%	-	495.00
5100 NCD's of ₹ 1000000/- each	22-May-26	8.4500%	-	510.00
3000 NCD's of ₹ 1000000/- each	27-Apr-26	8.3200%	-	300.00
10000 NCD's of ₹ 1000000/- each	3-Mar-26	8.5700%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	26-Feb-26	8.5300%	-	500.00
7500 NCD's of ₹ 1000000/- each	28-Jan-26	8.4200%	-	750.00
7500 NCD's of ₹ 1000000/- each	28-Jan-26	8.4300%	-	750.00
15224 NCD's of ₹ 1000000/- each	24-Dec-25	8.7000%	-	1,522.40
10000 NCD's of ₹ 1000000/- each	12-Dec-25	8.4000%	-	1,000.00
10000 NCD's of ₹ 1000000/- each	13-Nov-25	8.2000%	-	1,000.00
3810 NCD's of ₹ 1000000/- each	23-Oct-25	8.2500%	-	381.00
2100 NCD's of ₹ 1000000/- each	8-Oct-25	8.3400%	-	210.00
3000 NCD's of ₹ 1000000/- each	29-Aug-25	8.5000%	-	300.00
2000 NCD's of ₹ 1000000/- each	29-Aug-25	8.4800%	24-Dec-20	200.00
5000 NCD's of ₹ 1000000/- each	14-Aug-25	8.5500%	-	500.00
3000 NCD's of ₹ 1000000/- each	1-Aug-25	8.5800%	-	300.00
1950 NCD's of ₹ 1000000/- each	18-Jul-25	8.5700%	-	195.00
2050 NCD's of ₹ 1000000/- each	4-Jun-25	8.5000%	-	205.00
10000 NCD's of ₹ 1000000/- each	29-May-25	8.5500%	-	1,000.00
10000 NCD's of ₹ 1000000/- each	31-Mar-25	8.2200%	-	1,000.00
4250 NCD's of ₹ 1000000/- each	3-Mar-25	8.5200%	-	425.00
6000 NCD's of ₹ 1000000/- each	24-Feb-25	8.5000%	-	600.00
15100 NCD's of ₹ 1000000/- each	12-Feb-25	7.3300%	-	1,509.18
100 NCD's of ₹ 1000000/- each	30-Jan-25	8.4000%	-	10.00
10000 NCD's of ₹ 1000000/- each	8-Jan-25	8.6100%	-	1,000.00
27000 NCD's of ₹ 1000000/- each	18-Oct-24	7.7900%	-	2,699.32
5000 NCD's of ₹ 1000000/- each	16-Oct-24	9.2200%	-	500.00
6500 NCD's of ₹ 1000000/- each	30-Sep-24	9.2400%	-	650.00
10000 NCD's of ₹ 1000000/- each	6-Sep-24	7.4000%	-	1,000.00
7700 NCD's of ₹ 1000000/- each	29-Aug-24	7.7800%	-	770.00
5000 NCD's of ₹ 1000000/- each	25-Aug-24	9.4700%	-	500.00
10000 NCD's of ₹ 1000000/- each	25-Aug-24	9.3900%	-	1,000.00
14550 NCD's of ₹ 1000000/- each	23-Jul-24	7.7500%	-	1,454.45
6050 NCD's of ₹ 1000000/- each	5-Jul-24	9.2900%	-	605.00
16740 NCD's of ₹ 1000000/- each	31-May-24	8.3300%	-	1,674.00
2500 NCD's of ₹ 1000000/- each	8-May-24	7.9000%	-	250.00
10000 NCD's of ₹ 1000000/- each	19-Mar-24	9.8000%	-	1,000.00
3150 NCD's of ₹ 1000000/- each	5-Mar-24	8.7900%	-	315.00
15000 NCD's of ₹ 1000000/- each *	5-Mar-24	8.7900%	-	1,499.36
1373 NCD's of ₹ 1000000/- each	8-Feb-24	8.5800%	-	137.30
10000 NCD's of ₹ 1000000/- each	22-Dec-23	7.2500%	-	1,000.00
7750 NCD's of ₹ 1000000/- each	8-Dec-23	8.7500%	-	775.00
4480 NCD's of ₹ 1000000/- each	17-Oct-23	9.0800%	-	448.00
2000 NCD's of ₹ 1000000/- each	19-Sep-23	7.8600%	-	200.00
2720 NCD's of ₹ 1000000/- each	9-Jun-23	8.4800%	-	272.00
16630 NCD's of ₹ 1000000/- each	6-Jun-23	9.1900%	-	1,663.00
9000 NCD's of ₹ 1000000/- each	21-May-23	8.3700%	-	900.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2020
5000 NCD's of ₹ 1000000/- each	25-Apr-23	8.8900%	-	500.00
5250 NCD's of ₹ 1000000/- each	9-Apr-23	9.0000%	-	525.00
5000 NCD's of ₹ 1000000/- each	12-Mar-23	9.1300%	-	500.00
32500 NCD's of ₹ 1000000/- each	10-Feb-23	7.4500%	-	3,249.23
4900 NCD's of ₹ 1000000/- each	19-Jan-23	8.5800%	-	490.00
9100 NCD's of ₹ 1000000/- each	13-Jan-23	7.4450%	-	909.71
7500 NCD's of ₹ 1000000/- each	1-Jan-23	9.2500%	-	750.00
5000 NCD's of ₹ 1000000/- each	17-Dec-22	9.3000%	-	500.00
12050 NCD's of ₹ 1000000/- each	16-Dec-22	7.8500%	-	1,205.00
2000 NCD's of ₹ 1000000/- each	13-Dec-22	9.2300%	-	200.00
3000 NCD's of ₹ 1000000/- each *	22-Nov-22	7.6000%	-	303.07
11650 NCD's of ₹ 1000000/- each	22-Nov-22	7.6000%	-	1,165.00
4000 NCD's of ₹ 1000000/- each	12-Nov-22	9.2500%	-	400.00
3350 NCD's of ₹ 1000000/- each	25-Oct-22	9.0500%	-	335.00
10000 NCD's of ₹ 1000000/- each	17-Oct-22	7.4500%	-	1,000.00
2500 NCD's of ₹ 1000000/- each *	23-Sep-22	7.8500%	-	254.01
12000 NCD's of ₹ 1000000/- each	23-Sep-22	7.8500%	-	1,200.00
5000 NCD's of ₹ 1000000/- each	14-Sep-22	9.3000%	-	500.00
10500 NCD's of ₹ 1000000/- each *	30-Aug-22	7.3900%	-	1,053.42
10000 NCD's of ₹ 1000000/- each	30-Aug-22	7.3900%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	24-Jul-22	9.3500%	-	500.00
11000 NCD's of ₹ 1000000/- each	15-Jul-22	7.4200%	-	1,100.00
20350 NCD's of ₹ 1000000/- each	20-Jun-22	8.5000%	-	2,035.00
5000 NCD's of ₹ 1000000/- each	10-Jun-22	7.4800%	-	500.00
3000 NCD's of ₹ 1000000/- each	23-May-22	7.7800%	-	300.00
2500 NCD's of ₹ 1000000/- each	3-May-22	7.8000%	-	250.00
6518 NCD's of ₹ 1000000/- each	19-Apr-22	8.6850%	-	651.80
5000 NCD's of ₹ 1000000/- each	24-Mar-22	7.9500%	-	500.00
4950 NCD's of ₹ 1000000/- each	24-Mar-22	9.1700%	-	495.00
2000 NCD's of ₹ 1000000/- each	10-Feb-22	9.4300%	-	200.00
3000 NCD's of ₹ 1000000/- each	30-Jan-22	9.4500%	-	300.00
25000 NCD's of ₹ 1000000/- each	14-Jan-22	8.5950%	-	2,500.00
5000 NCD's of ₹ 1000000/- each	13-Jan-22	7.5700%	-	500.00
19350 NCD's of ₹ 1000000/- each	28-Dec-21	7.0300%	-	1,934.89
7500 NCD's of ₹ 1000000/- each	19-Nov-21	7.2200%	-	749.84
2000 NCD's of ₹ 1000000/- each	11-Nov-21	9.9000%	-	200.00
1400 NCD's of ₹ 1000000/- each	21-Oct-21	7.6600%	-	140.00
3000 NCD's of ₹ 1000000/- each	19-Oct-21	7.8100%	-	300.00
4970 NCD's of ₹ 1000000/- each	14-Oct-21	7.5900%	-	497.00
5000 NCD's of ₹ 1000000/- each	19-Sep-21	9.4000%	-	500.00
16750 NCD's of ₹ 1000000/- each	17-Sep-21	8.2534%	-	1,675.00
2000 NCD's of ₹ 1000000/- each	27-Aug-21	7.7500%	-	200.00
15950 NCD's of ₹ 1000000/- each	23-Aug-21	7.2400%	-	1,594.78
5000 NCD's of ₹ 1000000/- each	29-Jul-21	7.6700%	-	500.00
1050 NCD's of ₹ 1000000/- each	27-Jul-21	8.1900%	-	105.00
5000 NCD's of ₹ 1000000/- each	15-Jul-21	8.3000%	-	500.00
3400 NCD's of ₹ 1000000/- each	13-Jul-21	6.5700%	-	339.97
4350 NCD's of ₹ 1000000/- each	7-Jul-21	8.4700%	-	435.00
5000 NCD's of ₹ 1000000/- each	7-Jun-21	9.8000%	-	500.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2020
5010 NCD's of ₹ 1000000/- each	4-Jun-21	6.9500%	-	500.89
2500 NCD's of ₹ 1000000/- each	21-May-21	8.4500%	-	250.00
5000 NCD's of ₹ 1000000/- each	11-May-21	9.4000%	-	500.00
5050 NCD's of ₹ 1000000/- each	10-May-21	8.3700%	-	505.00
6000 NCD's of ₹ 1000000/- each	8-Mar-21	8.7500%	-	600.00
2500 NCD's of ₹ 1000000/- each	7-Mar-21	9.6000%	-	250.00
3670 NCD's of ₹ 1000000/- each	26-Feb-21	8.6000%	-	367.00
12500 NCD's of ₹ 1000000/- each	18-Feb-21	7.5700%	-	1,250.00
7500 NCD's of ₹ 1000000/- each	12-Feb-21	8.7500%	-	750.00
3270 NCD's of ₹ 1000000/- each	28-Jan-21	7.8800%	-	327.00
10000 NCD's of ₹ 1000000/- each	18-Jan-21	9.0000%	-	1,000.00
3500 NCD's of ₹ 1000000/- each	5-Jan-21	8.5000%	-	350.00
1500 NCD's of ₹ 1000000/- each	5-Jan-21	8.5000%	-	150.00
1070 NCD's of ₹ 1000000/- each	4-Jan-21	9.3500%	-	107.00
4560 NCD's of ₹ 1000000/- each	28-Dec-20	8.6000%	-	456.00
25000 NCD's of ₹ 1000000/- each	24-Dec-20	8.8000%	-	2,500.00
7500 NCD's of ₹ 1000000/- each	21-Dec-20	8.7500%	-	750.00
32000 NCD's of ₹ 1000000/- each	3-Dec-20	9.0200%	-	3,200.00
3660 NCD's of ₹ 1000000/- each	23-Nov-20	9.0000%	-	366.00
3500 NCD's of ₹ 1000000/- each	17-Nov-20	7.6500%	-	350.00
6500 NCD's of ₹ 1000000/- each	23-Oct-20	8.3500%	-	650.00
4650 NCD's of ₹ 1000000/- each	13-Oct-20	8.8800%	-	465.00
5000 NCD's of ₹ 1000000/- each	12-Oct-20	8.1400%	-	500.00
2000 NCD's of ₹ 1000000/- each	7-Oct-20	7.5400%	-	200.00
4400 NCD's of ₹ 1000000/- each	24-Sep-20	8.5250%	-	440.00
5550 NCD's of ₹ 1000000/- each	24-Sep-20	9.2500%	-	555.00
2050 NCD's of ₹ 1000000/- each	15-Sep-20	8.6500%	-	205.00
5030 NCD's of ₹ 1000000/- each	15-Sep-20	8.6500%	-	503.00
10000 NCD's of ₹ 1000000/- each	25-Aug-20	8.6700%	-	1,000.00
2500 NCD's of ₹ 1000000/- each	18-Aug-20	7.4000%	-	250.00
2500 NCD's of ₹ 1000000/- each	14-Aug-20	7.4000%	-	250.00
6300 NCD's of ₹ 1000000/- each	10-Aug-20	8.9000%	-	630.00
7500 NCD's of ₹ 1000000/- each	29-Jul-20	8.6000%	-	750.00
6050 NCD's of ₹ 1000000/- each	22-Jul-20	8.6000%	-	605.00
3000 NCD's of ₹ 1000000/- each	13-Jul-20	7.4700%	-	300.00
7500 NCD's of ₹ 1000000/- each	13-Jul-20	8.4000%	-	750.00
5000 NCD's of ₹ 1000000/- each	24-Jun-20	7.7800%	-	500.00
2000 NCD's of ₹ 1000000/- each	19-Jun-20	7.7900%	-	200.00
20000 NCD's of ₹ 1000000/- each	19-Jun-20	9.1106%	-	2,000.00
5000 NCD's of ₹ 1000000/- each	11-Jun-20	7.5850%	-	500.00
5000 NCD's of ₹ 1000000/- each	5-Jun-20	7.7400%	-	500.00
2960 NCD's of ₹ 1000000/- each	31-May-20	8.6000%	-	296.00
7000 NCD's of ₹ 1000000/- each	22-May-20	7.7000%	-	700.00
4000 NCD's of ₹ 1000000/- each	15-May-20	7.9800%	-	400.00
3500 NCD's of ₹ 1000000/- each	11-May-20	7.5200%	-	350.00
3000 NCD's of ₹ 1000000/- each	28-Apr-20	8.4900%	-	300.00
5000 NCD's of ₹ 1000000/- each	27-Apr-20	7.8130%	-	500.00
5750 NCD's of ₹ 1000000/- each	24-Apr-20	7.2000%	-	575.00
TOTAL				**120,413.62**

* Reissue premium (₹ 11.01 Crs.)/ discount (₹ 0.64 Crs.).

Transactions of amount ₹ 15550 crore are with related party

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 17.2

The ZCDs are redeemable at Premium. The ZCDs issued after March 31, 2015 are secured by a negative lien on the assets of the Company (excluding current and future receivables and book-debt of whatsoever nature of the Company on which a first pari-pasu floating charge by way of hypothecation to secure the borrowings of the Company outstanding as on March 31, 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on March 31, 2015), with a minimum asset cover of 100%. Further the Company shall be entitled to dispose off, transact or otherwise deal, in the ordinary course of business upto 5% of the Specific Assets, including by way of a securitization transaction and as may be required under any law, regulations, guidelines or rules. In addition to above the Zero Copupon Debentures are secured by mortgage on an Immovable Property owned by the Company valuing approx ₹ 0.72 crore (Book Value ₹ 0.13 crore).

The details of Zero Coupon Debentures are as under:

(₹ in crore)

Particulars	Date of Redemption		Earliest Put/ Call Option Date	As at March 31, 2021
5295 ZCD's of ₹ 1000000/- each	4-May-22	*	-	529.50
16220 ZCD's of ₹ 1000000/- each	25-Feb-22	**	-	1,622.00
Total				**2,151.50**

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

** Maturity Value of ₹ 13,27,103/- per Debenture including premium.

The details of Zero Coupon Debentures are as under:

(₹ in crore)

Particulars	Date of Redemption		Earliest Put/ Call Option Date	As at March 31, 2020
5295 ZCD's of ₹ 1000000/- each	4-May-22	*	-	529.50
16220 ZCD's of ₹ 1000000/- each	25-Feb-22	**	-	1,622.00
11730 ZCD's of ₹ 1000000/- each	25-Mar-21	***	-	1,173.00
7200 ZCD's of ₹ 1000000/- each	18-May-20	****	-	720.00
TOTAL				**4,044.50**

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

** Maturity Value of ₹ 13,27,103/- per Debenture including premium.

*** Maturity Value of ₹ 12,70,200/- per Debenture including premium.

**** Maturity Value of ₹ 11,14,676/- per Debenture including premium.

NOTE 17.3

The details of Commercial Papers are as under:

(₹ in crore)

Particulars	Date of Maturity	Discounting Rate	As at March 31, 2021
15000 Units of ₹ 500000 each	18-Feb-22	4.50%	721.28
9700 Units of ₹ 500000 each	14-Feb-22	4.44%	466.96
20000 Units of ₹ 500000 each	14-Dec-21	4.05%	972.53
25000 Units of ₹ 500000 each	30-Nov-21	4.05%	1217.47
20000 Units of ₹ 500000 each	10-Nov-21	3.95%	976.75
20000 Units of ₹ 500000 each	25-Oct-21	3.95%	978.39
22000 Units of ₹ 500000 each	08-Sep-21	4.23%	1,080.05
20000 Units of ₹ 500000 each	12-Aug-21	4.19%	985.27
22000 Units of ₹ 500000 each	20-Jul-21	4.19%	1,086.33
20000 Units of ₹ 500000 each	25-Jun-21	3.57%	991.80
15000 Units of ₹ 500000 each	21-Jun-21	3.57%	744.14
6500 Units of ₹ 500000 each	14-Jun-21	3.99%	322.45
7000 Units of ₹ 500000 each	14-Jun-21	3.72%	347.42
7000 Units of ₹ 500000 each	14-Jun-21	3.70%	347.43
20000 Units of ₹ 500000 each	26-May-21	5.55%	991.98
Total			**12,230.25**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crore)

Particulars	Date of Maturity	Discounting Rate	As at March 31, 2020
19000 Units of ₹ 500000 each	10-Mar-21	6.03%	898.69
15000 Units of ₹ 500000 each	9-Feb-21	6.20%	711.85
17000 Units of ₹ 500000 each	22-Jan-21	6.50%	807.32
6000 Units of ₹ 500000 each	19-Nov-20	6.37%	288.35
7000 Units of ₹ 500000 each	11-Nov-20	6.38%	336.85
13000 Units of ₹ 500000 each	11-Nov-20	6.38%	625.57
17500 Units of ₹ 500000 each	11-Sep-20	6.50%	850.44
3000 Units of ₹ 500000 each	10-Sep-20	6.50%	145.82
22000 Units of ₹ 500000 each	20-Aug-20	6.80%	1,072.15
4000 Units of ₹ 500000 each	15-Jul-20	7.49%	195.82
14000 Units of ₹ 500000 each	8-Jun-20	5.32%	693.09
20200 Units of ₹ 500000 each	28-May-20	7.75%	998.19
Total			**7,624.14**

NOTE 18: BORROWINGS (OTHER THAN DEBT SECURITIES) - AT AMORTISED COST

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
SECURED (Refer Note 18.1)		
(a) Term Loans		
(i) from Banks (Rupee Term Loans) **	35,551.12	25,622.55
(ii) National Housing Bank (Refinance) **	10,119.54	1,882.17
(iii) Other Financial Institutions **	-	-
(b) Loans repayable on demand from Banks (Rupee Term Loans) **	15,000.00	16,140.00
Total (A) Borrowings in India	**60,670.66**	**43,644.72**
UNSECURED:		
(a) Term Loans		
(i) from Banks (ECB) **	1,462.08	1,495.71
Total (B) Borrowings out side India	**1,462.08**	**1,495.71**
Total Borrowings (A) + (B)	**62,132.74**	**45,140.43**

NOTE 18.1

Negative lien on the assets of the Company (excluding current and future receivables and book-debt of whatsoever nature of the Company on which a first pari-pasu floating charge by way of hypothecation to secure the borrowings (Excluding ECB) of the company outstanding as on March 31, 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on March 31, 2015), with a minimum asset cover of 100%. Further the Company shall be entitled to dispose off, transact or otherwise deal, in the ordinary course of business upto 5% of the Specific Assets, including by way of a securitization transaction and as may be required under any law, regulations, guidelines or rules and Immovable Property acquired by Company on or after September 26, 2001.

** Maturity Profile of Term Loans, ECB, Loan from Other Financial institutions and National Housing Bank (Refinance)

(₹ in crore)

Particulars	As at March 31, 2021			
	Term Loans Banks	External Commercial Borrowings (ECB)	National Housing Bank (Refinance)	Total
	(ROI 4.00% - 6.95%)	(ROI 7.52%)	(ROI 3.00% - 8.18%)	
Within 12 months	22,287.00	-	3,534.56	25,821.56
Over 1 year to 3 years	14,759.45	1,462.08	2,902.90	19,124.43
Over 3 to 5 years	8,499.09	-	2,148.04	10,647.13
Over 5 to 7 years	4,405.58	-	913.92	5,319.50
Over 7 Years	600.00	-	620.12	1,220.12
Total	**50,551.12**	**1,462.08**	**10,119.54**	**62,132.74**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crore)

Particulars	As at March 31, 2020			
	Term Loans Banks	External Commercial Borrowings (ECB)	National Housing Bank (Refinance)	Total
	(ROI 6.00% - 7.95%)	(ROI 7.52%)	(ROI 6.80% - 8.75%)	
Within 12 months	20,930.77	-	537.00	21,467.77
Over 1 year to 3 years	9,967.33	1,495.71	788.15	12,251.19
Over 3 to 5 years	7,168.62	-	419.52	7,588.14
Over 5 to 7 years	2,778.33	-	137.50	2,915.83
Over 7 Years	917.50	-	-	917.50
Total	**41,762.55**	**1,495.71**	**1,882.17**	**45,140.43**

NOTE 19: DEPOSITS - AT AMORTISED COST

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
UNSECURED:		
(i) Public Deposits	7,510.52	6,384.08
(ii) Corporate Deposits	10,825.15	6,224.91
Total	**18,335.67**	**12,608.99**

The Company has designated liquid assets for the purpose of maintaining Statutory Liquid Ratio and Floating Charge on Fixed Deposits with banks has been created in favour of the Trustees for Depositors

NOTE 20: SUBORDINATED LIABILITIES - AT AMORTISED COST

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
UNSECURED:		
(i) Subordinated Bonds	1,795.12	500.00
(ii) Upper Tier II Bonds	-	1,000.00
Total (A)	**1,795.12**	**1,500.00**
Subordinated Liabilities in India	1,795.12	1,500.00
Subordinated Liabilities outside India	-	-
Total (B)	**1,795.12**	**1,500.00**

The details of Subordinated Bonds are as under:

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2021
3000 Bonds of ₹ 1,000,000 each	19-Mar-31	7.70%	-	304.23
5000 Bonds of ₹ 1,000,000 each	19-Mar-31	7.70%	-	498.70
10000 Bonds of ₹ 1,000,000 each	21-Dec-30	7.05%	-	992.19
Total				**1,795.12**

These Bonds are subordinated to present and future senior indebtedness of the Company and qualify as Tier II capital under National Housing Bank (NHB) guidelines for assessing capital adequacy. Based on the balance term to maturity as at March 31, 2021, 100% (F.Y. 2019-20 - 0 %) of the book value of the subordinated debt is considered as Tier II capital for the purpose of capital adequacy computation.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

The details of Subordinated Bonds are as under:

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2020
5000 Bonds of ₹ 1,000,000 each	15-Sep-20	8.95%	-	500.00
Total				**500.00**

These Bonds are subordinated to present and future senior indebtedness of the Company and qualify as Tier II capital under National Housing Bank (NHB) guidelines for assessing capital adequacy. Based on the balance term to maturity as at March 31, 2020, 0% (F.Y. 2018-19 - 20%) of the book value of the subordinated debt is considered as Tier II capital for the purpose of capital adequacy computation.

The details of Upper Tier II Bonds are as under:

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2021
	-	-	-	-
Total				**-**

The details of Upper Tier II Bonds are as under:

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2020
5000 Bonds of ₹ 1,000,000 each*	29-Nov-25	9.00%	29-Nov-20	500.00
5000 Bonds of ₹ 1,000,000 each*	26-Oct-25	8.90%	26-Oct-20	500.00
Total				**1,000.00**

Bonds of amount ₹ 1000 crore are with related party

*Redemption and call option excercisable with prior approval of National Housing Bank.

NOTE 21: OTHER FINANCIAL LIABILITIES

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Interest accrued		
- Non-Convertible Debentures	3,536.37	4,177.70
- Zero Coupon Debentures	471.22	535.26
- Term Loan	48.98	66.43
- Subordinated Bonds	20.94	58.79
- Deposits	809.15	598.02
(ii) Unclaimed Dividends *	8.79	7.85
(iii) Unpaid Matured Deposits	210.55	94.30
(iv) Book Overdraft [Refer Note 44]	1,329.46	682.54
(v) Pre-received Interest Liability on NCD Reissuance	40.83	38.76
(vi) Pre-received Interest Liability on Subordinated Bonds Reissuance	0.76	-
(vii) Miscellaneous Liabilities	121.01	468.84
Total	**6,598.06**	**6,728.49**

* As required under Section 125 of the Companies Act 2013, the Company has transferred ₹ 1.07 crores (F.Y. 2019-20 ₹ 0.98 crores) to the Investor Education and Protection Fund (IEPF) during the year.

NOTE 22: CURRENT TAX LIABILITIES (NET)

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Provision under Income Tax	7.76	-
Total	**7.76**	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 23: PROVISIONS

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Provision for Employee Benefits	137.25	144.91
(ii) Other Provisions	5.23	0.42
Total	**142.48**	**145.33**

NOTE 24: OTHER NON-FINANCIAL LIABILITIES

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Outstanding Expenses	128.70	88.92
(ii) Statutory Dues	82.93	70.20
(iii) Earnest Money Deposit	0.93	0.40
(iv) Others	72.51	64.14
Total	**285.07**	**223.66**

NOTE 25: SHARE CAPITAL

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
AUTHORISED		
750,000,000 Equity Shares of ₹ 2/- each (Previous year 750,000,000 Equity Shares of ₹ 2/- each)	150.00	150.00
ISSUED, SUBSCRIBED AND PAID-UP		
504,663,000 Equity Shares of ₹ 2/- each (Previous Year 504,663,000 Equity Shares of ₹ 2/- each) fully paid up	100.93	100.93
Add: Forfeited shares as per Note.23(d) below	0.06	0.06
	100.99	**100.99**

NOTE. 25 (A): RECONCILIATION OF NUMBER OF SHARES OUTSTANDING AND AMOUNT OF SHARE CAPITAL AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD

Equity Shares	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
Equity Shares outstanding as at the beginning of the year	50,46,63,000	100.93	50,46,63,000	100.93
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Equity Shares outstanding as at the end of the year	**50,46,63,000**	**100.93**	**50,46,63,000**	**100.93**

NOTE. 25 (B): RIGHTS ATTACHED TO EQUITY SHARES

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion to their shareholdings.

NOTE. 25 (C): DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARE IN THE COMPANY ARE GIVEN BELOW

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Life Insurance Corporation of India	20,34,42,495	40.31	20,34,42,495	40.31

NOTE. 25 (D): FORFEITED SHARES

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Amount received on forfeited shares	0.06	0.06
	0.06	**0.06**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

NOTE 26: OTHER EQUITY

(₹ in crore)

Particulars		As at March 31, 2021	As at March 31, 2020
(i)	**(a) Capital Reserve**		
	As per last Balance Sheet	**0.48**	**0.48**
(ii)	**Securities Premium Account**		
	As per last Balance Sheet	**1,705.29**	**1,705.29**
(iii)	**Cash Flow Hedge Reserve**		
	Opening Balance	-	-
	Add: Gain on ECB Cross Currency Swap	(5.69)	48.62
	Less: Loss due to Exchange Rate Fluctuation on ECB	(5.69)	(48.62)
	Closing Balance	**-**	**-**
(iv)	**Special Reserve - I**		
	In terms of Section 36(1)(viii) of Income-Tax, 1961 and Section 29C of National Housing Bank (NHB) Act,1987 (Upto financial year 1996-97)		
	As per last Balance Sheet	**38.98**	**38.98**
(v)	**Other Statutory Reserves including Special Reserve- II**		
	Balance at the beginning of the year		
	(i) Statutory Reserve u/s 29C of the NHB Act, 1987	0.16	0.15
	(ii) Amount of Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account for purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	5,854.33	5,104.34
	Total	**5,854.49**	**5,104.49**
	Addition / Appropriation / Withdrawal during the year		
	Add:		
	(i) Amount transferred u/s 29C of the NHB Act, 1987	0.01	0.01
	(ii) Amount of Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account for purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	829.99	749.99
	Less:		
	(i) Amount appropriated from Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
	(ii) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account which has been taken into account for purpose of provision u/s 29C of the NHB Act, 1987	-	-
	Balance at the end of the year		
	(i) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	0.17	0.16
	(ii) Amount of Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account for purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	6,684.32	5,854.33
	Total	**6,684.49**	**5,854.49**
(vi)	**General Reserve**		
	Opening Balance	6,482.97	5,882.97
	Add: Transferred during the year	700.00	600.00
	Closing Balance	**7,182.97**	**6,482.97**
(vii)	**Impairment Reserve**		
	Opening Balance	-	-
	Add: Transferred during the year	204.78	-
	Closing Balance	**204.78**	**-**
(vii)	**Surplus in the Statement of Profit and Loss**		
	Opening balance	4,009.89	3,426.07
	Add: Total Comprehensive Income for the year	2,731.94	2,394.99
	Less: Appropriations		
	Dividend Paid and Tax on Dividend Paid	403.73	461.17
	Transfer to General Reserve	700.00	600.00
	Transfer to Special Reserve - II	829.99	749.99
	Transfer to Impairment Reserve	204.78	-
	Transfer to Statutory Reserve u/s 29C of the NHB Act, 1987	0.01	0.01
	Closing Balance	**4,603.32**	**4,009.89**
		20,420.32	**18,092.10**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

Nature and purpose of each reserve

Securities Premium Reserve

Securities Premium Reserve" is used to denote the Share premium received on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Cash Flow Hedge Reserve

It represents the effective portion of cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

Special Reserve – I:

Special Reserve – I has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company. The amounts of Special Reserve account represents, the reserve created in terms of the provision of Section 36(1)(viii) read together with the proviso thereof, from time to time. Special Reserve No. I relates to the amounts transferred upto the Financial Year 1996-97 (Assessment Year 1997-98) when the word was 'created' only was used in the said section and not 'created and maintained'. Admittedly, the position has changed after the amendment made in Section 36(1)(viii) by the Finance Act 1997 with effect from Assessment year 1998-99, when the mandatory requirement of 'maintaining' the special reserve created was inserted. Accordingly, it was interpreted that the Special Reserve created upto Assessment Year 1997-98 need not be 'maintained'. As a logical corollary, it is construed that upto Assessment Year 1997-98, the amounts carried to special reserve ought to be understood as amounts created by transferring to the credit of special reserve from time to time.

Special Reserve – II:

Special Reserve – II has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company transferred from Financial Year 1997-98 (Assessment Year 1998-99). In the F.Y. 2020-21 ₹ 829.99 crore (F.Y. 2019-20 ₹ 749.99 crore) has been transferred to Special Reserve No. II in terms of Section 36(1)(viii) of the Income tax Act, 1961.

Statutory Reserves under Section 29C (Regulatory Capital) of NHB:

Upto financial year 1996-97: The Company being regulated by NHB had to mandatorily transfer an amount as per Section 29C of NHB Act, 1987 on the similar lines as that of for Special Reserve – I which has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961 and it relates to the amounts transferred upto the Financial Year 1996-97 (Assessment Year 1997-98).

After financial year 1996-97: The Company being regulated by NHB has to mandatorily transfer an amount as per Section 29C of NHB Act, 1987 on the similar lines as that of for Special Reserve – II which has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961. For the year under review an amount of ₹ 1,00,000.00 (F.Y. 2019-20 ₹ 1,00,000.00) has been transferred to Statutory Reserve under Section 29C the NHB Act.

General Reserve:

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013. However, since the Company utilises the deduction available to Housing Finance Companies registered with National Housing Bank as provided in Section 36(1)(viii) of the Income tax Act, 1961, wherein the proviso of the Section stipulates that the amount carried to such reserve account from time to time exceeds twice the amount of the paid up share capital and general reserves of the Company, the rebate is restricted to the twice of the aggregate of paid up capital and the general reserve. Therefore, the Company transfers funds to General Reserve in order to avail the full benefit of Section 36(1)(viii). For the year, the Company has transferred an amount of ₹ 700 crore to General Reserve. (F.Y. 2019-20 ₹ 600 crore).

NOTE 27: INTEREST INCOME

(₹ in crore)

Particulars	On Financial Assets measured at Amortised Cost	
	Year Ended March 31, 2021	Year Ended March 31, 2020
(i) Interest on Loans & Advances	19,514.31	19,461.95
(ii) Interest Income from Investments	146.42	110.54
(iii) Interest on Deposits with Banks	36.05	33.45
(iv) Other Interest Income (Net)	0.33	(0.59)
Total	**19,697.11**	**19,605.35**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 28: FEES & COMMISSION INCOME

(₹ in crore)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(i) Fees & Commission Income	78.82	39.42
Total	**78.82**	**39.42**

NOTE 29: NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS - UNDER AMORTISED COST CATEGORY

(₹ in crore)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(i) Gain on Derecognition of Financial Instruments	9.45	5.86
Total	**9.45**	**5.86**

NOTE 30: OTHERS

(₹ in crore)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(i) Net gain on Derecognition of Financial Instruments measured at Fair Value through Profit & Loss Account	32.82	21.66
(ii) Miscellaneous Income	28.95	24.40
Total	**61.77**	**46.06**

NOTE 31: OTHER INCOME

(₹ in crore)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(i) Dividend Income from Subsidiaries	5.77	5.97
(ii) Dividend Income from Associates	-	0.22
(iii) Income from subleasing right-of-use assets	0.07	0.12
(iv) Net gain/(loss) on derecognition of property, plant and equipment	0.01	0.12
(v) Net gain or (loss) on foreign currency translation	(5.31)	(33.36)
Total	**0.54**	**(26.93)**

NOTE 32: FINANCE COSTS

(₹ in crore)

Particulars	On Financial Liabilities measured at Amortised Cost	
	Year Ended March 31, 2021	Year Ended March 31, 2020
(i) Interest on deposits	1,207.68	878.06
(ii) Interest on borrowings	3,222.10	2,333.32
(iii) Interest on debt securities	9,917.68	11,383.78
(iv) Interest on subordinated liabilities	96.80	177.84
(v) Interest on Lease Liability	8.32	10.86
Total	**14,452.58**	**14,783.86**

NOTE 33: FEES AND COMMISSION EXPENSE

(₹ in crore)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(i) Fees & Commission	109.15	60.56
Total	**109.15**	**60.56**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 34: NET LOSS ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTIZED COST CATEGORY

(₹ in crore)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(i) Loans Written Off	-	35.71
(ii) Loss on Derecognition of Financial Instruments	27.42	11.78
Total	**27.42**	**47.49**

NOTE 35: IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in crore)

Particulars	On Financial Instruments measured at Amortised Cost	
	Year Ended March 31, 2021	Year Ended March 31, 2020
(i) Loans	1,287.13	952.91
(ii) Others	30.48	(0.17)
Total	**1,317.61**	**952.73**

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

NOTE 36: EMPLOYEE BENEFITS EXPENSES

(₹ in crore)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(i) Salaries and Wages	223.71	229.92
(ii) Contribution to Provident and Other Funds [Refer Note 49]	32.97	29.75
(iii) Staff Welfare Expenses	36.50	39.42
Total	**293.18**	**299.09**

NOTE 37: OTHER EXPENSES

(₹ in crore)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(i) Rent, Rates and Taxes	23.72	13.93
(ii) Repairs and Maintenance - Building	2.06	1.39
(iii) Repairs and Maintenance - Others	10.00	8.53
(iv) Communication Costs	10.42	10.69
(v) Printing and Stationery	5.86	6.53
(vi) Advertisement & Publicity Expenses	42.97	44.73
(vii) Director's fees, allowances and expenses	0.53	0.62
(viii) Auditor's fees and expenses [Refer Note 45]	0.67	0.67
(ix) Legal and Professional charges	14.68	5.80
(x) Insurance Charges	0.17	0.14
(xi) Travelling and Conveyance	9.64	13.22
(xii) Competition Prizes & Conference Expenses	19.03	6.41
(xiii) Electricity Expenses	5.00	5.61
(xiv) Service Charges for Safe Custody of Documents	11.89	10.68
(xv) Contribution towards CSR activites [Refer Note 54]	63.03	61.49
(xvi) Miscellaneous Expenses	30.07	18.53
Total	**249.74**	**208.97**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

38. FINANCIAL INSTRUMENTS

38.1 Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements as per the directions issued by Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the guidelines issued by RBI.

The Company's objective, when managing Capital, is to safeguard the ability of the Company to continue as a going concern, maintain strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder's value.

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to maximize the shareholder's value. The capital of the Company comprises of Equity Share Capital and subordinated liabilities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The Management of the Company monitors the Regulatory capital by overviewing Debt Equity Ratio and makes use of the same for framing the business strategies. For this purpose, the Company does not consider Impairment Reserve to be part of Equity.

The Debt Equity Ratio of the Company is calculated as below:

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Debt Securities	1,25,597.96	1,32,082.26
Borrowings (Other than Debt Securities)	62,132.74	45,140.43
Deposits	18,335.67	12,608.99
Subordinated Liabilities	1,795.12	1,500.00
A) Total Debt	2,07,861.49	1,91,331.68
B) Total Equity-Shareholder's Funds	20316.53	18,193.09
C) Debt Equity Ratio (A/B)	10.24	10.52

38.1.1 Regulatory Capital

For regulatory and supervisory purposes including various types of reporting as per the directions issued by Reserve Bank of India (RBI) have been considered. Accordingly, regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings including current year profit. The other component of regulatory capital is Tier 2 Capital Instruments, which includes upper tier 2 and subordinated bonds. Impairment Reserve of ₹204.78 crores has not been considered as part of Equity.

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Equity Tier1 capital	19,254.96	15,616.76
Other Tier 2 capital	1,949.45	2,176.54
Total Capital	21,204.41	17,793.30
Risk weighted assets	1,38,787.54	1,28,125.92
Tier 1 capital adequacy ratio	13.87%	12.19%
Total capital adequacy ratio	15.28%	13.89%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

38.2 Categories of Financial Instruments:

(₹ in crore)

Particulars	As at March 31, 2021			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Financial Assets				
Cash and Cash Equivalents	1,329.15	-	-	1,329.15
Bank Balance other than above	17.57	-	-	17.57
Derivative Financial Instruments	-	5.69	-	5.69
Loans	2,28,114.27	-	-	2,28,114.27
Investments	2,402.41	2,135.20	98.00	4,635.61
Other Financial Assets	105.87	-	-	105.87
Total	**2,31,969.28**	**2,140.89**	**98.00**	**2,34,208.16**
Financial Liabilities				
Derivative Financial Instruments	-	-	-	-
Lease Liability	121.03	-	-	121.03
Trade Payables	96.12	-	-	96.12
Debt Securities	1,25,597.96	-	-	1,25,597.96
Borrowings (Other than Debt Securities)	62,132.74	-	-	62,132.74
Deposits	18,335.67	-	-	18,335.67
Subordinated Liabilities	1,795.12	-	-	1,795.12
Other Financial Liabilities	6,598.06	-	-	6,598.06
Total	**2,14,676.70**	**-**	**-**	**2,14,676.70**

(₹ in crore)

Particulars	As at March 31, 2020			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Financial Assets				
Cash and Cash Equivalents	1,365.72	-	-	1,365.72
Bank Balance other than above	613.23	-	-	613.23
Derivative Financial Instruments	-	80.48	-	80.48
Loans	2,07,987.97	-	-	2,07,987.97
Investments	1,814.63	3,583.74	98.00	5,496.37
Other Financial Assets	21.41	-	-	21.41
Total	**2,11,802.96**	**3,664.22**	**98.00**	**2,15,565.18**
Financial Liabilities				
Derivative Financial Instruments	-	22.90	-	22.90
Lease Liability	125.86	-	-	125.86
Trade Payables	34.57	-	-	34.57
Debt Securities	1,32,082.26	-	-	1,32,082.26
Borrowings (Other than Debt Securities)	45,140.43	-	-	45,140.43
Deposits	12,608.99	-	-	12,608.99
Subordinated Liabilities	1,500.00	-	-	1,500.00
Other Financial Liabilities	6,728.49	-	-	6,728.49
Total	**1,98,220.60**	**22.90**	**-**	**1,98,243.50**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

38.3 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The Company evaluates the significance of financial instruments and material accuracy of the valuations incorporated in the financial statements as they involve a high degree of judgement and estimation uncertainty in determining the carrying values of financial assets and liabilities at the balance sheet date. Fair value of financial instruments is determined using valuation techniques and estimates which, to the extent possible, use market observable inputs, but in some cases use non-market observable inputs. Changes in the observability of significant valuation inputs can materially affect the fair values of financial instruments. In determining the valuation of financial instruments, the Company makes judgements on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 instruments, and the significant valuation judgements in respect of Level 3 instruments.

Fair Value Hierarchy

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained below.

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the observability of the significant inputs used to determine the fair values. Changes in the observability of significant valuation inputs during the reporting period may result in a transfer of assets and liabilities within the fair value hierarchy. The Company recognises transfers between levels of the fair value hierarchy when there is a significant change in either its principal market or the level of observability of the inputs to the valuation techniques as at the end of the reporting period.

Level 1: Fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Fair value measurements are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable

Level 3: Fair value measurements are those where at least one input which could have a significant effect on the instrument's valuation is not based on observable market data

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

(₹ in crore)

Particulars	Category	Fair Value As at March 31, 2021	Fair Value As at March 31, 2020	Fair Value Hierarchy	Valuation Technique	Key Inputs for Level 2 & Level 3	Significant unobservable input(s) for Level 3
Financial Assets							
Mutual funds	FVTPL	2,120.34	3,562.94	Level 1	Quoted Market Price for Mutual Funds	NA	NA
Derivative financial instruments	FVTPL	-	31.86	Level 2	On the basis of traded swap yields published	Published yields	NA
	FVTPL	5.69	48.62	Level 2	Mark-to-Market of the derivative	Valuation received from counterparty	NA
Initial Settlers Contribution Under Indenture Trust	FVTPL	0.002	0.002	Level 3	Book Value	Refer Note below	Refer Note below
LICHFL Urban Development Fund	FVTPL	14.85	18.82	Level 3	NAV as on reporting date declared by the Fund and other factors	Refer Note below	Refer Note below
LICHFL Housing And Infrastructure Fund	FVTPL	0.00	1.98				
CIG Realty	FVTPL	0.00	0.00	Level 3	NAV as on reporting date declared by the Fund and other factors	Refer Note below	Refer Note below
Non-Financial Assets							
Assets Held for Sale	FVTPL	126.19		Level 2	Valuation as per independent valuer	Refer Note Below	Refer Note Below
Financial Liabilities							
Derivative Financial Instruments	FVTPL	-	22.90	Level 2	On the basis of traded swap yields published	Published yields by counterparty	NA

There were no transfers between Level 1, Level 2 and Level 3 during the year

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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Valuation Techniques

Equity instruments

Units held in funds having quoted market price are fair valued considering Level 1 inputs. Others which are measured based on their net asset value (NAV) as on reporting date, taking into account redemption and/or other restrictions. Such instruments are generally fair valued considering Level 3 inputs.

Equity instruments in non-listed entities including investment in private equity funds are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case basis and classified as Level 3. However, Provision for Diminution in value of Investment has been considered for computing the fair value.

Interest rate derivatives and Cross Currency Swaps

Interest rate derivatives include interest rate swaps. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations by estimating future cash flows and discounting them with the appropriate yield curves incorporating funding costs relevant for the position.

The fair value of a cross currency swap is calculated by determining the future cash flows on both legs (i.e. the receiving leg and the paying leg), and discounting these cash flows using an appropriate discount factor curve.

These contracts are generally Level 2 unless adjustments to yield curves or credit spreads are based on significant non-observable inputs, in which case, they are Level 3.

Valuation adjustments and other inputs and considerations

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 financial assets does not have a significant impact in its value.

No valuation adjustments have been made to the prices/yields provided for valuation.

Financial Instruments not measured using Fair Value, i.e. measured using Amortized Cost/Cost

The following table is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair value of non-financial assets and non-financial liabilities.

(₹ in crore)

Particulars	Carrying Value	Fair Value Hierarchy	Fair Value
As at March 31, 2021			
Financial Assets			
Government Securities	2,402.42	Level 1	2,446.41
Investment in subsidiaries and associates	98.00	Level 3	98.00*
As at March 31, 2020			
Financial Assets			
Government Securities	1,814.63	Level 1	1,874.25
Investment in subsidiaries and associates	98.00	Level 3	98.00

* Computed as per INDAS norms

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

Government debt securities

Government debt securities are financial instruments issued by sovereign governments and include long term bonds with fixed rate interest payments. These instruments are generally highly liquid and traded in active markets resulting in a Level 1 classification. When active market prices are not available, the Company uses discounted cash flow models with observable market inputs of similar instruments and bond prices to estimate future index levels and extrapolating yields outside the range of active market trading, in which instances the Company classifies those securities as Level 2. The Company does not have Level 3 government securities where valuation inputs would be unobservable.

Investment in subsidiaries and associates

In the opinion of the Company, in case of subsidiaries and associates, the carrying value approximates the fair value.

Other Financial Assets and Liabilities

With respect to Bank Balances and Cash and Cash Equivalents, Other Financial Assets, Trade Payables and Other Financial Liabilities, the carrying value approximates the fair value.

38.4 Financial Risk Management

Introduction

The Company has operations in India and representative offices in Kuwait & Dubai. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating, regulatory and competition risks.

Impact of Covid-19 (Global Pandemic)

The outbreak of coronavirus or the Covid-19 pandemic has resulted in multiple repercussions for most of the businesses. Economic activities in India came to a grinding halt since the lockdown was announced. Multiple adverse effects on the real estate sector were observed resulting in sharp dip in sales and halting of project launches. As Indian economy dipped, many companies resorted to various cost cutting measures like mass layoffs and sharp pay cuts. Amidst threat of job insecurity, individuals looking for real estate investment had deferred their plans. Another effect on real estate sector, was when the housing projects got stalled because of transportation logjams and mass exodus of daily wage workers. To maintain cash flow and liquidity, realtors abstained from investing in new projects and concentrated on completion of their ongoing project and sale of their existing inventory.

Risk Management Framework

The Company has a formal risk assessment program to proactively identify the risks and ensure all possible strategies to control & mitigate in pursuit of achieving the Company's objective. Every department is responsible for identification of their risks and putting it in their Risk Registers. The consolidated Risk Register is analyzed at various Committees.

At present, the risks faced by the Company are broadly categorized as below:-

- Liquidity Risk
- Credit Risk
- Market Risk
- Interest Rate Risk
- Operational Risk
  A. Compliance Risk
  B. Legal Risk
- Regulatory Risk
- Competition Risk
- Currency Risk

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Committees

In order to bring the collective knowledge in decision making, the Company has undertaken a Committee approach to deal with the major risks arising in the organization. Committees, their formation and the roles are provided below.

Top Level Committee

Risk Management Committee of Board (RMCB)

Company has a Risk Management Committee of Board in place which consists of Independent Directors and the MD & CEO of the Company.

The role of the Committee is as follows-:

- Review of Risk Management Policy
- Review of the current status on the risk limits in the Risk Management Policy and Report to the Board
- Review the matters on Risk Management
- Review and monitor the risks to which the Company is exposed
- Review the Anti-Fraud Policy

Internal Committee

Risk Management Committee and Operational Risk Group (RMC & ORG)

Company has an internal Risk Management Committee and Operational Risk Group whose major function include review of Risk Registers submitted on a monthly basis by all departments. It comprises of HODs of Risk Management, Finance, Project Finance, Credit Monitoring, IT, and as nominated by MD & CEO of the Company. A list off functions performed by RMC & ORG is given below -:

- Review of Risk Management Policy
- Review of monthly Risk Register submitted by various depts.
- Review of the current status on the outer limits prescribed in the Risk Policy and submitting the report to RMCB & Board
- Assessment of risks in the Company and suggesting control/mitigation measures thereof

The Company has exposure to following risks arising from the financial instruments:

38.4.1 Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources in addition to its core deposit base and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. The Company has developed internal control processes and contingency plans for managing liquidity risk.

Housing Finance being the core business, maintaining the liquidity for meeting the growth perspective in the business as also to honor the committed repayments is the fundamental objective of the Asset Liability Management (ALM) framework. Investments, including investments as a part of liquid asset requirement, also forms part of ALM requirement and it is imperative to constantly monitor the liquidity of the investments to achieve the core objective.

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Internal Control Process & Liquidity Management

Being in the business of Housing Loans, funds are required to be raised by the Company ahead of loan disbursements so that there is no liquidity crunch. Funds are required to be raised not only for the incremental housing loan assets but also for meeting the committed/due repayments of the earlier borrowings and/or Interest payments on the borrowings. Funds therefore are raised with a reasonable cushion over and above the committed repayments, committed disbursements and unutilized sanctions in pipeline and the expected business targets.

The Company ensures that funds are available from various investor pools and banks. Liquid funds are available in the form of Non-Convertible Debentures and other Market Instruments, Bank Loans, Refinance from NHB and Foreign Currency Loans. In case of Public Deposits accepted by the Company, a prescribed percentage (as defined by NHB from time to time) is to be invested in approved securities in terms of Liquid Asset Requirement (as per notification no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21). On the assets side, the Company has loan products broadly classified under individual retail loans and project finance loans with varying repayment structures depending upon the nature of product.

The liquidity is managed at the Corporate Office of the Company with Back Offices providing their liquidity requirements. The surplus funds available with the Back Offices are pooled and funds from the market are arranged for the Back Offices having a deficit of funds. Only surplus funds arrived at after deducting the committed/confirmed outflows (including projected disbursements of loans) from the available resources - both from internal accretions as well as borrowed funds, would be considered as Surplus available for Investment in approved instruments on day-to-day basis. The Company can place surplus funds in Fixed Deposits with selected Scheduled / Commercial / Foreign Banks and / or Financial Institutions within overall exposure limit fixed for each Bank / FI from time to time by the Board. Considering the market risk and the mark-to-market requirements of the debt mutual funds, currently Company is making Investments only in liquid Mutual Fund schemes. Exposure limits for each Investment instrument is approved by the Board and reviewed from time to time as per the requirements.

ALCO Committee

Roles & Responsibilities

The Asset Liability Management (ALM) Committee presents the Structural and Dynamic Liquidity Report to the Risk Management Committee on a quarterly basis and meetings are held every month. The ALM Committee formulates the ALM Policy which is reviewed at least once a year. If any change is required, then, the revised policy along with desired change and rationale for the same shall be put up to the Risk Management Committee or any Other Committee constituted by the Board. Consequent to the recommendation of the Risk Management Committee, the reviewed policy would be put up to the Board for its approval.

Composition

ALCO Committee is headed by the MD & CEO of the Company. Other members of the Committee comprise HODs of Departments Finance, Credit Appraisal, Project Finance, Taxation, Accounts, Marketing, IT, Risk Management, Credit Monitoring and as nominated by MD & CEO of the Company.

Changes from previous period

There are no significant changes in the Financial Policies.

Liquidity Ratios during the year

1) The structural liquidity (as defined by NHB) negative gap upto one year has not exceeded 15% of the cumulative cash outflows up to one year.

2) The structural liquidity (as defined by NHB) negative gap upto 14 days as also over 14 days and upto one month has not exceeded 15% of the cash outflows during those respective durations.

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Contractual Maturities of Financial Liabilities as at March 31, 2021

(₹ in crore)

Particulars	On demand	Upto 3 months	Above 3 months to 12 months	Above 1 Year - 3 Years	Above 3 Years - 5 Years	Above 5 Years- 10 Years	Above 10 Years	TOTAL
Financial Liabilities								
Derivative financial instruments	-	-	-	-	-	-	-	-
Lease Liabilities	-	10.77	28.46	50.90	29.78	29.55	0.30	**149.76**
Trade Payables	96.12	-	-	-	-	-	-	**96.12**
Debt Securities	-	6,031.00	29,016.00	39,179.52	34,322.98	17,321.60	-	**1,25,871.10**
Borrowings (Other than Debt Securities)	9,000.00	4,001.12	12,820.44	19,088.08	10,647.13	6,539.62	-	**62,096.39**
Deposits	-	2,583.72	10,539.00	2,989.77	2,265.96	-	-	**18,378.45**
Subordinated Liabilities	-	-	-	-	-	1,804.41	-	**1,804.41**
Other financial liabilities (to be specified)	341.42	2,595.52	3,324.01	275.98	68.30	-	-	**6,605.27**
Total	**9,437.54**	**15,222.14**	**55,727.91**	**61,584.25**	**47,334.15**	**25,695.17**	**0.30**	**2,15,001.50**

Contractual Maturities of Financial Liabilities as at March 31, 2020

(₹ in crore)

Particulars	On demand	Upto 3 months	Above 3 months to 12 months	Above 1 Year - 3 Years	Above 3 Years - 5 Years	Above 5 Years- 10 Years	Above 10 Years	TOTAL
Financial Liabilities								
Derivative financial instruments	-	22.90	-	-	-	-	-	**22.90**
Lease Liabilities	-	11.66	28.35	69.26	26.50	23.16	-	**158.93**
Trade Payables	34.57	-	-	-	-	-	-	**34.57**
Debt Securities	-	9,251.00	29,309.00	42,469.30	24,883.67	26,435.00	-	**1,32,347.97**
Borrowings (Other than Debt Securities)	-	879.63	20,582.12	12,181.21	7,588.15	3,839.34	-	**45,070.45**
Deposits	-	889.36	5,257.25	4,545.25	1,948.56	-	-	**12,640.42**
Subordinated Liabilities	-	-	500.00	-	-	1,000.00	-	**1,500.00**
Other financial liabilities	102.15	2,607.71	3,545.22	446.00	50.25	-	-	**6,751.33**
Total	**136.72**	**13,662.26**	**59,221.94**	**59,711.02**	**34,497.13**	**31,297.50**	**-**	**1,98,526.57**

38.4.2 Credit Risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has defined Loan selection principles for establishing creditworthiness of the counterparties and criteria for determining the quantum of loan. The Company has adopted a policy of dealing with creditworthy counter parties and obtaining sufficient collateral as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored.

On 6 August 2020 the Reserve Bank of India (RBI) announced a resolution framework for COVID-19-related stress (the framework) to address borrower default pursuant to the stress caused by the pandemic without necessitating a change of ownership and without an asset classification downgrade modifying the existing framework (prudential framework).

The COVID-19 stress framework covers resolutions regarding personal and corporate loan accounts.

Only those borrower accounts which were classified as standard, but not in default for more than 30 days with the lending institution as of 1 March 2020 and those accounts with stress due to COVID-19, were eligible for resolution under the framework.

The carrying amount of loans as at March 31, 2021 is ₹ 2,32,013.80 crore (F.Y. 2019- 20 ₹ 2,10,600.42 crore) which best represent the maximum exposure to credit risk, the related Expected credit loss amount to ₹ 3,899.53 crore (F.Y. 2019-20 ₹ 2,612.45 crore). The Company has right to sell the collateral in case borrower defaults. The carrying amount of loans as at March 31, 2021 includes ₹ 11.11 crore towards Loans to Staff, Loans against Public Deposit and Finance Lease Receivables. (F.Y. 2019-20 ₹ 22.75 crore).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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38.4.2.1 Credit Risk Mitigation measures

Independent internal legal and technical evaluation team in the Company makes credit decisions more robust and in line to manage collateral risk. The in-house Credit team conducts a credit check and verification procedure on each customer, ensuring consistent quality standards to minimize future losses. To review the adherence to laid down policies and quality of appraisal, Company's independent internal audit team conducts a regular review of files on a sample basis. A dedicated collection and recovery team manages lifecycle of transactions and monitors the portfolio quality.

Credit Norms: - Certain credit norms and policies are being followed by the Company to manage credit risk, including a standard credit appraisal policy based on customer credit worthiness. These criteria change between loan products and typically include factors such as profile of applicant, income and certain stability factors such as the employment and dependency detail, other financial obligations of the applicant, Loan to value and the loan-to-cost ratio. Standardized credit approval process including a comprehensive credit risk assessment is in place which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower.

The Credit Policy defines parameters such as Borrower's ability to pay, Reputation of Employer, Nature of employment/ Self-employed, Qualification of Applicants, Stability of Residence, Family size and dependence on Applicants income, Insufficient sales proceeds to pay the dues in case of Project Loans due to project slowdown etc. to ensure consistency of credit quality.

Retail lending:

For retail lending, credit risk management is achieved by considering various factors like:

- **Assessment of borrower's capability to pay –** a detailed assessment of borrower's capability to pay is conducted. The approach of assessment is laid down in the credit policy of the Company. Various factors considered for assessment are credit information report, analysis of bank account statement and valuation of property.

- **Security cover –** Analysing the value of the property which is offered as security for the loan is essential for the overall underwriting of the loan. It is essential that it is valued before the disbursement of loan to arrive at a clear idea about its cost, valuation, marketability and loan to property ratio.

- **Additional Security –** Additional Security can be by way of pledge of acceptable Additional Collaterals such as LIC Policies or other Securities like NSCs, FDs, Kisan Vikas Patra, etc. is considered. This is taken depending on nature of loan proposal and amount of risk involved.

- **Geographical region –** The Company monitors loan performance in a particular region to assess if there is any stress due to natural calamities etc. impacting the performance of the loan in a particular geographic region.

Project lending:

For project lending, credit risk management is achieved by considering various factors like:

- **Promoter's strength –** a detailed assessment of borrower's capability to pay is conducted. Various factors considered for promoter's assessment are the financial capability, past track record of repayment, management and performance perspective.

- **Credit information report –** It is very essential to check the Creditworthiness of an Applicant & the Credit History of Borrower for Consumer or Commercial Loans. The Company uses this Report for taking a Decision on Credit Sanction by getting details of the Credit History of a Borrower. For Project Loans, reports from independent institutions are referred so as to get the marketability report of the project and its neighbourhood analysis.

- **Security cover –** Analysing the value of the property which is offered as security for the loan is essential for the overall underwriting of the loan. With respect to project loans, the main security taken is underlying land and structure there on. Technical appraisals are conducted to establish the life, soundness, marketability and value of the security.

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- **Additional Security –** Additional Security is taken depending on nature of loan proposal and amount of risk involved. In some cases, the hypothecation of receivables from the loan is taken. The Negative lien is marked on the flats in the project to the extent of 1.5 times or more as per merits of the case. The Company endeavours to maintain the security cover of at least 1.5 times. Personal Guarantee of promoter directors / corporate guarantee of Company is also obtained as Security. In some cases, the Additional Collateral in the form of Fixed Deposits are also accepted. In case of Higher Risk, Debt Service Recovery Account is also maintained. The Charge on the security / Additional Collateral security is also registered in Central Registry / ROC.

- **Geographical region –** The Company monitors loan performance in a particular region to assess if there is any stress due to natural calamities etc. impacting the performance of the loan in that geographic region.

  The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

Derivative financial instruments:

Interest rate swaps –

The exposure of the Company to Derivatives contracts is in the nature of interest Rate Swaps and currency swaps to manage risk associated with interest rate movement and fluctuation in currency exchange rate.

Derivative policy of the Company specifies the exposure norms with respect to single counterparty and the total underlying amount at the time of entering into the new derivative contract.

The Asset Liability Management Committee (ALCO) of the Company oversees efficient management of risk associated with derivative transactions. Company identifies, measures, monitors the exposure associated with derivative transaction. For effective mitigation of risk it has an internal mechanism to conduct regular review of the outstanding contracts which is reported to the ALCO & Risk Management Committee of the Board which in turn reports to the Audit Committee and to the Board of Directors.

The gain realized on early termination of swap is amortized over the balance tenor of the swap or underlying liability whichever is less. Loss if any on early termination is charged to revenue in the same year. The carry difference, between coupon rate liability and the swap contract rate is accounted quarterly on accrual basis.

38.4.2.2 Collateral and other credit enhancements

With respect to loan cases the main security taken is underlying property mortgaged by the borrower. Apart from the main security additional collaterals are also sought depending upon merits of the case. In some cases the hypothecation of receivables for the loan is also taken.

The Company after exploring all the possible measures, initiates action under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) against the mortgaged properties as a last resort to recover. Company follows the due procedure as laid down in the SARFAESI Act 2002 and accordingly takes the possession of the properties for its logical conclusion.

As the procedure involved under SARFAESI is to be followed in a time-bound manner, different loan accounts will be at various stages of SARFAESI proceedings.

The Company has taken taken possession of the properties under SARFESI and hold such properties for disposal. The Company has commenced recognising in Financial Statements ₹ 126.19 crore (net of loss of ₹. 12.04 crore) (Previous year NIL) as held as Assets Held for Sale. The Loan Portfolio includes Loans amounting to ₹. 325.06 crore (F.Y. 2019-20 ₹ 440.78 crore) against which the Company has taken possession of the properties under SARFAESI and hold such properties for disposal. The Value of assets possessed against the loan is ₹. 319.56 crore (F.Y. 2019-20 ₹. 425.66 Cr.) being lower of the fair value of the asset possessed and the outstanding as at March 31, 2021.

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38.4.2.3 Impairment Assessment

The Company applies general approach to provide for credit losses prescribed by Ind AS 109, which provides to recognise 12-months expected credit losses where credit risk has not increased significantly since initial recognition and to recognise lifetime expected credit losses for financial instruments for which there has been significant increase in credit risk since initial recognition considering all reasonable present and forward looking information.

Definition of Default

The Company considers a financial instrument as defaulted when the borrower becomes 90 days past due on its contractual payments. Such instruments are considered as Stage 3 (credit-impaired) for ECL calculations.

The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses and the calculation and presentation of interest revenue.

Stage wise Categorisation of Loan Assets

The company categorises loan assets into stages based on the Days Past Due status:

- **Stage 1:** [0-30 days Past Due] It represents exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. The Company uses the same criteria mentioned in the standard and assume that when the days past due exceeds '30 days', the risk of default has increased significantly. Therefore, for those loans for which the days past due is less than 30 days, the Company recognises as a collective provision the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months.

- **Stage 2:** [31-90 days Past Due] The Company collectively assesses ECL on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Company recognises as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset)

- **Stage 3:** [More than 90 days Past Due] The Company identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. The Company use the same criteria mentioned in the standard and assume that when the days past due exceeds '90 days', the default has occurred.

Retail Loans:

Depending on the nature of the financial instruments and the credit risk information available for particular groups of financial instruments, an entity may not be able to identify significant changes in credit risk for individual financial instruments before the financial instrument becomes past due.

In case of retail loans, the financial instruments are backed by sufficient margin of underlying security which absorbs the associated risks. Hence, the Company has performed the assessment of significant increases in credit risk on a collective basis for retail loans by considering information that is indicative of significant increases in credit risk on groups of financial instruments.

For the purpose of determining significant increases in credit risk and recognising loss allowance on a collective basis, the Company has grouped financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increase in credit risk identified on a timely basis.

Project Loans:

Project loans are far less in number and more in terms of value per loan. The loans are also credit rated internally. However, the Company does not have any history of the loan transitioning from one rating to the other over a fairly long period of time to arrive at a reliable transition matrix.

The Company has used transition matrix compiled and published by a premier rating agency in India for arriving default rate.

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Accordingly, loans have been identified into different groups as given below:

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

(₹ in crore)

Particulars	Stage 1		Stage 2		Stage 3		TOTAL	
	Amount	Impairment	Amount	Impairment	Amount	Impairment	Amount	Impairment
As At March 31, 2021	2,08,018.16	117.16	14,336.50	37.17	9,659.13	3,745.19	2,32,013.80	3,899.53
As At March 31, 2020	1,94,678.78	0.10	9,605.48	0.15	6,316.16	2,612.20	2,10,600.42	2,612.45

38.4.2.4 ECL Model and Assumptions considered in the ECL model

The Company has used Markov chain model for estimating the probability of default on retail loans. In a Markov chain model for loans receivable an account moves through different delinquency states each quarter. For example, an account in the "Regular" state this quarter will continue to be in the "Regular" state next month if a payment is made by the due date and will be in the "90 days past due" state if no payment is received during that quarter.

Another valuable feature is that the Markov chain model maintains the progression and timing of events in the path from "Regular" to "Defaulted". For example, an account in the "Regular" state doesn't suddenly become "Defaulted". Instead, an account must progress monthly from the "Regular" state to the "90 days past due" state to the "180 days past due" state and so on until foreclosure activities are completed and the collateral assets are sold to pay the outstanding debt.

The transition matrix in the Markov chain represents the period-by-period movement of receivables between delinquency classifications or states. The transition evaluates loan quality and loan collection practice. The matrix elements are commonly referred to as "roll-rates" since they denote the probability that an account will move from one state to another in one period. The transition matrix is referred to as the "delinquency movement matrix".

The loan portfolio for the past several quarters are analysed to arrive at the transition matrix. Each loan is traced to find out how the loan has performed over the last several quarters. The days past due is grouped into 6 buckets namely Regular [0 days past due], 1 to 90 days past due, 91 to 180 days past due, 181 to 270 days past due, 271 to 365 days past due and above 365 days past due. In a subsequent quarter, the loan may continue to remain in the same bucket or move into the next bucket or previous bucket depending upon the repayments made by the customer.

The bucket intervals are 90 days and the data points considered are also quarterly. The occurrences of every loan over the past several quarters are considered to arrive at the total transitions happening from different buckets in the previous quarter to different buckets in the current quarter. The Company has considered the quarterly loan performance data starting from the quarter ending 30th June 2013 onwards to compute the transition matrix. The total number of such transition occurrences are converted as a percentage to arrive at the transition matrix. The Company has used transition matrix compiled and published by a premier rating agency in India for arriving default rate for Project loans since the Company do not have any history of the loan transitioning from one rating to the other over a fairly long period of time to arrive at a reliable transition matrix. Accordingly, the transition matrix is computed using matrix multiplication.

Probability of Default

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

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

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

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Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

The probability of default (PD) of a loan which is less than 30 days past due [Stage 1] is represented by the one-year transition matrix. This PD is used to measure the quantum of the loan that is likely to move into the buckets 90 days past due and above over the next 12 months. The PD of a loan which is 30 days past due and less than 90 days past due [Stage 2] is represented by the transition matrix of the corresponding maturity period of the loan. This PD is used to measure the quantum of the loan that is likely to move into the buckets 90 days past due and above over the remaining life of the loan. The probability of default (PD) of a loan which is 90 days past due [Stage 3] is 100% as the loan has already defaulted. This PD is used to measure the quantum of the loan that is defaulted as on the valuation date over the remaining life of the loan.

Loss given default

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

Forward looking information

The assumptions and estimates on the basis of which, the Expected Credit Losses (ECL) of the loan portfolio have been identified, are primarily based on the historical performance of the loan portfolio, updated to reflect current conditions of pandemic including regulatory interventions like moratorium. Owing to the prevailing situation, additional sensitivity scenarios in previous year are being continued with same weights. Going forward as well, the company will continue to closely monitor any further changes to the business processes, the financial impact due to Covid-19 and other business related events. The definitive assessment of the impact would be dependent upon circumstances as they evolve in the subsequent period.

Covid 19 can impact the ability of the Borrowers, whether Corporate or Individuals, to meet their obligations under loan relationships. Individual and Corporate Borrowers may have a particular exposure to the economic impacts in their geography and industry sector. More broadly, reductions in forecast in economic growth increase the probability of default across many borrowers and loss given default rate may increase due to fall in value of collateral evident more generally by fall in prices of assets.

The Company is into secured lending business where primary collateral security is mostly residential/commercial properties. As stipulated by Regulator, lending is done against part value of security with remaining portion acting as a buffer to absorb fall in property prices. Due to Covid-19 detrimental impact on economy, property prices in general are expected to fall, but the fall will likely be asymmetric across locations and will depend upon many micro factors including type of property, location, stage/type/age of construction, local micro market, etc.

Scenario 1 is the base scenario without any perturbance. This is assigned a weightage of 20%.

Scenario 2 is based on the forecasted macro-economic parameters and is assigned a weightage of 15%.

Scenario 3 is considered taking perturbed scenario and is assigned a weightage of 15%

COVID – 1 & 2 scenarios are both linked with changes in property prices factoring geography and portfolio category.

COVID – 3 is based on ratio of Principal Outstanding amount to Present value of collateral.

COVID – 4 is based on availing moratorium.

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Based on the above, the Company has assumed the following scenarios with the respective weights for ECL computation:

Scenario	Weight
Scenario 1	20 %
Scenario 2	15 %
Scenario 3	15 %
COVID 1	10 %
COVID 2	15 %
COVID 3	15 %
COVID 4	10 %

Write off policy

The Company has over the period has established a well-defined Credit Monitoring Mechanism for follow up of the default/delinquent accounts.

A multi-faceted approach is adopted in Credit Monitoring activities which involves participation of In-House employees as well as outsourced agencies. Each loan account is analysed based on the causative factors of becoming default and appropriate follow-up activity is undertaken. In spite of adopting an appropriate follow-up activity, some accounts continue to be delinquent. Sufficient time, as per law, is given to the borrowers to regularize their repayments and if still the accounts continue to be under the Non-Performing bracket, legal recourse is adopted.

However, there could be accounts wherein no recovery would be forthcoming despite the best efforts put in by the Company. Such accounts are critically examined on case to case basis and if there is no merit of recovery, such accounts are recommended for write-off to/through internal committees as per the policy approved by the Board. Write-off is a de-recognition of a loan the Company has no reasonable expectations of recovering the contractual inflows.

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Assets written off but are still subjected to enforcement activity	**493.15**	**499.55**

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

(₹ in crore)

	Stage 1		Stage 2		Stage 3		TOTAL	
	Amount	Impairment	Amount	Impairment	Amount	Impairment	Amount	Impairment
Gross Carrying Amount -01.04.2019	**1,83,135.46**	**23.92**	**8,564.12**	**111.53**	**2,952.64**	**1,524.03**	**1,94,652.22**	**1,659.48**
Net change in exposures	1,62,522.37	313.43	(1,46,484.69)	496.51	57.94	179.28	16,095.62	989.22
Transfer to Stage 1	2,121.01	(71.36)	(2,015.07)	31.82	(105.94)	39.54	-	-
Transfer to Stage 2	(1,51,624.40)	21.07	1,51,868.08	(110.05)	(243.68)	88.98	-	-
Transfer to Stage 3	(1,376.32)	(286.96)	(2,315.65)	(529.66)	3,691.97	816.62	-	-
Changes in contractual cash flows due to modifications not resulting in derecognition	(99.34)	-	(11.31)	-	(0.52)	-	(111.17)	-
Amounts Written Off	-	-	-	-	(36.25)	(36.25)	(36.25)	(36.25)
Gross Carrying Amount- 31.03.2020	**1,94,678.78**	**0.10**	**9,605.48**	**0.15**	**6,316.16**	**2,612.20**	**2,10,600.42**	**2,612.45**
Net change in exposures	21,609.53	332.82	166.17	56.26	295.30	970.24	22,070.99	1,359.31
Transfer to Stage 1	4,523.27	(100.78)	(4,171.65)	0.11	(351.62)	100.67	(0.00)	-
Transfer to Stage 2	(10,630.41)	(2.74)	10,698.58	(17.90)	(68.16)	20.63	(0.00)	-
Transfer to Stage 3	(1,656.17)	(112.24)	(1,949.70)	(1.44)	3,605.87	113.68	-	-
Changes in contractual cash flows due to modifications not resulting in de-recognition	(506.82)	(0.00)	(12.37)	(0.00)	(0.20)	(0.00)	(519.39)	(0.00)
Amounts Written Off / Under Possession Properties	-	-	-	-	(138.22)	(72.23)	(138.22)	(72.23)
Gross Carrying Amount -31.03.21	**2,08,018.16**	**117.16**	**14,336.50**	**37.17**	**9,659.13**	**3,745.19**	**2,32,013.80**	**3,899.53**

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The movement within the tables is a combination of quarterly movements over the year. The credit impairment charge in the Statement of Profit & Loss comprises of the amount in Total column.

Transfers – transfers between stages are deemed to occur at the beginning of a quarter based on prior quarters closing balances

Net re-measurement from stage changes – the re-measurement of credit impairment provisions arising from a change in stage is reported within the stage that the assets are transferred to.

Net changes in exposures – comprises new disbursements less repayments in the year.

38.4.2.5 Modified Loans

Where the contractual terms of a financial instrument have been modified, and this does not result in the instrument being derecognised, a modification gain or loss is recognised in the Statement of Profit and Loss representing the difference between the original cash flows and the modified cash flows, discounted at the effective interest rate. If the modification is credit-related or where the Company has granted concessions that it would not ordinarily consider, then it will be considered credit-impaired. Modifications that are not credit related will be subject to an assessment of whether the asset's credit risk has increased significantly since origination by comparing the remaining lifetime probability of default (PD) based on the modified terms to that on the original contractual terms.

38.4.3 Market Risk

Market risk is the risk of losses in positions taken by the company which arises from movements in market prices. Any item in the balance sheet which needs re-pricing at frequent intervals and whose pricing is decided by the market forces will be a component of market risk. There are number of items in the Company's balance sheet which exposes it to market risk like Housing loans at floating rate, loans to developers at floating rate, Non-Convertible Debentures (NCDs) with options, bank loans with option, Foreign Currency Bank Loans, Coupon Swaps, etc. The Company is generally exposed to Interest Rate Risk.

38.4.4 Interest Rate Risk

Interest Rate Risk refers to the risk associated with the adverse movement in the interest rates. Adverse movement would imply rising interest rates on liabilities and falling interest yields on the]- assets. This is the biggest risk which the company faces. It arises because of maturity and re-pricing mismatches of assets and liabilities.

In order to mitigate the impact of this risk, the Company should track the composition and pricing of assets and liabilities on a continuous basis. For the same purpose, the Company has constituted the ALCO Committee which should actively monitor the ALM position and guide appropriately.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed Rate Borrowings	67%	62%
Floating Rate Borrowings	33%	38%
Total Borrowings	100%	100%

The impact of 10 bps change in interest rates on liabilities on the Profit after tax for the year ended March 31, 2021 is ₹ 69.41 crore (F.Y. 2019-20 ₹ 72.27 crore).

38.4.5 Operational Risk

Operational risk is "the risk of a change in value caused by the fact that actual losses, incurred for inadequate or failed internal processes, people and systems, or from external events (including legal risk), differ from the expected losses". It can be subdivided into the following categories:

A. **Compliance risk** is defined as the risk of legal sanctions, material financial loss, or loss to reputation the Company may suffer as a result of its failure to comply with laws, its own regulations, code of conduct, and standards of best/good practice.

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The Company is regulated by RBI and supervised by NHB, registered with SEBI and has listing agreements with stock exchanges, i.e. BSE & NSE and Luxembourg. In order to ensure compliance with applicable laws, the Company has put in place adequate processes.

B. **Legal risk** is the cost of litigation due to cases arising out of lack of legal due diligence. Litigation can also arise out of failure or frauds in the course of business.

The main business is of lending money for/against mortgage loans and is therefore exposed to legal risk. For handling the same, there are robust legal systems for title verification and legal appraisal of related documents. Company has standards of customer delivery and the operational mechanism to adhere to such standards aimed at minimum instances of customers' grievances.

38.4.6 Regulatory Risk

Regulatory risk is the risk that a change in laws and regulations will materially impact the Company. Changes in law or regulations made by the government or a regulatory body can increase the costs of operating the business, and/or change the competitive landscape.

Regulatory risk can arise due to change in prudential rules/norms by the regulators viz; NHB, SEBI, RBI etc. In order to mitigate the effects of same, the Company keeps a track of all regulatory changes and quickly adapts to the change.

38.4.7 Competition Risk

Competition Risk is the risk to the market share and profitability arising due to competition. It is present across all the businesses and across all the economic cycle with the intensity of competition risk varying due to several factors, like, barriers to entry, industry growth potential, degree of competition, etc.

The Company's business environment is characterized by increased youth population, growing economy, increased urbanization, Government incentives, acceptability of credit in society and rise in nuclear families. Due to all these reasons, the Housing Finance industry has seen a higher growth rate than overall economy and several other industries since past several years. This has led to increase in competition and in turn increased pressure on the existing Companies to maintain/grow market share and profitability. In order to mitigate the risk arising due to competition, the Company has customer centric approach coupled with state of art infrastructure including IT interface.

38.4.8 Currency Risk and mitigation

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company manages itself against currency risk by taking out foreign currency swaps and converting the exposures into Indian Rupees. The Company applies cash flow hedge accounting to the foreign currency element of its floating rate dollar-denominated External Commercial Borrowings and associated cross currency interest rate swaps.

The Company converts ECB into fixed rate Indian Rupee exposures with the floating rate and principal of the hedged item matched by those of the hedging instrument. The Company considers the hedge as a hedge of more than one risk and does not split the interest rate from the principal for hedge accounting purposes.

Hedge Accounting

In December 2019 the company raised an ECB of USD 200 million in the form of a syndicated loan facility. The tenor of the facility is 3 years. The proceeds have been fully utilized in accordance with the approval granted by RBI under automatic route and is in conformity with the applicable ECB Guidelines.

As a part of its risk management, the Company has identified a series of risk categories with corresponding hedging strategies using derivative instruments.

When a hedging relationship meets the specified hedge accounting criteria set out in Ind AS 109, the Company applies one of three types of hedge accounting: fair value hedges; cash flow hedges; or hedges of a net investment in a foreign operation.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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Transactions that are entered into in accordance with the Company's hedging objectives but do not qualify for hedge accounting, are referred to in these financial statements as economic hedge relationships.

The nature of risk that is needed to be hedged, the risk management objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship at inception and on an ongoing basis is recorded with reference to the economic relationship between the hedged item and the hedging instrument.

Every hedge relationship is required to be tested to assess whether the hedge relationship meets the hedge effectiveness requirements at the inception of the hedging relationship, and on an on-going basis at each reporting date. This assessment relates to expectations about hedge effectiveness and is therefore only forward looking.

Cash Flow Hedge

Cash flow hedge is a hedge of the exposure to variability in the cash flows of a specific asset or liability, or of a forecasted transaction, that is attributable to a particular risk. It is possible to only hedge the risks associated with a portion of an asset, liability, or forecasted transaction, as long as the effectiveness of the related hedge can be measured. The accounting for a cash flow hedge will be to recognize the effective portion of any gain or loss in other comprehensive income, and recognize the ineffective portion of any gain or loss in Finance cost in the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss

Impact of Covid 19 on Hedge Accounting and Interest Rate Swap

Hedge Accounting is an accounting exercise now it is dove tailed into the risk management policies of the company – to minimise the impact of fluctuations in the profit & loss account caused primarily due to 'accounting mismatch'. As such we do not see any COVID-19 impact on hedge accounting.

Hedge Ratio

The hedge ratio is consistent with that used for risk management purposes without a deliberate imbalance to derive an inappropriate accounting outcome.

The Company economically hedges the risk of volatility in floating interest rate on USD External Commercial Borrowings and the Currency Risk on the principal with a Cross Currency Swap with matched terms and matched USD notional. This actual hedge ratio does not reflect an imbalance (that could result in an accounting outcome that would be inconsistent with the purpose of the hedge accounting) and hence represents an eligible hedge ratio.

Maturity interest rate risk profiles

The following table shows the maturity and interest rate risk profiles of the company's hedging instruments used in its cash flow hedges. As the Company applies one-to-one hedging ratios, the below table effectively shows the outcome of the cash flow hedges:

(₹ in crore)

Maturity of cross currency swaps						
31-March-21	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Micro cash flow hedges						
Cross currency interest rate swaps						
Notional principal	-	-	-	1425.73	-	1,425.73
Average fixed rate	-	-	-	7.52%	-	
Average INR/$ Rate	-	-	-	79.61	-	

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(₹ in crore)

Maturity of cross currency swaps						
31-March-20	**Less than 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
Micro cash flow hedges						
Cross currency interest rate swaps						
Notional principal	-	-	-	1,425.73	-	1,425.73
Average fixed rate	-	-	-	7.52%	-	
Average INR/$ Rate	-	-	-	86.20	-	

Carrying Value of Derivatives used in Cash Flow Hedges

(₹ in crore)

31-March-21	Carrying value assets	Carrying value liabilities	Notional amount
Derivatives used as cash flow hedges			
Cross-currency interest rate swaps	5.69	-	1,425.73
Total derivative financial instruments	**5.69**	**-**	**1,425.73**

(₹ in crore)

31-March-20	Carrying value assets	Carrying value liabilities	Notional amount
Derivatives used as cash flow hedges			
Cross-currency interest rate swaps	48.62	-	1,425.73
Total derivative financial instruments	**48.62**	**-**	**1,425.73**

Hedge Instrument

Fair Value of Hedging Instrument

(₹ in crore)

31-March-21	Carrying value			Changes in fair value of hedging instruments used for measuring hedge ineffectiveness			Reclassified into income statement
	Notional amount	Assets	Liabilities	In Total	Effective portion	Hedge Ineffectiveness	
					Recognised in OCI	Recognised in profit & loss account	
Micro cash flow hedges							
Cross currency interest rate swaps	1425.73	5.69	-	(42.93)	(42.93)	-	(42.93)
Total	**1425.73**	**5.69**	**-**	**(42.93)**	**(42.93)**	**-**	**(42.93)**

(₹ in crore)

31-March-20	Carrying value			Changes in fair value of hedging instruments used for measuring hedge ineffectiveness			Reclassified into income statement
	Notional amount	Assets	Liabilities	In Total	Effective portion	Hedge Ineffectiveness	
					Recognised in OCI	Recognised in profit & loss account	
Micro cash flow hedges							
Cross currency interest rate swaps	1,425.73	48.62	-	48.62	48.62	-	48.62
Total	**1425.73**	**48.62**	**-**	**48.62**	**48.62**	**-**	**48.62**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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Fair Value of Hedged Item

(₹ in crore)

31-March-21	Change in fair value of hedged item in the year used for ineffectiveness measurement	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
Micro cash flow hedges	-	-	-
Floating rate USD notes	(42.93)	-	-
Total	**(42.93)**	**-**	**-**

Fair Value of Hedged Item

(₹ in crore)

31-March-20	Change in fair value of hedged item in the year used for ineffectiveness measurement	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
Micro cash flow hedges	-	-	-
Floating rate USD notes	48.62	-	-
Total	**48.62**	-	-

Movement of Cash Flow Hedge

(₹ in crore)

Movement of cash flow hedges	31-March-21	31-March-20
Hedging net gains/(losses) arising during the year	(42.93)	48.62
Less: Recognised in the income statement	42.93	(48.62)
Income tax related to the above	0	0
Movement on cash flow hedges	-	-

Impact of Cash Flow Hedge on Balance Sheet

(₹ in crore)

Impact of cash flow hedge on balance sheet and financial result - hedging instruments	For the year ended March 31, 2021	For the year ended March 31, 2020
Nominal value	1425.73	1,425.73
Carrying amount – assets	5.69	48.62
Carrying amount – liabilities	-	-
Balance Sheet item in which hedging instrument is reported	Hedging Instrument	Hedging Instruments
Change in the fair value of the hedging instrument used for estimating hedge ineffectiveness	(42.93)	48.62
Amount of hedge ineffectiveness recognised in the income statement	-	-
Profit & Loss item in which hedge ineffectiveness is reported	No ineffectiveness reported	No ineffectiveness reported

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crore)

Impact of cash flow hedge on balance sheet and financial result - hedged items	For the year ended March 31, 2021	For the year ended March 31, 2020
Amount of change in the fair value of the hypothetical derivative representing the hedged item used for estimating the hedge ineffectiveness in the reporting period	(42.93)	48.62
Revaluation reserve due to cash flow hedge accounting for relationships for which hedge accounting will be continued after the end of the reporting period	-	-
Revaluation reserve due to cash flow hedge accounting for relationships for which hedge accounting is no longer applied	-	-

Additional Disclosures for Interest Rate Benchmark Reform

(₹ in crore)

For hedging relationships to which an entity applies the temporary exceptions from applying specific hedge accounting requirements exceptions set out in paragraphs 6.8.4-6.8.12		
(a)	the significant interest rate benchmarks to which the entity's hedging relationships are exposed;	3M Libor
(b)	the extent of the risk exposure the entity manages that is directly affected by the interest rate benchmark reform;	Risk exposure is nil as the floating rate foreign currency loan is hedged by a cross currency swap effectively converting the floating rate to fixed rate of 7.52%
(c)	how the entity is managing the process to transition to alternative benchmark rates	As per the information available the transition to alternative benchmark is likely to happen in June, 2023 which is after the maturity date of the ECB facility. However, in a situation if it is applicable before that the Company will adopt the benchmark which is commonly being accepted for similar transaction in the market.
(d)	a description of significant assumptions or judgments the entity made in applying these paragraphs (for example, assumptions or judgments about when the uncertainty arising from interest rate the interest rate benchmark-based cash flows); and benchmark reform is no longer present with respect to the timing and the amount of	The interest rate benchmark on which the hedged cash flows are based is not altered as a result of the reform till maturity of the Facility i.e. December, 2022
(e)	the nominal amount of the hedging instruments in those hedging relationships	₹ 1,425.73 Cr

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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38.5 Maturity Analysis of Assets and Liabilities:

The Table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled:

As at March 31, 2021

(₹ in crore)

Particulars	Upto 12 months	More than 12 months	Total
ASSETS			
Financial Assets			
Cash and Cash Equivalents	1,329.15	-	1,329.15
Bank Balance other than above	17.57	-	17.57
Derivative Financial Instruments	5.69	-	5.69
Loans	15,772.21	2,12,342.06	2,28,114.27
Investments	2,163.91	2,471.70	4,635.61
Other Financial Assets	5.63	100.24	105.87
Non-Financial Assets			
Current Tax Assets (Net)	-	-	-
Deferred Tax Assets (Net)	-	912.93	912.93
Property, Plant and Equipment	-	130.32	130.32
Capital Work in Progress	-	-	-
Intangible Assets under Development	-	3.63	3.63
Right of Use Assets	-	110.78	110.78
Other Intangible Assets	-	2.29	2.29
Other Non-Financial Assets	139.02	-	139.02
Assets Held for Sale	126.19	-	126.19
Total Assets	**19,559.36**	**2,16,073.96**	**2,35,633.32**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Derivative Financial Instruments	-	-	-
Lease Liability	33.40	87.63	121.03
Payables			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	2.80	-	2.80
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	93.32	-	93.32
Debt Securities	34,808.62	90,789.34	1,25,597.96
Borrowings (Other than Debt Securities)	25,821.56	36,311.18	62,132.74
Deposits	13,093.74	5,241.93	18,335.67
Subordinated Liabilities	-	1,795.12	1,795.12
Other Financial Liabilities	6,253.50	344.56	6,598.06
Non-Financial Liabilities			
Current tax liabilities (Net)	-	7.76	7.76
Provisions	58.45	84.04	142.48
Other Non-Financial Liabilities	285.07	-	285.07
Total Liabilities	**80,450.45**	**1,34,661.56**	**2,15,112.01**
NET	**(60,891.10)**	**81,412.41**	**20,521.31**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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As at March 31, 2020

(₹ in crore)

Particulars	Upto 12 months	More than 12 months	Total
ASSETS			
Financial Assets			
Cash and Cash Equivalents	1,365.72	-	1,365.72
Bank Balance other than above	528.00	85.23	613.23
Derivative Financial Instruments	80.48	-	80.48
Loans	14,904.17	1,93,083.80	2,07,987.97
Investments	3,663.29	1,833.08	5,496.37
Other Financial Assets	9.86	11.55	21.41
Non-Financial Assets			
Current Tax Assets (Net)	-	354.07	354.07
Deferred Tax Assets (Net)	-	520.04	520.04
Property, Plant and Equipment	-	134.62	134.62
Capital Work in Progress	0.33	-	0.33
Right of Use Assets	-	117.45	117.45
Other Intangible Assets	-	1.98	1.98
Other Non-Financial Assets	111.92	-	111.92
Total Assets	**20,663.77**	**1,96,141.82**	**2,16,805.59**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Derivative Financial Instruments	22.90	-	22.90
Lease Liabilities	34.42	91.44	125.86
Payables			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	34.57	-	34.57
Debt Securities	37,164.14	94,918.12	1,32,082.26
Borrowings (Other than Debt Securities)	21,467.77	23,672.66	45,140.43
Deposits	6,139.06	6,469.93	12,608.99
Subordinated Liabilities	500.00	1,000.00	1,500.00
Other Financial Liabilities	6,247.26	481.23	6,728.49
Non-Financial Liabilities			
Provisions	68.58	76.75	145.33
Other Non-Financial Liabilities	223.66	-	223.66
Total Liabilities	**71,902.36**	**1,26,710.13**	**1.98,612.49**
	(51,238.60)	**69,431.69**	**18,193.09**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

39. SEGMENT REPORTING:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

The Managing Director & CEO is identified as the Chief Operating Decision Maker (CODM) by the management of the Company. CODM has identified only one operating segment of providing loans for purchase, construction, repairs renovation etc. and has its operations entirely within India. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments, as per the Indian Accounting Standard (Ind AS) 108 on Segment Reporting.

40. COMMITMENTS:

a) Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 17.28 crore (F.Y. 2019-20 ₹ 0.38 crore).

b) Other Commitments: Uncalled liability of ₹1.14 crore (F.Y. 2019-20 ₹ 1.14 crore) in respect of commitment made for contribution to LICHFL Urban Development Fund by subscription of 50,000 units (F.Y. 2019-20 50,000 units) of ₹ 10,000/- face value each, paid up value being ₹3,761.71 (F.Y. 2019-20 ₹ 3,761.71 /-) each.

c) Undisbursed amount of Housing and Non- Housing Loans sanctioned is ₹ 38,857.25 crore.

The Company had committed for an upfront investment of ₹ 37.50 crore subject to a maximum of 10% of aggregate Capital Commitment but not exceeding ₹ 100.00 crore in LICHFL Infrastructure Fund managed by one of the Subsidiary of the Company, namely LICHFL Asset Management Company Limited. The outstanding investment in LICHFL Infrastructure Fund as on 31st March, 2021 is ₹9.23 crore (F.Y. 2019-20 ₹ 1.98 crore).

41. Contingent liabilities in respect of:

a) Claims against the Company not acknowledged as debts ₹ 6.92 crore (F.Y. 2019-20 ₹ 1.98 crore).

b) The Management has assessed there are no executory contracts which have become onerous due to the adverse impact of COVID -19.

42. Movement in Provision for contingencies as under:

a. Provision includes:

i. Provision for doubtful advances and provision for probable loss on account of bank reconciliation differences.

(₹ in crore)

Provision for Doubtful Advances	As at March 31, 2021	As at March 31, 2020
Opening balance	0.42	0.42
Add: Additional provisional for doubtful advances	4.81	-
Less: Amounts utilized during the year / provision written back for doubtful advances	-	-
Less: Reversal of provision for doubtful advances	-	-
Closing balance	5.23	0.42

43. Fixed Deposits with Banks includes earmarked deposits created in favour of trustees for depositors towards maintaining Statutory Liquid Ratio amounting to ₹ 82.70 crore (F.Y. 2019-20 ₹ 196.50 crore). The Company has beneficial interest on the income earned from these deposits.

44. Temporary Book Overdraft of ₹ 1,329.46 crore (F.Y. 2019-20 ₹ 682.54 crore) represents cheques issued towards disbursements to borrowers for ₹ 1,324.70 crore (F.Y. 2019-20 ₹ 675.71 crore) and cheques issued for payment of expenses of ₹ 4.76 crore (F.Y. 2019-20 ₹ 6.82 crore), but not encashed as at March 31, 2021.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

45. AUDITOR'S REMUNERATION*:

(₹ in crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
As auditor	0.31	0.31
Tax Audit	0.08	0.08
For Quarterly Limited Reviews	0.15	0.15
In any other manner (Certification work)	0.07	0.07
Reimbursement of Expenses to Auditors	0.06	0.06
Total	**0.67**	**0.67**

* Excluding GST

46. EXPENDITURE IN FOREIGN CURRENCIES

(₹ in crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Travelling Expenses	0.06	0.04
Professional Fees	-	0.08
Fees for filing returns and Trade License fees	-	0.09
Salary to Overseas Staff	0.62	0.85
Rent for Overseas Staff Residence	0.28	0.45
Annual Fees	0.83	1.22
Commission	0.16	0.06
Other Expenses	0.03	0.09
Total	**1.98**	**2.88**

47. PROPOSED DIVIDEND

(₹ in crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Dividends not recognised at the end of reporting period		
The directors have recommended final dividend of ₹ 8.50 per fully paid equity share (₹ 8.00 for March 31, 2020). This proposed dividend is subject to approval of shareholders in ensuing Annual General Meeting.	**428.96**	**403.73**

48. The Company is in the continuous process of obtaining confirmation from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
The principal amount remaining unpaid to any supplier	2.80	-
The interest due thereon (above principal amount) remaining unpaid to any supplier	-	-
The amount of interest paid by the buyer in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day for the year ended	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

49. DISCLOSURE IN RESPECT OF EMPLOYEE BENEFITS:

In accordance with the Indian Accounting Standard on (Ind AS-19) – "Employee Benefits" the following disclosures have been made:

Provident Fund and Pension Fund Liability

The Company has recognised ₹ 20.25 crore (Previous year ₹ 17.98 crore) in the Statement of Profit and Loss towards contribution to Provident fund in respect of company employees. In respect of LIC employees on deputation who have opted for pension, ₹ 0.62 crore (previous year ₹ 0.51 crore) have been contributed towards LIC of India (Employees) Pension Rules, 1995.

Gratuity Liability

(₹ in crore)

Changes in the Present Value of Projected Benefit Obligation:	2020-21	2019-20
Present Value of Benefit Obligation at the Beginning of the Year	94.43	75.33
Interest Cost	6.46	5.87
Current Service Cost	5.76	4.13
Past Service Cost	-	-
Benefit Paid from the Fund	(2.90)	(0.85)
Actuarial Loss/(Gain) on obligations	0.26	9.95
Present Value of Benefit Obligation at the End of the Year	**104.01**	**94.43**

(₹ in crore)

Fair Value of the Plan Assets:	2020-21	2019-20
Fair Value of Plan Asset at the Beginning of the Year	78.44	66.75
Interest Income	5.37	5.20
Contributions by the Employer	8.85	9.07
Benefit Paid from the Fund	(2.90)	(0.85)
Actuarial Gain / (Loss) on Plan Assets	(0.42)	(1.73)
Fair value of Plan Assets at the End of the Year	89.34	78.44
Total Actuarial Loss/(Gain) to be Recognised	**0.68**	**8.22**

(₹ in crore)

Actual Return on Plan Assets:	2020-21	2019-20
Expected Return on Plan Assets	5.37	5.20
Actuarial Gain / (Loss) on Plan Assets	(0.42)	(1.73)
Amount Recognised in the Balance Sheet:	**4.95**	**3.47**

(₹ in crore)

Liability at the end of the year	2020-21	2019-20
Fair Value of Plan Assets at the end of the year	(104.01)	(94.43)
Funded Status (Surplus/(Deficit))	89.34	78.44
Amount recognised in the Balance Sheet	**(14.67)**	**(15.99)**

(₹ in crore)

Net Interest Cost for Current Year:	2020-21	2019-20
Present Value of Benefit Obligation at the Beginning of the Year	94.43	75.33
Fair value of Plan Assets at the Beginning of the Year	(78.44)	66.75
Net Liability/(Asset) at the Beginning of the Year	15.99	8.58
Interest Cost	6.46	5.87
Interest Income	(5.37)	(5.20)
Net Interest Cost for Next Year	**1.09**	**0.67**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crore)

Expense Recognised in the Statement of Profit and Loss for Current Year:	2020-21	2019-20
Current Service Cost	5.76	4.13
Interest Cost	1.09	0.67
Expected Return on Plan Assets	-	-
Past Service Cost	-	-
Expense recognised in the Statement of Profit and Loss under staff expenses	**6.85**	**4.80**

(₹ in crore)

Expense Recognised in Other Comprehensive Income (OCI) for Current Year:	2020-21	2019-20
Actuarial Loss/(Gain) on obligations	0.26	9.95
Return on Plan Assets, excluding Interest Income	0.42	1.73
Change in Asset Ceiling	-	-
Net (Income)/Expense for the year recognised in OCI	**0.68**	**11.68**

(₹ in crore)

Reconciliation of the Liability recognised in the Balance Sheet:	2020-21	2019-20
Opening Net Liability	15.99	8.58
Expenses recognised in the Statement of Profit & Loss	6.85	4.80
Expenses recognised in OCI	0.68	11.68
Contribution by the Company	(8.85)	(9.07)
Amount recognised in the Balance Sheet under "Provision for Retirement Benefits"	**14.67**	**15.99**

(₹ in crore)

Net Interest Cost for Next Year:	2020-21	2019-20
Present Value of Benefit Obligation at the End of the Year	104.01	94.43
Fair value of Plan Assets at the End of the Year	89.34	78.44
Net Liability/(Asset) at the End of the Year	14.67	15.99
Interest Cost	7.17	6.46
Interest Income	(6.16)	(5.37)
Net Interest Cost for Next Year	**1.01**	**1.09**

(₹ in crore)

Expense Recognised in the Statement of Profit and Loss for Next Year:	2020-21	2019-20
Current Service Cost	5.95	5.76
Net Interest Cost	1.01	1.09
Expense recognised in the Statement of Profit and Loss under staff expenses	**6.96**	**6.85**

(₹ in crore)

Maturity Analysis of the Benefit Payments: From the Fund	2020-21	2019-20
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	5.16	4.14
2nd Following Year	5.91	3.86
3rd Following Year	6.71	6.69
4th Following Year	6.94	6.55
5th Following Year	11.92	6.57
Sum of Years 6 to 10	44.06	48.18
Sum of Years 11 and above	154.04	134.91

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crore)

Sensitivity Analysis	2020-21	2019-20
Projected Benefit Obligation on Current Assumptions	104.01	94.43
Delta Effect of +1% Change in Rate of Discounting	(8.97)	(8.22)
Delta Effect of -1% Change in Rate of Discounting	10.51	9.62
Delta Effect of +1% Change in Rate of Salary Increase	4.61	4.32
Delta Effect of -1% Change in Rate of Salary Increase	(4.89)	(4.56)
Delta Effect of +1%Change in Rate of Employee Turnover	0.49	0.38
Delta Effect of -1%Change in Rate of Employee Turnover	(0.53)	(0.41)

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 projected 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.

Assumptions:	31.03.2021	31.03.2020
Discount Rate	6.90%	6.84%
Rate of Return on Plan Assets	6.90%	6.84%
Salary Escalation	8.00%	8.00%
Attrition Rate	2.00%	2.00%

Gratuity Contribution is paid to LIC of India under Gratuity Scheme of LIC.

Actuarial Gains/Losses are recognised in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary Escalation and Attrition Rate are considered as advised to the Company by the Actuary; they are in line with the industry practice considering promotion and demand and supply of the employees.

Maturity Analysis of Benefit payments is undiscounted cash flows considering future salary, attrition and death in respective year for members as mentioned above.

The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest Risk: A fall in the discount rate which is linked to the Government Security. Rate will increase the present value of the requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

The Company's best estimate of contributions expected to be paid to the plan during the annual period beginning after April 1, 2021 is ₹ 14.68 crore (Previous Year ₹ 13.84 crore).

Leave Encashment

(₹ in crore)

Changes in the Benefit Obligation:	2020-21	2019-20
Liability at the Beginning of the year	64.56	47.80
Interest Cost	4.42	3.72
Current Service Cost	2.90	2.31
Benefit Paid	(1.45)	(2.49)
Actuarial (Gain) / Loss on obligations	1.05	13.22
Liability at the end of the year	**71.48**	**64.56**

(₹ in crore)

Amount Recognised in the Balance Sheet:	2020-21	2019-20
Liability at the end of the year	71.48	64.56
Fair Value of Plan Assets at the end of the year	-	-
Amount recognised in the Balance Sheet*	**(71.48)**	**(64.56)**

(₹ in crore)

Expense Recognised in the Statement of Profit and Loss:	2020-21	2019-20
Current Service Cost	2.90	2.31
Interest Cost	4.42	3.72
Expected Return on Plan Assets	-	-
Net Actuarial (Gain) / Loss to be recognised	1.05	13.22
Expense recognised in the Statement of Profit and Loss under staff expenses	**8.37**	**19.25**

(₹ in crore)

Reconciliation of the Liability recognised in the Balance Sheet:	2020-21	2019-20
Opening Net Liability	64.56	47.80
Expense recognised	8.37	19.25
Contribution/Benefit Paid by the Company	(1.45)	(2.49)
Amount recognised in the Balance Sheet under "Provision for Retirement Benefits"	**71.48**	**64.56**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

The estimates of future salary increases, considered in actuarial valuation, include inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the actuary and relied upon by the Auditors.

*Exclusive of Amount ₹ 0.03 crore (previous year ₹ 0.06 crore) towards additional provision made for LIC employees.

Sick Leave

The Company has recognised ₹ 1.71 crore (Previous year ₹ 2.72 crore) in the Statement of Profit and Loss towards sick leave in respect of company employees.

50. RELATED PARTY DISCLOSURE:

Assumptions:	2020-21	2019-20
Retirement Age	58 Years	58 Years
Discount Rate	6.90%	6.84%
Salary Escalation	8.00%	8.00%
Attrition Rate	**2.00%**	**2.00%**

a. Related Party Policy:

Related Party Policy is uploaded on the website of the Company and annexed to the Director Report.

b. Names of related parties:

(i) Enterprise having Significant Influence on the Company

Life Insurance Corporation of India

(ii) Enterprises over which Control exists

LICHFL Care Homes Limited

LICHFL Financial Services Limited

LICHFL Asset Management Company Limited

LICHFL Trustee Company Private Limited

(iii) Associates of the Company

LIC Mutual Fund Asset Management Limited

LIC Mutual Fund Trustee Private Limited

(iv) Key Management Personnel

Key Management Personnel	For the year ended March 31, 2021	For the year ended March 31, 2020
Shri Vinay Sah	-	MD & CEO (Resigned on 01.08.2019)
Shri Siddhartha Mohanty	MD & CEO (Resigned on 01.02.2021)	MD & CEO (From 01.08.2019)
Shri Y. Viswanatha Gowd	MD & CEO (From 01.02.2021)	-
Shri Nitin K Jage	Company Secretary	Company Secretary
Shri P Narayanan	-	Chief Financial Officer (Resigned on 10.05.2019)
Shri Sudipto Sil	Chief Financial Officer	Chief Financial Officer (From 10.05.2019)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

Directors (Executive or Otherwise)	For the year ended March 31, 2021	For the year ended March 31, 2020
Shri M R Kumar	Chairman	Chairman
Shri Hemant Bhargava	-	Non-Executive Nominee Director (Upto 01.08.2019)
Shri Vipin Anand	Non-Executive Nominee Director	Non-Executive Nominee Director (From 11.11.2019)
Shri Jagdish Capoor	Independent Director	Independent Director
Smt. Savita Singh	Independent Director (Resigned on 09.11.2020)	Independent Director (Re-designated as Independent Director from 01.04.2019)
Shri Dharmendra Bhandari	Independent Director	Independent Director
Shri V. K. Kukreja	Independent Director	Independent Director
Shri Ameet Patel	Independent Director	Independent Director
Shri P Koteswara Rao	Non Independent Director	Non Independent Director (Re-designated as Non Independent from 04.05.2019)
Shri Kashi Prasad Khandelwal	Independent Director	Independent Director (From 01.07.2019)
Shri Sanjay Kumar Khemani	Non Independent Director	Non Independent Director (From 01.07.2019)
Shri Akshay Rout	Non Independent Director (From 28.09.2020)	-
Smt. Jagennath Jayanthi	Independent Director (From 05.02.2021)	-

c. **Details of transactions and balance at the year end with related parties:**

(₹ in crore)

Related Party	Nature of transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
Life Insurance Corporation of India			
	Repayment of non-convertible debentures	2,000.00	500.00
	Interest expenses on Secured and Unsecured loans	1,362.63	1,461.83
	Dividend Payment	162.75	154.62
	Rent Rates and Taxes	8.94	8.12
	Payment of Electricity Expenses	0.56	0.45
	Payment for Staff training, Conference, etc.	-	0.02
	Reimbursement of Gratuity, Mediclaim, GSLI and Pension Fund for staff posted from LIC	1.25	1.12
	Net Contribution to LIC of India, P & GS, for Gratuity premium for employees (Post Employment Benefit Fund with Related Entity)	10.90	8.45
	Balance as at the year end towards non convertible debentures (Credit)	14,550.00	16,550.00
	Balance as at the year end towards Interest Accrued on non convertible debentures (Credit)	399.14	452.84
	Balance as at the year end-Others (Credit)	1.08	2.39

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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(₹ in crore)

Related Party	Nature of transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
LICHFL Care Homes Limited			
	Dividend Income	1.00	-
	Rent Received	0.26	0.24
	Investment in Public Deposit with the Company	35.30	-
	Interest Expense on Public Deposit with the Company	0.33	-
	Balance as at the year-end (Credit)	35.63	-
LICHFL Financial Services Limited			
	Dividend Income	2.38	3.80
	Investment in Public Deposit by LICHFL Financial Services Ltd with the Company	15.00	24.00
	Redemption of Public Deposit by LICHFL Financial Services Limited with the Company	24.00	-
	Interest Expense on Public Deposit by LICHFL Financial Services Limited	1.31	1.52
	Commission Expenses on Loan Business	58.03	43.49
	Commission Expenses on Public Deposit	0.19	0.30
	Rent Received	0.49	0.46
	Payment of Expenses	0.19	0.20
	Reimbursement of Expenses	0.19	0.20
	Balance as at the year end towards payment of Commission Expense on Loan Business (Credit)	11.79	5.10
	Balance as at the year end towards payment of Commission Expense on Public Deposit (Credit)	-	0.01
	Balance as at the year end towards Public Deposit and Accrued Interest on Public Deposit (Credit)	15.88	25.52
	Balance as at the year end -Others (Debit)	0.01	0.01
LICHFL Asset Management Company Limited			
	Dividend Income	2.39	2.18
	Investment in Public Deposit by LICHFL Asset Management Co. Ltd with the Company	7.97	10.63
	Redemption of Public Deposit by LICHFL Asset Management Co. Ltd with the Company	7.53	7.15
	Interest Expense on Public Deposit by LICHFL Asset Management Co. Ltd.	1.06	1.03
	Payment of Expenses	0.18	0.19
	Reimbursement of Expenses	0.18	0.19
	Balance as at the year end towards Public Deposit and Accrued Interest on Public Deposit (Credit)	15.28	14.35
	Balance as at the year end- Others (Debit)	0.01	0.01
LIC Mutual Fund Asset Management Limited			
	Dividend Income	-	0.22

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crore)

Related Party	Nature of transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
Key Management Personnel			
Shri Vinay Sah, MD & CEO (Resigned on 01.08.2019) Shri Siddhartha Mohanty, MD & CEO (Resigned on 01.02.2021) Shri Y. Viswanatha Gowd, MD &CEO (From 01.02.2021	*Managerial remuneration-Total	***0.59	**0.60
	Short Term Employment Benefits	0.58	0.59
	Post -Employment Benefits	0.01	0.01
	Interest Expense on investment in Public Deposit by Close Members	0.01	-
	Balance as at the year end towards investment in Public Deposit by Close Members and Accrued Interest on Public Deposit (Credit)	0.07	-
	Outstanding Amount of Loan taken from the Company	-	0.47
Shri Nitin K Jage, Company Secretary	*Managerial remuneration-Total	0.42	0.41
	Short Term Employment Benefits	0.42	0.41
	Post-Employment Benefits	-	-
	Investment in Public Deposit	-	0.04
	Outstanding Amount of Loan taken from the Company	-	0.08
Shri P Narayanan, CFO (Upto 10.05.2019) & Shri Sudipto Sil (From 10.05.2019)	*Managerial remuneration-Total	0.33	***0.40
	Short Term Employment Benefits	0.33	0.40
	Post-Employment Benefits	-	-
	Investment in Public Deposit	-	-
	Interest Expense on investment in Public Deposit	-	-
	Investment in Public Deposit by Close Members of family	0.07	0.48
	Interest Expense on investment in Public Deposit by Close Members	0.05	0.04
Directors (Executive or Otherwise)	Sitting Fees Paid	0.48	0.50
Shri Vipin Anand, Non-Executive Nominee Director	Outstanding Amount of Loan taken from the Company	-	0.40
Shri Jagdish Capoor, Independent Director	Investment in Public Deposit	-	0.10

*As the Provision for Performance Linked Incentive (PLI) and Leave encashment is accrued for the company as a whole and not decided individually, hence not included. However payment made during the financial year 2020-2021 has been included.

** The amount includes Performance Linked Incentive (PLI) paid to Shri Vinay Sah, MD & CEO (Upto 01.08.2019) during the Financial year 2019-2020 and salary paid to Shri. Siddhartha Mohanty, MD & CEO, (From 01.08.2019) and Shri Vinay Sah, MD &CEO for financial year 2019-2020.

*** The amount includes Performance Linked Incentive (PLI) paid to Shri Siddhartha Mohanty, MD & CEO (Upto 01.02.2021) during the Financial year 2020-2021 and salary paid to Mr. Siddhartha Mohanty, MD & CEO, (From 01.02.2021) and Shri Y. Viswanatha Gowd, MD & CEO for financial year 2020-2021.

**** The amount includes Performance Linked Incentive (PLI) paid to Shri P Narayanan, CFO (Upto 10.05.2019) during the Financial year 2019-2020 and salary paid to Shri Sudipto Sil, CFO (From 10.05.2019) and Shri P Narayanan, CFO for financial year 2019-2020

Gratuity payable by the Company to the Company Secretary and CFO is ₹ 0.20 crore as a post-employment benefit. For the MD & CEO, an amount of 5% of Basic Salary plus DA is contributed as a post- employment benefit to LIC.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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51. LEASES:

a. **Actual Payment of Rent from 01.04.2020 to 31.03.2021 is ₹ 44.64 crore (Previous Year 40.06 crore).**

b. **The following is the breakup of Current and non-current portion of Lease Liability as on 31.03.2021:**

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Current	33.40	34.42
Non-Current	87.63	91.44
Total Lease Liability as of March 31	**121.03**	**125.86**

c. **The following is the movement of Lease Liability as on 31.03.2021:**

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Value of Lease Liability as of April 1	125.86	105.58
Additions	42.05	49.48
Terminated	(13.00)	-
Interest Expense on Lease Liability	8.20	10.68
Interest Expense on Terminal Lease	2.44	-
Actual Payment of Rent	(44.64)	(40.06)
Provision on Disposals	0.12	0.19
Closing Value of Lease Liability as of March 31	**121.03**	**125.86**

d. **The Carrying Value of Right of Use Asset as of March 31, 2021:**

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Value of Right of Use Asset as of April 1	150.25	103.98
Additions	42.04	49.48
Disposals	(1.07)	(3.21)
Gross carrying value as of March 31, 2021	191.22	150.25
Accumulated Depreciation as of April 1, 2020	(32.80)	-
Depreciation	(38.15)	(36.01)
Accumulated Depreciation on Disposals	1.07	3.21
Accumulated Depreciation as of March 31, 2021	(69.88)	(32.80)
Terminated Cases	(10.56)	-
Carrying Value as of March 31	**110.78**	**117.45**

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

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
On demand	-	-
Upto 3 months	10.77	11.66
Above 3 months to 12 months	28.46	28.35
Above 1 Year -3 Years	50.90	69.26
Above 3 Years-5 Years	29.78	26.50
Above 5 Years-10 Years	29.54	23.15
Above 10 Years	0.30	-
Total	**149.76**	**158.93**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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As a Lessee:
Amount recognised in Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on lease Liabilities	8.20	10.68
Variable payments not included in measurement of lease liability	-	-
Income from subleasing ROU assets	(0.07)	(0.12)
Expenses relating to short term leases	-	-
Expenses relating to leases of low value assets, excluding short term leases of low value assets	-	-
Total amount recognised in the Statement of Profit and Loss	8.14	10.56

Amount recognised in Statement of Cash Flow

(₹ in crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total amount of cash outflows for leases (net of rental inflows)	44.62	39.36

As a Lessor:
Operating Lease
The Company has entered into operating leases on its furniture to its subsidiaries. These leases have a term of three years. All leases include a clause to enable upward revision on rental charge every three years according to the prevailing market conditions. Future minimum lease rentals receivable under non-cancellable operating leases as at 31.03.2021 are, as follows:

(₹ in crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Within one year	0.02	0.02
After one year but not more than five years	-	0.02
More than five years	-	-
Total	**0.02**	**0.04**

An impairment loss on furniture and other office equipment of ₹ 0.65 crores is recognised in the Statement of Profit and Loss, on account of the current fair value of the lease being less than the net investment in the lease.

Finance Lease
The Company has finance leases for furniture leased to its subsidiaries and subleased premises to subsidiaries. The company's obligations under Finance lease are secured by lessor's title to leased assets. Future minimum lease payments under finance lease s together with present value of the net minimum lease payments are, as follows:

(₹ in crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Within one year	0.54	0.72
After one year but not more than five years	-	0.54
More than five years	-	-
Total minimum lease payments	0.54	1.26
Less: Finance charges	0.10	0.09
Present value of minimum lease payments	**0.44**	**1.18**

Due to COVID-19 situations, no changes have been made in the terms of lease arrangements, neither have lessors given any concession to the lessee with respect to lease payments. None of the lease agreements have become onerous. The incremental borrowing rate of the Company, used to determine the present value of new lease liabilities has not been impacted due to COVID-19 situation.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

52. EARNINGS PER SHARE:

Earnings per share is calculated by dividing the profit attributable to the equity (ordinary) shareholders by the weighted average number of equity (ordinary) shares outstanding during the year as under:

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
Profit after tax attributable to equity shareholders	(₹ in crore)	2,734.34	2,401.84
Weighted average number of equity shares outstanding during the year	Nos.	50,46,63,000	50,46,63,000
Basic and Diluted Earnings per equity share	₹	54.18	47.59
Face value per equity share	₹	**2.00**	**2.00**

53. TAXES ON INCOME:

Movement in Deferred Tax Assets / Liabilities

(₹ in crore)

Particulars	As at A April 1, 2020	Profit or Loss	Other Comprehensive Income	Total	As at March 31, 2021
Property, plant and equipment	(32.01)	29.54	-	29.54	(2.47)
Expected credit losses	604.35	391.70	-	391.70	996.06
Provisions other than those pertaining to Expected credit loss	23.96	2.08	-	2.08	26.04
Financial assets at fair value through profit or loss	2.31	3.32	-	3.32	5.63
Re-measurements of employee benefits through OCI	3.69	-	(3.52)	(3.52)	0.17
Adjustments pertaining to Income and expense recognition based on Expected Interest rate	(109.56)	(95.87)	-	(95.87)	(205.43)
Income recognition on NPA cases	(31.48)	25.75	-	25.75	(5.73)
Others	58.76	39.90	-	39.90	98.66
Total	**520.03**	**396.42**	**(3.52)**	**392.90**	**912.93**

(₹ in crore)

Particulars	As at A April 1, 2019	Profit or Loss	Other Comprehensive Income	Total	As at March 31, 2020
Property, plant and equipment	(3.60)	(28.41)	-	(28.41)	(32.01)
Expected credit losses	579.89	24.46	-	24.46	604.35
Provisions other than those pertaining to Expected credit loss	23.83	0.13	-	0.13	23.96
Financial assets at fair value through profit or loss	-	2.31	-	2.31	2.31
Re-measurements of employee benefits through OCI	(1.14)	-	4.83	4.83	3.69
Adjustments pertaining to Income and expense recognition based on Expected Interest rate	(111.04)	1.48	-	1.48	(109.56)
Income recognition on NPA cases	(7.96)	(23.52)	-	(23.52)	(31.48)
Others	73.38	(14.62)	-	(14.62)	58.76
Total	**553.37**	**(38.17)**	**4.83**	**(33.34)**	**520.03**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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Income Tax recognised in Statement of profit and loss:

(₹ in crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Tax		
In respect of Current Year	958.00	828.98
In respect of prior years	(21.33)	-
Deferred Tax		
In respect of Current Year	(322.44)	38.17
Total Income Tax expense recognised in the current year	**614.23**	**867.15**

Reconciliation of income tax expense of the year to the accounting profit is as follows:

(₹ in crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Standalone Profit before tax	3348.58	3,268.99
Income tax expense calculated at 25.168% (Previous Year 34.944%)	842.77	822.74
Effect of expenses that are not deductible in determining taxable profit	393.07	193.15
Effect of incomes which are exempt from tax	(1.45)	(1.56)
Effect on deferred tax balances due to the changes in income tax rate	0.00	154.81
Deduction under section 36(1)(viii) of the Income tax Act, 1961	(205.73)	(185.36)
Others	(414.43)	(116.63)
Income tax expense recognised in statement of profit and loss	**614.23**	**867.15**

During the year 2020-2021, the Company has settled all its disputed income tax proceedings with respect to A.Y. 2004-05 to A.Y. 2017-18 under the Direct Tax Vivad Se Vishwas Act 2020. The disputed tax demands were already paid by the Company under protest in previous years. With the cases now being settled as aforesaid, resultant accounting impact has been considered during the year ended 31st March 2021.

54. CORPORATE SOCIAL RESPONSIBILITY

Establishment and Other expenses includes ₹ 63.03 crore for the year ended March 31, 2021 (Previous year ₹ 61.49 crore) for contribution towards Corporate Social Responsibility (CSR) in accordance with Companies Act, 2013.

Details of CSR expenditure during the financial year

a) Gross amount required to be spent by the company during the year is ₹ 63.03 crore (Previous Year ₹ 61.49 crore).

b) Amount spent during the year:

(₹ in crore)

Sl. No	Particulars	In Cash	Yet to be paid	Total
(i)	Construction/acquisition of any asset	01.02 (14.77)	16.26 (25.47)	17.28 (40.24)
(ii)	On purposes other than (i) above	05.90 (06.54)	39.85 (14.71)	45.75 (21.25)

Figures in bracket are in respect of the Previous Year

c) Details of related party transactions as per Indian Accounting Standard (Ind AS-24), “Related Party Disclosures” - Nil

d) Provision of ₹ 56.11 crores has been made for CSR expenditure unspent by the company as on March 31, 2021 (Previous Year ₹ 40.18 crore).

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

- Composition of CSR Committee (https://www.lichousing.com/Committees.php)
- CSR Policy (https://www.lichousing.com/policies_codes.php)
- Projects approved by the Board on their website (https://www.lichousing.com/corp_soci_res_policy.php)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

55. TRANSFER TO SPECIAL RESERVES

Special Reserve has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company. Special Reserve No. I relates to the amounts transferred upto the Financial Year 1996-97, whereas Special Reserve No. II relates to the amounts transferred thereafter. In the current financial year ₹ 829.99 crore (F.Y. 2018-19 ₹ 749.99 crore) has been transferred to Special Reserve No. II in terms of Section 36(1)(viii) of the Income tax Act, 1961 and an amount of ₹ 0.01 crore (F.Y. 2018-19 ₹ 0.01 crore) to Statutory Reserve under Section 29C the NHB Act as per notification no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21.

As per National Housing Bank's (NHB) circular vide circular NHB(ND)/DRS/Pol. 62/2014 dated 27th May, 2014, the Company has adjusted the opening balance of reserves for creation of Deferred Tax Liability (DTL) on the Special Reserve as at 1st April, 2014 created under Section 36(1)(viii) of the Income tax Act, 1961.

56. DISCLOSURE REQUIRED BY RESERVE BANK OF INDIA

The following disclosures have been given in terms of Notification no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21dated February 17, 2021 issued by Reserve Bank of India.

Comparative numbers in these disclosures have been provided as per the audited financial statements as at and for the year ended March 31, 2020 as per Notification no. NHB.HFC.CG.DIR.1/ MD&CEO/ 2016 dated February 9, 2017 issued by the National Housing Bank.

Summary of Significant Accounting Policies

The accounting policies regarding key areas of operations are disclosed as note 1 to 4 to the Standalone Financial Statement for the year ended March 31, 2021.

1. Advances

Disclosure regarding provisions made for substandard, doubtful and loss assets as per the Prudential Norms contained in the Notification no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21dated February 17, 2021 issued by Reserve Bank of India as amended are as under:

a. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC

As per RBI Directions Housing Finance Companies shall not lend more than 15% of its owned fund to Single borrower and 25% of its owned fund to any single group of borrowers. The Company has not exceeded prudential exposure limits during the year. The sanctioned limit or entire outstanding, whichever is higher, shall be reckoned for exposure limit.

b. Unsecured Advances

(₹ in crore)

Particulars	Outstanding amount	Tangible Security	Unsecured		Nature of Security
			Intangible Security	Unsecured	
Loan given to HFC's	1640.91 (627.98)	- (-)	1640.91 (627.98)	- (-)	Book debt on specific assets
Loan given under Lease Rental Discounting	122.66 (122.66)	29.28 (29.28)	93.38 (93.98)	- (-)	Rights over receivables
Loan given to Individuals	703.13 (529.36)	506.55 (373.73)	- (-)	196.57 (155.63)	Immovable Property
Loan Against Deposit	2.20 (15.32)	- (-)	2.20 (15.32)	- (-)	Fixed Deposit Receipt
Total	**2468.90** **(1295.32)**	**535.83** **(403.01)**	**1736.49** **(736.68)**	**196.57** **(155.63)**	

Figures in bracket are in respect of the Previous Year.

As per the NHB Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 and RBI notification no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 for determining the amount of unsecured advances the rights, licenses, authorization, etc., charged to the HFCs as collateral in respect of projects (including infrastructure projects) financed by them, should not be reckoned as tangible security. Hence such advances are reckoned as unsecured.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

c. Housing Loans and Non-Housing Loans

(₹ in crore)

Asset Classification	Housing		Non-Housing	
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Standard Assets				
a) Total Outstanding Amount	1,86,672.45	1,67,758.93	35,682.22	36,397.50
b) Provisions made	131.52	744.00	22.82	432.54
Sub-Standard Assets				
a) Total Outstanding Amount	1,695.95	2,319.85	1,515.80	839.57
b) Provisions made	541.50	355.14	342.42	125.94
Doubtful Assets – Category-I				
a) Total Outstanding Amount	2,126.05	928.82	857.57	163.36
b) Provisions made	965.64	236.95	238.22	40.84
Doubtful Assets – Category-II				
a) Total Outstanding Amount	1,760.90	646.80	932.42	399.56
b) Provisions made	757.99	259.17	416.81	159.83
Doubtful Assets – Category-III				
a) Total Outstanding Amount	380.37	275.26	183.42	240.36
b) Provisions made	188.20	275.26	87.78	240.36
Loss Assets				
a) Total Outstanding Amount	174.09	132.35	32.55	21.97
b) Provisions made	174.09	132.35	32.55	21.97
Total				
a) Total Outstanding Amount	**1,92,809.81**	**1,72,062.01**	**39,203.98**	**38,062.32**
b) Provisions made	**2,758.93**	**2,002.87**	**1,140.60**	**1,021.48**

* Accrued Interest includes Interest Accrued but not due and Interest Accrued and due.

d. Movement of NPAs

(₹ in crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(I) Net NPAs to Net Advances (%)	2.59%	1.99%
(II) Movement of NPAs (Gross)		
a) Opening balance	6,316.15	2,971.70
b) Additions during the year	3,937.40	3,544.44
c) Reductions during the year	594.42	548.23
d) Closing balance	9,659.13	5,967.90
(III) Movement of Net NPAs		
a) Opening balance	3,703.95	2,081.20
b) Additions during the year	2,447.50	2,552.07
c) Reductions during the year	237.52	513.18
d) Closing balance	5,913.93	4,120.10
(IV) Movement of Provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	2,612.21	890.48
b) Provisions made during the year	1,489.89	992.37
c) Write-off/write-back of excess provisions	356.91	35.05
d) Closing balance	3,745.19	1,847.80

Comparative numbers in these disclosures have been provided as per IGAAP.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

2. **There were no loans given against collateral of gold jewellery.**

3. **Exposure to group companies engaged in real estate business.**

Sl. No	Description	Amount (₹ in crore)	% of owned fund
(i)	Exposure to any single entity in a group engaged in real estate business	50.00	0.24%
(ii)	Exposure to all entities in a group engaged in real estate business	50.00	0.24%

4. **Investments**

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
A. Value of Investments		
i) Gross value of Investments	**4,657.97**	**5,433.29**
(a) In India	4,657.97	5,433.29
(b) Outside India		-
ii) Provisions for Depreciation	**22.36**	**9.17**
(a) In India	22.36	9.17
(b) Outside India		-
iii) Net value of Investments	**4,635.61**	**5,424.12**
(a) In India	4,635.61	5,424.12
(b) Outside India	-	-
B. Movement of provisions held towards depreciation on investments		
(i) Opening balance	9.17	10.00
(ii) Add: Provisions made during the year	13.19	-
(iii) Less: Write-off / Written-back of excess provisions during the year	-	0.83
(iv) Closing Balances	**22.36**	**9.17**

5. **Derivative Instruments:**

Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
i) The notional principal of swap agreements	1425.73	1,821.73
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	5.69	53.87
iii) Collateral required by the HFC upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps	5.69	53.87
v) The fair value of the swap book	5.69	53.87

(a) Interest Rate Swaps for hedging underlying liability aggregate to ₹ 1,425.73 crore (Previous Year ₹ 1821.73 crore).

(b) Foreign currency exposure in respect of coupon linked with LIBOR that are not hedged by derivative instruments as on March 31, 2021 amount to ₹ NIL crore (Previous Year ₹ NIL crore).

Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The exposure of the Company to Derivatives contracts is in the nature of Interest Rate Swaps and Currency Swaps to manage risk associated with interest rate movement and fluctuation in currency exchange rate.

Derivative policy of the Company specifies the exposure norms with respect to single counterparty and the total underlying amount at the time of entering into the new derivative contract.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

The Asset Liability Management Committee (ALCO) of the Company oversees efficient management of risk associated with derivative transactions. Company identifies, measures, monitors the exposure associated with derivative transaction. For effective mitigation of risk it has an internal mechanism to conduct regular review of the outstanding contracts which is reported to the ALCO & Risk Management Committee of the Board which in turn reports to the Audit Committee and to the Board of Directors.

The gain, if any realized on early termination of swap is amortized over the balance tenor of the swap or underlying liability whichever is less. Loss if any on early termination is charged to revenue in the same year. The carry difference, between coupon rate liability and the swap contract rate is accounted quarterly on accrual basis

B. Quantitative Disclosure

(₹ in crore)

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)	1425.73	-
(ii) Marked to Market Positions	-	-
(a) Assets (+)	5.69	-
(b) Liability (-)	-	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

6. Break up of 'Provisions and Contingencies' pursuant to RBI norms as per notification no. RBI/2020-21/ 73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21.

(₹ in crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1. Provisions for depreciation on Investment		
Provisions for depreciation on Investment	13.19	-
Long term investment written off (Non Trade)	0.00	24.34
Less - Provision for Investments written back	-	(0.83)
2. Provision made towards Income tax	936.67	828.98
3. Provision towards NPA		
(i) Provision towards NPA	1205.22	992.37
Less - Provision for loans written back	(72.23)	(35.05)
(ii) Loans written off	0.00	35.71
Less - Loans written off recovered	(0.00)	(8.37)
4. Provision for Standard Assets* (with details like teaser loan, CRE, CRE-RH, etc.)	154.09	373.13
5. Other Provision and Contingencies:		
(i) Provision For Other Doubtful Asset Receivable	17.34	(0.00)
(ii) Provisions for Contingency Written Back	-	-
(iii) Provision For Other Doubtful Asset Written Back	-	-
(iv) Provision for Loan Against Public Deposit	(0.05)	0.06
(v) Amounts written off Others	-	(0.06)
Total	**1317.61**	**2,210.28**

* Provision on Standard Asset includes provision on Individual Housing Loan ₹ 116.74 crore (Previous Year ₹ (NIL), CRE-RH ₹ 11.57 crore (Previous Year ₹ 24.36 crore), CRE ₹ 2.45 crore (Previous Year ₹ 3.25 crore) and CRE Others of ₹ 20.38 crore (Previous Year ₹ 1.52 crore) and Covid Moratorium Cases ₹ 2.94 (OTR) crore (Previous Year ₹ 392.71 crore).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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6. **The following disclosures have been given in terms of Notification no. RBI/2019-20/220 DOR.No.BP. BC.63/ 21.04.048/2019-20 dated April 17, 2020 issued by the Reserve Bank of India.**

Particulars		₹ in crore
(i)	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3;	6163.41
(ii)	Respective amount where asset classification benefits is extended.	4304.48
(iii)	Provisions made during the Q4FY2020 and Q1FY2021 in terms of paragraph 5;	606.62
(iv)	Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6.	606.62

7. **The following disclosures have been given in terms of Notification no. RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22. 10.106/2019-20 dated March 13, 2020 issued by the RBI on Implementation of Indian Accounting Standards.**

(₹ in crore)

	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	**(2)**	**(3)**	**(4)**	**(5)=(3)-(4)**	**(6)**	**(7) = (4)-(6)**
Performing Assets						
Standard	Stage 1	2,08,018.16	84.25	2,07,933.91	950.48	-866.23
	Stage 2	14,336.50	33.84	14,302.66	133.47	-99.63
Subtotal		2,22,354.67	118.09	2,22,236.58	1,083.95	-965.87
Non-Performing Assets (NPA)						
Substandard	Stage 3	3,211.75	883.92	2,327.83	487.76	396.16
Doubtful - up to 1 year	Stage 3	2,983.62	1,203.87	1,779.76	751.68	452.19
1 to 3 years	Stage 3	2,693.33	1,174.79	1,518.54	1,093.86	80.93
More than 3 years	Stage 3	563.79	275.98	287.81	480.74	-204.76
Subtotal for doubtful		6,240.74	2,654.64	3,586.10	2,326.28	328.36
Loss	Stage 3	206.64	206.64	-	206.31	0.33
Subtotal for NPA		**9,659.13**	**3,745.19**	**5,913.93**	**3,020.35**	**724.85**
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	-	32.91	-32.91	-	32.91
	Stage 2	-	3.34	-3.34	-	3.34
	Stage 3	-	-	-	-	-
Subtotal						
Total	**Stage 1**	**2,08,018.16**	**117.16**	**2,07,901.00**	**950.48**	**-833.32**
	Stage 2	**14,336.50**	**37.17**	**14,299.33**	**133.47**	**-96.30**
	Stage 3	**9,659.13**	**3,745.19**	**5,913.93**	**3,020.35**	**724.85**
	Total	**2,32,013.80**	**3,899.53**	**2,28,114.26**	**4,104.30**	**-204.78**

Impairment Reserve of ₹ 204.78 crores has been created and has not been considered as a part of Net Worth.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

8. The following disclosures have been given vide circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020.

(₹ in crore)

Particulars	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	1380	612.74	-	-	61.88
Corporate persons*	93	2,357.55	-	-	222.69
Of which, MSMEs	-	-	-	-	-
Others	93	2,357.55	-	-	222.69
Total	1473	2,970.29	-	-	284.57

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

9. Concentration of Public Deposits, Advances, Exposures and NPAs

9.1.1. Concentration of Public Deposits

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Total Deposits of twenty largest Public depositors	2,307.42	2,469.28
Percentage of Deposits of twenty largest Public depositors to Total Deposits of the Company	30.72%	35.80%

9.1.2. Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr No.	Particulars	Number of Significant Counterparties	Amount (₹ crore)	% of Total deposits	% of Total Liabilities
1.	Deposits	9	3,324.31	18.13%	1.55%
2.	Borrowings	19	1,25,063.67	NA	58.14%

9.1.3. Top 20 Large Deposits:

Particulars	Amount (₹ in crore)	Percentage of Total Deposits
Total of top 20 large deposits	5070.65	27.65%

Top 10 borrowings:

Particulars	Amount (₹ in crore)	Percentage of Total Borrowings*
Total of top 10 borrowings	96,094.64	50.70%

*Excludes Deposit

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

9.1.4. Funding Concentration based on significant instrument/product

Sr.No.	Particulars	Amount (₹ crore)	% of Total Liabilities
1	Banks & Other Financial Institutions (Includes ECB borrowing)	52,013.20	24.18%
2	NHB Refinance	10,119.54	4.70%
3	NCD outstanding	1,13,367.71	52.70%
4	Tier II bond	1,795.12	0.83%
5	Commercial Paper	12,230.25	5.69%
6	Deposits	18,335.67	8.52%
	Total Borrowings	**2,07,861.49**	**96.63%**
	Total Liabilities	**2,15,112.01**	

9.1.5. Stock Ratios:

(a) Commercial papers is 5.88% of total public funds, 5.69% of total liabilities and 5.19% of total assets.

(b) Non-convertible debentures (original maturity of less than one year) is nil % of total public funds, nil% total liabilities and nil% total assets.

(c) Other short-term liabilities is 3.36 % of total public funds, 3.24% total liabilities and 2.96% of total assets.

Institutional set-up for liquidity risk management

Measuring and managing liquidity needs are vital for effective operation of the Company. By assuring Company's ability to meet its liabilities as they become due, liquidity management can reduce the probability of an adverse situation developing. The importance of liquidity transcends individual institutions, as liquidity shortfall in one institution can have repercussions on the entire system.

Liquidity Risk implies the risk of not having sufficient funds to discharge the liabilities. Various situations can give rise to liquidity risk such as higher than estimated disbursements, stress on systemic liquidity due to CRR hikes, higher government borrowing program, advance tax outflows, etc. Therefore it is imperative to anticipate the net cash outflows correctly, as well as to have a contingency plan in case of any unforeseen outgo of funds. Another aspect of liquidity management is avoiding retention of too much of excess liquidity than what may be required, as the same would result in sub-optimal returns on investment. So the Company has to strike a balance between the above two factors and manage the liquidity position actively / effectively.

The liquidity risk management framework of the Company includes the Risk Management Committee (RMC) of the board which has been constituted by the Board of Directors of the Company. The Risk Management Committee (RMC), which is a committee of the Board, is responsible for evaluating and monitoring the integrated risk management system of the Company including liquidity risk The RMC reviews the liquidity risk position in line with policies and procedures to manage liquidity risk in accordance with limits approved by the Board of Directors. The ALCO is entrusted with ensuring adherence to the board approved Asset Liability Management (ALM) policy and other regulatory guidelines, including Structural Liquidity, Dynamic Liquidity, Interest Rate Sensitivity, etc,. The ALM Policy is reviewed periodically in accordance with regulatory guidelines.

9.2 Concentration of Loans & Advances

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Total Loans & Advances to twenty largest borrowers	9,323.37	8,356.96
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the Company	4.02%	4.01%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

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

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Total Exposure to twenty largest borrowers / customers	9347.73	8,520.47
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	3.45%	3.91%

9.4 Concentration of NPAs

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Total Exposure to top ten NPA accounts	2,128.06	1,771.44

9.5 Sector-wise NPAs

Particulars	Percentage of NPAs to Total Advances in that sector	
	As at March 31, 2021	As at March 31, 2020
A. Housing Loans:	-	-
1. Individuals	1.98%	1.18%
2. Builders/Project Loans	24.32%	23.02%
3. Corporates	-	-
4. Others (specify)	-	-
B. Non-Housing Loans:		
1. Individuals	6.22%	2.95%
2. Builders/Project Loans	-	3.27%
3. Corporates	12.15%	6.85%
4. Others (Commercial)	-	-

10. Exposure
10.1 Exposure to Real Estate Sector

(₹ in crore)

Category	As at March 31, 2021	As at March 31, 2020
a. Direct exposure		
(i) Residential Mortgages –		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented ; Individual Housing Loans upto ₹ 15 lakh: ₹41,848.38 crore (F.Y. ₹ 2019-20 ₹ 41,287.76 crore)	2,11,990.69	1,90,104.37
(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	18,371.09	17,504.30
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures –		
a. Residential	-	-
b. Commercial Real Estate	-	-
b. Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	1,640.91	627.98
Total Exposure to Real Estate Sector	**2,32,002.69**	**2,08,236.65**

In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

10.2 Exposure to Capital Market

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(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; *	98.00	98.00
(ii) advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	37.21	29.96
Total Exposure to Capital Market	**135.21**	**127.96**

* includes Investment in Subsidiary Companies and Investment in Associate Companies.

11. Asset Liability Management

Maturity pattern of certain items of assets and liabilities is as under:

(₹ in crore)

Particulars	1day to 7 days	7 days to 14 days	15 days to 30-31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities													
Deposits	61.59	107.84	339.53	620.65	1454.09	4455.66	6083.35	2989.77	2265.96	0.00	0.00	0.00	18378.44
Borrowings from banks	0.00	0.00	70.00	360.13	1187.35	1863.87	18805.65	16185.18	8499.09	4405.58	600.00	0.00	51976.85
Market Borrowing **	0.00	0.00	0.00	4255.00	4159.64	12975.64	17191.28	42082.42	36471.02	9045.48	11614.57	0.00	137795.05
Foreign Currency Liabilities													
Assets													
Advances*	646.33	1787.85	365.19	2885.20	2895.68	11986.58	24168.21	21061.86	21054.40	24853.52	36847.39	72456.84	221009.05
Investments**	234.04	0.00	700.00	1200.00	0.00	0.00	0.00	124.90	136.00	76.00	544.50	1621.58	4637.02
Foreign Currency Assets													

* Net of Provisions

** Net of Investment diminutions and G-Sec taken at face value.

*** Commercial Paper & Zero Coupon Bond taken at face value.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

12. Disclosure regarding penalty or adverse comments as per Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 during the current year:

a) There is no penalty imposed by NHB / RBI during the financial year 2020-21.

b) We are in receipt of NHB's Inspection Report dated 31/03/2021 with respect to Company's position as on 31/03/2020 vide email dated 01/04/2021. Compliance to the Inspection Report is sent to NHB on 27th April, 2021.

c) During the financial year 2020-21, the company has reported fraud in 12 loan accounts with outstanding amount of ₹ 1,089.19 Lakhs in accordance with Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 issued by the Reserve Bank of India read with RBI Circular No. RBI/DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016- 17 on Monitoring of frauds in NBFCs.

13. Indian Accounting Standard 24 - Related Party Transactions

Details of all material transactions with related parties are disclosed in Note 50.

14. Indian Accounting Standard 110- Consolidated Financial Statements

Refer to the Consolidated Financial Statements for the relevant disclosures.

15. Draw Down from Reserves

The Company has not drawn any amount from Reserves created in terms of Section 36(1) (viii) of the Income Tax Act, 1961 and Statutory Reserve under Section 29C of the NHB Act.

16. Overseas Assets

(₹ in crore)

Asset Description	As at March 31, 2021	As at March 31, 2020
Total Tangible Assets	0.01	0.01
Balance in Bank Account in Dubai	0.43	0.45

17. Disclosure of Complaints

Customers Complaints

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
a) No. of complaints pending at the beginning of the year	8	-
b) No. of complaints received during the year	21288	12,298
c) No. of complaints redressed during the year	21289	12,290
d) No. of complaints pending at the end of the year	7	8

18. Miscellaneous

18.1 Registration obtained from other financial sector regulators

The Company was incorporated under the Companies Act, 1956 on 19th June, 1989 and is governed by Companies Act, 2013. It is regulated by NHB and registered under section 29A of the NHB Act, 1987. Apart from this, the Company is not registered under any other financial regulators. The regulators of Housing Finance Companies is transferred to RBI from August 2019. No fresh registration is required to be obtained from RBI.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

18.2 Rating assigned by Credit Rating Agencies and migration of rating during the year

"CRISIL AAA/ Stable" by CRISIL, "CARE AAA" by CARE & "ICRA A1+" by ICRA. This rating indicates the highest degree of safety regarding timely payment of interest and principal. There is no change in rating during the year.

Sr.No.	Particulars	CRISIL Ratings
1	Non-Convertible Debentures	CRISIL AAA/STABLE
2	Upper Tier II Bonds	CRISIL AAA/STABLE
3	Tier II Bond	CRISIL AAA/STABLE
4	Commercial Paper	CRISIL A1+
5	Fixed Deposits Programme	FAAA/STABLE
6	Bank Loan Facilities(Long Term)	CRISIL AAA/STABLE
7	Bank Loan Facilities(Short Term)	CRISIL A1+

Sr.No.	Particulars	CARE Ratings
1	Non-Convertible Debentures	CARE AAA/STABLE
2	Lower Tier II Bonds	CARE AAA/STABLE
3	Upper Tier II Bonds	CARE AAA/STABLE

Sr.No.	Particulars	ICRA Ratings
1	Commercial Paper	ICRA A1+

18.3 Remuneration of Directors

The Independent Directors of the Company receive only sitting fees for attending the Board / Committee meetings and they do not have any other material or pecuniary relationships or transaction with the Company, its Promoters, its Directors, Management, Subsidiaries or Associate.

The details of sitting fees paid to Non-Executive Directors (other than LIC Nominee Directors) has been mentioned in Corporate Governance Report forming part of the Annual Report.

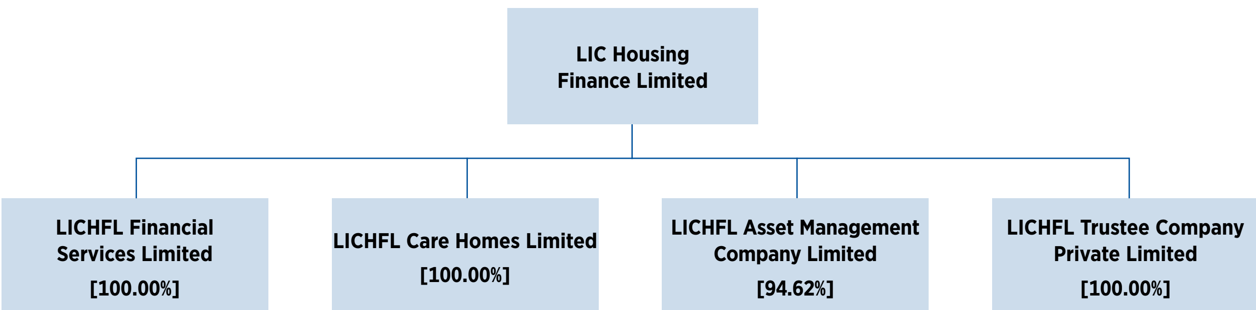
18.4 Management Discussion and Analysis

Management Discussion and Analysis report containing Industry structure and developments, opportunities and threats, segment-wise or product-wise performance, outlook, risks and concerns, internal control systems and their adequacy, discussion on financial performance with respect to operational performance, material developments in HR/Industrial Relations including number of people employed, etc., forming part of a separate section of the Annual Report.

18.5 Revenue Recognition

Revenue recognition is as per the Accounting Policy mentioned under Significant Accounting Policies. Refer Note 2.3

19. Group Structure



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

20. Reserve Fund u/s 29C of NHB Act, 1987

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act,1987	0.16	0.15
b) Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	5,854.33	5,104.34
Total	**5,854.49**	**5,104.49**
Addition / Appropriation / Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	0.01	0.01
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	829.99	749.99
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987.	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	0.17	0.16
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	6,684.32	5,854.33
Total	**6684.49**	**5,854.49**

21. Exchange Traded Interest Rate (IR) Derivative

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-	-
(a)	-	-
(b)	-	-
(C)	-	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2021 (instrument-wise)	-	-
(a)	-	-
(b)	-	-
(C)	-	-
(iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-
(a)	-	-
(b)	-	-
(C)	-	-
(iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-
(a)	-	-
(b)	-	-
(C)	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

22. Securitisation

22.1

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
1. No of SPVs sponsored by the HFC for securitisation transactions	-	-
2. Total amount of securitised assets as per books of the SPVs sponsored	-	-
3. Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet	-	-
(i) Off-balance sheet exposures towards Credit Enhancements		
(a)	-	-
(b)	-	-
(ii) On-balance sheet exposures towards Credit Enhancements		
(a)	-	-
(b)	-	-
4. Amount of exposures to securitization transactions other than MRR		
(i) Off-balance sheet exposures towards Credit Enhancements		
(a) Exposure to own securitizations		
(i)	-	-
(ii)	-	-
(b) Exposure to third party securitisations		
(i)	-	-
(ii)	-	-
(ii) On-balance sheet exposures towards Credit Enhancements		
(a) Exposure to own securitizations		
(i)	-	-
(ii)	-	-
(b) Exposure to third party securitisations		
(i)	-	-
(ii)	-	-

22.2. Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction:

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) No. of accounts	-	-
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(iii) Aggregate consideration		
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

22.3 Details of Assignment transactions undertaken by HFCs:

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) No. of accounts	-	-
(i) Aggregate value (net of provisions) of accounts assigned	-	-
(iii) Aggregate consideration		
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

22.4 Details of non-performing financial assets purchased or sold

A. Details of non-performing financial assets purchased:

(₹ in crore)

Particulars			As at March 31, 2021	As at March 31, 2020
1.	(a)	No. of accounts purchased during the year	-	-
	(b)	Aggregate outstanding	-	-
2.	(a)	Of these, number of accounts restructured during the year	-	-
	(b)	Aggregate outstanding	-	-

B. Details of non-performing financial assets purchased:

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
1. No. of accounts sold	-	-
2. Aggregate outstanding (₹ in crore)	-	-
3. Aggregate consideration received (₹ in crore)	-	-

22.5 Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items that have impact on the current year's profit and loss.

22.6 Off-balance Sheet SPVs sponsored

Name of the SPV sponsored	
Domestic	**Overseas**
-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

22.7 The Company is not a subsidiary of any Company, hence there are no details of financing of parent company products.

23. The additional Information pursuant to Schedule III to the Companies Act, 2013 are either Nil or Not Applicable.

24. In Disclosure number 55 i.e. Disclosure required by Reserve Bank of India, the previous year figures are provided as per IGAAP.

25. Disclosures as required under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 issued by the Reserve Bank of India

(₹ in crore)

Particulars	As at March 31, 2021	
Liabilities	**Amount outstanding**	**Amount overdue**
Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:	-	-
(a) Debentures: Secured	1,17,416.13	-
: Unsecured		-
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits		-
(c) Term Loans	47,181.73	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial Paper	12,230.25	-
(f) Public Deposits*	7,891.42	-
(g) Other Loans		
- Corporate Deposits	11,253.40	-
- Loans repayable on demand	15,000.00	-
- Subordinate Bonds	1,816.06	-
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	7,891.42	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crore)

Particulars	As at March 31, 2021
Assets	
3. Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:	
(a) Secured	2,31,816.71
(b) Unsecured	196.57
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	0.52
(b) Operating lease	
(ii) Stock on hire including hire charges under sundry debtors	-
(a) Assets on hire	-
(b) Repossessed Assets	
(iii) Other loans counting towards asset financing activities	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-
5. Break-up of Investments	
Current Investments	
1. Quoted	
(i) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	2,120.34
(iv) Government Securities	28 .72
(v) Real Estate Venture Fund	-
2. Unquoted	
(i) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-
Long Term investments	
1. Quoted	
(i) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	2,373.70
(v) Others	
2. Unquoted	
(i) Shares	
(a) Equity	98 .00
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Real Estate Venture Fund	14.85

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

6. **Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**

(₹ in crore)

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **	-	-	-
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	2,27,917.70	196.57	2,28,114.27
Total	**2,27,917.70**	**196.57**	**2,28,114.27**

7. **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

(₹ in crore)

Category	Breakup Value	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	179.23	68.29
(b) Companies in the same group	47.49	29.71
(c) Other Related Parties	-	-
2. Other than Related Parties	**Fair Value**	**Total**
(a) LICHFL Urban Development Fund	14.85	14.85
(b) Mutual Fund	2120.34	2120.34

8. **Other Information:**

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related Parties	-
(b) Other than Related Parties	9,659.13
(ii) Net Non-Performing Assets	
(a) Related Parties	-
(b) Other than Related Parties	5,913.94
(III) Assets acquired in satisfaction of Debt	-

Signature to Notes 1 to 56

As per our report of even date attached

For and on behalf of the Board of Directors

For Gokhale & Sathe
Chartered Accountants
FRN 103264W

For M.P. Chitale & Co.
Chartered Accountants
FRN 101851W

M. R. Kumar
Chairman
DIN: 03628755

Jagdish Capoor
Director
DIN: 00002516

Y. Viswanatha Gowd
Managing Director &
Chief Executive Officer
DIN: 09048488

Rahul Joglekar
Partner
M.No.129389

Ashutosh Pednekar
Partner
M. No. 41037

Nitin K. Jage
General Manager (Tax.)
& Company Secretary
FCS No. 8084

Sudipto Sil
CFO

Deepak Kumar
General Manager
(Accounts)

Place: Mumbai
Date: June 15, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of LIC Housing Finance Limited.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated Financial Statements of LIC Housing Finance Limited (hereinafter referred to as "the Holding Company"), and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associates, which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and Consolidated Cash Flow statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, of consolidated profit, total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 40.4 to the Consolidated Financial Statements, which explains the uncertainties and management's assessment of the financial impact due to the lockdown and other restrictions imposed by the Government and condition related to the COVID-19 pandemic situation, for which definitive assessment of the impact would highly depend upon circumstances as they evolve in the subsequent periods.

Our opinion is not modified in respect of the above matter

Key Audit Matters

Key audit matters are those matters that, in our professional judgement and based on the consideration of reports of other auditors on separate financial statements of subsidiaries audited by them, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

A. Key Audit Matters for Holding Company

Key Audit Matter	How the matter was addressed in our audit
Expected Credit Loss – Impairment of carrying value of loans and advances Under Ind AS 109, Expected Credit Loss (ECL) is required to be determined for recognising impairment loss on financial assets which are stated at amortised cost i.e. the loan portfolio of the Company. The calculation of impairment loss or ECL is based on significant management judgement and considers the historical default and loss ratios of the loan portfolio and, to the extent possible, forward-looking analysis. The significant areas in the calculation of ECL where management estimates and judgements are required as under: 1. Judgements about credit risk characteristics, taking into account, class of borrowers, credit risk ratings, date of initial recognition, remaining term to maturity, property valuations, time taken for recovery of stressed loans, industry scenario and other relevant factors for collective evaluation of impairment under various stages of ECL,	**We performed audit procedures set out below** • We understood and assessed the Company's process on timely recognition of impairment in the loan portfolio, both retail loans and project loans. This included assessing the accuracy of the system generated reports of ageing and defaults; • We also performed a test check of the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge and management review controls over measurement of impairment allowances and disclosures in the standalone financial statements;

INDEPENDENT AUDITOR'S REPORT

Key Audit Matter	How the matter was addressed in our audit
2. Loan staging criteria, 3. Calculation of probability of default and loss given default, 4. Consideration of probability weighted scenarios and forward looking macro-economic factors, 5. For Project loans, assessment based on a borrower's financial performance, solvency, liquidity and industry outlook. The Company has also appointed a domain specialist to assist it in arriving at the ECL provisions required to be recognised. Further, the Covid-19 pandemic situation and the lockdown in the country coupled with the regulatory packages granted to the borrowers by RBI in the form of moratorium, One Time Restructuring, etc. has cast an uncertainty on the timing and manner in which the Company would be able to collect the contractual cashflows in the form of repayments from its borrowers. In our opinion this is considered as a Key Audit Matter in view of the criticality of the item to the financial statements and the complex nature of assumptions and judgements exercised by the management. Refer Note 2.14 A(f), "Impairment of Financial Assets" and Note 38.4.2.3, "Impairment Assessment" and 38.4.2.4, "ECL model and assumptions considered in the ECL model", to the Standalone Financial Statements and Note 2.15 A(f) and Note 40.4.2.3, "Impairment Assessment" and 40.4.2.4, "ECL model and assumptions considered in the ECL model", to the Consolidated Financial Statements. Refer Note 3.1, "Determination of Expected Credit Loss" to the Standalone and Consolidated Financial Statements and Refer Note 9, "Loans" to the Standalone and Consolidated Financial Statements	• We have discussed with the management and the external specialists to test the working of the ECL model and reasonableness of assumptions used, more specifically in the light of the regulatory relaxations resulting out of the Covid-19 pandemic and its probable ramifications; • We performed substantive procedures over validating completeness and correctness of the data and reasonableness of assumptions used in the ECL model including capturing of PD and LGD in line with historical trends of the portfolio and evaluation of whether the results support the appropriateness of the PDs at the portfolio level; • We performed cut off procedures on a sample basis relating to recoveries at year end that would impact staging of loans; • We test checked the basis of collateral valuation in the determination of ECL provision; • We have relied upon the work done by other experts like Independent Valuers, Lawyers, Legal Experts and other such professionals who have rendered services to the company; • We have also obtained management representations wherever considered necessary.
IT Systems and controls The company has separate software applications for management of its loan portfolio from origination to servicing and closure and for the routine accounting. Transfer of data from / to these softwares is critical for accurate compilation of financial information. Adequate supervision over these IT controls is required to ensure that these IT applications process data as expected, updates and changes are made in an appropriate manner and confidentiality, availability and integrity is maintained. Such controls mitigate the risk of incorrect financial reporting. Our audit outcome is dependent on the effective functioning of such IT controls.	**We have carried out the following procedures to verify the effectiveness of IT controls:** a. We have planned, designed and carried out the desired audit procedures and sample checks. We have also assessed if these have a bearing on the financial reporting b. In addition, we have relied on IS and other related audit reports provided by the management, wherever available. c. We also tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit and performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the financial statements. d. We have also obtained management representations wherever considered necessary.

INDEPENDENT AUDITOR'S REPORT

B. Key Audit Matters for Subsidiary Companies - No key audit matters reported by the Subsidiary Companies' auditors for the year ended March 31, 2021

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's Director's report and Management Discussion & Analysis (MD&A) report but does not include the Consolidated Financial Statements and our auditor's report thereon. The Director's report and MD&A 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 do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Management's Responsibilities for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the matters stated in sub-section (5) of Section 134 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, total comprehensive income, changes in equity and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective management and Board of Directors of the companies in the Group and its associates are responsible for assessing the ability of the Group and its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

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

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

ii. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under the section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

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

v. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

vi. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the financial year ended March 31, 2021 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

a. We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹ 268.23 crores as at March 31, 2021, total revenues of ₹ 80.78 crores and net cash flows amounting to ₹ 0.49 crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

b. The Consolidated Financial Statements also include the Group's share of net profit of ₹ 1.99 crores for the year ended March 31, 2021, as considered in the Consolidated Financial Statements, in respect of two associates, whose financial statements have not been audited by us. These financial statements are 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 these associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associates, is based solely on 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.

c. Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

INDEPENDENT AUDITOR'S REPORT

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and the reports of the other auditors;

   c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

   d. in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

   e. on the basis of written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act;

   f. with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A;

   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, in our opinion and to the best of our information and according to the explanations given to us:

      i. the Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – Refer note 43(b) to the Consolidated Financial Statements.

      ii. the Group and its associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. there has been no delay in transferring amounts, required to be transferred, to the Investor, Education and Protection Fund by the Holding Company, its subsidiary and its associate companies.

   h. As required by Section 197(16) of the Act, in our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2021 has been paid/ provided by the Holding company and its subsidiaries to their directors in accordance with the provisions of Section 197 of the Act.

For **Gokhale & Sathe**
Chartered Accountants
Firm Regn. No. 103264W

Rahul Joglekar
Partner
Membership No.: 129389
UDIN: 21129389AAAAGR5135

Place: Mumbai
Date: June 15, 2021

For **M. P. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 101851W

Ashutosh Pednekar
Partner
Membership No.: 041037
UDIN: 21041037AAAACV7658

Place: Mumbai
Date: June 15, 2021

ANNEXURE A
TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of LIC Housing Finance Limited of even date)

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 (the 'Act')

We have audited the internal financial controls over financial reporting of **LIC Housing Finance Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries as of March 31, 2021 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to the audit of internal financial controls with reference to Consolidated Financial Statements. 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 reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to these Consolidated Financial Statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to these Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to these Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, material weakness has been identified in respect of entity level controls as well as financial closure processes with regard to reconciliations of various suspense accounts carrying old credit balances and supervision and

ANNEXURE A
TO INDEPENDENT AUDITOR'S REPORT

monitoring of flow of information to/from field offices / out sourced agencies to corporate office, necessary for financial closure and reporting leading to deficiencies in operating effectiveness of the Holding Company's Internal financial controls with reference to financial statements as at March 31, 2021.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Holding Company and its subsidiary companies, have maintained, in all material respects, adequate internal financial controls with reference to these Consolidated Financial Statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Holding Company's internal financial controls with reference to financial statements were operating effectively as of March 31, 2021.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2021 Consolidated financial statements, and these material weaknesses do not affect our opinion on the Consolidated financial statements.

Other Matter

Our report under clause (i) of sub-section 3 of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial reporting these Consolidated Financial Statements, insofar as it relates to these four subsidiary companies, is based on the corresponding reports of the auditors of such subsidiary companies.

For **Gokhale & Sathe**
Chartered Accountants
Firm Regn. No. 103264W

Rahul Joglekar
Partner
Membership No.: 129389
UDIN: 21129389AAAAGR5135

Place: Mumbai
Date: June 15, 2021

For **M. P. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 101851W

Ashutosh Pednekar
Partner
Membership No.: 041037
UDIN: 21041037AAAACV7658

Place: Mumbai
Date: June 15, 2021

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2021

(₹ in crore)

	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Financial Assets			
(a) Cash and Cash Equivalents	5	1,331.87	1,369.30
(b) Bank Balance other than (a) above	6	53.09	667.62
(c) Derivative Financial Instruments	7	5.69	80.48
(d) Receivables	8		
(I) Trade Receivables		7.70	21.80
(II) Other Receivables		-	-
(e) Loans	9	2,28,090.98	2,07,974.51
(f) Investments	10	4,643.90	5,484.73
(g) Other Financial Assets	11	109.75	23.92
Total Financial Assets		**2,34,242.98**	**2,15,622.36**
(2) Non-Financial Assets			
(a) Current Tax Assets (Net)	12	5.03	360.05
(b) Deferred Tax Assets (Net)	13	918.69	526.28
(c) Property, Plant and Equipment	14.1	161.05	165.61
(d) Capital Work in Progress	14.3	2.71	2.92
(e) Intangible Assets under Development	14.4	3.63	-
(f) Right of Use Assets	14.5	118.30	126.60
(g) Goodwill on Consolidation		0.21	0.21
(h) Other Intangible Assets	14.2	2.31	2.01
(i) Other Non-Financial Assets	15	140.47	113.70
(j) Assets Held for Sale		126.19	-
Total Non-Financial Assets		**1,478.59**	**1,297.38**
Total Assets		**2,35,721.57**	**2,16,919.74**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Derivative Financial Instruments	7	-	22.90
(b) Lease Liabilities		127.63	133.15
(c) Payables	16		
(A) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		2.80	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		83.17	30.63
(B) Other Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(d) Debt Securities	17	1,25,597.96	1,32,082.26
(e) Borrowings (Other than Debt Securities)	18	62,132.74	45,140.43
(f) Deposits	19	18,271.75	12,571.81
(g) Subordinated Liabilities	20	1,795.12	1,500.00
(h) Other Financial Liabilities	21	6,659.86	6,791.71
Total Financial Liabilities		**2,14,671.03**	**1,98,272.89**
(2) Non-Financial Liabilities			
(a) Current tax liabilities (Net)	22	7.76	-
(b) Deferred Tax liabilities (Net)	23	0.09	-
(c) Provisions	24	147.51	148.62
(d) Other Non-Financial Liabilities	25	291.04	230.92
Total Non-Financial Liabilities		**446.40**	**379.54**
(3) EQUITY			
(a) Equity Share Capital	26	100.99	100.99
(b) Other Equity	27	20,500.44	18,163.88
(c) Non Controlling Interest		2.71	2.44
Total Equity		**20,604.14**	**18,267.31**
Total Liabilities and Equity		**2,35,721.57**	**2,16,919.74**
See accompanying notes forming part of the Consolidated Financial Statement	1-61		

As per our report of even date attached

For and on behalf of the Board of Directors

For Gokhale & Sathe
Chartered Accountants
FRN 103264W

For M.P. Chitale & Co.
Chartered Accountants
FRN 101851W

M. R. Kumar
Chairman
DIN: 03628755

Jagdish Capoor
Director
DIN: 00002516

Y. Viswanatha Gowd
Managing Director & Chief Executive Officer
DIN: 09048488

Rahul Joglekar
Partner
M.No.129389

Ashutosh Pednekar
Partner
M. No. 41037

Nitin K. Jage
General Manager (Tax.) & Company Secretary
FCS No. 8084

Sudipto Sil
CFO

Deepak Kumar
General Manager (Accounts)

Place: Mumbai
Date: June 15, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crore)

		Note	Year ended as at March 31, 2021	Year ended as at March 31, 2020
(1)	**REVENUE FROM OPERATIONS**			
	(i) Interest Income	28	19,709.28	19,614.36
	(ii) Fees and Commission Income	29	98.81	58.74
	(iii) Net gain on Fair Value Changes	30	0.96	1.65
	(iv) Net gain on Derecognition of Financial Instruments	31	9.45	5.86
	(v) Sale of Products	32	-	8.82
	(vi) Others	33	63.20	46.67
Total Revenue from Operations (1)			**19,881.70**	**19,736.10**
(2)	**Other Income** (includes Dividend of Nil) (Previous year ₹ 0.22 crore)	34	(1.48)	(29.22)
(3)	**Total Income (1+2)**		**19,880.22**	**19,706.88**
(4)	**Expenses**			
	(i) Finance Costs	35	14,450.38	14,781.42
	(ii) Fees and Commission Expenses	36	88.28	47.39
	(iii) Net Loss on Derecognition of Financial Instruments under Amortised Cost Category	37	27.42	47.49
	(iv) Impairment on Financial Instruments (Expected Credit Loss)	38	1,317.61	952.08
	(v) Cost of Materials Consumed	39	1.03	4.69
	(vi) Employee Benefits Expenses	40	323.78	327.62
	(vii) Depreciation, Amortization and Impairment	14.1 & 14.2	52.47	51.11
	(viii) Others Expenses	41	254.12	212.90
Total Expenses (4)			**16,515.09**	**16,424.70**
(5)	**Profit Before Tax (3-4)**		**3,365.13**	**3,282.18**
(6)	**Tax Expense:**			
	- Current Tax		967.18	838.09
	- Tax Expense for Earlier Years		(21.33)	-
	- Deferred Tax		(321.84)	40.43
Total Tax Expenses (6)			**624.00**	**878.52**
(7)	**Net Profit after Tax (5-6)**		**2,741.13**	**2,403.66**
(8)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to Profit or (Loss)		(0.79)	(12.09)
	(ii) Income Tax relating to items that will not be reclassified to Profit or (Loss)		(1.70)	4.94
Other Comprehensive Income			**(2.49)**	**(7.15)**
(9)	**Total Comprehensive Income for the period**		**2,738.64**	**2,396.51**
(10)	**Share of Profit/(Loss) of Associates**		2.06	0.52
(11)	**Share of Profit/(Loss) of Non-Controlling Interest**		(0.41)	(0.40)
	Total Comprehensive Income for the period (Comprising Profit / (Loss) and other Comprehensive Income for the period) (9+10+11)		**2,740.29**	**2,396.63**
	Profit for the year attributable to:			
	Shareholders of the Company		2,740.72	2,403.26
	Non-Controlling Interests		0.41	0.40
	Total Comprehensive Income for the year attributable to:			
	Shareholders of the Company		2,739.88	2,396.24
	Non-Controlling Interests		0.41	0.40
(12)	**Earnings per Equity Share**			
	Basic (₹)		54.32	47.63
	Diluted (₹)		54.32	47.63
See accompanying notes forming part of the Consolidated Financial Statement		1 - 61		

As per our report of even date attached

For and on behalf of the Board of Directors

For Gokhale & Sathe
Chartered Accountants
FRN 103264W

For M.P. Chitale & Co.
Chartered Accountants
FRN 101851W

M. R. Kumar
Chairman
DIN: 03628755

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M. No. 41037

Nitin K. Jage
General Manager (Tax.) & Company Secretary
FCS No. 8084

Sudipto Sil
CFO

Deepak Kumar
General Manager (Accounts)

Place: Mumbai
Date: June 15, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

A. EQUITY SHARE CAPITAL

(₹ in crore)

Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
100.99	-	100.99

Balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
100.99	-	100.99

B. OTHER EQUITY

(₹ in crore)

	Reserve and Surplus								Other Comprehensive Income				Total Equity
	Statutory Reserves	Capital Reserve	Securities Premium	General Reserve	Special Reserve I	Special Reserve II	Impairment Reserve	Retained Earnings	Other items (Acturial Gain/(Loss)	Cash Flow Hedge Reserve	Equity attributable to shareholders of the Company	Non controlling Interests	
Balance as at April 1, 2019	**0.15**	**28.36**	**1,721.09**	**5,852.72**	**38.98**	**5,104.34**	**-**	**3,482.04**	**2.17**	**-**	**16,229.83**	**2.19**	**16,232.02**
Add: Total Comprehensive Income for the year	-	-	-	-	-	-	-	2,403.66	(7.15)	-	2,396.50	-	2,396.50
Gain on ECB Cross Currency Swap	-	-	-	-	-	-	-	-	-	48.62	48.62	-	48.62
Less: Loss due to Exchange Rate Fluctuation on ECB	-	-	-	-	-	-	-	-	-	(48.62)	(48.62)	-	(48.62)
Add: Share of Profit of Associates	-	-	-	-	-	-	-	0.52		-	0.52	-	0.52
Less: Share of Non-Controlling Interests	-	-	-	-	-	-	-	(0.40)	-	-	(0.40)	0.40	-
Less: Dividend (including Tax on Dividend of ₹ 78.86 crores)	-	-	-	-	-	-	-	(462.38)	-	-	(462.38)	(0.15)	(462.53)
Transfer to Statutory Reserves	0.01	-	-	-	-	-	-	(0.01)	-	-	-	-	-
Transfer to General Reserves	-	-	-	600.00	-	-	-	(600.00)	-	-	-	-	-
Transfer to Special Reserve II	-	-	-	-	-	749.99	-	(749.99)	-	-	-	-	-
Adjustment in Retained Earnings due to first time adoption of IND AS 116	-	-	-	-	-	-	-	(0.19)	-	-	(0.19)	-	(0.19)
Balance as at Mar 31, 2020	**0.16**	**28.36**	**1,721.09**	**6,452.72**	**38.98**	**5,854.33**		**4,073.24**	**(4.98)**	**-**	**18,163.88**	**2.44**	**18,166.32**
Balance as at April 1, 2020	**0.16**	**28.36**	**1,721.09**	**6,452.72**	**38.98**	**5,854.33**	**-**	**4,073.24**	**(4.98)**	**-**	**18,163.88**	**2.44**	**18,166.32**
Add: Total Comprehensive Income for the year	-	-	-	-	-	-	-	2,741.13	(2.49)	-	2,738.65	-	2,738.65
Add: Share of Profit of Associates	-	-	-	-	-	-	-	2.06	-	-	2.06	-	2.06
Less: Share of Non-Controlling Interests	-	-	-	-	-	-	-	(0.41)	-	-	(0.41)	0.41	-
Add: Gain on ECB Cross Currency Swap	-	-	-	-	-	-	-	-	-	(5.69)	(5.69)	-	(5.69)
Less: Loss due to Exchange Rate Fluctuation on ECB	-	-	-	-	-	-	-	-	-	5.69	5.69	-	5.69
Less: Dividend	-	-	-	-	-	-	-	(403.73)	-	-	(403.73)	(0.14)	(403.87)
Transfer to Statutory Reserves	0.01	-	-	-	-	-	-	(0.01)	-	-	-	-	-
Transfer to General Reserves	-	-	-	700.00	-	-	-	(700.00)	-	-	-	-	-
Transfer to Special Reserve II	-	-	-	-	-	829.99	-	(829.99)	-	-	-	-	-
Transfer to Impairment Reserve	-	-	-	-	-	-	204.78	(204.78)	-	-	-	-	-
Balance as at Mar 31, 2021	**0.17**	**28.36**	**1,721.09**	**7,152.72**	**38.98**	**6,684.32**	**204.78**	**4,677.51**	**(7.48)**	**-**	**20,500.44**	**2.71**	**20,503.16**

See accompanying notes forming part of the Consolidated Financial Statement 1 -61

As per our report of even date attached

For and on behalf of the Board of Directors

For Gokhale & Sathe
Chartered Accountants
FRN 103264W

For M.P. Chitale & Co.
Chartered Accountants
FRN 101851W

M. R. Kumar
Chairman
DIN: 03628755

Jagdish Capoor
Director
DIN: 00002516

Y. Viswanatha Gowd
Managing Director & Chief Executive Officer
DIN: 09048488

Rahul Joglekar
Partner
M.No.129389

Ashutosh Pednekar
Partner
M. No. 41037

Nitin K. Jage
General Manager (Tax.) & Company Secretary
FCS No. 8084

Sudipto Sil
CFO

Deepak Kumar
General Manager (Accounts)

Place: Mumbai
Date: June 15, 2021

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED MARCH 31, 2021

(₹ in crore)

		Year ended March 31,2021	Year ended March 31,2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax	3,365.13	3,282.18
	Adjustments for		
	Depreciation, Amortization and Impairment (other than Financial Instruments)	52.47	51.11
	Exchange differences on translation of assets and liabilities (Net)	0.01	-
	Impairment on Financial Instruments (Expected Credit Loss)	1,317.61	952.08
	Loss/(Gain) on disposal of Property, Plant and Equipment	(0.01)	(0.13)
	Dividend and Interest Income classified as Investing Cash Flows	-	(0.29)
	Unwinding of discount	(14.15)	(255.69)
	Interest Expense	14,450.37	14,781.38
	Interest Income	(19,526.45)	(19,470.89)
	Share of Associates	2.06	(0.40)
	Share of Minority	(0.41)	-
	Adjustments for		
	Movements in Provisions and Gratuity	(0.79)	(12.09)
	(Increase) / Decrease in Other Financial Assets	563.09	(439.02)
	(Increase) / Decrease in Other Non Financial Assets	(48.68)	(32.04)
	Increase / (Decrease) in Other Financial Liabilities	331.90	(5,937.27)
	Increase / (Decrease) in Other Non Financial Liabilities	45.87	109.16
	Interest Paid	(15,004.11)	(15,471.47)
	Interest Received	19,708.64	19,066.96
	Cash generated from Operations	**5,242.55**	**(3,376.42)**
	Income Tax paid	(632.79)	(1,016.47)
	Net Cash Outflow from Operations	**4,609.76**	**(4,392.89)**
	Loans Disbursed (Net of repayments)	(21,623.84)	(15,280.43)
	Deposits (Net of repayments)	5,816.69	4,935.65
	Asset held for sale	(126.19)	-
	Net Cash Outflow from Operating Activities (A)	**(11,323.58)**	**(14,737.67)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payments for Property, Plant and Equipment	(10.83)	(14.72)
	Proceeds from Sale of Property, Plant and Equipment	0.01	0.17
	Payments for Purchase of Investments	(556.82)	(1,840.82)
	Proceeds from Sale of Investments	1,425.44	3.26
	Dividends Received	-	0.22
	Interest Received	-	0.08
	Increase in Minority	0.43	0.40
	Net Cash (Outflow)/ Inflow from Investing Activities (B)	**858.23**	**(1,851.41)**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED MARCH 31, 2021

(₹ in crore)

		Year ended March 31,2021	Year ended March 31,2020
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Borrowings	1,20,384.58	1,69,252.97
	Repayment of Borrowings	(1,09,504.20)	(1,53,593.60)
	Payment towards Lease Liability	(47.50)	(40.32)
	Transfer to Investor Protection Fund	(1.07)	(0.98)
	Dividends paid to Company's Shareholders	(403.73)	(383.55)
	Dividends paid to Non Controlling Interest	(0.15)	(0.15)
	Dividend Distribution Tax paid	-	(78.84)
	Net Cash Inflow from Financing Activities (C)	**10,427.93**	**15,155.53**
	Effect of exchange differences on translation of foreign currency cash and cash equivalents	(0.01)	-
	Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(37.42)	(1,433.55)
	Cash and Cash Equivalents at the beginning of the period	1,369.30	2,802.85
	Cash and Cash Equivalents at the end of the period	**1,331.87**	**1,369.30**
	Cash and Cash Equivalents as per above comprise of the following		
	(i) Cash on hand	5.97	1.38
	(ii) Balances with Banks (of the nature of cash and cash equivalents)	1158.48	1285.72
	(iii) Cheques, drafts on hand	167.42	82.20
	Balances as per Statement of Cash Flows	**1331.87**	**1369.30**

As per our report of even date attached

For and on behalf of the Board of Directors

For Gokhale & Sathe
Chartered Accountants
FRN 103264W

For M.P. Chitale & Co.
Chartered Accountants
FRN 101851W

M. R. Kumar
Chairman
DIN: 03628755

Jagdish Capoor
Director
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Y. Viswanatha Gowd
Managing Director &
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Partner
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Partner
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Nitin K. Jage
General Manager (Tax.)
& Company Secretary
FCS No. 8084

Sudipto Sil
CFO

Deepak Kumar
General Manager
(Accounts)

Place: Mumbai
Date: June 15, 2021

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

NOTE 1: CORPORATE INFORMATION:

LIC Housing Finance Limited ("the Company" or Parent) is a Public Limited Company, having corporate identification number CIN: L65922MH1989PLC052257, is incorporated under the provisions of the Companies Act, 1956 (as amended by the Companies Act, 2013). The shares of the Company are listed on the Bombay Stock Exchange, the National Stock Exchange and the Luxemburg Stock Exchange.

The Company is engaged in the business of providing finance for purchase, construction, repairs, renovation of houses/buildings. The Company's Registered Office and Corporate Office is at Mumbai with a wide network of Operating Offices in India and Representative Offices at Dubai and Kuwait.

The Consolidated Financial Statements for the year ended March 31, 2021 were authorized for issuance in accordance with resolution of the Board of Directors on 15th June 2021.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

(A) Significant Accounting Policies:

2.1 Statement of Compliance

Consolidated Financial Statements of the Group have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards ("the Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the guidelines issued by the National Housing Bank ("NHB") and Reserve Bank of India (RBI) to the extent applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The Group presents its Balance Sheet in the order of liquidity.

2.2 Basis of preparation of Consolidated Ind-AS Financial Statements

The Group has prepared these Consolidated Financial Statements, which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2021, and accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements" or "Financial Statements"), on the historical cost basis except for certain financial instruments and certain employee benefit assets, which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized within the fair value hierarchy into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crore except when otherwise stated.

2.3 Basis of Consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company, its subsidiaries (together referred to as 'the Group') and associates as at the year ended March 31, 2021. Control is achieved where the Company:

- has power over the investee;
- is exposed to, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. The Company reassesses whether or not it controls an investee if fact and circumstances indicates that there are changes to one or more of the three elements of control. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that member's financial statements in preparing the consolidated financial statements to ensure conformity with the Company's accounting policies.

2.3.1 Consolidation Procedure

a) The financial statements of the Company and its subsidiary companies are combined by adding like items of assets, liabilities, equity, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses, eliminating the carrying amount of parent's investment in each subsidiary and parent's portion of equity of each subsidiary in accordance with Ind AS 110.

b) When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies.

c) The audited financial statements of the subsidiaries and unaudited financial statements of associates are considered for the purpose of consolidation and are drawn up to March 31, 2021. The reporting period of these financial statements is same as the reporting period of the Company.

The details of the subsidiaries are as under:

Name of the company	Nature of relationship	Proportion of ownership interest/voting power		Country of Incorporation
		Current Year	Previous Year	
LICHFL Care Homes Limited	Subsidiary	100.00%	100.00%	India
LICHFL Financial Services Limited	Subsidiary	100.00%	100.00%	India
LICHFL Asset Management Company Limited (Formerly known as LICHFL Asset Management Company Private Limited)	Subsidiary	94.62%	94.62%	India
LICHFL Trustee Company Private Limited.	Subsidiary	100.00%	100.00%	India
LIC Mutual Fund Asset Management Limited.	Associate	39.30%	39.30%	India
LIC Mutual Fund Trustee Private Limited.	Associate	35.30%	35.30%	India

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

2.3.2 Investment in 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 does not control those policies. The results, assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, the investment in an associate is initially recognised at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. Dividend received from associates is recognised as reduction in the carrying amount of the investments. After application of the equity method, the Company determines whether there is any objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit/loss of an associate in the Statement of Profit and Loss. Upon loss of significant influence over the associate, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal, is recognised in profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in OCI are reclassified to profit or loss where appropriate. Changes in investor's interest in other components of equity in such cases are directly recognised in Equity. When a group entity transacts with an associate of the Group, profit or losses resulting from the transactions with associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

2.4 Revenue Recognition

The Group has recognised revenue pursuant to a contract (other than a contract listed in paragraph 5 of Ind AS 115) only if the counterparty to the contract is a customer. A customer is a party that has contracted with an entity to obtain services that are an output of the entity's ordinary activities in exchange for consideration.

i. Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at applicable effective interest rate (EIR). The effective interest method is a method of calculating the amortised cost of a financial assets and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial assets, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

ii. Dividend Income:

Dividend income from investment is recognised when the Company's right to receive the payment has been established provided that it is probable that economic benefits will flow to the Group and the amount of income can be measured reliably.

iii. Fees and Commission Income:

Fees and commission income includes fees other than those that are an integral part of EIR. The Company recognises the fees and commission income in accordance with the terms of the relevant contracts / agreements and when it is probable that the Company will collect the consideration.

The details of Associates are as under:

Name of the company	Nature of relationship	Proportion of ownership interest/voting power		Country of Incorporation
		Current Year	Previous Year	
LIC Mutual Fund Asset Management Limited.	Associate	39.30%	39.30%	India
LIC Mutual Fund Trustee Private Limited.	Associate	35.30%	35.30%	India

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

Revenue from investment management services is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue from contracts with customers and supersedes current revenue recognition guidance found within Ind AS. Revenue from Investment management services is recognized in accordance with the Investment Management Agreement read with Contribution Agreement entered by the Fund with its investors.

iv. Revenue from Property Development/ Construction Projects:

Revenue is recognized based on nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

a) Income from services is recognized on completion of the works/contract.

b) Revenue from property development / construction projects activity is recognized by applying percentage of completion method of the contract value basis when reasonable expectation of collection of the sale consideration from the customers exists. Percentage of completion is determined as a proportion of the cost of work performed to date to the total estimated contract costs and the project so determined has been accounted for proportionate to the percentage of the actual work done.

c) Interest on delayed payment by customers are accounted when reasonable certainty of collection is established.

v. Other Income:

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

2.5 Leases

The Group has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019 and has reassessed the existing lease contracts on the date of initial application date, i.e. 01.04.2019 for application of Ind AS 116. The Group has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated. As permitted by para C8(c)(ii) of Ind AS 116, at the date of initial application, the right to use asset has been measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of initial application. As a result there is no cumulative effect of initial application which is required to be recognised in retained earnings at April 1, 2019.

As Lessee

The Group, as lessee has recognised lease liabilities and right-of-use assets, has applied the following approach to all of its leases (a) measured the lease liability at the date of transition to Ind AS by measuring lease liability at the present value of the remaining lease payments and discounted using the lessee's incremental borrowing rate at the date of transition to Ind AS 116. Lease arrangements entered during the year are measured at incremental borrowing rate computed at the beginning of the accounting year. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if there is change to its assessment whether it will exercise an extension or a termination option. (b) Right Of Use assets are recognized and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of restoration costs and any initial direct costs incurred by lessee. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right of Use Assets are depreciated from the commencement date on a straight- line basis over the shorter of the lease term or useful life of the underlying asset. They are evaluated for recoverability whenever events or changes indicate that their carrying amounts may not be recoverable.

The Group has not applied Ind AS 116 to Short Term Leases, which are defined as leases with a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term.

As a Lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

2.6 Functional Currency and Foreign Exchange Transactions

The functional currency of the Group is determined on the basis of the primary economic environment in which it operates. The Group has accordingly assessed INR as its functional currency.

The transactions in currencies other than the entity's functional currency are recognised at the rate of exchange prevailing at the date when the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the dates when fair value was determined. Non-monetary items measured at historical cost are not translated.

Exchange difference arising on monetary items is recognised in the Statement of Profit And Loss in the year in which they arise.

2.7 Borrowing Costs

Borrowing costs include interest, commission/brokerage on deposits and exchange differences arising from foreign currency borrowings to the extent they are regarded as adjustment to interest cost. Interest expenses are accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate (EIR) applicable. The effective interest method is a method of calculating the amortised cost of a financial liability and allocating interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

2.8 Employee Benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the year of a plan amendment or when the Group recognises corresponding restructuring cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits to employees in respect of wages and salaries, annual leave, sick leave and short-term employee benefits in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

2.9 Taxes

Income tax expense represents the sum of current tax and deferred tax.

Current Taxes

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

Deferred Taxes

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which give future economic benefits in the form of adjustment to future income tax liability, is considered as a deferred asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Group.

Current and Deferred Tax for the year

Current and Deferred tax are recognised in profit or loss, except when they are relating to items that are recognised in the other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.10 Property, Plant and Equipment

Property, Plant and Equipment are recorded at their cost of acquisition, net of refundable taxes or levies, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. Property, plant and equipment except freehold land held for use for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight - line method as per the useful life prescribed in the Schedule II to the Companies Act, 2013, except in respect of Vehicles (Motor cars) where useful life is estimated as 5 years based on estimated usage of the assets.

Type of Asset	Useful Lives (in years)
Building	60
Furniture & Fixture	10
Vehicles	5
Office Equipment	5
Computers	3
Servers And Networks Equipment	6

Depreciation on additions to Fixed Assets is provided on pro-rata basis from the date of acquisition or installation. Depreciation on assets whose cost individually does not

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

exceed ₹ 5,000/- is fully provided in the year of purchase. Depreciation on Assets sold, discarded, demolished or scrapped, is provided upto the date on which the said Asset is sold, discarded, demolished or scrapped.

The Group has applied depreciation requirements as per Ind AS 116 in depreciating the right of use assets. The Right of Use Asset is depreciated for the life of the lease term.

The Group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

2.11 Intangible Assets and amortisation thereof

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis based on their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Computer software is amortised over the period of three to five years on a straight-line basis.

An item of Intangible Asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Capital Work in Progress

Capital Work in Progress includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses, less accumulated impairment losses, if any.

2.12 Impairment of Property, Plant & Equipment and Intangible Assets

At the end of each reporting year, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The Group has applied Ind AS 36, Impairment of Assets, to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

2.13 Provisions and Contingent Liabilities

Provisions involving substantial degree of estimation in measurement are recognised when the Group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The expense relating to a provision is presented in the Statement of Profit And Loss net of any reimbursement. If the effect of the time value of money is material,

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provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent Liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events that may, but probably will not, require an outflow of resources.

Both provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes. A contingent asset is disclosed in the Financial Statements, where an inflow of economic benefits is probable.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.14 Investment in Subsidiaries and Associates

Investment in subsidiaries and associates are recognized and carried at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

2.15 Financial Instruments

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value through Profit or Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at Fair Value Through Profit or Loss are recognised immediately in Statement of Profit and Loss.

A. Financial Assets

a) Recognition and initial measurement

The Group initially recognises loans and advances, deposits and debt securities purchased on the date on which they originate. Purchases and sale of financial assets are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value except investment in subsidiaries and associates. In the case of financial assets not recorded at FVTPL, transaction costs that are directly attributable to its acquisition are included therein.

b) Classification of Financial Assets and Subsequent Measurement

On initial recognition, a financial asset is classified to be measured at –

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) – debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) – equity investment; or
- Fair Value through Profit or Loss (FVTPL)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements

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are recognised in the Other Comprehensive Income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, on sale/disposal the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on re-measurement recognised in Statement of Profit And Loss. The net gain or loss recognised in Statement of Profit And Loss incorporates any dividend or interest earned on the financial asset and is included in 'other income'. Dividend on financial assets at FVTPL is recognised when:

- The Group 's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the Group,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

c) Business Model Test

The Group determines its business model at the level that best reflects how it manages a group of financial assets to achieve its business objective.

The Group's business model is not assessed on instrument to instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed.

At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model.

d) Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding

The Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount)

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgment and considers relevant factors.

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

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e) **Derecognition of Financial Assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Modification of contractual cash flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified, and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset and shall recognise a modification gain or loss in profit or loss. The gross carrying amount of the financial asset shall be recalculated at the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets) or, when applicable, the revised effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

f) **Impairment of Financial Assets**

The Group applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. The Group applies a three-stage approach for measuring ECL for the following categories of financial assets that are not measured at Fair Value Through Profit or Loss:

- debt instruments measured at amortised cost and Fair Value through Other Comprehensive Income; and
- financial guarantee contracts.

No ECL is recognised on equity investments, classified as FVTPL.

Expected credit losses is the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

Financial assets migrate through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

The Group assesses ECL on exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. For these exposures, the Group recognises as a collective provision the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months. The Group does not conduct an individual assessment of exposures in Stage 1 as there is no evidence of one or more events occurring that would have a detrimental impact on estimated future cash flows.

Stage 2: Lifetime ECL – not credit impaired

The Group collectively assesses ECL on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Group recognises as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset). Similar to Stage 1, the Group does not conduct an individual assessment on Stage 2 exposures as the increase in credit risk is not, of itself, an event that could have a detrimental impact on future cash flows.

Stage 3: Lifetime ECL – credit impaired

The Group identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events, that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised as a collective or specific provision, and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Determining the stage for impairment

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for impairment losses reverts from lifetime ECL to 12-months ECL. Exposures that have not deteriorated significantly since origination are considered to have a low credit risk. The provision for impairment losses for these financial assets is based on a 12-months ECL. When an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the income statement.

The Group assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, class of borrowers, credit risk ratings, date of initial recognition, remaining term to maturity, industry and other relevant factors.

Measurement of ECL

ECL are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses is a portion of the life-time expected credit losses and represents the lifetime cash shortfalls that will result if default occurs within 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.

For further details on how the Group calculates ECL including the use of forward looking information, refer to the Credit quality of financial assets in Note 42.4 Financial risk management.

ECL is recognised using a provision for impairment losses in Statement of Profit and Loss. In the case of debt instruments measured at Fair Value through

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Other Comprehensive Income, the measurement of ECL is based on the three-stage approach as applied to financial assets at amortised cost. The Group recognises the provision charge in profit and loss, with the corresponding amount recognised in other comprehensive income, with no reduction in the carrying amount of the asset in the Balance Sheet.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

g) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL and Interest income is recognised in Statement of Profit and Loss.

h) Reclassification of Financial Assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

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B. Financial Liabilities and Equity Instruments

a) Classification as Debt or Equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of a Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of directly attributable transaction costs.

c) Financial Liabilities

Financial liabilities are classified as measured at amortised cost or 'FVTPL'.

A Financial Liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

d) Other Financial Liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

e) Derecognition of Financial Liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.16 Assets held for sale

The Company physically repossess properties or other assets in retail portfolio to settle outstanding recoverable and the surplus (if any) post auction is refunded to the loanees. These assets are acquired by the company under SARFEASI Act, 2002 has been classified as assets held for sale, as their carrying amounts will be recovered through a sale of asset. In accordance with Ind AS 105, the company is committed to sell these assets under possession, are measured on balance sheet at the lower of carrying value or fair value and no depreciation is charged on them.

2.17 Hedge Accounting

The Company uses derivative instruments to manage exposures to interest rate and foreign currency risks.

The hedging transactions entered into by the Company is within the overall scope of the Derivative Policy and within the Risk Management framework of the

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Company as approved by the Board from time to time and for the risks identified to be hedged in accordance with the same policies. All derivative contracts are recognised on the Balance Sheet and measured at fair value. Hedge accounting is applied to all the derivative instruments as per Ind AS 109. Hedge effectiveness is ascertained periodically on a forward looking basis and is reviewed at each reporting period. Hedge effectiveness is measured by the degree to which changes in the fair value or cash flows of the hedged item that are attributed to the hedged risk are offset by changes in the fair value or cashflows of the hedging instrument.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

Fair Value Hedges

Fair value hedge is a hedge of the exposure to changes in fair value of a recognized asset or liability or unrecognized commitment, or a component of any such item, that is attributable to a particular risk and could affect profit or loss. The cumulative change in the fair value of a hedging derivative is recognised in the Statement of Profit and Loss in net gain on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item is recorded as part of the carrying value of the hedged item in the Balance Sheet and is also recognized as net gain on fair value changes in the Statement of Profit and Loss. The Company classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationship is fixed rate debt issued and other borrowed funds. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Company discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the Statement of Profit and Loss.

Cash Flow Hedges

Cash flow hedge is a hedge of the exposure to variability in the cash flows of a specific asset or liability, or of a forecasted transaction, that is attributable to a particular risk. It is possible to only hedge the risks associated with a portion of an asset, liability, or forecasted transaction, as long as the effectiveness of the related hedge can be measured. The accounting for a cash flow hedge will be to recognize the effective portion of any gain or loss in Other Comprehensive Income (OCI), and recognize the ineffective portion of any gain or loss in Finance cost in the Statement of Profit and Loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

Interest rate benchmark reforms:

Hedging relationships that are directly affected by interest rate benchmark reform gives rise to uncertainties about:

a) the interest rate benchmark (contractually or non-contractually specified) designated as a hedged risk; and/or

b) the timing or the amount of interest rate benchmark-based cash flows of the hedged item or of the hedging instrument.

This may adversely affect the existing hedging relationships so long as the uncertainties exist. In order to provide relief to such hedging relationships the accounting standard Ind AS 109 provides for some relief measures which should be mandatorily applied for such cases.

Accordingly, the Company applies the relief by assuming the following:

1. that the interest rate benchmark on which the hedged cash flows are based is not altered as a result of the reform.

2. when performing prospective assessments, the Company assumes that the interest rate benchmark on which the hedged item, hedged risk and/or hedging instrument are based is not altered as a result of the interest rate benchmark reform.

3. for hedges of a non-contractually specified benchmark component of interest rate risk, the Company applies the separately identifiable requirement only at the inception of such hedging relationships.

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As per the requirements of IND AS the Company ceases applying the aforesaid exceptions when:

a) the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows; or

b) the hedging relationship is discontinued, whichever is earlier.

2.18 Cash and Cash Equivalent

Cash and cash equivalent in Balance Sheet comprise of cash at bank, cash and cheques on hand and short-term deposits with an original maturity of three months or less which are subject to insignificant risk of changes in value.

2.19 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events including a bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares divided by weighted average no of equity shares year which are adjusted for the effects of all dilutive potential equity shares.

2.20 Statement of Cash Flow

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

2.21 Commitments

Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows:

i. The estimated amount of contracts remaining to be executed on capital account and not provided for; and

ii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

2.22 Segment Reporting

The Group is in the business of providing loans for purchase, construction, repairs renovation etc. having similar economic characteristics, primarily with operations in India and regularly reviewed for assessment of Group's performance and resource allocation.

3. KEY ESTIMATES AND JUDGEMENTS:

The preparation of the financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Revisions to accounting estimates are recognised prospectively. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

3.1 Determination of Expected Credit Loss ("ECL")

The measurement of impairment losses (ECL) across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows based on Group's historical experience and collateral values when determining impairment losses along with the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

Elements of the ECL models that are considered accounting judgements and estimates include:

- Bifurcation of the financial assets into different portfolios when ECL is assessed on collective basis.
- Group's criteria for assessing if there has been a significant increase in credit risk.
- Development of ECL models, including choice of inputs / assumptions used.

The various inputs used and process followed by the Company in measurement of ECL has been detailed in Note 38.4.2.3

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

3.2 Fair Value Measurements

In case of financial assets and financial liabilities recorded or disclosed in financial statements the Group uses the quoted prices in active markets for identical assets or based on inputs which are observable either directly or indirectly for determining the fair value. However in certain cases, the Group adopts valuation techniques and inputs which are not based on market data. When Market observable information is not available, the Group has applied appropriate valuation techniques and inputs to the valuation model.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Information about the valuation techniques and inputs used in determining the fair value of Investments are disclosed in Note 42.3.

3.3 Income Taxes

The Group's tax jurisdiction is in India. Significant judgements are involved in determining the provision for direct and indirect taxes, including amount expected to be paid/recovered for certain tax positions.

3.4 Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding ("SPPI") and the business model test. The Group determines the business model at a level that reflects how the Group's financial instruments are managed together to achieve a particular business objective.

The Group monitors financial assets measured at amortised cost or Fair Value through Other Comprehensive Income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

3.5 Provisions and Liabilities

Provisions and liabilities are recognised in the period when they become probable that there will be an outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires judgment to existing facts and circumstances which may be subject to change.

4. RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 5: CASH AND CASH EQUIVALENTS

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Cash on hand	5.97	1.38
(ii) Balances with Banks*	1,158.48	1,285.72
(iii) Cheques, drafts on hand	167.42	82.20
Total	**1,331.87**	**1,369.30**

*Balances with Banks includes EMD amount of ₹ 0.93 crore (F.Y. 2019-20 ₹ 0.40 crore)

NOTE 6: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Earmarked balances with banks*	8.79	7.85
(ii) Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments**	44.30	659.77
Total	**53.09**	**667.62**

*Balance with Banks includes unclaimed dividend of ₹ 8.79 crore (F.Y. 2019-20 ₹ 7.85 crore)

**Fixed Deposits with Banks includes earmarked deposits created in favour of trustees for depositors towards maintaining Statutory Liquid Ratio amounting to ₹ 82.70 crore (F.Y. 2019-20 ₹ 196.50 crore); ₹ 8.78 crore (F.Y. 2019-20 ₹ 8.14 crore) created for excess sale proceeds recovered under SARFAESI Act 2002. Fixed deposit placed with banks earns interest at fixed rate.

NOTE 7: DERIVATIVE FINANCIAL INSTRUMENTS

(₹ in crore)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Notional Amount	Fair Value - Assets	Fair Value - Liabilities	Notional Amount	Fair Value - Assets	Fair Value - Liabilities
Part I						
I. Currency Derivatives						
i) Forwards	-	-	-	-	-	-
ii) Currency Swaps (interest/ Principal/ both)	1,425.73	5.69	-	1,425.73	48.62	-
II. Interest Rate Derivatives						
i) Interest Rate Swaps	-	-	-	396.00	31.86	22.90
TOTAL (I)	**1,425.73**	**5.69**	**-**	**1,821.73**	**80.48**	**22.90**
Part II						
i) Fair Value Hedge						
- Currency Derivatives	-	-	-	-	-	-
- Interest Rate derivatives	-	-	-	396.00	31.86	22.90
ii) Cash Flow Hedge						
- Currency Derivatives	1,425.73	5.69	-	1,425.73	48.62	-
- Interest Rate derivatives	-	-	-	-	-	-
TOTAL (II)	**1,425.73**	**5.69**	**-**	**1,821.73**	**80.48**	**22.90**

NOTE 8: RECEIVABLES:

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Trade Receivables		
(i) Secured, considered good	-	9.92
(ii) Unsecured, considered good	7.70	11.88
(iii) Allowance for Impairment Loss	-	-
(iv) Debts due by directors or other officers of the NBFC or any of them either severally or jointly with any other person or debts due by firms including limited liability partnerships (LLPs), private companies respectively in which any director is a partner or a director or a member	-	-
Total	**7.70**	**21.80**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 9: LOANS - AT AMORTISED COST

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(A)		
(i) Term Loans*		
- Individual	1,80,604.51	1,61,791.83
- Others	35,381.90	34,498.04
- Corporate Bodies/ Builders	15,956.15	14,237.42
(ii) Others		
- Loans to staff	8.38	6.15
- Loans against Public Deposit	2.22	15.43
- Finance Lease Receivables	37.35	38.09
Total - Gross (A)	**2,31,990.51**	**2,10,586.96**
Less: Impairment Loss Allowance (Expected Credit Loss)	3,899.53	2,612.45
Total - Net (A)	**2,28,090.98**	**2,07,974.51**
(B)		
(i) Secured by tangible assets	2,29,503.81	2,09,656.91
(ii) Secured by intangible assets	1,736.49	630.59
(iii) Secured by Government Guarantee	553.64	
(iv) Unsecured	196.57	299.46
Total - Gross (B)	**2,31,990.51**	**2,10,586.96**
Less: Impairment Loss Allowance (Expected Credit Loss)	3,899.53	2,612.45
Total - Net (B)	**2,28,090.98**	**2,07,974.51**
(C)		
(i) Loans in India		
Individual	1,80,652.47	1,61,851.50
Commercial Real Estate Sector	14,549.19	14,133.76
Commercial Real Estate Sector- Others	20,832.71	20,364.28
Builder Loans	10,556.02	9,870.52
Corporate Loans	3,759.21	3,736.31
Other Housing Finance Companies	1,640.91	630.59
Total - Gross (C) (i)	**2,31,990.51**	**2,10,586.96**
Less: Impairment Loss Allowance (Expected Credit Loss)	3,899.53	2,612.45
TOTAL - NET (C) (I)	**2,28,090.98**	**2,07,974.51**
(ii) Loans outside India	-	-
Less: Impairment Loss Allowance (Expected Credit Loss)	-	-
TOTAL - NET (C) (II)	**-**	**-**
TOTAL (C) (I+II)	**2,28,090.98**	**2,07,974.51**

* Loans including interest and installment outstanding due from directors amounts to ₹ Nil (F.Y. 2019-20 NIL) and other related parties NIL (F.Y. 2019-20 ₹ 0.55 crore)

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

a) Equitable / Registered Mortgage of Property.
b) Assignment of Life Insurance Policies, NSC, KVP, FD of Nationalized Bank.
c) Assignment of Lease Rent Receivables.
d) Company Guarantees or Personal Guarantees.
e) Negative lien.
f) Undertaking to create a security.
g) Loans to employees other than for Housing are secured by lien over Provident Fund balances and / or Hypothecation of Vehicles.

For detail disclosures relating to Credit Risk, Impairment Losses, Movement of Impairment Losses refer Note No 42.4.2 of Consolidated Financial Statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 10: INVESTMENTS

(₹ in crore)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Amortised cost	Deemed Cost	At Fair Value Through profit or loss	Total	Amortised cost	Deemed Cost	At Fair Value Through profit or loss	Total
Mutual Funds	-	-	2,170.01	2,170.01	-	-	3,595.45	3,595.45
Government Securities*	2,402.42	-	-	2,402.42	1,814.63	-	-	1,814.63
Equity Instruments	-	-	-	-	-	-	-	-
Subsidiaries*	-	-	-	-	-	-	-	-
Associates*	-	55.03	-	55.03	-	52.97	-	52.97
Real Estate Venture Fund	-	-	28.03	28.03	-	-	28.03	28.03
Alternative Investment Fund	-	-	10.78	10.78	-	-	2.81	2.81
Total - Gross (A)	**2,402.42**	**55.03**	**2,208.82**	**4,666.27**	**1,814.63**	**52.97**	**3,626.30**	**5,493.90**
(i) Investments outside India	-	-	-	-	-	-	-	-
(ii) Investments in India	2,402.42	55.03	2,208.82	4,666.27	1,814.63	52.97	3,626.30	5,493.90
Total (B)	**2,402.42**	**55.03**	**2,208.82**	**4,666.27**	**1,814.63**	**52.97**	**3,626.30**	**5,493.90**
Less: Allowance for Impairment loss (Expected Credit Loss) (C)	-	-	(22.37)	(22.37)	-	-	(9.17)	(9.17)
Total – Net (D)=(A)-(C)	**2,402.42**	**55.03**	**2,186.45**	**4,643.90**	**1,814.63**	**52.97**	**3,617.13**	**5,484.73**

* The Company has not recognised any provision under Expected Credit Loss on Investments made in Government Securities, Subsidiaries & Associates.

Investment in Associates

(₹ in crore)

Particulars	
Opening Carrying amount of Investment (LIC MF Asset Management) as on 01.04.2020	52.90
Add: Carrying amount of additional share of Investments	-
Add: Share of profit during the year	2.03
Add: Goodwill on acquisition of shares of Associates	-
Closing Carrying amount of Investment (LIC MF Asset Management) as on 31.03.2021	**54.93**
Opening Carrying amount of Investment (LIC MF Trustee) as on 01.04.2020	0.07
Add: Carrying amount of additional share of Investments	-
Add: Share of profit during the year	0.03
Less: Capital Reserve on acquisition of shares of Associates	-
Closing Carrying amount of Investment (LIC MF Trustee) as on 31.03.2021	**0.10**

(₹ in crore)

Investments carried at Fair value through Profit & Loss Account	No. of Shares / Units		Amount as at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Other investments-Unquoted, Fully paid up				
(i) Real Estate Venture Fund:**				
CIG Realty Fund - 1 (Face Value ₹ 10/- each)	91,71,429	91,71,429	9.17	9.17
Less: Allowance for Impairment Loss			9.17	9.17
			-	**-**
Other investments-Unquoted, Partly paid up				
(i) Real Estate Venture Fund:**				
LICHFL Urban Development Fund (Face Value ₹ 10,000/- each)	50,000	50,000	18.81	18.81
Less: Allowance for Impairment Loss			3.96	-
			14.85	18.81
Other investments-Unquoted, Partly paid up				
(i) Real Estate Venture Fund:**				
LICHFL Urban Development Fund (Face Value ₹ 1/- each)	5,29,300	5,29,300	0.05	0.05
Less: Allowance for Impairment Loss			0.01	-
			0.04	**0.05**
Other investments-Unquoted, Fully paid up				
(i) Alternative Investment Fund:**				
LICHFL Housing and Infrastructure Fund (Face Value ₹ 100/- each)	10,78,204	2,89,056	10.78	2.81
Less: Allowance for Impairment Loss			9.23	-
Total			**1.55**	**2.81**

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

NOTE 11: OTHER FINANCIAL ASSETS

(₹ in crore)

Particulars		As at March 31, 2021	As at March 31, 2020
(i)	Fixed Deposit For SLR Of Public Deposit maturing beyond 12 months *	82.70	
(ii)	Interest Accrued But not due on Fixed Deposits with Banks	9.78	5.54
(iii)	Security Deposits	13.20	12.74
(iv)	Other Deposits	0.92	0.80
(v)	Dues from Subsidiaries/Associates	0.01	0.51
(vi)	Other dues from Staff	2.16	1.91
(vii)	Fees Receivable	0.96	2.40
(viii)	Unbilled Revenue	0.02	0.02
Total		**109.75**	**23.92**

* Fixed Deposits with Banks includes earmarked deposits created in favour of trustees for depositors towards maintaining Statutory Liquid Ratio amounting to ₹ 82.70 crore. Fixed deposit placed with banks earns interest at fixed rate.

NOTE 12: CURRENT TAX ASSETS (NET)

(₹ in crore)

Particulars		As at March 31, 2021	As at March 31, 2020
(i)	Provision under Income Tax	5.03	289.53
(ii)	Tax Paid under Protest	-	70.52
Total		**5.03**	**360.05**

NOTE 13: DEFERRED TAX ASSETS (NET)

(₹ in crore)

Particulars		As at March 31, 2021	As at March 31, 2020
(i)	Deferred Tax Assets	918.69	526.28
Total		**918.69**	**526.28**

NOTE 14.1: PROPERTY, PLANT & EQUIPMENT

The changes in carrying value of the Property, Plant & Equipment for the year ended March 31, 2021 are as follows:-

(₹ in crore)

Particulars	Freehold Land	Building	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross carrying value as of April 1, 2020	**28.82**	**116.94**	**11.76**	**9.33**	**0.57**	**6.09**	**21.92**	**195.43**
Additions	-	0.72	1.44	0.71	0.11	1.02	2.56	6.56
(Deductions)	-	-	(0.00)	(0.01)	(0.03)	(0.06)	(0.03)	(0.14)
Gross carrying value as of March 31, 2021	**28.82**	**117.66**	**13.19**	**10.03**	**0.64**	**7.05**	**24.45**	**201.86**
Accumulated Depreciation as of April 1, 2020	**-**	**4.57**	**5.11**	**3.31**	**0.28**	**2.93**	**13.64**	**29.83**
Depreciation	-	1.96	2.23	1.28	0.07	1.27	4.31	11.12
(Accumulated Depreciation on Deductions)	-	-	-	(0.01)	(0.03)	(0.06)	(0.03)	0.14
Accumulated Depreciation as of March 31, 2021	**-**	**6.52**	**7.34**	**4.57**	**0.31**	**4.14**	**17.92**	**40.81**
Carrying Value as of March 31, 2021	**28.82**	**111.14**	**5.85**	**5.46**	**0.33**	**2.91**	**6.53**	**161.05**

The Debentures are secured by mortgage on an immovable Property Owned by the Company valuing approx ₹ 1.20 crore (Book Value ₹ 0.10 crore).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

The changes in carrying value of the Property, Plant & Equipment for the year ended March 31, 2020 are as follows:-

(₹ in crore)

Particulars	Freehold Land	Building	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross carrying value as of April 1, 2019	**28.82**	**109.93**	**10.84**	**8.47**	**0.38**	**4.78**	**18.66**	**181.87**
Additions	-	7.01	0.92	0.87	0.20	1.40	3.27	13.68
(Deductions)	-	-	0.00	0.01	0.01	0.09	0.01	0.12
Gross carrying value as of March 31, 2020	**28.82**	**116.94**	**11.76**	**9.33**	**0.57**	**6.09**	**21.92**	**195.44**
Accumulated Depreciation as of April 1, 2019	**-**	**3.01**	**2.74**	**2.01**	**0.18**	**1.83**	**8.83**	**18.59**
Depreciation	-	1.56	2.37	1.30	0.10	1.18	4.82	11.34
(Accumulated Depreciation on Deductions)	-	-	-	0.01	-	0.08	0.01	0.10
Accumulated Depreciation as of March 31, 2020	**-**	**4.57**	**5.11**	**3.31**	**0.28**	**2.93**	**13.64**	**29.83**
Carrying Value as of March 31, 2020	**28.82**	**112.38**	**6.65**	**6.03**	**0.30**	**3.16**	**8.28**	**165.61**

The Debentures are secured by mortgage on an immovable Property Owned by the Company valuing approx ₹ 0.72 crore (Book Value ₹ 0.13 crore).

NOTE 14.2: OTHER INTANGIBLE ASSETS

The changes in carrying value of the Intangible Assets for the year ended March 31, 2021 are as follows:-

(₹ in crore)

Particulars	Software License	Total
Gross Carrying Value as of April 1, 2020	6.64	6.64
Additions	0.97	0.97
(Deductions)	-	-
Gross Carrying Value as of March 31, 2021	**7.61**	**7.61**
Accumulated Depreciation as of April 1, 2020	4.64	4.64
Depreciation for the year	0.66	0.66
(Accumulated Depreciation on Deductions)	-	-
Accumulated Depreciation as of March 31, 2021	**5.30**	**5.30**
Carrying Value as of March 31, 2021	**2.31**	**2.31**

The changes in carrying value of the Intangible Assets for the year ended March 31, 2020 are as follows:-

(₹ in crore)

Particulars	Software License	Total
Gross Carrying Value as of April 1, 2019	6.36	6.36
Additions	0.31	0.31
(Deductions)	(0.03)	(0.03)
Gross Carrying Value as of March 31, 2020	**6.64**	**6.64**
Accumulated Depreciation as of April 1, 2019	3.45	3.45
Depreciation for the year	1.20	1.20
(Accumulated Depreciation on Deductions)	(0.01)	(0.01)
Accumulated Depreciation as of March 31, 2020	**4.64**	**4.64**
Carrying Value as of March 31, 2020	**2.01**	**2.01**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 14.3: CAPITAL WORK IN PROGRESS

The changes in carrying value of Capital Work in Progress for the year ended March 31, 2021 are as follows:-

(₹ in crore)

Particulars	Capital Work in Progress	Total
Gross Carrying Value as of April 1, 2020	2.92	2.92
Additions	0.97	0.97
(Deductions)	(1.18)	(1.18)
Gross Carrying Value as of March 31, 2021	**2.71**	**2.71**
Accumulated Depreciation as of April 1, 2019	-	-
Depreciation for the year	-	-
(Accumulated Depreciation on Deductions)	-	-
Accumulated Depreciation as of March 31, 2020	**-**	**-**
Carrying Value as of March 31, 2020	**2.71**	**2.71**

The changes in carrying value of Capital Work in Progress for the year ended March 31, 2020 are as follows:-

(₹ in crore)

Particulars	Capital Work in Progress	Total
Gross Carrying Value as of April 1, 2019	2.19	2.19
Additions	0.73	0.73
(Deductions)	-	-
Gross Carrying Value as of March 31, 2020	**2.92**	**2.92**
Accumulated Depreciation as of April 1, 2019	**-**	**-**
Depreciation for the year	-	-
(Accumulated Depreciation on Deductions)	-	-
Accumulated Depreciation as of March 31, 2020	**-**	**-**
Carrying Value as of March 31, 2020	**2.92**	**2.92**

NOTE 14.4: INTANGIBLE ASSETS UNDER DEVELOPMENT

Intangible Assets under Development

The changes in carrying value of Intangible Assets under Development for the year ended March 31, 2021 are as follows:-

(₹ in crore)

Particulars	Software under development
Gross Carrying Value as of April 1, 2020	-
Additions	3.63
(Deductions)	-
Gross Carrying Value as of March 31, 2021	**3.63**
Accumulated Depreciation as of April 1, 2020	-
Depreciation for the year	-
(Accumulated Depreciation on Deductions)	-
Accumulated Depreciation as of March 31, 2021	**-**
Carrying Value as of March 31, 2021	**3.63**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 14.5:

The changes in carrying value of the Right of Use Assets for the year ended March 31, 2021:-

(₹ in crore)

Particulars	Right of Use Asset
Gross Carrying Value as of April 1, 2020	**162.00**
Additions	43.27
(Disposals)	(1.38)
Gross Carrying Value as of March 31, 2021	**203.89**
Accumulated Depreciation as of April 1, 2020	35.40
Depreciation for the year	40.69
(Accumulated Depreciation on Disposals)	(1.07)
Accumulated Depreciation as of March 31, 2021	75.02
Terminated Leases	10.56
Carrying Value as of March 31, 2021	**118.30**

The changes in carrying value of the Right of Use Assets for the year ended March 31, 2020:-

(₹ in crore)

Particulars	Right of Use Asset
Opening Value of Right of Use Asset as of April 1, 2019 due to initial recognition as per Ind AS 116	**105.57**
Additions	59.66
(Disposals)	(3.23)
Gross Carrying Value as of March 31, 2020	**162.00**
Accumulated Depreciation as of April 1, 2019	0.04
Depreciation for the year	38.56
(Accumulated Depreciation on Disposals)	(3.21)
Accumulated Depreciation as of March 31, 2020	**35.40**
Carrying Value as of March 31, 2020	**126.60**

NOTE 15: OTHER NON -FINANCIAL ASSETS

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Capital Advances	4.23	2.62
(ii) Statutory Dues	100.46	75.14
(iii) Prepaid Expenses	32.57	33.32
(iv) Sundry Advances	3.14	2.55
(v) Others	0.07	0.07
Total	**140.47**	**113.70**

NOTE 16: PAYABLES

(₹ in crore)

Trade Payables	As at March 31, 2021	As at March 31, 2020
(i) Total outstanding dues of micro enterprises and small enterprises	2.80	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises *	83.17	30.63
Total	**85.97**	**30.63**

* Includes payable to a related party ₹ 11.01 crore (F.Y. 2019-20 ₹ 5.10 crore)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(₹ in crore)

Other Payables		As at March 31, 2021	As at March 31, 2020
(i)	Total outstanding dues of micro enterprises and small enterprises	-	-
(ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Total		**-**	**-**

NOTE 17: DEBT SECURITIES - AT AMORTISED COST

(₹ in crore)

Particulars		As at March 31, 2021	As at March 31, 2020
(1)	**SECURED:**		
	Non Convertible Debentures (Refer Note 17.1)	1,11,216.21	1,20,413.62
	Zero Coupon Debentures (Refer Note 17.2)	2,151.50	4,044.50
(2)	**UNSECURED:**		
	Commercial Paper (Refer Note 17.3)	12,230.25	7,624.14
Total (A) (1+2)		**1,25,597.96**	**1,32,082.26**
Debt securities in India		1,25,597.96	1,32,082.26
Debt securities outside India		-	-
Total (B)		**1,25,597.96**	**1,32,082.26**

NOTE 17.1

Secured by a negative lien on the assets of the Company (excluding current and future receivables and book-debt of whatsoever nature of the Company on which a first pari-pasu floating charge by way of hypothecation to secure the borrowings of the company outstanding as on March 31, 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on March 31, 2015), with a minimum asset cover of 100%. Further the Company shall be entitled to dispose off, transact or otherwise deal, in the ordinary course of business upto 5% of the Specific Assets, including by way of a securitization transaction and as may be required under any law, regulations, guidelines or rules. In addition to above the Debentures would be secured by mortgage on an Immovable Property owned by the Company valuing approx ₹ 0.72 crore (Book Value ₹ 0.13 crore).

The Details of Non Convertible Redeemable Debentures (NCD) are as under:-

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2021
11200 NCD's of ₹ 1000000/- each	28-Jan-30	7.9700%	-	1119.61
25000 NCD's of ₹ 1000000/- each	12-Jul-29	7.9900%	12-Jul-21	2500.00
34000 NCD's of ₹ 1000000/- each	23-Mar-29	8.7000%	-	3400.00
13650 NCD's of ₹ 1000000/- each	25-Jan-29	8.8000%	-	1365.00
16060 NCD's of ₹ 1000000/- each	8-Dec-28	8.7500%	-	1606.00
2749 NCD's of ₹ 1000000/- each	17-Nov-28	8.9700%	-	274.90
9120 NCD's of ₹ 1000000/- each	10-Oct-28	9.0800%	-	912.00
6305 NCD's of ₹ 1000000/- each	24-Sep-28	9.1000%	-	630.50
14770 NCD's of ₹ 1000000/- each	29-Jan-28	7.9500%	27-Aug-21	1477.00
5300 NCD's of ₹ 1000000/- each	23-Nov-27	7.7500%	-	530.00
5000 NCD's of ₹ 1000000/- each	14-Jul-27	7.5600%	-	500.00
7000 NCD's of ₹ 1000000/- each	17-May-27	7.8600%	-	700.00
6000 NCD's of ₹ 1000000/- each	26-Mar-27	7.9500%	-	600.00
10000 NCD's of ₹ 1000000/- each	16-Dec-26	7.1600%	-	1000.00
10000 NCD's of ₹ 1000000/- each	23-Oct-26	7.4800%	-	1000.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2021
5000 NCD's of ₹ 1000000/- each	25-Sep-26	7.8300%	-	500.00
2000 NCD's of ₹ 1000000/- each	18-Aug-26	7.9000%	-	200.00
4724 NCD's of ₹ 1000000/- each	10-Jul-26	8.4300%	-	472.40
5000 NCD's of ₹ 1000000/- each	29-Jun-26	8.4800%	-	500.00
3488 NCD's of ₹ 1000000/- each	29-Jun-26	8.4800%	-	348.80
3570 NCD's of ₹ 1000000/- each	15-Jun-26	8.4700%	-	357.00
4950 NCD's of ₹ 1000000/- each	10-Jun-26	8.4700%	-	495.00
5100 NCD's of ₹ 1000000/- each	22-May-26	8.4500%	-	510.00
3000 NCD's of ₹ 1000000/- each	27-Apr-26	8.3200%	-	300.00
10000 NCD's of ₹ 1000000/- each	3-Mar-26	8.5700%	-	1000.00
5000 NCD's of ₹ 1000000/- each	26-Feb-26	8.5300%	-	500.00
7500 NCD's of ₹ 1000000/- each	28-Jan-26	8.4200%	-	750.00
7500 NCD's of ₹ 1000000/- each	28-Jan-26	8.4300%	-	750.00
15224 NCD's of ₹ 1000000/- each	24-Dec-25	8.7000%	-	1522.40
10000 NCD's of ₹ 1000000/- each	12-Dec-25	8.4000%	-	1000.00
10000 NCD's of ₹ 1000000/- each	13-Nov-25	8.2000%	-	1000.00
3810 NCD's of ₹ 1000000/- each	23-Oct-25	8.2500%	-	381.00
2100 NCD's of ₹ 1000000/- each	8-Oct-25	8.3400%	-	210.00
5000 NCD's of ₹ 1000000/- each	11-Sep-25	5.7760%	-	499.66
3000 NCD's of ₹ 1000000/- each	29-Aug-25	8.5000%	-	300.00
2000 NCD's of ₹ 1000000/- each	29-Aug-25	8.4800%	-	200.00
5000 NCD's of ₹ 1000000/- each	14-Aug-25	8.5500%	-	500.00
3000 NCD's of ₹ 1000000/- each	1-Aug-25	8.5800%	-	300.00
1950 NCD's of ₹ 1000000/- each	18-Jul-25	8.5700%	-	195.00
2050 NCD's of ₹ 1000000/- each	4-Jun-25	8.5000%	-	205.00
10000 NCD's of ₹ 1000000/- each	29-May-25	8.5500%	-	1000.00
10000 NCD's of ₹ 1000000/- each	31-Mar-25	8.2200%	-	1000.00
4250 NCD's of ₹ 1000000/- each	3-Mar-25	8.5200%	-	425.00
6000 NCD's of ₹ 1000000/- each	24-Feb-25	8.5000%	-	600.00
3250 NCD's of ₹ 1000000/- each	12-Feb-25	7.3300%	-	341.02
15100 NCD's of ₹ 1000000/- each	12-Feb-25	7.3300%	-	1509.52
100 NCD's of ₹ 1000000/- each	30-Jan-25	8.4000%	-	10.00
11000 NCD's of ₹ 1000000/- each	24-Jan-25	6.4000%	-	1101.19
14250 NCD's of ₹ 1000000/- each	24-Jan-25	6.4000%	-	1424.30
10000 NCD's of ₹ 1000000/- each	8-Jan-25	8.6100%	-	1000.00
25950 NCD's of ₹ 1000000/- each	20-Dec-24	5.5315%	-	2593.62
10750 NCD's of ₹ 1000000/- each	25-Nov-24	6.1900%	-	1075.74
5000 NCD's of ₹ 1000000/- each	25-Nov-24	6.1900%	-	499.66
27000 NCD's of ₹ 1000000/- each	18-Oct-24	7.7900%	-	2699.75
5000 NCD's of ₹ 1000000/- each	16-Oct-24	9.2200%	-	500.00
6500 NCD's of ₹ 1000000/- each	30-Sep-24	9.2400%	-	650.00
12500 NCD's of ₹ 1000000/- each	6-Sep-24	7.4000%	-	1309.10
10000 NCD's of ₹ 1000000/- each	6-Sep-24	7.4000%	-	1000.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2021
7700 NCD's of ₹ 1000000/- each	29-Aug-24	7.7800%	-	770.00
5000 NCD's of ₹ 1000000/- each	25-Aug-24	9.4700%	-	500.00
10000 NCD's of ₹ 1000000/- each	25-Aug-24	9.3900%	-	1000.00
14550 NCD's of ₹ 1000000/- each	23-Jul-24	7.7500%	-	1454.29
6050 NCD's of ₹ 1000000/- each	5-Jul-24	9.2900%	-	605.00
16740 NCD's of ₹ 1000000/- each	31-May-24	8.3300%	-	1674.00
2500 NCD's of ₹ 1000000/- each	8-May-24	7.9000%	-	250.00
10000 NCD's of ₹ 1000000/- each	19-Mar-24	9.8000%	-	1000.00
3150 NCD's of ₹ 1000000/- each	5-Mar-24	8.7900%	-	315.00
15000 NCD's of ₹ 1000000/- each	5-Mar-24	8.7900%	-	1499.68
8000 NCD's of ₹ 1000000/- each	22-Feb-24	5.7200%	-	498.48
5000 NCD's of ₹ 1000000/- each	22-Feb-24	5.7200%	-	799.71
1373 NCD's of ₹ 1000000/- each	8-Feb-24	8.5800%	-	137.30
10000 NCD's of ₹ 1000000/- each	22-Dec-23	7.2500%	-	1000.00
7750 NCD's of ₹ 1000000/- each	8-Dec-23	8.7500%	-	775.00
4480 NCD's of ₹ 1000000/- each	17-Oct-23	9.0800%	-	448.00
2000 NCD's of ₹ 1000000/- each	19-Sep-23	7.8600%	-	200.00
6650NCD's of ₹ 1000000/- each	14-Sep-23	4.9600%	-	664.72
5000 NCD's of ₹ 1000000/- each	25-Aug-23	5.4500%	-	500.38
5000 NCD's of ₹ 1000000/- each	25-Aug-23	5.4500%	-	499.84
9050 NCD's of ₹ 1000000/- each	26-Jul-23	5.2300%	-	904.60
2720 NCD's of ₹ 1000000/- each	9-Jun-23	8.4800%	-	272.00
16630 NCD's of ₹ 1000000/- each	6-Jun-23	9.1900%	-	1663.00
9000 NCD's of ₹ 1000000/- each	21-May-23	8.3700%	-	900.00
5000 NCD's of ₹ 1000000/- each	11-May-23	5.9000%	-	500.66
5200 NCD's of ₹ 1000000/- each	11-May-23	5.9000%	-	519.81
5000 NCD's of ₹ 1000000/- each	25-Apr-23	8.8900%	-	500.00
5250 NCD's of ₹ 1000000/- each	9-Apr-23	9.0000%	-	525.00
10000 NCD's of ₹ 1000000/- each	20-Mar-23	5.3500%	-	1001.59
13000 NCD's of ₹ 1000000/- each	20-Mar-23	5.3500%	-	1299.58
5000 NCD's of ₹ 1000000/- each	12-Mar-23	9.1300%	-	500.00
32500 NCD's of ₹ 1000000/- each	10-Feb-23	7.4500%	-	3249.50
4900 NCD's of ₹ 1000000/- each	19-Jan-23	8.5800%	-	490.00
9100 NCD's of ₹ 1000000/- each	13-Jan-23	7.4450%	-	909.63
7500 NCD's of ₹ 1000000/- each	1-Jan-23	9.2500%	-	750.00
5000 NCD's of ₹ 1000000/- each	17-Dec-22	9.3000%	-	500.00
12050 NCD's of ₹ 1000000/- each	16-Dec-22	7.8500%	-	1205.00
2000 NCD's of ₹ 1000000/- each	13-Dec-22	9.2300%	-	200.00
3000 NCD's of ₹ 1000000/- each	22-Nov-22	7.6000%	-	301.83
11650 NCD's of ₹ 1000000/- each	22-Nov-22	7.6000%	-	1165.00
4000 NCD's of ₹ 1000000/- each	12-Nov-22	9.2500%	-	400.00
3350 NCD's of ₹ 1000000/- each	25-Oct-22	9.0500%	-	335.00
10000 NCD's of ₹ 1000000/- each	17-Oct-22	7.4500%	-	1000.00

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(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2021
2500 NCD's of ₹ 1000000/- each	23-Sep-22	7.8500%	-	252.29
12000 NCD's of ₹ 1000000/- each	23-Sep-22	7.8500%	-	1200.00
5000 NCD's of ₹ 1000000/- each	14-Sep-22	9.3000%	-	500.00
10500 NCD's of ₹ 1000000/- each	30-Aug-22	7.3900%	-	309.92
10500 NCD's of ₹ 1000000/- each	30-Aug-22	7.3900%	-	1052.39
10000 NCD's of ₹ 1000000/- each	30-Aug-22	7.3900%	-	1000.00
5000 NCD's of ₹ 1000000/- each	24-Jul-22	9.3500%	-	500.00
15000 NCD's of ₹ 1000000/- each	15-Jul-22	7.4200%	-	1543.46
11000 NCD's of ₹ 1000000/- each	15-Jul-22	7.4200%	-	1100.00
20350 NCD's of ₹ 1000000/- each	20-Jun-22	8.5000%	-	2035.00
5000 NCD's of ₹ 1000000/- each	10-Jun-22	7.4800%	-	500.00
3000 NCD's of ₹ 1000000/- each	23-May-22	7.7800%	-	300.00
2500 NCD's of ₹ 1000000/- each	3-May-22	7.8000%	-	250.00
6518 NCD's of ₹ 1000000/- each	19-Apr-22	8.6850%	-	651.80
10000 NCD's of ₹ 1000000/- each	28-Mar-22	4.5450%	-	999.80
5000 NCD's of ₹ 1000000/- each	24-Mar-22	7.9500%	-	500.00
4950 NCD's of ₹ 1000000/- each	24-Mar-22	9.1700%	-	495.00
2000 NCD's of ₹ 1000000/- each	10-Feb-22	9.4300%	-	200.00
3000 NCD's of ₹ 1000000/- each	30-Jan-22	9.4500%	-	300.00
25000 NCD's of ₹ 1000000/- each	14-Jan-22	8.5950%	-	2500.00
5000 NCD's of ₹ 1000000/- each	13-Jan-22	7.5700%	-	500.00
19350 NCD's of ₹ 1000000/- each	28-Dec-21	7.0300%	-	1934.97
7500 NCD's of ₹ 1000000/- each	19-Nov-21	7.2200%	-	749.94
2000 NCD's of ₹ 1000000/- each	11-Nov-21	9.9000%	-	200.00
1400 NCD's of ₹ 1000000/- each	21-Oct-21	7.6600%	-	140.00
3000 NCD's of ₹ 1000000/- each	19-Oct-21	7.8100%	-	300.00
4970 NCD's of ₹ 1000000/- each	14-Oct-21	7.5900%	-	497.00
5000 NCD's of ₹ 1000000/- each	19-Sep-21	9.4000%	-	500.00
16750 NCD's of ₹ 1000000/- each	17-Sep-21	8.2534%	-	1675.00
2000 NCD's of ₹ 1000000/- each	27-Aug-21	7.7500%	-	200.00
15950 NCD's of ₹ 1000000/- each	23-Aug-21	7.2400%	-	1594.95
5000 NCD's of ₹ 1000000/- each	29-Jul-21	7.6700%	-	500.00
1050 NCD's of ₹ 1000000/- each	27-Jul-21	8.1900%	-	105.00
5000 NCD's of ₹ 1000000/- each	15-Jul-21	8.3000%	-	500.00
3400 NCD's of ₹ 1000000/- each	13-Jul-21	6.5700%	-	339.96
5000 NCD's of ₹ 1000000/- each	7-Jun-21	9.8000%	-	500.00
5010 NCD's of ₹ 1000000/- each	4-Jun-21	6.9500%	-	500.96
2500 NCD's of ₹ 1000000/- each	21-May-21	8.4500%	-	250.00
5000 NCD's of ₹ 1000000/- each	11-May-21	9.4000%	-	500.00
5050 NCD's of ₹ 1000000/- each	10-May-21	8.3700%	-	505.00
TOTAL				**1,11,216.21**

* Reissue premium (₹ 175.50Crs.)/ discount (₹ 2.00 Crs.).

Transactions of amount ₹ 14550 crore are with related party

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

The Details of Non Convertible Redeemable Debentures (NCD) are as under:-

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2020
11200 NCD's of ₹ 1000000/- each	28-Jan-30	7.9700%	-	1,119.40
25000 NCD's of ₹ 1000000/- each	12-Jul-29	7.9900%	12-Jul-21	2,500.00
34000 NCD's of ₹ 1000000/- each	23-Mar-29	8.7000%	-	3,400.00
13650 NCD's of ₹ 1000000/- each	25-Jan-29	8.8000%	-	1,365.00
16060 NCD's of ₹ 1000000/- each	8-Dec-28	8.7500%	-	1,606.00
2749 NCD's of ₹ 1000000/- each	17-Nov-28	8.9700%	-	274.90
9120 NCD's of ₹ 1000000/- each	10-Oct-28	9.0800%	-	912.00
6305 NCD's of ₹ 1000000/- each	24-Sep-28	9.1000%	-	630.50
14770 NCD's of ₹ 1000000/- each	29-Jan-28	7.9500%	27-Aug-21	1,477.00
5300 NCD's of ₹ 1000000/- each	23-Nov-27	7.7500%	-	530.00
5000 NCD's of ₹ 1000000/- each	14-Jul-27	7.5600%	-	500.00
7000 NCD's of ₹ 1000000/- each	17-May-27	7.8600%	-	700.00
6000 NCD's of ₹ 1000000/- each	26-Mar-27	7.9500%	-	600.00
10000 NCD's of ₹ 1000000/- each	16-Dec-26	7.1600%	-	1,000.00
10000 NCD's of ₹ 1000000/- each	23-Oct-26	7.4800%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	25-Sep-26	7.8300%	26-Nov-20	500.00
2000 NCD's of ₹ 1000000/- each	18-Aug-26	7.9000%	-	200.00
4724 NCD's of ₹ 1000000/- each	10-Jul-26	8.4300%	-	472.40
5000 NCD's of ₹ 1000000/- each	29-Jun-26	8.4800%	-	500.00
3488 NCD's of ₹ 1000000/- each	29-Jun-26	8.4800%	-	348.80
3570 NCD's of ₹ 1000000/- each	15-Jun-26	8.4700%	-	357.00
4950 NCD's of ₹ 1000000/- each	10-Jun-26	8.4700%	-	495.00
5100 NCD's of ₹ 1000000/- each	22-May-26	8.4500%	-	510.00
3000 NCD's of ₹ 1000000/- each	27-Apr-26	8.3200%	-	300.00
10000 NCD's of ₹ 1000000/- each	3-Mar-26	8.5700%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	26-Feb-26	8.5300%	-	500.00
7500 NCD's of ₹ 1000000/- each	28-Jan-26	8.4200%	-	750.00
7500 NCD's of ₹ 1000000/- each	28-Jan-26	8.4300%	-	750.00
15224 NCD's of ₹ 1000000/- each	24-Dec-25	8.7000%	-	1,522.40
10000 NCD's of ₹ 1000000/- each	12-Dec-25	8.4000%	-	1,000.00
10000 NCD's of ₹ 1000000/- each	13-Nov-25	8.2000%	-	1,000.00
3810 NCD's of ₹ 1000000/- each	23-Oct-25	8.2500%	-	381.00
2100 NCD's of ₹ 1000000/- each	8-Oct-25	8.3400%	-	210.00
3000 NCD's of ₹ 1000000/- each	29-Aug-25	8.5000%	-	300.00
2000 NCD's of ₹ 1000000/- each	29-Aug-25	8.4800%	24-Dec-20	200.00
5000 NCD's of ₹ 1000000/- each	14-Aug-25	8.5500%	-	500.00
3000 NCD's of ₹ 1000000/- each	1-Aug-25	8.5800%	-	300.00
1950 NCD's of ₹ 1000000/- each	18-Jul-25	8.5700%	-	195.00
2050 NCD's of ₹ 1000000/- each	4-Jun-25	8.5000%	-	205.00
10000 NCD's of ₹ 1000000/- each	29-May-25	8.5500%	-	1,000.00
10000 NCD's of ₹ 1000000/- each	31-Mar-25	8.2200%	-	1,000.00
4250 NCD's of ₹ 1000000/- each	3-Mar-25	8.5200%	-	425.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2020
6000 NCD's of ₹ 1000000/- each	24-Feb-25	8.5000%	-	600.00
15100 NCD's of ₹ 1000000/- each	12-Feb-25	7.3300%	-	1,509.18
100 NCD's of ₹ 1000000/- each	30-Jan-25	8.4000%	-	10.00
10000 NCD's of ₹ 1000000/- each	8-Jan-25	8.6100%	-	1,000.00
27000 NCD's of ₹ 1000000/- each	18-Oct-24	7.7900%	-	2,699.32
5000 NCD's of ₹ 1000000/- each	16-Oct-24	9.2200%	-	500.00
6500 NCD's of ₹ 1000000/- each	30-Sep-24	9.2400%	-	650.00
10000 NCD's of ₹ 1000000/- each	6-Sep-24	7.4000%	-	1,000.00
7700 NCD's of ₹ 1000000/- each	29-Aug-24	7.7800%	-	770.00
5000 NCD's of ₹ 1000000/- each	25-Aug-24	9.4700%	-	500.00
10000 NCD's of ₹ 1000000/- each	25-Aug-24	9.3900%	-	1,000.00
14550 NCD's of ₹ 1000000/- each	23-Jul-24	7.7500%	-	1,454.45
6050 NCD's of ₹ 1000000/- each	5-Jul-24	9.2900%	-	605.00
16740 NCD's of ₹ 1000000/- each	31-May-24	8.3300%	-	1,674.00
2500 NCD's of ₹ 1000000/- each	8-May-24	7.9000%	-	250.00
10000 NCD's of ₹ 1000000/- each	19-Mar-24	9.8000%	-	1,000.00
3150 NCD's of ₹ 1000000/- each	5-Mar-24	8.7900%	-	315.00
15000 NCD's of ₹ 1000000/- each *	5-Mar-24	8.7900%	-	1,499.36
1373 NCD's of ₹ 1000000/- each	8-Feb-24	8.5800%	-	137.30
10000 NCD's of ₹ 1000000/- each	22-Dec-23	7.2500%	-	1,000.00
7750 NCD's of ₹ 1000000/- each	8-Dec-23	8.7500%	-	775.00
4480 NCD's of ₹ 1000000/- each	17-Oct-23	9.0800%	-	448.00
2000 NCD's of ₹ 1000000/- each	19-Sep-23	7.8600%	-	200.00
2720 NCD's of ₹ 1000000/- each	9-Jun-23	8.4800%	-	272.00
16630 NCD's of ₹ 1000000/- each	6-Jun-23	9.1900%	-	1,663.00
9000 NCD's of ₹ 1000000/- each	21-May-23	8.3700%	-	900.00
5000 NCD's of ₹ 1000000/- each	25-Apr-23	8.8900%	-	500.00
5250 NCD's of ₹ 1000000/- each	9-Apr-23	9.0000%	-	525.00
5000 NCD's of ₹ 1000000/- each	12-Mar-23	9.1300%	-	500.00
32500 NCD's of ₹ 1000000/- each	10-Feb-23	7.4500%	-	3,249.23
4900 NCD's of ₹ 1000000/- each	19-Jan-23	8.5800%	-	490.00
9100 NCD's of ₹ 1000000/- each	13-Jan-23	7.4450%	-	909.71
7500 NCD's of ₹ 1000000/- each	1-Jan-23	9.2500%	-	750.00
5000 NCD's of ₹ 1000000/- each	17-Dec-22	9.3000%	-	500.00
12050 NCD's of ₹ 1000000/- each	16-Dec-22	7.8500%	-	1,205.00
2000 NCD's of ₹ 1000000/- each	13-Dec-22	9.2300%	-	200.00
3000 NCD's of ₹ 1000000/- each *	22-Nov-22	7.6000%	-	303.07
11650 NCD's of ₹ 1000000/- each	22-Nov-22	7.6000%	-	1,165.00
4000 NCD's of ₹ 1000000/- each	12-Nov-22	9.2500%	-	400.00
3350 NCD's of ₹ 1000000/- each	25-Oct-22	9.0500%	-	335.00
10000 NCD's of ₹ 1000000/- each	17-Oct-22	7.4500%	-	1,000.00
2500 NCD's of ₹ 1000000/- each *	23-Sep-22	7.8500%	-	254.01
12000 NCD's of ₹ 1000000/- each	23-Sep-22	7.8500%	-	1,200.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2020
5000 NCD's of ₹ 1000000/- each	14-Sep-22	9.3000%	-	500.00
10500 NCD's of ₹ 1000000/- each *	30-Aug-22	7.3900%	-	1,053.42
10000 NCD's of ₹ 1000000/- each	30-Aug-22	7.3900%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	24-Jul-22	9.3500%	-	500.00
11000 NCD's of ₹ 1000000/- each	15-Jul-22	7.4200%	-	1,100.00
20350 NCD's of ₹ 1000000/- each	20-Jun-22	8.5000%	-	2,035.00
5000 NCD's of ₹ 1000000/- each	10-Jun-22	7.4800%	-	500.00
3000 NCD's of ₹ 1000000/- each	23-May-22	7.7800%	-	300.00
2500 NCD's of ₹ 1000000/- each	3-May-22	7.8000%	-	250.00
6518 NCD's of ₹ 1000000/- each	19-Apr-22	8.6850%	-	651.80
5000 NCD's of ₹ 1000000/- each	24-Mar-22	7.9500%	-	500.00
4950 NCD's of ₹ 1000000/- each	24-Mar-22	9.1700%	-	495.00
2000 NCD's of ₹ 1000000/- each	10-Feb-22	9.4300%	-	200.00
3000 NCD's of ₹ 1000000/- each	30-Jan-22	9.4500%	-	300.00
25000 NCD's of ₹ 1000000/- each	14-Jan-22	8.5950%	-	2,500.00
5000 NCD's of ₹ 1000000/- each	13-Jan-22	7.5700%	-	500.00
19350 NCD's of ₹ 1000000/- each	28-Dec-21	7.0300%	-	1,934.89
7500 NCD's of ₹ 1000000/- each	19-Nov-21	7.2200%	-	749.84
2000 NCD's of ₹ 1000000/- each	11-Nov-21	9.9000%	-	200.00
1400 NCD's of ₹ 1000000/- each	21-Oct-21	7.6600%	-	140.00
3000 NCD's of ₹ 1000000/- each	19-Oct-21	7.8100%	-	300.00
4970 NCD's of ₹ 1000000/- each	14-Oct-21	7.5900%	-	497.00
5000 NCD's of ₹ 1000000/- each	19-Sep-21	9.4000%	-	500.00
16750 NCD's of ₹ 1000000/- each	17-Sep-21	8.2534%	-	1,675.00
2000 NCD's of ₹ 1000000/- each	27-Aug-21	7.7500%	-	200.00
15950 NCD's of ₹ 1000000/- each	23-Aug-21	7.2400%	-	1,594.78
5000 NCD's of ₹ 1000000/- each	29-Jul-21	7.6700%	-	500.00
1050 NCD's of ₹ 1000000/- each	27-Jul-21	8.1900%	-	105.00
5000 NCD's of ₹ 1000000/- each	15-Jul-21	8.3000%	-	500.00
3400 NCD's of ₹ 1000000/- each	13-Jul-21	6.5700%	-	339.97
4350 NCD's of ₹ 1000000/- each	7-Jul-21	8.4700%	-	435.00
5000 NCD's of ₹ 1000000/- each	7-Jun-21	9.8000%	-	500.00
5010 NCD's of ₹ 1000000/- each	4-Jun-21	6.9500%	-	500.89
2500 NCD's of ₹ 1000000/- each	21-May-21	8.4500%	-	250.00
5000 NCD's of ₹ 1000000/- each	11-May-21	9.4000%	-	500.00
5050 NCD's of ₹ 1000000/- each	10-May-21	8.3700%	-	505.00
6000 NCD's of ₹ 1000000/- each	8-Mar-21	8.7500%	-	600.00
2500 NCD's of ₹ 1000000/- each	7-Mar-21	9.6000%	-	250.00
3670 NCD's of ₹ 1000000/- each	26-Feb-21	8.6000%	-	367.00
12500 NCD's of ₹ 1000000/- each	18-Feb-21	7.5700%	-	1,250.00
7500 NCD's of ₹ 1000000/- each	12-Feb-21	8.7500%	-	750.00
3270 NCD's of ₹ 1000000/- each	28-Jan-21	7.8800%	-	327.00
10000 NCD's of ₹ 1000000/- each	18-Jan-21	9.0000%	-	1,000.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2020
3500 NCD's of ₹ 1000000/- each	5-Jan-21	8.5000%	-	350.00
1500 NCD's of ₹ 1000000/- each	5-Jan-21	8.5000%	-	150.00
1070 NCD's of ₹ 1000000/- each	4-Jan-21	9.3500%	-	107.00
4560 NCD's of ₹ 1000000/- each	28-Dec-20	8.6000%	-	456.00
25000 NCD's of ₹ 1000000/- each	24-Dec-20	8.8000%	-	2,500.00
7500 NCD's of ₹ 1000000/- each	21-Dec-20	8.7500%	-	750.00
32000 NCD's of ₹ 1000000/- each	3-Dec-20	9.0200%	-	3,200.00
3660 NCD's of ₹ 1000000/- each	23-Nov-20	9.0000%	-	366.00
3500 NCD's of ₹ 1000000/- each	17-Nov-20	7.6500%	-	350.00
6500 NCD's of ₹ 1000000/- each	23-Oct-20	8.3500%	-	650.00
4650 NCD's of ₹ 1000000/- each	13-Oct-20	8.8800%	-	465.00
5000 NCD's of ₹ 1000000/- each	12-Oct-20	8.1400%	-	500.00
2000 NCD's of ₹ 1000000/- each	7-Oct-20	7.5400%	-	200.00
4400 NCD's of ₹ 1000000/- each	24-Sep-20	8.5250%	-	440.00
5550 NCD's of ₹ 1000000/- each	24-Sep-20	9.2500%	-	555.00
2050 NCD's of ₹ 1000000/- each	15-Sep-20	8.6500%	-	205.00
5030 NCD's of ₹ 1000000/- each	15-Sep-20	8.6500%	-	503.00
10000 NCD's of ₹ 1000000/- each	25-Aug-20	8.6700%	-	1,000.00
2500 NCD's of ₹ 1000000/- each	18-Aug-20	7.4000%	-	250.00
2500 NCD's of ₹ 1000000/- each	14-Aug-20	7.4000%	-	250.00
6300 NCD's of ₹ 1000000/- each	10-Aug-20	8.9000%	-	630.00
7500 NCD's of ₹ 1000000/- each	29-Jul-20	8.6000%	-	750.00
6050 NCD's of ₹ 1000000/- each	22-Jul-20	8.6000%	-	605.00
3000 NCD's of ₹ 1000000/- each	13-Jul-20	7.4700%	-	300.00
7500 NCD's of ₹ 1000000/- each	13-Jul-20	8.4000%	-	750.00
5000 NCD's of ₹ 1000000/- each	24-Jun-20	7.7800%	-	500.00
2000 NCD's of ₹ 1000000/- each	19-Jun-20	7.7900%	-	200.00
20000 NCD's of ₹ 1000000/- each	19-Jun-20	9.1106%	-	2,000.00
5000 NCD's of ₹ 1000000/- each	11-Jun-20	7.5850%	-	500.00
5000 NCD's of ₹ 1000000/- each	5-Jun-20	7.7400%	-	500.00
2960 NCD's of ₹ 1000000/- each	31-May-20	8.6000%	-	296.00
7000 NCD's of ₹ 1000000/- each	22-May-20	7.7000%	-	700.00
4000 NCD's of ₹ 1000000/- each	15-May-20	7.9800%	-	400.00
3500 NCD's of ₹ 1000000/- each	11-May-20	7.5200%	-	350.00
3000 NCD's of ₹ 1000000/- each	28-Apr-20	8.4900%	-	300.00
5000 NCD's of ₹ 1000000/- each	27-Apr-20	7.8130%	-	500.00
5750 NCD's of ₹ 1000000/- each	24-Apr-20	7.2000%	-	575.00
TOTAL				**1,20,413.62**

* Reissue premium (₹ 11.01Crs.)/ discount (₹ 0.64 Crs.).

Transactions of amount ₹ 15550 crore are with related party

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 17.2

The ZCDs are redeemable at Premium. The ZCDs issued after March 31, 2015 are secured by a negative lien on the assets of the Company (excluding current and future receivables and book-debt of whatsoever nature of the Company on which a first pari-pasu floating charge by way of hypothecation to secure the borrowings of the Company outstanding as on March 31, 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on March 31, 2015), with a minimum asset cover of 100%. Further the Company shall be entitled to dispose off, transact or otherwise deal, in the ordinary course of business upto 5% of the Specific Assets, including by way of a securitization transaction and as may be required under any law, regulations, guidelines or rules. In addition to above the Zero Copupon Debentures are secured by mortgage on an Immovable Property owned by the Company valuing approx ₹ 0.72 crore (Book Value ₹ 0.13 crore).

The details of Zero Coupon Debentures are as under:

(₹ in crore)

Particulars	Date of Redemption		Earliest Put/ Call Option Date	As at March 31, 2021
5295 ZCD's of ₹ 1000000/- each	4-May-22	*	-	529.50
16220 ZCD's of ₹ 1000000/- each	25-Feb-22	**	-	1,622.00
TOTAL				**2,151.50**

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

** Maturity Value of ₹ 13,27,103/- per Debenture including premium.

The details of Zero Coupon Debentures are as under:

(₹ in crore)

Particulars	Date of Redemption		Earliest Put/ Call Option Date	As at March 31, 2020
5295 ZCD's of ₹ 1000000/- each	4-May-22	*	-	529.50
16220 ZCD's of ₹ 1000000/- each	25-Feb-22	**	-	1,622.00
11730 ZCD's of ₹ 1000000/- each	25-Mar-21	***	-	1,173.00
7200 ZCD's of ₹ 1000000/- each	18-May-20	****	-	720.00
TOTAL				**4,044.50**

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

** Maturity Value of ₹ 13,27,103/- per Debenture including premium.

*** Maturity Value of ₹ 12,70,200/- per Debenture including premium.

**** Maturity Value of ₹ 11,14,676/- per Debenture including premium.

NOTE 17.3

The details of Commercial Papers are as under:

(₹ in crore)

Particulars	Date of Maturity	Discounting Rate	As at March 31, 2021
15000 Units of ₹ 500000 each	18-Feb-22	4.50%	721.28
9700 Units of ₹ 500000 each	14-Feb-22	4.44%	466.96
20000 Units of ₹ 500000 each	14-Dec-21	4.05%	972.53
25000 Units of ₹ 500000 each	30-Nov-21	4.05%	1217.47
20000 Units of ₹ 500000 each	10-Nov-21	3.95%	976.75
20000 Units of ₹ 500000 each	25-Oct-21	3.95%	978.39
22000 Units of ₹ 500000 each	08-Sep-21	4.23%	1080.05
20000 Units of ₹ 500000 each	12-Aug-21	4.19%	985.27
22000 Units of ₹ 500000 each	20-Jul-21	4.19%	1086.33
20000 Units of ₹ 500000 each	25-Jun-21	3.57%	991.80
15000 Units of ₹ 500000 each	21-Jun-21	3.57%	744.14
6500 Units of ₹ 500000 each	14-Jun-21	3.99%	322.45
7000 Units of ₹ 500000 each	14-Jun-21	3.72%	347.42
7000 Units of ₹ 500000 each	14-Jun-21	3.70%	347.43
20000 Units of ₹ 500000 each	26-May-21	5.55%	991.98
Total			**12,230.25**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(₹ in crore)

Particulars	Date of Maturity	Discounting Rate	As at March 31, 2020
19000 Units of ₹ 500000 each	10-Mar-21	6.03%	898.69
15000 Units of ₹ 500000 each	9-Feb-21	6.20%	711.85
17000 Units of ₹ 500000 each	22-Jan-21	6.50%	807.32
6000 Units of ₹ 500000 each	19-Nov-20	6.37%	288.35
7000 Units of ₹ 500000 each	11-Nov-20	6.38%	336.85
13000 Units of ₹ 500000 each	11-Nov-20	6.38%	625.57
17500 Units of ₹ 500000 each	11-Sep-20	6.50%	850.44
3000 Units of ₹ 500000 each	10-Sep-20	6.50%	145.82
22000 Units of ₹ 500000 each	20-Aug-20	6.80%	1,072.15
4000 Units of ₹ 500000 each	16-Jul-20	7.49%	195.82
14000 Units of ₹ 500000 each	8-Jun-20	5.32%	693.09
20200 Units of ₹ 500000 each	28-May-20	7.75%	998.19
Total			**7,624.14**

NOTE 18: BORROWINGS (OTHER THAN DEBT SECURITIES) - AT AMORTISED COST

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
SECURED (Refer Note 18.1)		
(a) Term Loans		
(i) from Banks (Rupee Term Loans) **	35,551.12	25,622.55
(ii) National Housing Bank (Refinance) **	10,119.54	1,882.17
(iii) Other Financial Institutions **	-	-
(b) Loans repayable on demand from Banks (Rupee Term Loans) **	15,000.00	16,140.00
Total (A) Borrowings in India	**60,670.66**	**43,644.72**
UNSECURED:		
(a) Term Loans		
(i) from Banks (ECB) **	1,462.08	1,495.71
Total (B) Borrowings out side India	**1,462.08**	**1,495.71**
Total Borrowings (A) + (B)	**62,132.74**	**45,140.43**

NOTE 18.1

Negative lien on the assets of the Company (excluding current and future receivables and book-debt of whatsoever nature of the Company on which a first pari-pasu floating charge by way of hypothecation to secure the borrowings of the company outstanding as on March 31, 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on March 31, 2015), with a minimum asset cover of 100%. Further the Company shall be entitled to dispose off, transact or otherwise deal, in the ordinary course of business upto 5% of the Specific Assets, including by way of a securitization transaction and as may be required under any law, regulations, guidelines or rules and Immovable Property acquired by Company on or after September 26, 2001.

** Maturity Profile of Term Loans, ECB, Loan from Other Financial institutions and National Housing Bank (Refinance)

(₹ in crore)

Particulars	As at March 31, 2021			
	Term Loans Banks	External Commercial Borrowings (ECB)	National Housing Bank (Refinance)	Total
	(ROI 4.00% - 6.95%)	(ROI 7.52%)	(ROI 3.00% - 8.18%)	
Within 12 months	22,287.00	-	3,534.56	25,821.56
Over 1 year to 3 years	14,759.45	1,462.08	2,902.90	19,124.43
Over 3 to 5 years	8,499.09	-	2,148.04	10,647.13
Over 5 to 7 years	4,405.58	-	913.92	5,319.50
Over 7 Years	600.00	-	620.12	1,220.12
Total	**50,551.12**	**1,462.08**	**10,119.54**	**62,132.74**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crore)

Particulars	As at March 31, 2020			
	Term Loans Banks	External Commercial Borrowings (ECB)	National Housing Bank (Refinance)	Total
	(ROI 6.00% - 7.95%)	(ROI 7.52%)	(ROI 6.80% - 8.75%)	
Within 12 months	20,930.77	-	537.00	21,467.77
Over 1 year to 3 years	9,967.33	1,495.71	788.15	12,251.19
Over 3 to 5 years	7,168.62	-	419.52	7,588.14
Over 5 to 7 years	2,778.33	-	137.50	2,915.83
Over 7 Years	917.50	-	-	917.50
Total	**41,762.55**	**1,495.71**	**1,882.17**	**45,140.43**

NOTE 19: DEPOSITS - AT AMORTISED COST

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
UNSECURED:		
(i) Public Deposits	7,510.92	6,339.30
(ii) Corporate Deposits	10,760.83	6,232.51
Total	**18,271.75**	**12,571.81**

The Company has designated liquid assets for the purpose of maintaining Statutory Liquid Ratio and Floating Charge on Fixed Deposits with banks has been created in favour of the Trustees for Depositors.

NOTE 20: SUBORDINATED LIABILITIES - AT AMORTISED COST

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
UNSECURED:		
(i) Subordinated Bonds	1,795.12	500.00
(ii) Upper Tier II Bonds	-	1,000.00
Total (A)	**1,795.12**	**1,500.00**
Subordinated Liabilities in India	1,795.12	1,500.00
Subordinated Liabilities outside India	-	-
Total (B)	**1,795.12**	**1,500.00**

The details of Subordinated Bonds are as under:

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2021
3000 Bonds of ₹ 1,000,000 each	19-Mar-31	7.70%	-	304.23
5000 Bonds of ₹ 1,000,000 each	19-Mar-31	7.70%	-	498.70
10000 Bonds of ₹ 1,000,000 each	21-Dec-30	7.05%	-	992.19
Total				**1,795.12**

These Bonds are subordinated to present and future senior indebtedness of the Company and qualify as Tier II capital under National Housing Bank (NHB) guidelines for assessing capital adequacy. Based on the balance term to maturity as at March 31, 2021, 100% (F.Y. 2019-20 - 0 %) of the book value of the subordinated debt is considered as Tier II capital for the purpose of capital adequacy computation.

The details of Subordinated Bonds are as under:

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2020
5000 Bonds of ₹ 1,000,000 each	15-Sep-20	8.95%	-	500.00
Total				**500.00**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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These Bonds are subordinated to present and future senior indebtedness of the Company and qualify as Tier II capital under National Housing Bank (NHB) guidelines for assessing capital adequacy. Based on the balance term to maturity as at March 31, 2020, 0% (F.Y. 2018-19 - 20%) of the book value of the subordinated debt is considered as Tier II capital for the purpose of capital adequacy computation.

The details of Upper Tier II Bonds are as under:

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2021
	-	-	-	-
Total				**-**

The details of Upper Tier II Bonds are as under:

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2020
5000 Bonds of ₹ 10,00,000 each*	29-Nov-25	9.00%	29-Nov-20	500.00
5000 Bonds of ₹ 10,00,000 each*	26-Oct-25	8.90%	26-Oct-20	500.00
Total				**1,000.00**

Bonds of amount ₹ 1000 crore are with related party

*Redemption and call option excercisable with prior approval of National Housing Bank.

NOTE 21: OTHER FINANCIAL LIABILITIES

(₹ in crore)

Particulars		As at March 31, 2021	As at March 31, 2020
(i)	Interest accrued		
	- Non-Convertible Debentures	3,536.37	4,177.70
	- Zero Coupon Debentures	471.22	535.26
	- Term Loan	48.98	66.43
	- Subordinated Bonds	20.94	58.79
	- Deposits	806.89	595.74
(ii)	Unclaimed Dividends *	8.79	7.85
(iii)	Unpaid Matured Deposits	210.55	94.30
(iv)	Book Overdraft [Refer Note 43]	1,329.46	682.54
(v)	Pre-received Interest Liability on NCD Reissuance	40.83	38.76
(vi)	Pre-received Interest Liability on Subordinated Bonds Reissuance	0.76	-
(vii)	Miscellaneous Liabilities	185.07	534.34
Total		**6,659.86**	**6,791.71**

* As required under Section 125 of the Companies Act 2013, the Company has transferred ₹ 1.07 crores (F.Y. 2019-20 ₹ 0.98 crores) to the Investor Education and Protection Fund (IEPF) during the year.

NOTE 22: CURRENT TAX LIABILITIES (NET)

(₹ in crore)

Particulars		As at March 31, 2021	As at March 31, 2020
(i)	Provision under Income Tax	7.76	-
Total		**7.76**	**-**

NOTE 23: DEFERRED TAX LIABILITIES (NET)

(₹ in crore)

Particulars		As at March 31, 2021	As at March 31, 2020
(i)	Deferred Tax Liabilities	0.09	-
Total		**0.09**	**-**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

NOTE 24: PROVISIONS

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Provision for Employee Benefits	142.28	148.20
(ii) Other Provisions	5.23	0.42
Total	**147.51**	**148.62**

NOTE 25: OTHER NON-FINANCIAL LIABILITIES

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Outstanding Expenses	131.70	91.53
(ii) Statutory Dues	85.73	72.15
(iii) Earnest Money Deposit	0.93	0.40
(iv) Others	72.68	66.84
Total	**291.04**	**230.92**

NOTE 26: SHARE CAPITAL

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
AUTHORISED		
750,000,000 Equity Shares of ₹ 2/- each (Previous year 750,000,000 Equity Shares of ₹ 2/- each)	150.00	150.00
ISSUED, SUBSCRIBED AND PAID-UP		
504,663,000 Equity Shares of ₹ 2/- each (Previous Year 504,663,000 Equity Shares of ₹ 2/- each) fully paid up	100.93	100.93
Add: Forfeited shares as per Note.23(d) below	0.06	0.06
	100.99	**100.99**

NOTE. 26 (A): RECONCILIATION OF NUMBER OF SHARES OUTSTANDING AND AMOUNT OF SHARE CAPITAL AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD

Equity Shares	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
Equity Shares outstanding as at the beginning of the year	50,46,63,000	100.93	50,46,63,000	100.93
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Equity Shares outstanding as at the end of the year	**50,46,63,000**	**100.93**	**50,46,63,000**	**100.93**

NOTE. 26 (B): RIGHTS ATTACHED TO EQUITY SHARES

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion to their shareholdings.

NOTE. 26 (C): DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARE IN THE COMPANY ARE GIVEN BELOW

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Life Insurance Corporation of India	20,34,42,495	40.31	20,34,42,495	40.31

NOTE. 26 (D): FORFEITED SHARES

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Amount received on forfeited shares	0.06	0.06
	0.06	**0.06**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

NOTE 27: OTHER EQUITY

(₹ in crore)

Particulars		As at March 31, 2021	As at March 31, 2020
(i)	**(a) Capital Reserve**		
	As per last Balance Sheet	**0.48**	**0.48**
	(b) Capital Reserve on acquisition of shares in LICHFL Care Homes	**27.88**	**27.88**
(ii)	**Securities Premium Account**		
	As per last Balance Sheet	**1,721.09**	**1,721.09**
(iii)	**Cash Flow Hedge Reserve**		
	Opening Balance	-	-
	Add: Gain on ECB Cross Currency Swap	(5.69)	48.62
	Less: Loss due to Exchange Rate Fluctuation on ECB	(5.69)	48.62
	Closing Balance	**-**	**-**
(iv)	**Special Reserve - I**		
	In terms of Section 36(1)(viii) of Income-Tax, 1961 and Section 29C of National Housing Bank (NHB) Act,1987 (Upto financial year 1996-97)		
	As per last Balance Sheet	**38.98**	**38.98**
(v)	**Other Statutory Reserves including Special Reserve- II**		
	Balance at the beginning of the year		
	(i) Statutory Reserve u/s 29C of the NHB Act, 1987	0.16	0.15
	(ii) Amount of Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account for purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	5,854.33	5,104.34
	Total	**5,854.49**	**5,104.49**
	Addition / Appropriation / Withdrawal during the year		
	Add:		
	(i) Amount transferred u/s 29C of the NHB Act, 1987	0.01	0.01
	(ii) Amount of Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account for purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	829.99	749.99
	Less:		
	(i) Amount appropriated from Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
	(ii) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account which has been taken into account for purpose of provision u/s 29C of the NHB Act, 1987	-	-
	Balance at the end of the year		
	(i) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	0.17	0.16
	(ii) Amount of Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account for purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	6,684.32	5,854.33
	Total	**6,684.49**	**5,854.49**
(vi)	**General Reserve**		
	Opening Balance	6,452.72	5,852.72
	Add: Transferred during the year	700.00	600.00
	Closing Balance	**7,152.72**	**6,452.72**
(vii)	**Impairment Reserve**		
	Opening Balance	-	-
	Add: Transferred during the year	204.78	-
	Closing Balance	**204.78**	**-**
(vii)	**Surplus in the Statement of Profit and Loss**		
	Opening balance	4,068.26	3,484.21
	Add: Total Comprehensive Income for the year	2,740.29	2,396.63
	Less: Appropriations		
	Dividend Paid and Tax on Dividend Paid	403.73	462.38
	Transfer to General Reserve	700.00	600.00
	Transfer to Special Reserve - II	829.99	749.99
	Transfer to Statutory Reserve u/s 29C of the NHB Act, 1987	0.01	0.01
	Adjustment in Retained Earnings due to first time application of IND AS 116	0	0.19
	Closing Balance	**4,874.82**	**4,068.26**
		20,500.44	**18,163.88**

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Nature and purpose of each reserve

Securities Premium Reserve

''Securities Premium Reserve" is used to denote the Share premium received on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Cash Flow Hedge Reserve

It represents the effective portion of cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

Special Reserve – I:

Special Reserve – I has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company. The amounts of Special Reserve account represents, the reserve created in terms of the provision of Section 36(1)(viii) read together with the proviso thereof, from time to time. Special Reserve No. I relates to the amounts transferred upto the Financial Year 1996-97 (Assessment Year 1997-98) when the word was 'created' only was used in the said section and not 'created and maintained'. Admittedly, the position has changed after the amendment made in Section 36(1)(viii) by the Finance Act 1997 with effect from Assessment year 1998-99, when the mandatory requirement of 'maintaining' the special reserve created was inserted. Accordingly, it was interpreted that the Special Reserve created upto Assessment Year 1997-98 need not be 'maintained'. As a logical corollary, it is construed that upto Assessment Year 1997-98, the amounts carried to special reserve ought to be understood as amounts created by transferring to the credit of special reserve from time to time.

Special Reserve – II:

Special Reserve – II has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company transferred from Financial Year 1997-98 (Assessment Year 1998-99). In the F.Y. 2020-21 ₹ 829.99 crore (F.Y. 2019-20 ₹ 749.99 crore) has been transferred to Special Reserve No. II in terms of Section 36(1)(viii) of the Income tax Act, 1961.

Statutory Reserves under Section 29C (Regulatory Capital) of NHB:

Upto financial year 1996-97: The Company being regulated by NHB had to mandatorily transfer an amount as per Section 29C of NHB Act, 1987 on the similar lines as that of for Special Reserve – I which has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961 and it relates to the amounts transferred upto the Financial Year 1996-97(Assessment Year 1997-98).

After financial year 1996-97: The Company being regulated by NHB has to mandatorily transfer an amount as per Section 29C of NHB Act, 1987 on the similar lines as that of for Special Reserve – II which has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961. For the year under review an amount of ₹ 1,00,000.00 (F.Y. 2019-20 ₹ 1,00,000.00) has been transferred to Statutory Reserve under Section 29C the NHB Act.

General Reserve:

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013. However, since the Company utilises the deduction available to Housing Finance Companies registered with National Housing Bank as provided in Section 36(1)(viii) of the Income tax Act, 1961, wherein the proviso of the Section stipulates that the amount carried to such reserve account from time to time exceeds twice the amount of the paid up share capital and general reserves of the Company, the rebate is restricted to the twice of the aggregate of paid up capital and the general reserve. Therefore, the Company transfers funds to General Reserve in order to avail the full benefit of Section 36(1)(viii). For the year, the Company has transferred an amount of ₹ 700 crore to General Reserve. (F.Y. 2019-20 ₹ 600 crore).

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NOTE 28: INTEREST INCOME

(₹ in crore)

Particulars	On Financial Assets measured at Amortised Cost	
	Year Ended March 31, 2021	Year Ended March 31, 2020
(i) Interest on Loans & Advances	19,526.45	19,470.89
(ii) Interest Income from Investments	146.42	110.54
(iii) Interest on Deposits with Banks	36.05	33.49
(iv) Other Interest Income (Net)	0.36	(0.56)
Total	**19,709.28**	**19,614.36**

NOTE 29: FEES & COMMISSION INCOME

(₹ in crore)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(i) Fees & Commission Income	98.81	58.74
Total	**98.81**	**58.74**

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

(₹ in crore)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Net Gain on Financial Instruments at Fair Value through Profit or (Loss)		
(i) On Trading Portfolio		
- Investments	0.96	1.65
Total Net Gain on Fair Value changes	0.96	1.65
Fair Value changes:	0.96	1.65
Realised	0.89	1.53
Unrealised	0.07	0.12
Total Net Gain on Fair Value changes (D)		
Total	**0.96**	**1.65**

NOTE 31: NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS - UNDER AMORTISED COST CATEGORY

(₹ in crore)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(i) Gain on Derecognition of Financial Instruments	9.45	5.86
Total	**9.45**	**5.86**

NOTE 32: SALE OF PRODUCTS

(₹ in crore)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(i) Sale of Products	-	8.82
Total	**-**	**8.82**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 33: OTHERS

(₹ in crore)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(i) Net gain on Derecognition of Financial Instruments measured at Fair Value through Profit & Loss Account	33.14	22.18
(ii) Miscellaneous Income	30.06	24.49
Total	**63.20**	**46.67**

NOTE 34: OTHER INCOME

(₹ in crore)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(i) Dividend Income from Associates	0.00	0.22
(ii) Interest from Fixed Deposits	3.82	3.80
(iii) Income from subleasing right-of-use assets	0.00	0.00
(iv) Net gain/(loss) on derecognition of property, plant and equipment	0.01	0.12
(v) Net gain or (loss) on foreign currency translation	(5.31)	(33.36)
Total	**(1.48)**	**(29.22)**

NOTE 35: FINANCE COSTS

(₹ in crore)

Particulars	On Financial Liabilities measured at Amortised Cost	
	Year Ended March 31, 2021	Year Ended March 31, 2020
(i) Interest on deposits	1,204.98	875.58
(ii) Interest on borrowings	3,222.10	2,333.32
(iii) Interest on debt securities	9,917.68	11,383.78
(iv) Interest on subordinated liabilities	96.80	177.84
(v) Interest on Lease Liability	8.82	10.90
Total	**14,450.38**	**14,781.42**

NOTE 36: FEES AND COMMISSION EXPENSE

(₹ in crore)

Particulars	Year Ended Mar 31, 2021	Year Ended Mar 31, 2020
(i) Fees & Commission	88.28	47.39
Total	**88.28**	**47.39**

NOTE 37: NET LOSS ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTIZED COST CATEGORY

(₹ in crore)

Particulars	Year Ended Mar 31, 2021	Year Ended Mar 31, 2020
(i) Loans Written Off	-	35.71
(ii) Loss on Derecognition of Financial Instruments	27.42	11.78
Total	**27.42**	**47.49**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 38: IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in crore)

Particulars	On Financial Instruments measured at Amortised Cost	
	Year Ended Mar 31, 2021	Year Ended Mar 31, 2020
(i) Loans	1,287.13	952.91
(ii) Others	30.48	(0.83)
Total	**1,317.61**	**952.08**

The details relating to movment in Impairment on Loans (Expected Credit Loss) is disclosed in Note 37.4.2.4

NOTE 39: COST OF MATERIALS CONSUMED

(₹ in crore)

Particulars	On Financial Instruments measured at Amortised Cost	
	Year Ended Mar 31, 2021	Year Ended Mar 31, 2020
(i) Cost of Materials	1.03	4.69
Total	**1.03**	**4.69**

NOTE 40: EMPLOYEE BENEFITS EXPENSES

(₹ in crore)

Particulars	Year Ended Mar 31, 2021	Year Ended Mar 31, 2020
(i) Salaries and Wages	242.91	236.06
(ii) Contribution to Provident and Other Funds [Refer Note 52]	34.85	31.27
(iii) Staff Welfare Expenses	35.56	40.49
(iv) Provision for Sick Leave and Earned Leave	8.65	19.53
(v) Notional Expense on Staff Loan	1.81	0.27
Total	**323.78**	**327.62**

NOTE 41: OTHER EXPENSES

(₹ in crore)

Particulars	Year Ended Mar 31, 2021	Year Ended Mar 31, 2020
(i) Rent, Rates and Taxes	24.07	14.95
(ii) Repairs and Maintenance - Building	2.06	1.59
(iii) Repairs and Maintenance - Others	10.84	8.53
(iv) Communication Costs	10.52	10.82
(v) Printing and Stationery	5.97	6.66
(vi) Advertisement & Publicity Expenses	42.97	44.74
(vii) Director's fees, allowances and expenses	0.62	0.69
(viii) Auditor's fees and expenses [Refer Note 49]	0.77	0.77
(ix) Legal and Professional charges	15.16	6.21
(x) Insurance Charges	0.18	0.16
(xi) Travelling and Conveyance	9.91	13.59
(xii) Competition Prizes & Conference Expenses	19.53	6.58
(xiii) Electricity Expenses	5.09	5.70
(xiv) Service Charges for Safe Custody of Documents	11.89	10.68
(xv) Contribution towards CSR activites [Refer Note 57]	63.63	61.66
(xvi) Miscellaneous Expenses	30.91	19.57
Total	**254.12**	**212.90**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

42. FINANCIAL INSTRUMENTS

42.1 Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements as per the directions issued by Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the guidelines issued by NHB.

The Group's objective, when managing Capital, is to safeguard the ability of the Group to continue as a going concern, maintain strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder's value.

The Group's capital management strategy is to effectively determine, raise and deploy capital so as to maximize the shareholder's value. The capital of the Group comprises of Equity Share Capital and subordinated liabilities. No changes have been made to the objectives, policies and processes from the previous years.

For the purpose of computing equity, the Company does not consider Impairment Reserve to be part of Equity.

The Debt Equity Ratio of the Group is calculated as below:

(₹ in crore)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
Debt Securities	1,25,597.96	1,32,082.26
Borrowings (Other than Debt Securities)	62,132.74	45,140.43
Deposits	18,271.75	12,571.81
Subordinated Liabilities	1,795.12	1,500.00
A) Total Debt	2,07,797.57	1,91,294.50
B) Total Equity-Shareholder's Funds	20,399.37	18,267.31
C) Debt Equity Ratio (A/B)	10.19	10.47

42.2 Categories of Financial Instruments:

(₹ in crore)

Particulars	As at March 31, 2021			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Financial Assets				
Cash and Cash Equivalents	1,331.87	-	-	1,331.87
Bank Balance other than above	53.09	-	-	53.09
Derivative Financial Instruments	-	5.69	-	5.69
Receivables	7.70	-	-	7.70
Loans	2,28,090.98	-	-	2,28,090.98
Investments	2,402.42	2,186.45	55.03	4,643.90
Other Financial Assets	109.75	-	-	109.75
Total	**2,31,995.81**	**2,192.14**	**55.03**	**2,34,242.98**
Financial Liabilities				
Derivative Financial Instruments	-	-	-	-
Lease Liability	127.63	-	-	127.63
Trade Payables	85.97	-	-	85.97
Debt Securities	1,25,597.96	-	-	1,25,597.96
Borrowings (Other than Debt Securities)	62,132.74	-	-	62,132.74
Deposits	18,271.75	-	-	18,271.75
Subordinated Liabilities	1,795.12	-	-	1,795.12
Other Financial Liabilities	6,659.86	-	-	6,659.86
Total	**2,14,671.03**	**-**	**-**	**2,14,671.03**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(₹ in crore)

Particulars	As at March 31, 2020			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Financial Assets				
Cash and Cash Equivalents	1,369.30	-	-	1,369.30
Bank Balance other than above	667.47	-	-	667.47
Derivative Financial Instruments	-	80.48	-	80.48
Receivables	21.80	-	-	21.80
Loans	2,07,974.51	-	-	2,07,974.51
Investments	1,814.63	3,617.13	52.97	5,484.73
Other Financial Assets	25.07	-	-	25.07
Total	**2,11,872.78**	**3,697.61**	**52.97**	**2,15,623.36**
Financial Liabilities				
Derivative Financial Instruments	-	22.90	-	22.90
Lease Liability	133.15	-	-	133.15
Trade Payables	30.63	-	-	30.63
Debt Securities	1,32,082.26	-	-	1,32,082.26
Borrowings (Other than Debt Securities)	45,140.43	-	-	45,140.43
Deposits	12,571.81	-	-	12,571.81
Subordinated Liabilities	1,500.00	-	-	1,500.00
Other Financial Liabilities	6,791.71	-	-	6,791.71
Total	**1,98,249.99**	**22.90**	**-**	**1,98,272.89**

42.3 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The Group evaluates the significance of financial instruments and material accuracy of the valuations incorporated in the financial statements as they involve a high degree of judgement and estimation uncertainty in determining the carrying values of financial assets and liabilities at the balance sheet date. Fair value of financial instruments is determined using valuation techniques and estimates which, to the extent possible, use market observable inputs, but in some cases use non-market observable inputs. Changes in the observability of significant valuation inputs can materially affect the fair values of financial instruments. In determining the valuation of financial instruments, the Group makes judgements on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 instruments, and the significant valuation judgements in respect of Level 3 instruments.

Fair Value Hierarchy:

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained below.

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the observability of the significant inputs used to determine the fair values. Changes in the observability of significant valuation inputs during the reporting period may result in a transfer of assets and liabilities within the fair value hierarchy. The Group recognises transfers between levels of the fair value hierarchy when there is a significant change in either its principal market or the level of observability of the inputs to the valuation techniques as at the end of the reporting period.

Level 1: Fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Fair value measurements are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable

Level 3: Fair value measurements are those where at least one input which could have a significant effect on the instrument's valuation is not based on observable market data

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

(₹ in crore)

Particulars	Category	Fair Value As at March 31, 2021	Fair Value As at March 31, 2020	Fair Value Hierarchy	Valuation Technique	Key Inputs for Level 2 & Level 3	Significant unobservable input(s) for Level 3
Financial Assets							
Mutual funds	FVTPL	2,170.01	3,595.45	Level 1	Quoted Market Price for Mutual Funds	NA	NA
Derivative financial instruments	FVTPL	-	31.86	Level 2	On the basis of traded swap yields published	Published yields	NA
	FVTPL	5.69	48.62	Level 2	Mark to market of the derivative	Valuation received from the counter-party	NA
Initial Settlers Contribution Under Indenture Trust	FVTPL	0.002	0.002	Level 3	Book Value	Refer Note below	Refer Note below
LICHFL Urban Development Fund	FVTPL	14.89	18.86	Level 3	NAV as on reporting date declared by the Fund		
LICHFL Housing And Infrastructure Fund	FVTPL	1.55	2.82	Level 3			
CIG Realty	FVTPL	0.00	0.00	Level 3	NAV as on reporting date declared by the Fund and other factors	Refer Note below	Refer Note below
Non-Financial Assets							
Assets Held For Sale	FVTPL	126.19	-	Level 2	Valuation as per independent valuer	Refer Note below	Refer Note below
Financial Liabilities			-				
Derivative Financial Instruments	FVTPL	-	22.90	Level 2	On the basis of traded swap yields published	Published yields by counterparty	NA

There were no transfers between Level 1, Level 2 and Level 3 during the year.

Valuation Techniques

Equity instruments

Units held in funds having quoted market price are fair valued considering Level 1 inputs. Others which are measured based on their net asset value (NAV) as on reporting date, taking into account redemption and/or other restrictions. Such instruments are generally fair valued considering Level 3 inputs.

Equity instruments in non-listed entities including investment in private equity funds are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case basis and classified as Level 3. However, Provision for Diminution in value of Investment have considered for computing the fair value.

Interest rate derivatives and Cross Currency Swaps

Interest rate derivatives include interest rate swaps. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations by estimating future cash flows and discounting them with the appropriate yield curves incorporating funding costs relevant for the position.

The fair value of a cross currency swap is calculated by determining the future cash flows on both legs (i.e. the receiving leg and the paying leg), and discounting these cash flows using an appropriate discount factor curve.

These contracts are generally Level 2 unless adjustments to yield curves or credit spreads are based on significant non-observable inputs, in which case, they are Level 3.

Valuation adjustments and other inputs and considerations

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 financial assets does not have a significant impact in its value.

No valuation adjustments have been made to the prices/yields provided for valuation.

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Financial Instruments not measured using Fair Value, i.e. measured using Amortized Cost/Cost

The following table is a comparison, by class, of the carrying amounts and fair values of the Group's financial instrument that are not carried at fair value in the financial statements. This table does not include the fair value of non-financial assets and non-financial liabilities.

(₹ in crore)

Particulars	Carrying Value	Fair Value Hierarchy	Fair Value
As at March 31, 2021			
Financial Assets			
Government Securities	2,402.42	Level 1	2,446.41
Investment in Associates	55.03	Level 3	55.03
As at March 31, 2020			
Financial Assets			
Government Securities	1,814.63	Level 1	1,874.25
Investment in associates	52.97	Level 3	52.97

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only.

Government debt securities

Government debt securities are financial instruments issued by sovereign governments and include long term bonds with fixed rate interest payments. These instruments are generally highly liquid and traded in active markets resulting in a Level 1 classification. When active market prices are not available, the Group uses discounted cash flow models with observable market inputs of similar instruments and bond prices to estimate future index levels and extrapolating yields outside the range of active market trading, in which instances the Group classifies those securities as Level 2. The Group does not have Level 3 government securities where valuation inputs would be unobservable.

Investment in associates

In the opinion of the Group, in case of associates, the carrying value approximates the fair value.

Other Financial Assets and Liabilities

With respect to Bank Balances and Cash and Cash equivalents, Other Financial Assets, Trade Receivables, Trade Payables and other Financial Liabilities, the carrying value approximates the fair value.

42.4 Financial Risk Management

Introduction

While risk is inherent in the Group's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk, market risk and currency risk.

Impact of Covid-19 (Global Pandemic)

The outbreak of coronavirus or the Covid-19 pandemic has resulted in multiple repercussions for most of the businesses. Economic activities in India came to a grinding halt since the lockdown was announced. Multiple adverse effects on the real estate sector were observed resulting in sharp dip in sales and halting of project launches. As Indian economy dipped, many companies resorted to various cost cutting measures like mass layoffs and sharp pay cuts. Amidst threat of job insecurity, individuals looking for real estate investment had deferred their plans. Another effect on real estate sector, was when the housing projects got stalled because of transportation logjams and mass exodus of daily wage workers. To maintain cash flow and liquidity, realtors abstained from investing in new projects and concentrated on completion of their ongoing project and sale of their existing inventory.

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Risk Management Framework for Parent

The Company has a formal risk assessment program to proactively identify the risks and ensure all possible strategies to control & mitigate in pursuit of achieving the Company's objective. Every department is responsible for identification of their risks and putting it in their Risk Registers. The consolidated Risk Register is analyzed at various committees.

At present, the risks faced by the Company are broadly categorized as below:-

- Liquidity Risk
- Credit Risk
- Market Risk
- Interest Rate Risk
- Operational Risk
  A. Compliance Risk
  B. Legal Risk
- Regulatory Risk
- Currency Risk

Committees

In order to bring the collective knowledge in decision making, the Company has undertaken a Committee approach to deal with the major risks arising in the organization. Committees, their formation and the roles are provided below.

Top Level Committee

Risk Management Committee of Board (RMCB)

Company has a Risk Management Committee of Board in place which consists of Independent Directors and the MD & CEO of the Company.

The role of the Committee is as follows-:

- Review of Risk Management Policy
- Review of the current status on the risk limits in the Risk Management Policy and Report to the Board
- Review the matters on Risk Management
- Review and monitor the risks to which the Company is exposed

Internal Committee

Risk Management Committee and Operational Risk Group of the Parent (RMC & ORG)

The Company has an internal Risk Management Committee and Operational Risk. The Company's major function includes review of Risk Registers submitted on a monthly basis by all departments. It comprises of HODs of Risk Management, Finance, Project Finance, Credit Monitoring, IT, and as nominated by MD & CEO of the Company. A list of functions performed by RMC & ORG is given below -:

- Review of Risk Management Policy
- Review of monthly Risk Register submitted by various depts.
- Review of the current status on the outer limits prescribed in the Risk Policy and submitting the report to RMCB & Board
- Assessment of risks in the Company and suggesting control/mitigation measures thereof

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Risk Management Framework for Subsidiaries

The respective Board of Director's have established the Risk Management Committee of each subsidiaries, which in turn has the overall responsibility for establishment and oversight of the Risk Management Framework. The Committee reports regularly to their respective Board of Directors on its activities.

The risk management policies are established to identify and analyse the risk faced, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities. The subsidiaries through its training and management procedures, aim to maintain a discipline and constructive control environment in which all employees understand their roles and regulations.

The Group has exposure to following risks arising from the financial instruments:

42.4.1 Liquidity Risk for Parent

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources in addition to its core deposit base and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. The Company has developed internal control processes and contingency plans for managing liquidity risk.

Housing Finance being the core business, maintaining the liquidity for meeting the growth perspective in the business as also to honor our committed repayments is the fundamental objective of the Asset Liability Management (ALM) framework. Investments including investments as a part of liquid asset requirement also forms part of ALM requirement and it is imperative to constantly monitor the liquidity of the investments to achieve our core objective.

Internal Control Process & Liquidity Management

Being in the business of Housing Loans, funds are required to be raised by the Company ahead of loan disbursements so that there is no liquidity crunch. Funds are required to be raised not only for the incremental housing loan assets but also for meeting the committed/due repayments of the earlier borrowings and/or Interest payments on the borrowings. Funds therefore are raised with a reasonable cushion over and above the committed repayments, committed disbursements and unutilized sanctions in pipeline and the expected business targets.

The Company ensures that funds are available from various investor pools and banks. Liquid funds are available in the form of Non-Convertible Debentures and other market instruments, Bank Loans, Refinance from NHB and Foreign Currency Loans. In case of Public Deposits accepted by the Company, a prescribed percentage (as defined by NHB from time to time) is to be invested in approved securities in terms of Liquid Asset Requirement (u/s. 29B of NHB Act, 1987). On the assets side, the Company has loan products broadly classified under individual retail loans and project finance loans with varying repayment structures depending upon the nature of product.

The liquidity is managed at the Corporate Office of the Company with Back Offices providing their liquidity requirements. The surplus funds available with the Back Offices are pooled and funds from the market are arranged for the Back Offices having a deficit of funds. Only surplus funds arrived at after deducting the committed/confirmed outflows (including projected disbursements of loans) from the available resources - both from internal accretions as well as borrowed funds, would be considered as Surplus available for Investment in approved instruments on day-to-day basis. The Company can place surplus funds in Fixed Deposits with selected Scheduled / Commercial / Foreign Banks and / or Financial Institutions within overall exposure limit fixed for each Bank / FI from time to time by the Board. Considering the market risk and the mark-to-market requirements of the debt mutual funds, currently Company is making Investments only in liquid Mutual Fund schemes. Exposure limits for each Investment instrument is approved by the Board and reviewed from time to time as per the requirements.

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ALCO Committee

Roles & Responsibilities

The Asset Liability Management (ALM) Committee presents the Structural and Dynamic Liquidity Report to the Risk Management Committee on a quarterly basis and meetings are held every month. The ALM Committee formulates the ALM Policy which is reviewed at least once a year. If any change is required, then, the revised policy along with desired change and rationale for the same shall be put up to the Risk Management Committee or any Other Committee constituted by the Board. Consequent to the recommendation of the Risk Management Committee, the reviewed policy would be put up to the Board for its approval.

Composition

ALCO Committee is headed by the MD & CEO of the Company. Other members of the Committee comprise HODs of Departments Finance, Credit Appraisal, Project Finance, Taxation, Accounts, Marketing, IT, Risk Management, Credit Monitoring and as nominated by MD & CEO of the Company.

Changes from previous period

There are no significant changes in the Financial Policies.

Liquidity Risk for Subsidiaries:

The Liquidity risk refers to the risk of financial distress or extra ordinary high financing cost arising due to shortage of liquid funds in a situation where business conditions deteriorate and require financing. The objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements. Processes and policies related to such risk are overseen by senior management and management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

Contractual Maturities of Financial Liabilities of the Group as at March 31, 2021

(₹ in crore)

Particulars	On demand	Upto 3 months	Above 3 months to 12 months	Above 1 Year - 3 Years	Above 3 Years - 5 Years	Above 5 Years- 10 Years	Above 10 Years	TOTAL
Financial Liabilities								
Derivative financial instruments	-	-	-	-	-	-	-	**-**
Lease Liabilities	-	11.41	30.11	54.18	31.52	29.90	0.30	**157.42**
Trade Payables	85.97	-	-	-	-	-	-	**85.97**
Debt Securities	-	6,031.00	29,016.00	39,179.52	34,322.98	17,321.60	-	**1,25,871.10**
Borrowings (Other than Debt Securities)	9,000.00	4,001.12	12,820.44	19,088.08	10,647.13	6,539.62	-	**62,096.39**
Deposits	-	2,565.77	10,495.73	2,986.67	2,265.96	-	-	**18,314.13**
Subordinated Liabilities	-	-	-	-	-	1,804.41	-	**1,804.41**
Other financial liabilities (to be specified)	341.42	2,658.09	3,323.72	275.49	68.30	0.05	-	**6,667.05**
Total	**9,427.39**	**15,267.39**	**55,686.00**	**61,583.94**	**47,335.89**	**25,695.58**	**0.30**	**2,14,996.48**

Contractual Maturities of Financial Liabilities of the Group as at March 31, 2020

(₹ in crore)

Particulars	On demand	Upto 3 months	Above 3 months to 12 months	Above 1 Year - 3 Years	Above 3 Years - 5 Years	Above 5 Years- 10 Years	Above 10 Years	TOTAL
Financial Liabilities								
Derivative financial instruments	-	22.90	-	-	-	-	-	**22.90**
Lease Liabilities	-	11.58	28.16	74.41	26.81	25.13	-	**166.09**
Trade Payables	30.41	0.22	-	-	-	-	-	**30.63**
Debt Securities	-	9,251.00	29,309.00	42,469.30	24,883.67	26,435.00	-	**1,32,347.97**
Borrowings (Other than Debt Securities)	-	879.63	20,582.12	12,181.21	7,588.15	3,839.34	-	**45,070.45**
Deposits	-	851.78	5,251.91	4,543.44	1,955.71	-	-	**12,602.84**
Subordinated Liabilities	-	-	500.00	-	-	1,000.00	-	**1,500.00**
Other financial liabilities	101.01	2,608.71	3,547.63	450.44	50.86	6.76	47.65	**6,813.06**
Total	**131.42**	**13,625.82**	**59,218.82**	**59,718.80**	**34,505.20**	**31,306.23**	**47.65**	**1,98,553.94**

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42.4.2 Credit Risk for Parent

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has defined Loan selection principles for establishing credit worthiness of the counterparties and criteria for determining the quantum of loan. The Company has adopted a policy of dealing with creditworthiness counter parties and obtaining sufficient collateral as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored.

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has defined Loan selection principles for establishing creditworthiness of the counterparties and criteria for determining the quantum of loan. The Company has adopted a policy of dealing with creditworthy counter parties and obtaining sufficient collateral as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored.

On 6 August, 2020 the Reserve Bank of India (RBI) announced a resolution framework for COVID-19-related stress (the framework) to address borrower default pursuant to the stress caused by the pandemic without necessitating a change of ownership and without an asset classification downgrade modifying the existing framework (prudential framework).

The COVID-19 stress framework covers resolutions regarding personal and corporate loan accounts.

Only those borrower accounts which were classified as standard, but not in default for more than 30 days with the lending institution as of 1 March, 2020 and those accounts with stress due to COVID-19, were eligible for resolution under the framework.

The carrying amount of loans as at March 31, 2021 is ₹ 2,31,990.51 crore (F.Y. 2019-20 ₹ 2,10,586.96 crore) which best represent the maximum exposure to credit risk, the related Expected credit loss amount to ₹ 3,899.53 crore (F.Y. 2019-20 ₹ 2,612.45 crore). The Company has right to sell the collateral in case borrower defaults. The carrying amount of loans as at March 31, 2021 includes ₹ 47.95 crore towards Loans to Staff, Loans against Public Deposit and Finance Lease Receivables. (F.Y. 2019-20 ₹ 59.67 crore).

Credit Risk for Subsidiaries

The Trade Receivables which are Management Fees receivable as on the reporting date are generally received within 30 days from the reporting date. Hence, the Credit Risk pertaining to Trade Receivables is low.

The Credit Risk on Cash and Cash Equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and/or domestic credit rating agencies. Investments primarily includes investment in liquid mutual fund units and deposit for a specified time period.

42.4.2.1 Credit Risk Mitigation measures for Housing Finance

Independent internal legal and technical evaluation team in the Company makes credit decisions more robust and in line to manage collateral risk. The in-house Credit team conducts a credit check and verification procedure on each customer, ensuring consistent quality standards to minimize future losses. To review the adherence to laid down policies and quality of appraisal, Company's independent internal audit team conducts a regular review of files on a sample basis. A dedicated collection and recovery team manages lifecycle of transactions and monitors the portfolio quality.

Credit Norms: - Certain credit norms and policies are being followed by the Company to manage credit risk, including a standard credit appraisal policy based on customer credit worthiness. These criteria change between loan products and typically include factors such as profile of applicant, income and certain stability factors such as the employment and dependency detail, other financial obligations of the applicant, Loan to value and the loan-to-cost ratio. Standardized credit approval process including a comprehensive credit risk assessment is in place which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower.

The Credit Policy defines parameters such as Borrower's ability to pay, Reputation of Employer, Nature of employment/ Self-employed, Qualification of Applicants, Stability of Residence, Family size and dependence on Applicants income, Insufficient sales proceeds to pay the dues in case of Project Loans due to project slowdown etc. to ensure consistency of credit quality.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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Credit Risk Mitigation measures for Subsidiaries

To manage credit risk the Group periodically assessed the financial reliability of customers, taking into account the financial conditions, current economic trends and analysis of historical bad debts and ageing of accounts receivable.

Retail lending for Housing Finance:

For retail lending, credit risk management is achieved by considering various factors like:

- **Assessment of borrower's capability to pay –** a detailed assessment of borrower's capability to pay is conducted. The approach of assessment is laid down in the credit policy of the Company. Various factors considered for assessment are credit information report, analysis of bank account statement and valuation of property.

- **Security cover –** Analysing the value of the property which is offered as security for the loan is essential for the overall underwriting of the loan. It is essential that it is valued before the disbursement of loan to arrive at a clear idea about its cost, valuation, marketability and loan to property ratio.

- **Additional Security –** Additional Security can be by way of pledge of acceptable Additional Collaterals such as LIC Policies or other Securities like NSCs, FDs, Kisan Vikas Patra, etc. is considered. This is taken depending on nature of loan proposal and amount of risk involved.

- **Geographical region –** The Company monitors loan performance in a particular region to assess if there is any stress due to natural calamities etc. impacting the performance of the loan in a particular geographic region.

Project lending for Housing Finance:

For project lending, credit risk management is achieved by considering various factors like:

- **Promoter's strength –** a detailed assessment of borrower's capability to pay is conducted. Various factors considered for promoter's assessment are the financial capability, past track record of repayment, management and performance perspective.

- **Credit information report –** It is very essential to check the Credit worthiness of an Applicant & the Credit History of Borrower for Consumer or Commercial Loans. The Company uses this Report for taking a Decision on Credit Sanction by getting details of the Credit History of a Borrower. For Project Loans, reports from independent institutions are referred so as to get the marketability report of the project and its neighbourhood analysis.

- **Security cover –** Analysing the value of the property which is offered as security for the loan is essential for the overall underwriting of the loan. With respect to project loans, the main security taken is underlying land and structure there on. Technical appraisals are conducted to establish the life, soundness, marketability and value of the security.

- **Additional Security –** Additional Security is taken depending on nature of loan proposal and amount of risk involved. In some cases, the hypothecation of receivables from the loan is taken. The Negative lien is marked on the flats in the project to the extent of 1.5 times or more as per merits of the case. The Company endeavours to maintain the security cover of at least 1.5 times. Personal Guarantee of promoter directors / corporate guarantee of Group is also obtained as Security. In some cases, the Additional Collateral in the form of Fixed Deposits are also accepted. In case of Higher Risk, Debt Service Recovery Account is also maintained. The Charge on the security / Additional Collateral security is also registered in Central Registry / ROC.

- **Geographical region –** The Company monitors loan performance in a particular region to assess if there is any stress due to natural calamities etc. impacting the performance of the loan in that geographic region.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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Derivative financial instruments:

Interest rate swaps –

The exposure of the Parent to Derivatives contracts is in the nature of interest Rate Swaps and currency swaps to manage risk associated with interest rate movement and fluctuation in currency exchange rate.

Derivative policy of the Company specifies the exposure norms with respect to single counterparty and the total underlying amount at the time of entering into the new derivative contract.

The Asset Liability Management Committee (ALCO) of the Company oversees efficient management of risk associated with derivative transactions. Company identifies, measures, monitors the exposure associated with derivative transaction. For effective mitigation of risk it has an internal mechanism to conduct regular review of the outstanding contracts which is reported to the ALCO & Risk Management Committee of the Board which in turn reports to the Audit Committee and to the Board of Directors.

The gain realized on early termination of swap is amortized over the balance tenor of the swap or underlying liability whichever is less. Loss if any on early termination is charged to revenue in the same year. The carry difference, between coupon rate liability and the swap contract rate is accounted quarterly on accrual basis

42.4.2.2 Collateral and other credit enhancements:

With respect to loan cases the main security taken is underlying property mortgaged by the borrower. Apart from the main security additional collaterals are also sought depending upon merits of the case. In some cases the hypothecation of receivables for the loan is also taken.

The Company after exploring all the possible measures, initiates action under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) against the mortgaged properties as a last resort to recover. Company follows the due procedure as laid down in the SARFAESI Act 2002 and accordingly takes the possession of the properties for its logical conclusion.

As the procedure involved under SARFAESI is to be followed in a time-bound manner, different loan accounts will be at various stages of SARFAESI proceedings.

The Company has taken taken possession of the properties under SARFESI and hold such properties for disposal. The Company has commenced recognising in Financial Statements ₹ 126.19 crore (net of loss of ₹ 12.04 crore) (Previous year NIL) as held as Assets Held for Sale. The Loan Portfolio includes Loans amounting to ₹ 325.06 crore (F.Y. 2019-20 ₹ 440.78 crore) against which the Company has taken possession of the properties under SARFAESI and hold such properties for disposal. The Value of assets possessed against the loan is ₹ 319.56 crore (F.Y. 2019-20 ₹ 425.66 Cr.) being lower of the fair value of the asset possessed and the outstanding as at March 31, 2021.

42.4.2.3 Impairment Assessment for Housing Finance:

The Company applies general approach to provide for credit losses prescribed by Ind AS 109, which provides to recognise 12-months expected credit losses where credit risk has not increased significantly since initial recognition and to recognise lifetime expected credit losses for financial instruments for which there has been significant increase in credit risk since initial recognition considering all reasonable present and forward looking information.

Definition of Default for Housing Finance:

The Company considers a financial instrument as defaulted when the borrower becomes 90 days past due on its contractual payments. Such instruments are considered Stage 3 (credit-impaired) for ECL calculations.

The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses and the calculation and presentation of interest revenue.

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Stage wise Categorisation of Loan Assets

The Company categorises loan assets into stages based on the Days Past Due status:

- **Stage 1:** [0-30 days Past Due] It represents exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. The Company uses the same criteria mentioned in the standard and assume that when the days past due exceeds '30 days', the risk of default has increased significantly. Therefore, for those loans for which the days past due is less than 30 days, the Company recognises as a collective provision the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months.

- **Stage 2:** [31-90 days Past Due] The Company collectively assesses ECL on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Company recognises as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset).

- **Stage 3:** [More than 90 days Past Due] The Company identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events, that have a detrimental impact on the estimated future cash flows of that asset have occurred. The Company use the same criteria mentioned in the standard and assume that when the days past due exceeds '90 days', the default has occurred.

Retail Loans:

Depending on the nature of the financial instruments and the credit risk information available for particular groups of financial instruments, an entity may not be able to identify significant changes in credit risk for individual financial instruments before the financial instrument becomes past due. In case of retail loans, the financial instruments are backed by sufficient margin of underlying security which absorbs the associated risks. Hence, the Company has performed the assessment of significant increases in credit risk on a collective basis for retail loans by considering information that is indicative of significant increases in credit risk on groups of financial instruments.

For the purpose of determining significant increases in credit risk and recognising loss allowance on a collective basis, the Company has grouped financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increase in credit risk identified on a timely basis.

Project Loans:

Project loans are less in number and more in terms of value per loan. The loans are also credit rated internally. However, the Company does not have any history of the loan transitioning from one rating to the other over a fairly long period of time to arrive at a reliable transition matrix. The Company has used transition matrix compiled and published by a premier rating agency in India for arriving default rate.

Accordingly, loans have been identified into different groups as given below:

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

(₹ in crore)

Particulars	Stage 1		Stage 2		Stage 3		TOTAL	
	Amount	Impairment	Amount	Impairment	Amount	Impairment	Amount	Impairment
As At March 31, 2021	2,07,994.88	117.17	14,336.50	37.17	9,659.13	3,745.19	2,31,990.51	3,899.53
As At March 31, 2020	1,94,665.32	0.10	9,605.48	0.15	6,316.16	2,612.20	2,10,586.96	2,612.45

42.4.2.4 ECL Model and Assumptions considered in the ECL Model

The Company has used Markov chain model for estimating the probability of default on retail loans. In a Markov chain model for loans receivable an account moves through different delinquency states each quarter. For example, an account in the "Regular" state this quarter will continue to be in the "Regular" state next month if a payment is made by the due date and will be in the "90 days past due" state if no payment is received during that quarter. Another valuable feature is that the Markov chain model maintains the progression and timing of events in the path from "Regular" to "Defaulted". For example, an account in the "Regular" state doesn't suddenly become "Defaulted". Instead, an account must progress monthly from the "Regular" state to the "90 days past due" state to the "180 days past due" state and so on until foreclosure activities are completed and the collateral assets are sold to pay the outstanding debt.

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The transition matrix in the Markov chain represents the period-by-period movement of receivables between delinquency classifications or states. The transition evaluates loan quality or loan collection practice. The matrix elements are commonly referred to as "roll-rates" since they denote the probability that an account will move from one state to another in one period. The transition matrix is referred to as the "delinquency movement matrix".

The loan portfolio for the past several quarters are analysed to arrive at the transition matrix. Each loan is traced to find out how the loan has performed over the last several quarters. The days past due is grouped into 6 buckets namely Regular [0 days past due], 1 to 90 days past due, 91 to 180 days past due, 181 to 270 days past due, 271 to 365 days past due and above 365 days past due. In a subsequent quarter, the loan may continue to remain in the same bucket or move into the next bucket or previous bucket depending upon the repayments made by the customer. The bucket intervals are 90 days and the data points considered are also quarterly. The occurrences of every loan over the past several quarters are considered to arrive at the total transitions happening from different buckets in the previous quarter to different buckets in the current quarter. The Company has considered the quarterly loan performance data starting from the quarter ending 30th June 2013 onwards to compute the transition matrix. The total number of such transition occurrences are converted as a percentage to arrive at the transition matrix.

The Company has used transition matrix compiled and published by a premier rating agency in India for arriving default rate for Project loans since the Company do not have any history of the loan transitioning from one rating to the other over a fairly long period of time to arrive at a reliable transition matrix. Accordingly, the transition matrix is computed using matrix multiplication.

Probability of Default for Housing Finance

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

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

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

Exposure at default for Housing Finance

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

The probability of default (PD) of a loan which is less than 30 days past due [Stage 1] is represented by the one-year transition matrix. This PD is used to measure the quantum of the loan that is likely to move into the buckets 90 days past due and above over the next 12 months. The PD of a loan which is 30 days past due and less than 90 days past due [Stage 2] is represented by the transition matrix of the corresponding maturity period of the loan. This PD is used to measure the quantum of the loan that is likely to move into the buckets 90 days past due and above over the remaining life of the loan. The probability of default (PD) of a loan which is 90 days past due [Stage 3] is 100% as the loan has already defaulted. This PD is used to measure the quantum of the loan that is defaulted as on the valuation date over the remaining life of the loan.

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Loss given default for Housing Finance

Value of collateral property: The loans are secured by adequate property. The present value of such collateral property is considered while calculating the Expected Credit Loss. The Company initiates recovery process of Non Performing Accounts within the statutory time limit as per SARFAESI and other applicable laws and accordingly the realizable period has been considered for computing the Present Value of Collateral.

Forward looking information for Housing Finance

The Company has extended moratorium from repayment of EMIs due from 1st March 2020 till 31st August 2020 to all its borrowers in line with the Covid-19 package announced by RBI. The assumptions and estimates on the basis of which, the Expected Credit Losses (ECL) of the loan portfolio have been identified, are primarily based on the historical performance of the loan portfolio, updated to reflect current conditions of pandemic and moratorium as well as forecasts of future economic conditions. Ageing of the loan accounts ,which were Standard / under ECL Stage 2 as on 29th February 2020 and have been considered for moratorium & moving into ECL Stage 3 as per Ind AS 109, has been determined having reference to the position of such accounts as on 29th February 2020. Owing to the prevailing situation, additional sensitivity scenarios have been considered in the ECL calculations by assigning suitable weights as under for arriving at the impairment provisions required under Ind AS 109.

The extent to which the Covid-19 pandemic will impact the Company's business and financial performance in the future periods is uncertain. The company will continue to closely monitor any further changes to the business processes, the financial impact due to Covid-19 and other business related events. The definitive assessment of the impact would be dependent upon circumstances as they evolve in the subsequent period.

Covid 19 can impact the ability of the Borrowers, whether Corporate or Individuals, to meet their obligations under loan relationships. Individual and Corporate Borrowers may have a particular exposure to the economic impacts in their geography and industry sector. More broadly, reductions in forecast in economic growth increase the probability of default across many borrowers and loss given default rate may increase due to fall in value of collateral evident more generally by fall in prices of assets.

The Parent is into secured lending business where primary collateral security is mostly residential/commercial properties. As stipulated by Regulator, lending is done against part value of security with remaining portion acting as a buffer to absorb fall in property prices. Due to Covid-19 detrimental impact on economy, property prices in general are expected to fall, but the fall will likely be asymmetric across locations and will depend upon many micro factors including type of property, location, stage/type/age of construction, local micro market, etc.

Scenario 1 is the base scenario without any perturbance. This is assigned a weightage of 20%.

Scenario 2 is based on the forecasted macro-economic parameters and is assigned a weightage of 15%.

Scenario 3 is considered taking perturbed scenario and is assigned a weightage of 15%

COVID – 1 & 2 scenarios are both linked with changes in property prices factoring geography and portfolio category.

COVID – 3 is based on ratio of Principal Outstanding amount to Present value of collateral.

COVID – 4 is based on availing moratorium.

Based on the above, the Company has assumed the following scenarios with the respective weights for ECL computation:

Scenario	**Weight**
Scenario 1	20 %
Scenario 2	15 %
Scenario 3	15 %
COVID 1	10 %
COVID 2	15 %
COVID 3	15 %
COVID 4	10 %

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Write off policy for Housing Finance

The Company has over the period established a well-defined Credit Monitoring Mechanism for follow up of the default / delinquent accounts.

A multi-faceted approach is adopted in Credit Monitoring activities which involves participation of In-House employees as well as outsourced agencies. Each loan account is analysed based on the causative factors of becoming default and appropriate follow-up activity is undertaken. Inspite of adopting an appropriate follow-up activity, some accounts continue to be delinquent. Sufficient time, as per law, is given to the Borrowers to regularize their repayments and if still the accounts continue to be under the Non-Performing bracket, legal recourse is adopted.

However, there could be accounts wherein no recovery would be forthcoming despite the best efforts put in by the Company. Such accounts are critically examined on case to case basis and if there is no merit of recovery, such accounts are recommended for write-off to/through internal committees as per the policy approved by the Board. Write-off is a de-recognition of a loan the Company has no reasonable expectations of recovering the contractual inflows.

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Assets written off but are still subjected to enforcement activity	**493.15**	**499.55**

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

(₹ in crore)

	Stage 1		Stage 2		Stage 3		TOTAL	
	Amount	Impairment	Amount	Impairment	Amount	Impairment	Amount	Impairment
Gross Carrying Amount -2019	**1,83,113.40**	**23.92**	**8,564.92**	**111.53**	**2,952.64**	**1,524.03**	**1,94,650.16**	**1,659.48**
Net change in exposures	1,62,510.97	313.43	(1,46,484.69)	496.51	57.94	179.28	16,084.22	989.22
Transfer to Stage 1	2,121.01	(71.36)	(2,015.07)	31.82	(105.94)	3954	-	-
Transfer to Stage 2	(1,54,624.40)	21.07	1,51,868.08	(110.05)	(243.68)	88.98	-	-
Transfer to Stage 3	(1,376.32)	(286.96)	(2,315.65)	(529.66)	3,691.97	816.62	-	-
Changes in contractual cash flows due to modifications not resulting in derecognition	(99.34)	-	(11.31)	-	(0.52)	-	(111.17)	-
Amounts Written Off	-	-	-	-	(36.25)	(36.25)	(36.25)	(36.25)
Gross Carrying Amount Closing Balance -2020	**1,94,665.32**	**0.10**	**9,605.48**	**0.15**	**6,316.16**	**2,612.20**	**2,10,586.96**	**2,612.45**
Net change in exposures	21,599.69	332.82	166.17	56.26	295.30	970.24	22,061.16	1,359.32
Transfer to Stage 1	4,523.27	(100.78)	(4,171.65)	0.11	(351.62)	100.67	-	-
Transfer to Stage 2	(10,630.41)	(2.74)	10,698.58	(17.90)	(68.16)	20.63	-	-
Transfer to Stage 3	(1,656.17)	(112.24)	(1,949.70)	(1.44)	3,605.87	113.68	-	-
Changes in contractual cash flows due to modifications not resulting in derecognition	(506.82)	(0.00)	(12.37)	(0.00)	(0.20)	(0.00)	(519.39)	(0.00)
Amounts Written Off	-	-	-	-	(138.22)	(72.23)	(138.22)	(72.23)
Gross Carrying Amount Closing Balance -2021	**2,07,994.88**	**117.17**	**14,336.50**	**37.17**	**9,659.13**	**3,745.19**	**2,31,990.51**	**3,899.53**

The movement within the tables is a combination of quarterly movements over the year. The credit impairment charge in the Statement of Profit & Loss comprises the amount arrived after addition of figures in Total column.

Transfers – transfers between stages are deemed to occur at the beginning of a quarter based on prior quarters closing balances.

Net remeasurement from stage changes – the remeasurement of credit impairment provisions arising from a change in stage is reported within the stage that the assets are transferred to.

Net changes in exposures – comprises new disbursements less repayments in the year.

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42.4.2.5 Modified Loans

Where the contractual terms of a financial instrument have been modified, and this does not result in the instrument being derecognised, a modification gain or loss is recognised in the Statement of Profit or Loss representing the difference between the original cash flows and the modified cash flows, discounted at the effective interest rate. If the modification is credit-related or where the Company has granted concessions that it would not ordinarily consider, then it will be considered credit-impaired. Modifications that are not credit related will be subject to an assessment of whether the asset's credit risk has increased significantly since origination by comparing the remaining lifetime probability of default (PD) based on the modified terms to that on the original contractual terms.

42.4.3 Market Risk

Market risk is the risk of losses in positions taken by the Group which arises from movements in market prices. Any item in the balance sheet which needs re-pricing at frequent intervals and whose pricing is decided by the market forces will be a component of market risk. There are number of items in the Group's balance sheet which exposes it to market risk like Housing loans at floating rate, loans to developers at floating rate, Non-Convertible Debentures (NCDs) with options, bank loans with option, Foreign Currency Bank Loans, Coupon Swaps, etc.

42.4.4 Interest Rate Risk

Interest Rate Risk refers to the risk associated with the adverse movement in the interest rates. Adverse movement for the Group would imply rising interest rates on liabilities and falling interest yields on the assets. This is the biggest risk which the Group faces. It arises because of maturity and re-pricing mismatches of assets and liabilities.

In order to mitigate the impact of this risk, the Group tracks the composition and pricing of assets and liabilities on a continuous basis.

42.4.5 Operational Risk for Parent

Operational risk is "the risk of a change in value caused by the fact that actual losses, incurred for inadequate or failed internal processes, people and systems, or from external events (including legal risk), differ from the expected losses". It can be subdivided into the following categories:

A. **Compliance risk** is defined as the risk of legal sanctions, material financial loss, or loss to reputation the Company may suffer as a result of its failure to comply with laws, its own regulations, code of conduct, and standards of best/good practice.

The Company is regulated by RBI and supervised by NHB, registered with SEBI and has listing agreements with stock exchanges, i.e. BSE & NSE and Luxembourg. In order to ensure compliance with applicable laws, the Company has put in place adequate processes.

B. **Legal risk** is the cost of litigation due to cases arising out of lack of legal due diligence. Litigation can also arise out of failure or frauds in the course of business.

The main business is of lending money for/against mortgage loans and is therefore exposed to legal risk. For handling the same, there are robust legal systems for title verification and legal appraisal of related documents. Company has standards of customer delivery and the operational mechanism to adhere to such standards aimed at minimum instances of customers' grievances.

Operational Risk for Subsidiaries

Operational Risk for Subsidiaries include losses due to failure to adhere to internal policies and processes, human error or external events. Operational risk also includes information technology risk, operations risk and legal risk. The Management of the Subsidiaries identifies, assesses, monitors and controls these risks and formulates plans and processes to mitigate the same.

42.4.6 Regulatory Risk for Parent and Subsidiaries

Regulatory risk is the risk that a change in laws and regulations will materially impact the Group. Changes in law or regulations made by the government or a regulatory body can increase the costs of operating the business, and/or change the competitive landscape.

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In case of the Group, the regulatory risk can arise due to change in prudential rules/norms by the regulators viz; NHB, SEBI, RBI etc. In order to mitigate the effects of same, the Group is aware of the Business and Regulatory environment and anticipate the likely regulatory changes that may come in the short and medium term so that it is able to quickly change its systems and practices to realign itself with the changed regulatory framework.

42.4.7 Competition Risk

Competition Risk is the risk to the market share and profitability arising due to competition. It is present across all the businesses and across all the economic cycle with the intensity of competition risk varying due to several factors, like, barriers to entry, industry growth potential, degree of competition, etc.

The Company's business environment is characterized by increased youth population, growing economy, increased urbanization, Government incentives, acceptability of credit in society and rise in nuclear families. Due to all these reasons, the Housing Finance industry has seen a higher growth rate than overall economy and several other industries since past several years. This has led to increase in competition and in turn increased pressure on the existing Companies to maintain/grow market share and profitability. In order to mitigate the risk arising due to competition, the Company has customer centric approach coupled with state of art infrastructure including IT interface.

42.4.8 Currency Risk and mitigation

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company manages itself against currency risk by taking out foreign currency swaps and converting the exposures into Indian Rupees. The Company applies cash flow hedge accounting to the foreign currency element of its floating rate dollar-denominated External Commercial Borrowings and associated cross currency interest rate swaps.

The Company converts ECB into fixed rate Indian Rupee exposures with the floating rate and principal of the hedged item matched by those of the hedging instrument. The Company considers the hedge as a hedge of more than one risk and does not split the interest rate from the principal for hedge accounting purposes.

Hedge Accounting

In December 2019 the company raised an ECB of USD 200 million in the form of a syndicated loan facility. The tenor of the facility is 3 years. The proceeds have been fully utilized in accordance with the approval granted by RBI under automatic route and is in conformity with the applicable ECB Guidelines.

As a part of its risk management, the Company has identified a series of risk categories with corresponding hedging strategies using derivative instruments.

When a hedging relationship meets the specified hedge accounting criteria set out in Ind AS 109, the Company applies one of three types of hedge accounting: fair value hedges; cash flow hedges; or hedges of a net investment in a foreign operation.

Transactions that are entered into in accordance with the Company's hedging objectives but do not qualify for hedge accounting, are referred to in these financial statements as economic hedge relationships.

The nature of risk that is needed to be hedged, the risk management objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship at inception and on an ongoing basis is recorded with reference to the economic relationship between the hedged item and the hedging instrument.

Every hedge relationship is required to be tested to assess whether the hedge relationship meets the hedge effectiveness requirements at the inception of the hedging relationship, and on an on-going basis at each reporting date. This assessment relates to expectations about hedge effectiveness and is therefore only forward looking.

Cash Flow Hedge

Cash flow hedge is a hedge of the exposure to variability in the cash flows of a specific asset or liability, or of a forecasted transaction, that is attributable to a particular risk. It is possible to only hedge the risks associated with a portion of an asset, liability, or forecasted transaction, as long as the effectiveness of the related hedge can be measured. The accounting for a cash flow hedge will be to recognize the effective portion of any gain or loss in other comprehensive income, and recognize the ineffective portion of any gain or loss in finance cost in the statement of profit and loss. When a hedging

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instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

Impact of Covid 19 on Hedge Accounting and Interest Rate Swap

Hedge Accounting is purely an accounting exercise – even though now it is dove tailed into the risk management policies of the company – to minimise the impact of fluctuations in the profit & loss account caused primarily due to 'accounting mismatch'. As such we do not see any COVID-19 impact on hedge accounting.

Hedge Ratio

The hedge ratio is consistent with that used for risk management purposes without a deliberate imbalance to derive an inappropriate accounting outcome.

The Company economically hedges the risk of volatility in floating interest rate on USD External Commercial Borrowings and the Currency Risk on the principal with a Cross Currency Swap with matched terms and matched USD notional. This actual hedge ratio does not reflect an imbalance (that could result in an accounting outcome that would be inconsistent with the purpose of the hedge accounting) and hence represents an eligible hedge ratio.

Maturity interest rate risk profiles

The following table shows the maturity and interest rate risk profiles of the company's hedging instruments used in its cash flow hedges. As the Company applies one-to-one hedging ratios, the below table effectively shows the outcome of the cash flow hedges:

Maturity of cross currency swaps

(₹ in crore)

31-Mar-21	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Micro cash flow hedges						
Cross currency interest rate swaps						
Notional principal	-	-	-	1,425.73	-	1,425.73
Average fixed rate	-	-	-	7.52%	-	-
Average INR/$ Rate				79.61		

(₹ in crore)

31-Mar-20	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Micro cash flow hedges						
Cross currency interest rate swaps						
Notional principal	-	-	-	1,425.73	-	1,425.73
Average fixed rate	-	-	-	7.52%	-	-
Average INR/$ Rate				86.20		

Carrying Value of Derivatives used in Cash Flow Hedges

(₹ in crore)

31-Mar-21	Carrying value assets	Carrying value liabilities	Notional amount
Derivatives used as cash flow hedges			
Cross-currency interest rate swaps	5.69	-	1,425.73
Total derivative financial instruments	**5.69**	**-**	**1,425.73**

31-Mar-20	Carrying value assets	Carrying value liabilities	Notional amount
Derivatives used as cash flow hedges			
Cross-currency interest rate swaps	48.62	-	1,425.73
Total derivative financial instruments	**48.62**		**1,425.73**

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Hedge Instrument

Fair Value of Hedging Instrument

(₹ in crore)

31-Mar-21	Carrying value			Changes in fair value of hedging instruments used for measuring hedge ineffectiveness			Reclassified into income statement
	Notional amount	Assets	Liabilities	In Total	Effective portion	Hedge Ineffectiveness	
					Recognised in OCI	Recognised in profit & loss account	
Micro cash flow hedges							
Cross currency interest rate swaps	1425.73	5.69	-	(42.93)	(42.93)	-	(42.93)
Total	**1425.73**	**5.69**	**-**	**(42.93)**	**(42.93)**	**-**	**(42.93)**

(₹ in crore)

31-Mar-20	Carrying value			Changes in fair value of hedging instruments used for measuring hedge ineffectiveness			Reclassified into income statement
	Notional amount	Assets	Liabilities	In Total	Effective portion	Hedge Ineffectiveness	
					Recognised in OCI	Recognised in profit & loss account	
Micro cash flow hedges							
Cross currency interest rate swaps	1,425.73	48.62	-	48.62	48.62	-	48.62
Total	**1425.73**	**48.62**	**-**	**48.62**	**48.62**	**-**	**48.62**

Fair Value of Hedged Item

(₹ in crore)

31-Mar-21	Change in fair value of hedged item in the year used for ineffectiveness measurement	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
Micro cash flow hedges			
Floating rate USD notes	(42.93)	-	-
Total		**-**	**-**

Fair Value of Hedged Item

(₹ in crore)

31-Mar-20	Change in fair value of hedged item in the year used for ineffectiveness measurement	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
Micro cash flow hedges			
Floating rate USD notes	48.62	-	-
Total	**48.62**		

Movement of Cash Flow Hedge

(₹ in crore)

Movement of cash flow hedges	31-Mar-21	31-Mar-20
Hedging net gains/(losses) arising during the year	(42.93)	48.62
Less: Recognised in the income statement	42.93	(48.62)
Income tax related to the above	0	0
Movement on cash flow hedges	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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Impact of Cash Flow Hedge on Balance Sheet

(₹ in crore)

Impact of cash flow hedge on balance sheet and financial result - hedging instruments	For the year ended March 31, 2021	For the year ended March 31, 2021
Nominal value	1425.73	1,425.73
Carrying amount – assets	5.69	48.62
Carrying amount – liabilities	-	-
Balance Sheet item in which hedging instrument is reported	Hedging Instrument	Hedging Instruments
Change in the fair value of the hedging instrument used for estimating hedge ineffectiveness	(42.93)	48.62
Amount of hedge ineffectiveness recognised in the income statement	-	-
Profit & Loss item in which hedge ineffectiveness is reported	No ineffectiveness reported	No ineffectiveness reported

(₹ in crore)

Impact of cash flow hedge on balance sheet and financial result - hedged items	For the year ended March 31, 2021	For the year ended March 31, 2021
Amount of change in the fair value of the hypothetical derivative representing the hedged item used for estimating the hedge ineffectiveness in the reporting period	(42.93)	48.62
Revaluation reserve due to cash flow hedge accounting for relationships for which hedge accounting will be continued after the end of the reporting period	-	-
Revaluation reserve due to cash flow hedge accounting for relationships for which hedge accounting is no longer applied	-	-

ADDITIONAL DISCLOSURES IN ECB

(₹ in crore)

For hedging relationships to which an entity applies the temporary exceptions from applying specific hedge accounting requirements exceptions set out in paragraphs 6.8.4-6.8.12		
(a)	the significant interest rate benchmarks to which the entity's hedging relationships are exposed;	3M Libor
(b)	the extent of the risk exposure the entity manages that is directly affected by the interest rate benchmark reform;	Risk exposure is nil as the floating rate foreign currency loan is hedged by a cross currency swap effectively converting the floating rate to fixed rate of 7.52%
(c)	how the entity is managing the process to transition to alternative benchmark rates	As per the information available the transition to alternative benchmark is likely to happen in June,2023 which is after the maturity date of the ECB facility. However, in a situation if it is applicable before that the Company will adopt the benchmark which is commonly being accepted for similar transaction in the market.
(d)	a description of significant assumptions or judgements the entity made in applying these paragraphs (for example, assumptions or judgements about when the uncertainty arising from interest rate the interest rate benchmark-based cash flows); and benchmark reform is no longer present with respect to the timing and the amount of	The interest rate benchmark on which the hedged cash flows are based is not altered as a result of the reform till maturity of the Facility i.e. December, 2022
(e)	the nominal amount of the hedging instruments in those hedging relationships	₹ 1,425.73 Cr

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42.5 Maturity Analysis of Assets and Liabilities:

The Table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled:

As at March 31, 2021

(₹ in crore)

Particulars	Upto 12 months	More than 12 months	Total
ASSETS			
Financial Assets			
Cash and cash equivalents	1,331.87	-	1,331.87
Bank Balance other than above	38.04	15.05	53.09
Derivative financial instruments	5.69	-	5.69
Receivables	-	-	-
(I) Trade Receivables	7.70	-	7.70
(II) Other Receivables	-	-	-
Loans	15,767.54	2,12,323.44	2,28,090.98
Investments	2,153.08	2,490.82	4,643.90
Other Financial Assets	7.54	102.21	109.75
Non-Financial Assets			
Current Tax Assets (Net)	1.30	3.73	5.03
Deferred Tax Assets (Net)	-	918.69	918.69
Property, Plant and Equipment	-	161.05	161.05
Capital Work in Progress	2.71	-	2.71
Intangible assets under development	-	3.63	3.63
Right of Use Assets	-	118.30	118.30
Goodwill	-	0.21	0.21
Other Intangible Assets	-	2.31	2.31
Other Non-Financial Assets	140.30	0.17	140.47
Assets Held for Sale	126.19	-	126.19
Total Assets	**19,581.97**	**2,16,139.61**	**2,35,721.57**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Derivative Financial Instruments	-	-	-
Lease Liability	35.81	91.83	127.63
Payables			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	2.80	-	2.80
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	83.17	-	83.17
Debt Securities	34,808.62	90,789.34	1,25,597.96
Borrowings (Other than Debt Securities)	25,821.56	36,311.18	62,132.74
Deposits	13,032.81	5,238.94	18,271.75
Subordinated Liabilities	-	1,795.12	1,795.12
Other Financial Liabilities	6,256.46	403.40	6,659.86
Non-Financial Liabilities			
Current tax liabilities (Net)	-	7.76	7.76
Deferred Tax liabilities (Net)		0.09	0.09
Provisions	62.87	84.64	147.51
Other Non-Financial Liabilities	291.04	-	291.04
Total Liabilities	**80,395.12**	**1,34,722.30**	**2,15,117.43**
NET	**(60,813.15)**	**81,417.31**	**20,604.14**

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As at March 31, 2020

(₹ in crore)

Particulars	Upto 12 months	More than 12 months	Total
ASSETS			
Financial Assets			
Cash and cash equivalents	1,369.30	-	1,369.30
Bank Balance other than above	580.83	85.65	666.47
Derivative financial instruments	80.48	-	80.48
Receivables			
(I) Trade Receivables	21.80	-	21.80
(II) Other Receivables	-	-	-
Loans	14,852.63	1,93,121.88	2,07,974.51
Investments	3,697.22	1,787.51	5,484.73
Other Financial Assets	11.02	14.05	25.07
Non-Financial Assets			
Current Tax Assets (Net)	-	360.05	360.05
Deferred Tax Assets (Net)	-	526.28	526.28
Property, Plant and Equipment	-	167.26	167.26
Capital Work in Progress	2.92	-	2.92
Right of Use Assets	-	124.95	124.95
Goodwill	-	0.21	0.21
Other Intangible Assets		2.01	2.01
Other Non-Financial Assets	113.70	-	113.70
Total Assets	**20,729.89**	**1,96,189.85**	**2,16,919.74**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Derivative Financial Instruments	22.90	-	22.90
Lease Liabilities	34.28	98.87	133.15
Payables			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	30.63	-	30.63
Debt Securities	37,164.14	94,918.12	1,32,082.26
Borrowings (Other than Debt Securities)	21,467.77	23,672.66	45,140.43
Deposits	6,106.26	6,465.55	12,571.81
Subordinated Liabilities	500.00	1,000.00	1,500.00
Other Financial Liabilities	6,248.39	543.32	6,791.71
Non-Financial Liabilities			
Provisions	71.14	77.48	148.62
Other Non-Financial Liabilities	230.92	-	230.92
Total Liabilities	**71,876.42**	**1,26,776.00**	**1,98,652.43**
NET	**(51,146.53)**	**69,413.85**	**18,267.31**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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43. SEGMENT REPORTING:

As per the Ind AS 108 dealing with 'Operating Segments', the main segments and the relevant disclosures relating there

(₹ in crore)

Particulars	Loans		Other Segments		Inter Segment Adjustments		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Segment Revenue	19,847.69	19,669.76	80.78	78.46	(48.24)	(41.35)	19,880.22	19,706.88
Segment Result	3,348.57	3,268.99	30.83	30.61	(14.28)	(17.42)	3,365.13	3,282.18
Share of profit of Associates							2.06	0.52
Current Tax							967.18	838.09
Tax Expense for Earlier Years							(21.33)	-
Deferred Tax							(321.84)	40.43
OCI adjustments							(2.49)	(7.15)
Share of Profit/(Loss) of Non-Controlling Interest							(0.41)	(0.40)
Total Result							2,740.29	2,396.63
Segment Assets	2,35,507.13	2,16,805.59	268.23	254.31	(179.98)	(140.16)	2,35,595.38	2,16,919.74
Assets held for sale	126.19						126.19	-
Segment Liabilities	2,15,112.01	1,98,612.50	84.46	85.69	(79.04)	(45.77)	2,15,117.43	1,98,652.43
Net Assets	20,521.31	18,193.09	183.77	168.62	(100.94)	(94.39)	20,604.14	18,267.31
Depreciation & Amortization	49.44	48.07	2.80	2.18	0.22	0.86	52.47	51.11
Non Cash Expenses other Depreciation & Amortization	1,345.03	999.57					1,345.03	999.57

(i) The accounting policies adopted for segment reporting are in line with the policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

(ii) Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

(iii) Loans segment comprises of providing finance for purchase, construction, repairs, renovation of house/buildings.

(iv) Other Segments comprise of Financial Services segment which involves business of marketing Financial Products and Services on own account as well as for and on behalf of other service providers, Construction Segment which establishes and operates assisted living community centres for elderly citizens in India, Asset Management segment which includes promoting and managing different schemes on behalf of LIC Mutual Fund and Trusteeship segment which supervises activities of LIC Mutual Fund.

(v) The Company does not have any material operations outside India and hence, disclosure of geographic segments is not given.

(vi) No single customer represents 10% or more of the Company's total revenue for the year ended March 31, 2021 and March 31, 2020.

44. COMMITMENTS:

a) Estimated amounts of contracts remaining to be executed on capital account and not provided for - (net of advance) are ₹ 17.28 crore (F.Y. 2019-20 ₹ 0.38 crore).

b) Other Commitments: Uncalled liability of ₹ 1.14 crore (F.Y. 2019-20 ₹ 1.14 crore) in respect of commitment made for contribution to LICHFL Urban Development Fund by subscription of 50,000 units (F.Y. 2019-20 50,000 units) of ₹ 10,000/- face value each, paid up value being ₹ 3,761.71 (F.Y. 2019-20 ₹ 3,761.71/-) each.

c) Undisbursed amount of Housing and Non- Housing Loans sanctioned is ₹ 38,857.25 crore.

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The Company had committed for an upfront investment of ₹ 37.50 crore subject to a maximum of 10% of aggregate Capital Commitment but not exceeding ₹ 100.00 crore in LICHFL Infrastructure Fund managed by one of the Subsidiary of the Company, namely LICHFL Asset Management Company Limited. The outstanding investment in LICHFL Infrastructure Fund as on 31st March, 2021 is NIL (F.Y. 2019-20 ₹ 1.98 crore).

45. Contingent liabilities in respect of:

a) Claims against the Company not acknowledged as debts ₹ 6.92 crore (F.Y. 2019-20 ₹ 1.98 crore).

b) The management has assessed there are no executory contracts which have become onerous due to the adverse impact of COVID -19.

46. Movement in Provision for contingencies as under:

a. Provision includes:

i. Provision for doubtful advances and provision for probable loss on account of bank reconciliation differences.

(₹ in crore)

Provision for Doubtful Advances	As at March 31, 2021	As at March 31, 2021
Opening balance	0.42	0.42
Add: Additional provisional for doubtful advances	4.81	-
Less: Amounts utilized during the year / provision written back for doubtful advances	-	-
Less: Reversal of provision for doubtful advances	-	-
Closing balance	5.23	0.42

47. Fixed Deposits with Banks includes earmarked deposits created in favour of trustees for depositors towards maintaining Statutory Liquid Ratio amounting to ₹ 82.70 crore (F.Y. 2019-20 ₹ 196.50 crore). The Company has beneficial interest on the income earned from these deposits.

48. Temporary Book Overdraft of ₹ 1329.46 crore (F.Y. 2019-20 ₹ 682.54 crore) represents cheques issued towards disbursements to borrowers for ₹ 1324.70 crore (F.Y. 2019-20 ₹ 675.71 crore) and cheques issued for payment of expenses of ₹ 4.76 crore (F.Y. 2019-20 ₹ 6.82 crore), but not encashed as at March 31, 2021.

49. AUDITOR'S REMUNERATION*:

(₹ in crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2021
As auditor	0.39	0.36
Tax Audit	0.09	0.09
For Quarterly Limited Reviews	0.15	0.18
In any other manner (Certification work)	0.08	0.08
Reimbursement of Expenses to Auditors	0.06	0.06
Total	**0.77**	**0.77**

* Excluding GST

50. PROPOSED DIVIDEND

(₹ in crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2021
(i) Dividends not recognized at the end of reporting period	429.10	403.87

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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49. The Group is in the continuous process of obtaining confirmation from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

(₹ in crore)

Particulars	March 31, 2021	March 31, 2020
The principal amount remaining unpaid to any supplier	2.80	-
The interest due thereon (above principal amount) remaining unpaid to any supplier	-	-
The amount of interest paid by the buyer in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day for the year ended	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23	-	-

* Excluding GST

52. DISCLOSURE IN RESPECT OF EMPLOYEE BENEFITS:

In accordance with the Indian Accounting Standard (Ind AS 19) – "Employee Benefits", the following disclosures have been made:

Provident Fund and Pension Fund Liability

The Group has recognized ₹ 21.45 crore (F.Y. 2019-20 ₹ 18.23 crore) in the Statement of Profit or Loss towards contribution to Provident fund in respect of Group employees. In respect of LIC employees on deputation who have opted for pension, ₹ 0.74 crore (F.Y. 2019-20 ₹ 0.64 crore) have been contributed towards LIC of India (Employees) Pension Rules, 1995.

Gratuity Liability

(₹ in crore)

Changes in the Benefit Obligation:	2020-21	2019-20
Liability at the Beginning of the year	95.68	75.96
Interest Cost	6.53	5.91
Current Service Cost	6.00	4.27
Past Service Cost	-	-
Benefit Paid	(2.92)	(0.86)
Actuarial Loss/(Gain) on obligations	0.38	10.40
Liability at the end of the year	**105.67**	**95.68**

(₹ in crore)

Fair Value of the Plan Assets:	2020-21	2019-20
Fair Value of Plan Asset at the beginning of the year	79.22	67.25
Expected Return on Plan Assets	5.41	5.23
Contributions	9.27	9.33
Benefit paid	(2.92)	(0.86)
Actuarial Gain / (Loss) on Plan Assets	(0.41)	(1.73)
Fair value of Plan Assets at the end of the year	90.57	79.22
Total Actuarial Loss to be Recognized	**0.79**	**12.13**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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(₹ in crore)

Actual Return on Plan Assets:	2020-21	2019-20
Expected Return on Plan Assets	5.41	5.23
Actuarial Gain / (Loss) on Plan Assets	(0.41)	(1.73)
Actual Return on Plan Assets	**5.00**	**3.50**

(₹ in crore)

Amount Recognized in the Balance Sheet:	2020-21	2019-20
Liability at the end of the year	(105.67)	(95.68)
Fair Value of Plan Assets at the end of the year	90.57	79.22
Amount recognized in the Balance Sheet	**(15.10)**	**(16.45)**

(₹ in crore)

Net Interest Cost for Current Year:	2020-21	2019-20
Present Value of Benefit Obligation at the Beginning of the Year	95.68	75.96
Fair value of Plan Assets at the Beginning of the Year	(79.22)	(67.25)
Net Liability/(Asset) at the Beginning of the Year	16.45	8.71
Interest Cost	6.53	5.91
Interest Income	5.41	(5.23)
Net Interest Cost for Next Year	**1.12**	**0.67**

(₹ in crore)

Expense Recognized in the Statement of Profit or Loss for Current Year:	2020-21	2019-20
Current Service Cost	6.00	4.27
Net Interest Cost	1.12	0.67
Past Service Cost	-	-
Expense recognized in the Statement of Profit or Loss under staff expenses	**7.12**	**4.94**

(₹ in crore)

Expense Recognized in Other Comprehensive Income (OCI) for Current Year:	2020-21	2019-20
Actuarial Loss/(Gain) on obligations	0.38	10.39
Return on Plan Assets, excluding Interest Income	0.41	1.74
Net (Income)/Expense for the year recognized in OCI	**0.79**	**12.13**

(₹ in crore)

Reconciliation of the Liability recognized in the Balance Sheet:	2020-21	2019-20
Opening Net Liability	16.45	8.71
Expense recognized in the Statement of Profit or Loss	7.12	4.94
Expense recognized in Other Comprehensive Income	0.79	12.13
Contribution by the Group	(9.27)	(9.33)
Amount recognized in the Balance Sheet under "Provision for Retirement Benefits"	**15.10**	**16.45**

(₹ in crore)

Maturity Analysis of the Benefit Payments: From the Fund	2020-21	2019-20
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	5.49	4.34
2nd Following Year	6.13	4.04
3rd Following Year	6.94	6.82
4th Following Year	7.10	6.69
5th Following Year	12.08	6.67
Sum of Years 6 to 10	44.49	48.19
Sum of Years 11 and above	155.19	135.14

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(₹ in crore)

Sensitivity Analysis	2020-21	2019-20
Projected Benefit Obligation on Current Assumptions	105.67	95.68
Delta Effect of +1% Change in Rate of Discounting	(10.43)	(7.48)
Delta Effect of -1% Change in Rate of Discounting	12.16	8.65
Delta Effect of +1% Change in Rate of Salary Increase	6.26	4.72
Delta Effect of -1% Change in Rate of Salary Increase	(6.35)	(4.78)
Delta Effect of +1%Change in Rate of Employee Turnover	2.01	1.89
Delta Effect of -1%Change in Rate of Employee Turnover	(2.07)	(1.98)

Assumptions:	31.03.2021	31.03.2020
Discount Rate	6.90%/5.75%/6.87%	6.84%/5.75%/6.86%
Rate of Return on Plan Assets	6.90%/5.75%/6.86%	6.84%/5.75%/6.86%
Salary Escalation	8.00%/6.90%/8.00%	8.00%/6.90%/8.00%
Attrition Rate	2.00%	2.00%

Gratuity Premium is paid to LIC of India under Gratuity Scheme of LIC.

Actuarial Gains/Losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary Escalation and Attrition Rate are considered as advised to the Company by the Actuary; they are in line with the industry practice considering promotion and demand and supply of the employees.

Maturity Analysis of Benefit payments is undiscounted cash flows considering future salary, attrition and death in respective year for members as mentioned above.

The Group has a defined benefit gratuity plan in India (funded). The Group's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Gratuity is a defined benefit plan and the Group is exposed to the Following Risks:

Interest Risk: A fall in the discount rate which is linked to the Government Security Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance Company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

The Company's best estimate of contributions expected to be paid to the plan during the annual period beginning after March 31, 2021 is ₹ 14.68 crore (Previous Year ₹ 13.84 crore).

Leave Encashment

(₹ in crore)

Changes in the Benefit Obligation:	2020-21	2019-20
Liability at the Beginning of the year	64.68	47.88
Interest Cost	4.42	3.72
Current Service Cost	2.90	2.31
Benefit Paid	(1.46)	(2.49)
Actuarial (Gain) / Loss on obligations	1.10	13.26
Liability at the end of the year	**71.63**	**64.68**

(₹ in crore)

Amount Recognised in the Balance Sheet:	2020-21	2019-20
Liability at the end of the year	(71.63)	(64.68)
Fair Value of Plan Assets at the end of the year	-	-
Amount recognized in the Balance Sheet*	**(71.63)**	**(64.68)**

(₹ in crore)

Expense Recognised in the Statement of Profit and Loss:	2020-21	2019-20
Current Service Cost	2.90	2.31
Interest Cost	4.42	3.72
Expected Return on Plan Assets	-	-
Net Actuarial (Gain) / Loss to be recognized	1.09	13.26
Expense recognized in the Statement of Profit or Loss under staff expenses	**8.41**	**19.29**

(₹ in crore)

Reconciliation of the Liability recognised in the Balance Sheet:	2020-21	2019-20
Opening Net Liability	64.68	47.88
Expense recognized	8.41	19.29
Contribution by the Group	(1.46)	(2.49)
Amount recognized in the Balance Sheet under "Provision for Retirement Benefits"	**71.63**	**64.68**

Assumptions:	2020-21	2019-20
Retirement Age	58 Years	58 Years
Discount Rate	6.84%/6.86%	6.84%/6.86%
Salary Escalation	8.00%/8.00%	8.00%/8.00%
Attrition Rate	**2.00%/2.00%**	**2.00%/2.00%**

The estimates of future salary increases, considered in actuarial valuation, include inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the actuary and relied upon by the Auditors.

* Exclusive of Amount ₹ 0.03 crore (previous year ₹ 0.06 crore) towards additional provision made for LIC employees.

Sick Leave

The Group has recognized ₹ 1.71 crore (F.Y. 2019-20 ₹ 2.72 crore) in the Statement of Profit or Loss towards sick leave in respect of Company employees.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

53. RELATED PARTY DISCLOSURE:

a) Details of related parties:

(i) Enterprise having Significant Influence on the Company

Life Insurance Corporation of India

(ii) Associates by way of the Company holding shares of the following Enterprises

LIC Mutual Fund Asset Management Limited

LIC Mutual Fund Trustee Private Limited

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

	Nature of Relationship	
Key Management Personnel	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Shri Vinay Sah	-	MD & CEO (Upto 01.08.2019)
Shri Siddhartha Mohanty	MD & CEO (Upto 01.02.2021)	MD & CEO (From 01.08.2019)
Shri Y. Viswanatha Gowd	MD & CEO (From 01.02.2021)	
Shri Nitin K Jage	Company Secretary	Company Secretary
Shri P Narayanan	-	Chief Financial Officer (Upto 10.05.2019)
Shri Sudipto Sil	Chief Financial Officer	Chief Financial Officer (From 10.05.2019)

Directors (Executive or Otherwise)	For the year ended March 31, 2021	For the year ended March 31, 2020
Shri Hemant Bhargava	-	Non-Executive Nominee Director (Upto 01.08.2019)
Shri Vipin Anand	Non-Executive Nominee Director	Non-Executive Nominee Director (From 11.11.2019)
Shri Jagdish Capoor	Independent Director	Independent Director
Smt. Savita Singh	Independent Director (Upto 09.11.2020)	Independent Director (Re-designated as Independent Director from 01.04.2019)
Shri Dharmendra Bhandari	Independent Director	Independent Director
Shri V. K. Kukreja	Independent Director	Independent Director
Shri Ameet Patel	Independent Director	Independent Director
Shri P Koteswara Rao	Non Independent Director	Non Independent Director (Re-designated as Non Independent from 04.05.2019)
Shri Kashi Prasad Khandelwal	Independent Director	Independent Director (From 01.07.2019)
Shri Sanjay Kumar Khemani	Non Independent Director	Non Independent Director (From 01.07.2019)
Shri Akshay Rout	Non Independent Director (From 28.09.2020)	-
Smt. Jagennath Jayanthi	Independent Director (From 05.02.2021)	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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b) Details of transactions with related parties:

(₹ in crore)

Nature of transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
Life Insurance Corporation of India:		
Repayment of non-convertible debentures	2,000.00	500.00
Interest expenses on Secured and Unsecured loans	1,362.63	1,461.83
Dividend Payment by LIC Housing Finance Limited to LIC of India	162.75	154.62
Dividend Payment by LICHFL Asset Management Company Limited to LIC of India	0.14	0.12
Rent Rates and Taxes	8.94	8.12
Reimbursement of Electricity Expenses	0.56	0.45
Payment for Staff training, Conference, etc.	-	0.02
Reimbursement of Expenses	0.10	0.17
Reimbursement of Gratuity, Mediclaim, GSLI and Pension Fund for staff on deputation from LIC	1.25	1.12
Net Contribution to LIC of India, P & GS, for Gratuity premium for employees (Post Employment Benefit)	10.90	8.45
Balance as at the year end towards non convertible debentures (Credit)	**14,550.00**	**16,550.00**
Balance as at the year end towards Interest Accrued on non convertible debentures (Credit)	**399.14**	**452.84**
Balance as at the year end-Others (Credit)	**1.08**	**2.39**
LIC Mutual Fund Asset Management Company		
Dividend Income	-	0.22
Shri Vinay Sah, MD & CEO (Upto 01.08.2019) Shri Siddhartha Mohanty, MD & CEO (Upto 01.02.2021) Shri Y. Viswanatha Gowd, MD &CEO (From 01.02.2021)		
*Managerial remuneration-Total	***0.59	**0.60
Short Term Employment Benefits	0.58	0.59
Post-Employment Benefits	0.01	0.01
Interest Expense on investment in Public Deposit by Close Members	0.01	-
Balance as at the year end towards investment in Public Deposit by Close Members and Accrued Interest on Public Deposit (Credit)	0.07	-
Outstanding Amount of Loan taken from the Company	-	0.47
Shri Nitin K Jage, Company Secretary		
Managerial remuneration-Total	0.42	0.41
Short Term Employment Benefits	0.42	0.41
Post-Employment Benefits	-	-
Investment in Public Deposit	-	0.04
Redemption of Public Deposit	0.03	-
Outstanding Amount of Loan taken from the Company	-	0.08
Shri P Narayanan, CFO (Upto 10.05.2019) & Shri Sudipto Sil (From 10.05.2019)		
Managerial remuneration-Total	0.33	****0.40
Short Term Employment Benefits	0.33	0.40
Post- Benefits Employment	-	0.00
Investment in Public Deposit	-	-
Interest Expense on Public Deposit		-
Investment in Public Deposit by Close Members of family	0.07	0.48
Interest Expense on investment in Public Deposit by Close Members	0.05	0.04
Balance as at the yearend towards investment in Public Deposit by Close Members and Accrued Interest on Public Deposit (Credit)	0.63	0.53

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(₹ in crore)

Nature of transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
Directors (Executive or Otherwise)		
Sitting Fees Paid	0.48	0.50
Shri Vipin Anand, Non-Executive Nominee Director		
Outstanding Amount of Loan taken from the Company	-	0.40
Shri Jagdish Capoor, Independent Director		
Investment in Public Deposit	-	0.10
Balance as at the year end towards investment in Public Deposit and Accrued Interest on Public Deposit (Credit)	-	0.10

*As the Provision for Performance Linked Incentive (PLI) and Leave encashment is accrued for the company as a whole and not decided individually, hence not included. However payment made during the financial year 2020-2021 has been included.

** The amount includes Performance Linked Incentive (PLI) paid to Shri Vinay Sah, MD & CEO (Upto 01.08.2019) during the Financial year 2019-2020 and salary paid to Shri. Siddhartha Mohanty, MD & CEO, (From 01.08.2019) and Shri Vinay Sah, MD &CEO for financial year 2019-2020.

*** The amount includes Performance Linked Incentive (PLI) paid to Shri Siddhartha Mohanty, MD & CEO (Upto 01.02.2021) during the Financial year 2020-2021 and salary paid to Mr. Siddhartha Mohanty, MD & CEO, (From 01.02.2021) and Shri Y. Viswanatha Gowd, MD &CEO for financial year 2020-2021.

**** The amount includes Performance Linked Incentive (PLI) paid to Shri P Narayanan, CFO (Upto 10.05.2019) during the Financial year 2019-2020 and salary paid to Shri Sudipto Sil, CFO (From 10.05.2019) and Shri P Narayanan, CFO for financial year 2019-2020

Gratuity payable by the Company to the Company Secretary and CFO is ₹ 0.20 crore as a post-employment benefit. For the MD & CEO, an amount of 5% of Basic Salary plus DA is contributed as a post- employment benefit to LIC.

54. LEASES:

a. **Actual Payment of Rent from 01.04.2020 to 31.03.2021 is ₹ 47.50 crore (Previous Year ₹ 42.22 crore).**

b. **The following is the breakup of Current and non-current portion of Lease Liability as on 31.03.2021:**

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Current	35.81	34.28
Non-Current	91.83	98.87
Total Lease Liability as of March 31	**127.63**	**133.15**

c. **The following is the movement of Lease Liability as on 31.03.2021:-**

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Value of Lease Liability as of April 1	133.15	108.06
Additions	43.25	56.01
Terminated	13.24	0.00
Interest Expense on Lease Liability	8.70	10.99
Interest Expense on Terminal Lease	2.44	-
Finance Income on Subleased Assets	0.07	0.12
Finance Income Receivable on Subleased Assets	0.65	0.00
Actual Payment of Rent	(47.50)	(42.22)
Provision on Disposals	0.12	0.19
Closing Value of Lease Liability as of March 31	**127.63**	**133.15**

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d. The Carrying Value of Right of Use Asset as of March 31, 2021:

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Value of Right of Use Asset as of April 1	162.00	105.57
Additions	43.27	59.66
Disposals	1.38	3.23
Gross carrying value as of March 31	203.89	162.00
Accumulated Depreciation as of April 1	35.40	0.04
Depreciation	40.70	38.56
Accumulated Depreciation on Disposals	1.07	3.20
Accumulated Depreciation as of March 31	75.03	35.40
Terminated Cases	10.56	0.00
Carrying Value as of March 31	**118.30**	**126.60**

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

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
On demand	-	
Upto 3 months	11.41	11.66
Above 3 months to 12 months	30.11	28.35
Above 1 Year -3 Years	54.18	69.26
Above 3 Years-5 Years	31.52	26.50
Above 5 Years-10 Years	29.90	23.15
Above 10 Years	0.30	-
Total	**157.42**	**158.93**

As a Lessee:

f. Amount recognised in Statement of Profit and Loss:

(₹ in crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on lease Liabilities	8.71	10.99
Variable payments not included in measurement of lease liability	-	-
Income from subleasing ROU assets	-	-
Expenses relating to short term leases	-	-
Expenses relating to leases of low value assets, excluding short term leases of low value assets	-	-
Total amount recognised in the Statement of Profit and Loss	8.71	10.99

g. Amount recognised in the Statement of Cash Flow:

(₹ in crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total amount of cash outflows for leases (net of rental inflows)	47.50	40.32

Due to COVID-19 situations, no changes have been made in the terms of lease arrangements, neither have lessors given any concession to the lessee with respect to lease payments. None of the lease agreements have become onerous. The incremental borrowing rate of the Company, used to determine the present value of new lease liabilities has not been impacted due to COVID-19 situation.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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55. EARNINGS PER SHARE:

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year as under:

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
Profit after tax attributable to equity shareholders	(₹ in crore)	2,740.72	2,403.26
Weighted average number of equity shares outstanding during the year	Nos.	504,663,000	504,663,000
Basic and Diluted Earnings per equity share	₹	54.32	47.63
Face value per equity share	₹	**2/-**	**2/-**

56. TAXES ON INCOME:

Movement in Deferred Tax Assets / Liabilities

(₹ in crore)

Particulars	As at March 31, 2020	Profit or Loss	OCI	Total	As at March 31, 2021
Property, plant and equipment	(28.65)	29.22	-	29.22	0.58
Expected credit losses	604.35	391.70	-	391.70	996.06
Provisions other than those pertaining to Expected credit loss	23.97	2.08	-	2.08	26.04
Financial assets at fair value through profit or loss	1.24	3.10	-	3.10	4.33
Re-measurements of employee benefits through OCI	4.37	-	(3.43)	(3.43)	0.94
Adjustments pertaining to Income and expense recognition based on Expected Interest rate	(106.01)	(95.92)	-	(95.92)	(201.92)
Income recognition on NPA cases	(31.48)	25.75	-	25.75	(5.73)
Others	58.49	39.82	-	39.80	98.30
Total	**526.28**	**395.75**	**(3.43)**	**392.32**	**918.60**

(₹ in crore)

Particulars	As at April 1, 2019	Profit or Loss	OCI	Total	As at March 31, 2020
Property, plant and equipment	(0.52)	(28.13)	-	(28.13)	(28.65)
Expected credit losses	579.89	24.46	-	24.46	604.35
Provisions other than those pertaining to Expected credit loss	23.84	0.13	-	0.13	23.97
Financial assets at fair value through profit or loss	(1.07)	2.31	-	2.31	1.24
Remeasurements of employee benefits through OCI	(0.37)	-	4.74	4.74	4.37
Adjustments pertaining to Income and expense recognition based on Expected Interest rate	(106.92)	0.91	-	0.91	(106.01)
Income recognition on NPA cases	(7.96)	(23.52)	-	(23.52)	(31.48)
Others	74.83	(16.33)	(0.01)	(16.34)	58.49
Total	**561.72**	**(40.17)**	**4.73**	**(35.44)**	**526.28**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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Income Tax recognized in Statement of profit and loss:

(₹ in crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Tax		
In respect of Current Year	967.18	838.09
In respect of prior years	(21.33)	-
Deferred Tax		
In respect of Current Year	(321.84)	40.43
Total Income Tax expense recognised in the current year	**624.00**	**878.52**

Reconciliation of income tax expense of the year can be reconciled to the accounting profit as follows:

(₹ in crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Consolidated Profit before tax	3365.14	3,282.18
Income tax expense calculated *	851.94	830.87
Effect of expenses that are not deductible in determining taxable profit	393.07	194.68
Effect of incomes which are exempt from tax	(1.45)	(1.56)
Effect on deferred tax balances due to the changes in income tax rate	0.00	154.81
Deduction under section 36(1)(viii) of the Income tax Act, 1961	(205.73)	(185.36)
Others	(413.83)	(114.92)
Income tax expense recognised in statement of profit or loss	**624.00**	**878.52**

*The tax rate used for the reconciliations above is the corporate tax rate of ranging from 22.88% to 29.12% (Previous Year 25.82% to 34.944%) payable by the Group in India on taxable profits under tax law in Indian jurisdiction.

While recognising provision for income tax for the year ended March 31, 2020, the Parent has exercised the option of lower tax rate permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. The Parent has adopted new tax rate of 22% plus applicable surcharge and cess as per the new – Section 115BAA which has been inserted in the Income Tax Act,1961.

The new effective tax rate, which will apply to domestic companies availing the benefit of section 115BAA is 25.168%.

In the current COVID 19 situation, the Parent has re-assessed the recognised deferred tax assets. The Parent has recognised previously unrecognised deferred tax assets / liabilities to the extent that it has become reasonably certain and is of view that sufficient future taxable income will be available against which such deferred tax assets can be realised. The Parent will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

57. CORPORATE SOCIAL RESPONSIBILITY

Establishment and Other expenses includes ₹ 63.63 crore for the year ended March 31, 2021 (F.Y. 2019-20 ₹ 61.66 crore) for contribution towards Corporate Social Responsibility (CSR) in accordance with Companies Act, 2013.

Details of CSR expenditure during the financial year

a) Gross amount required to be spent by the Group during the year is ₹ 63.63 crore (F.Y. 2019-20 ₹ 61.66 crore).

b) Amount spent during the year:

(₹ in crore)

Sl. No		Particulars	In cash	Total
(i)	Construction/acquisition of any asset	01.02 (14.77)	16.26 (25.47)	17.28 (40.24)
(ii)	On purposes other than (i) above	6.50 (6.71)	39.85 (14.71)	46.35 (21.42)

Figures in bracket are in respect of the previous year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

c) Details of related party transactions as per Indian Accounting Standard (Ind AS) 24, Related Party Disclosures - Nil

d) Provision of ₹ 56.11 crore has been made for CSR expenditure unspent by the company as on March 31, 2021 (Previous Year ₹ 40.18 crore).

The Board of Directors of the Company has disclosed the followings on its website:- Composition of CSR Committee (https://www.lichousing.com/Committees.php)

- CSR Policy (https://www.lichousing.com/policies_codes.php)
- Projects approved by the Board on their website. (https://www.lichousing.com/corp_soci_res_policy.php)

58. TRANSFER TO SPECIAL RESERVES

Special Reserve has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company. Special Reserve No. I relates to the amounts transferred upto the Financial Year 1996-97, whereas Special Reserve No. II relates to the amounts transferred thereafter. In the current financial year ₹ 829.99 crore (F.Y. 2018-19 ₹ 749.99 crore) has been transferred to Special Reserve No. II in terms of Section 36(1)(viii) of the Income tax Act, 1961 and an amount of ₹ 0.01 crore (F.Y. 2018-19 ₹ 0.01 crore) to Statutory Reserve under Section 29C the NHB Act as per notification no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21.

As per National Housing Bank's (NHB) circular vide circular NHB(ND)/DRS/Pol. 62/2014 dated 27th May, 2014, the Company has adjusted the opening balance of reserves for creation of Deferred Tax Liability (DTL) on the Special Reserve as at April 1, 2014 created under Section 36(1)(viii) of the Income tax Act, 1961.

59. INTERESTS IN OTHER ENTITIES

Subsidiaries

The Company's Subsidiaries as at March 31, 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company.

(₹ in crore)

Particulars	Place of Business	Ownership interest held by the Company		Ownership interest held by non-controlling interests		Principal Activities
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	
LICHFL Asset Management Company Ltd.	India	94.62	94.62	5.38	5.38	To act as Investment Manager to Venture Capital Funds and Alternative Investment Funds
LICHFL Trustee Company Private Ltd.	India	100.00	100.00	-	-	To act as Trustee to Venture Capital Funds and Alternative Investment Funds
LICHFL Financial Services Ltd.	India	100.00	100.00	-	-	To provide Financial Services to Various Clients
LICHFL Care homes Ltd.	India	100.00	100.00	-	-	To develop residential Projects for Senior Citizens

60. INDIAN ACCOUNTING STANDARD 110 – CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements is prepared in accordance with Indian Accounting Standard 110 "Consolidated Financial Statements" issued by ICAI and notified under the relevant Provision of the Companies Act, 2013.

The detailed note is included under Significant Accounting Policies and Notes to Accounts of the Consolidated Financial Statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

Additional information, as required under Schedule III of the Companies Act, 2013, of enterprises consolidated as Subsidiaries / Associates.

(₹ in crore)

NAME OF THE ENTITY	NET ASSETS i.e. Total Assets minus total liabilities		Share in profit or loss		Share of Comprehensive Income		Share of Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated OCI	Amount	As a % of consolidated Total Comprehensive Income	Amount
Parent								
LIC Housing Finance Limited	99.25%	20,450.08	101.43%	2,780.30	96.43%	(2.40)	101.43%	2,777.89
Subsidiaries								
LICHFL Asset Management Company Ltd.	0.17%	35.20	0.15%	4.24	0.00%	-	0.15%	4.24
LICHFL Care homes Ltd.	0.14%	29.75	-0.04%	(0.96)	-0.46%	0.01	-0.03%	-0.95
LICHFL Trustee Company Private Ltd.	0.00%	0.62	0.00%	0.12	0.00%	-	0.00%	0.12
LICHFL Financial Services Ltd.	0.15%	30.54	-1.55%	(42.56)	4.03%	(0.10)	-1.56%	-42.66
Goodwill on Consolidation	0.00%	0.21	-	-	-	-	-	-
Associate	0.27%	55.03	-	-	-	-	-	-
Non Controlling Interest	0.01%	2.71	-	-	-	-	-	-
	100.00%	**20,604.14**	**100.00%**	**2,741.13**	**100.00%**	**(2.49)**	**100.00%**	**2,738.64**

61. The previous year figures have been reclassified / regrouped / restated to confirm to current year's classification.

Signature to Notes 1 to 61

As per our report of even date attached

For and on behalf of the Board of Directors

For Gokhale & Sathe
Chartered Accountants
FRN 103264W

For M.P. Chitale & Co.
Chartered Accountants
FRN 101851W

M. R. Kumar
Chairman
DIN: 03628755

Jagdish Capoor
Director
DIN: 00002516

Y. Viswanatha Gowd
Managing Director & Chief Executive Officer
DIN: 09048488

Rahul Joglekar
Partner
M.No.129389

Ashutosh Pednekar
Partner
M. No. 41037

Nitin K. Jage
General Manager (Tax.)
& Company Secretary
FCS No. 8084

Sudipto Sil
CFO

Deepak Kumar
General Manager
(Accounts)

Place: Mumbai
Date: June 15, 2021

LIC HFL

LIC HOUSING FINANCE LTD

CORPORATE OFFICE

LIC Housing Finance Limited

131 Maker Towers, “F” Premises, 13th Floor,

Cuffe Parade, Mumbai - 400 005.

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