

Independent Auditors' Report

as at 31st March 2024

To the Members of PNB Housing Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of PNB Housing Finance Limited ("the Company"), which comprise the Standalone Balance sheet as at 31st March 2024, the Standalone Statement of Profit and Loss, including Standalone Other Comprehensive Income, the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, its standalone profit including standalone other comprehensive income, its standalone cash flows and the standalone changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended 31st March 2024. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key audit matters | How our audit addressed the key audit matter |
|--|--|
| Allowance for Expected Credit Loss (ECL) on loan assets | |
| <p>The Company has reported total gross loans of ₹65,454.33 crore and ₹1,249.57 crore of allowance for expected credit loss as on 31st March 2024 (Refer Note 6).</p> <p>The allowance for ECL on loan assets involves significant key judgements and estimates in respect of timing and measurement of expected credit loss (Refer Note 2.21). As part of our risk assessment, we determined that the allowance for ECL on loan assets has a high degree of estimation, with a potential impact on the financial statements.</p> <p>The major elements of estimating ECL are the following:</p> <ol style="list-style-type: none">Application of ECL model requires several data inputs.Judgmental models used to estimate ECL which involves determining Probability of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach.Qualitative and quantitative factors used in staging of loan assets.Ind AS 109 requires the Company to measure ECL on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them. | <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ol style="list-style-type: none">Testing the design and effectiveness of internal controls over the following:<ul style="list-style-type: none">key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models.key controls over the application of the staging criteria consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors.management's controls over authorisation and calculation of post model adjustments and management overlays to the output of the ECL model.In addition to above the following audit procedures have been applied;<ul style="list-style-type: none">testing of key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data, reasonableness of economic forecasts, weights, and model assumptions applied; |

| Key audit matters | How our audit addressed the key audit matter |
|--|---|
| <p>e) Completeness and valuation of post model adjustments.</p> <p>In view of the high degree of management's judgement involved in estimation of ECL and the overall significance of the impairment loss allowance to the standalone financial statements, it is considered as a key audit matter.</p> | <ul style="list-style-type: none"> • with the support of the team of modelling specialists employed by the Company to make the models, we tested/ relied upon the assumptions, inputs and formulas used in a sample of ECL models. This included assessing the appropriateness of model design and formulas used, the 'Probability of Default', 'Loss Given Default', 'Exposure at Default', historical loss rates used, and the valuation of collateral. • tested mathematical accuracy and computation of the allowances by using the input data used by the Company; <p>c) Evaluating the appropriateness of the Company's impairment methodologies as required under Ind AS 109 and reasonableness of assumptions used including management overlays ensuring that the adjustment to ECL Model was in conformity with the policy approved by the Audit Committee.</p> |
| <p>Information Technology (IT) Systems and Controls</p> <p>The Company uses ERP system for financial reporting which interface with other business operation softwares that process transactions related to loans, deposits and borrowings.</p> <p>The Company's key financial accounting and reporting processes are highly dependent on the automated controls implemented in IT systems. If there exist gaps in the IT control environment, then it could result in the financial accounting and reporting records being materially misstated.</p> <p>Therefore, due to the complexity of the IT environment, the assessment of the general IT controls and the application controls specific to the accounting and preparation of the financial information is considered to be a key audit matter.</p> | <p>Our key audit procedures on this matter included, but were not limited, to the following:</p> <p>(a) obtained an understanding of the Company's information processing systems, IT General Controls and automated IT controls for applications, databases and operating systems relevant to our audit;</p> <p>(b) Also, obtained an understanding of the changes that were made to the IT applications during the audit period;</p> <p>(c) Also, performed following procedures:</p> <ul style="list-style-type: none"> (i) tested the IT General Controls around user access management, changes to IT environment and segregation of duties around program maintenance and security administration relating to key financial accounting and reporting processes; (ii) tested the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization; and (iii) tested the automated controls like interfaces, configurations and information generated by the entity's information processing systems for loans, borrowings, deposits, interest income, interest expense and other significant financial statement items. |

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the Standalone Financial Statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the Standalone Financial Statements does not cover the other information and we 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 and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our 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. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the standalone financial position, financial performance including standalone other comprehensive income, standalone cash flows and standalone changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 the 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 is 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.

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 SAs 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 SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.
- 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.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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 for the financial year ended 31st March 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "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 it appears from our examination of those books except for the matters stated in paragraph 2(h)(vi) below on reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").
 - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including standalone Other Comprehensive Income, the Standalone Statement of Cash Flows and the Standalone 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on 31st March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - (g) With respect to the adequacy of the internal financial controls with reference to these Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 40 to the Standalone Financial Statements;
 - ii. The Company has recognised provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts - Refer Note 15 to the standalone financial statements;
 - iii. The Company was regular in depositing the amounts required to be transferred to the Investor Education and Protection Fund;
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above contain any material misstatement;

- v. The Company has not declared or paid any dividend during the year and has not proposed any dividend for the year. Therefore, reporting in this regard is not applicable to the Company.
- vi. Based on our examination, which included test checks, the Company has used various accounting softwares for maintaining books of accounts which has feature of recording audit trail (edit log) facility and has been operated throughout the year for all relevant transactions recorded in the respective softwares, except that:
- (a) No audit trail feature was enabled at the database level throughout the year in respect of all the accounting softwares to log any direct data changes;
- (b) In respect of one accounting software, in which the feature of audit trail (edit log) was enabled but was not capturing the nature of changes made for certain categories of transactions.
- (c) In respect of one accounting software which is hosted at a third-party service provider location, where the activities have been outsourced by the Company,

independent service auditor's report has been made available to us for the part of the year, however it does not contains any reporting reference in regards to audit trail feature at the database level to log any direct data changes. Hence, we are unable to comment upon whether the required provisions of the Act regarding audit trail for the software have been complied with in all aspects.

Further, other than as mentioned above, during the course of our examination, we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of Audit trail as per the statutory requirements for records retention is not applicable for the Financial Year ended March 31, 2024.

3. In our opinion, the remuneration paid/ provided by the Company for its directors and managers for the year ended 31st March 2024 is in accordance with the provisions of section 197 read with Schedule V to the Act;

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN: 24088926BKELWB4678

Date: 29th April 2024
Place: Noida (Delhi-NCR)

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Reg. No. 006711N/N500028

Neena Goel
Partner
Membership No. 057986
UDIN: 24057986BKKEOS3103

Date: 29th April 2024
Place: New Delhi

Annexure A to Independent Auditor's Report of even date to the members of PNB Housing Finance Limited on the Standalone Financial Statements as at and for the year ended 31st March 2024 (Referred to in paragraph 1 of our report on the other legal and regulatory requirements)

- (i) a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.
- (B) The Company is maintaining proper records showing full particulars of intangible assets.
- b. The Company has a regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified once in two years, which in our opinion, is reasonable having regard to the size of the Company and nature its property, plant and equipment. In accordance with this programme, property, plant and equipment were physically verified during the year. The discrepancy noticed on such physical verification were not material.
- c. According to the information and explanations given to us and based on examination of the records and registered sale deeds / transfer deeds / conveyance deeds provided to us, the title deeds, comprising all the immovable properties included in Note 12 of financial statements (i.e. Property, Plant and Equipment), are held in the name of the Company as at the balance sheet date.
- d. The Company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year. Therefore, the provisions of clause 3(i)(d) of the Order are not applicable to the Company.
- e. According to information and explanations given by the management and based on examination of the records, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988, as amended and rules made thereunder. Therefore, provisions of clause 3(1)(e) of the Order are not applicable to the Company.
- (ii) a. Based on our examination of the books of accounts of the Company, the Company has no inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.
- b. As per the information and explanations given to us, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. We have not come across any difference between the information submitted in the quarterly returns / statements filed by the Company with such banks or financial institutions when compared with the books of account (principal outstanding) and other relevant information provided by the Company.
- (iii) a. The Company's principal business is to give loans. Therefore, the provisions of clause 3(iii)(a) of the Order are not applicable to the Company.
- b. According to the information and explanations given to us, the Company has not provided any guarantees or given any security or advances in the nature of loan during the year. Further, the investments made and the terms and conditions of the grant of loans during the year, are not prima facie prejudicial to the interest of the Company.
- c. In respect of loans asset, the schedule of repayment of principal and payment of interest has been stipulated. Except for loans where there are delays or defaults in repayment of principal and / or payment of interest as at the balance sheet date, in respect of which the Company has disclosed the accounting policy in note no 2.21 and asset classification / staging in note 6.2 to the Standalone Financial Statements in accordance with Ind AS and the guidelines issued by the regulators, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable. Having regard to the nature of the Company's business and the voluminous nature of loan transactions involved, it is not practicable to furnish entity wise list of loan assets where delinquencies in the repayment of principal and interest have been identified.
- d. The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans including interest thereon, as at 31st March 2024 is ₹1,035.93 crore (2,582 cases). Reasonable steps have been taken by the Company for recovery of the principal and interest as stated in the applicable Regulations and Loan agreements.
- e. According to the records of the Company examined by us, the Company is engaged primarily in lending activities. Therefore, the provisions of clause 3(iii)(e) of the Order are not applicable to the Company.
- f. According to the records of the Company examined by us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Therefore, the provisions of clause 3(iii)(f) of the Order are not applicable to the Company.

- (iv) The Company has not granted any loans, made investments or provided guarantee or securities that are covered under the provision of section 185 or 186 of the Act during the year. Therefore, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- (v) The Company has complied with the directives issued by the Reserve Bank of India with regard to the deposits accepted and amounts deemed to be deposits during the year. The Company being a Housing Finance Company registered with National Housing Bank provisions of sections 73 to 76 or any other relevant provisions of the Act, and the Companies (Acceptance of Deposits) Rules, 2014, as amended are not applicable. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or Reserve Bank of India or by any other court or tribunal with regard to aforesaid deposits.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Act for the business activities carried out by the Company. Therefore, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) a. According to the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value Added tax, Cess and other statutory dues as applicable, with the appropriate authorities. There were no undisputed outstanding statutory dues as at the year end for a period of more than six months from the date they became payable.

- b. According to the information and explanation given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) on account of any dispute except the following:

| Name of Statute | Nature of disputed dues | Amount (₹ in crore)* | Period to which it relates | Forum where dispute is pending |
|----------------------------------|--------------------------------------|-------------------------|---------------------------------|--|
| Income Tax Act | Income Tax Demand/ Penalty/ Interest | 1.96 | A.Y. 2014-15 | High Court |
| Income Tax Act | Income Tax Demand/ Penalty/ Interest | 45.92 | A.Y. 2017-18 to A.Y. 2020-21 | National Faceless Assessment Center |
| Goods And Services Tax Act, 2017 | GST Demand/ Penalty/ Interest | 0.05 | A. Y. 2017-18 | Commissioner |
| Goods And Services Tax Act, 2017 | GST Demand/ Penalty/ Interest | 0.27 | A. Y. 2017-18 | Commissioner |
| Goods And Services Tax Act, 2017 | GST Demand/ Penalty/ Interest | 0.14 | A.Y. 2018-19 | Commissioner |

*net of amount deposited under protest

- (viii) According to the information and explanation given to us and based on examination of the records, there were no transactions which have not been recorded in the books of account, have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Therefore, provisions of clause 3(viii) of the Order are not applicable to the Company.
- (ix) a. The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon during the year.
- b. According to information and explanations given by the management, the Company has not been declared willful defaulter by any bank or financial institution or other lender during the year.
- c. According to the information and explanations given to us and based on examination of the records, the term loans raised during the year were applied for the purposes for which the loans were raised other than temporary deployment pending application of proceeds.
- d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that funds raised on short-term basis have, prima facie not been used for long-term purposes by the Company.
- e. According to the information and explanations given to us and on an overall examination of the

- financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries
- (x) a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, the provisions of clause 3(x)(a) of the Order are not applicable to the Company.
- b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally) during the year. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.
- (xi) a. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Standalone Financial Statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year nor have we been informed of any such case by the management except a fraud discovered by the Company for ₹1.97 crore committed by customer by falsification of documents.
- b. According to the information and explanation given to us and to the best of our knowledge, no report under subsection (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c. As represented to us by the management there was no whistle blower complaint received by the Company during the year. Therefore, the provisions of clause 3(xi)(c) of the Order are not applicable to the Company.
- (xii) The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the standalone financial statements, as required by the applicable Indian Accounting Standards.
- (xiv) a. Based on our examination, the Company has an adequate internal audit system commensurate with the size and nature of its business;
- b. We have considered, the internal audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given to us, in our opinion the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year hence provision of section 192 of the Act are not applicable to the Company. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) a. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi)(a) of the Order are not applicable to the Company.
- b. The Company has conducted Housing Finance activities during the year with a valid Certificate of Registration (CoR) from the National Housing Bank
- c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company.
- d. According to the representations given by the management, there is no CIC as part of the Group. Therefore, the provisions of clause 3(xvi)(d) of the Order are not applicable to the Company.
- (xvii) The Company has not incurred cash losses in current year and in immediately preceding financial year. Therefore, the provisions of clause 3(xvii) of the Order are not applicable to the Company.
- (xviii) There was no resignation of statutory auditors during the year. Therefore, the provisions of clause 3(xviii) of the Order are not applicable to the company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, assets liability maturity (ALM) pattern and other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that

our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility ("CSR") other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

- (b) The Company has not transferred the amount remaining unspent in respect of ongoing projects, to a Special Account, till the date of the report. However, the period for such transfer i.e., thirty days from the end of the financial year as permitted under sub section (6) of section 135 of the Act, has not elapsed till the date of our report.

| Financial Year | Amount to be spent in accordance with section 135(5) | Amount remaining unspent as at the year end to be transferred to a special account under section 135(6) within 30 days from the end of financial year |
|----------------|--|---|
| 2023-24 | 22.69 crore | 4.89 crore |

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Reg. No. 006711N/N500028

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN: 24088926BKELWB4678

Neena Goel
Partner
Membership No. 057986
UDIN: 24057986BKEEOS3103

Date: 29th April 2024
Place: Noida (Delhi-NCR)

Date: 29th April 2024
Place: New Delhi

Annexure B to Independent Auditor's Report of even date to the members of PNB Housing Finance Limited on the Standalone Financial Statements for the year ended 31st March 2024 (Referred to in paragraph 2(g) of our report on the other legal and regulatory requirements)

We have audited the internal financial controls with reference to Standalone Financial Statements of PNB Housing Finance Limited ('the Company') as of 31st March 2024 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 is responsible for establishing and maintaining internal financial controls based on the internal control over the financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Standalone Financial Statements and their operating effectiveness. Our audit of

Internal Financial Controls with reference to Standalone Financial Statements included obtaining an understanding of Internal Financial Controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the 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 Company's internal financial controls system with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A Company's Internal Financial Controls with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures

of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at 31st March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN: 24088926BKELWB4678

Date: 29th April 2024
Place: Noida (Delhi-NCR)

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Reg. No. 006711N/N500028

Neena Goel
Partner
Membership No. 057986
UDIN: 24057986BKEEOS3103

Date: 29th April 2024
Place: New Delhi

Standalone Balance Sheet

as at 31st March 2024

(₹ in crore)

| Particulars | Notes | As at 31 st March 2024 | As at 31 st March 2023 |
|--|-------|--------------------------------------|--------------------------------------|
| Assets | | | |
| Financial Assets | | | |
| Cash and cash equivalents | 3 | 2,141.77 | 3,667.41 |
| Bank balance other than cash and cash equivalents | 4 | 356.86 | 25.16 |
| Derivative financial instruments | 15 | 135.01 | 660.04 |
| Receivables | 5 | | |
| Trade receivables | | 52.07 | - |
| Other receivables | | 0.08 | 0.01 |
| Loans | 6 | 64,204.76 | 57,908.53 |
| Investments | 7 | 4,345.26 | 3,188.02 |
| Other financial assets | 8 | 569.80 | 754.64 |
| | | 71,805.61 | 66,203.81 |
| Non-financial assets | | | |
| Current tax assets (net) | 9 | 163.36 | 251.57 |
| Deferred tax assets (net) | 10 | 127.49 | 145.55 |
| Investment property | 11 | 0.51 | 0.52 |
| Property, plant and equipment | 12 | 66.47 | 66.05 |
| Right of use assets | 12 | 123.09 | 65.53 |
| Capital work-in-progress | 12.1 | 5.43 | 0.08 |
| Intangible assets under development | 12.2 | 9.82 | 3.08 |
| Other Intangible assets | 13 | 16.37 | 13.75 |
| Other non- financial assets | 14 | 53.06 | 55.02 |
| | | 565.60 | 601.15 |
| Total | | 72,371.21 | 66,804.96 |
| Liabilities and Equity | | | |
| Liabilities | | | |
| Financial liabilities | | | |
| Payables | | | |
| Trade payables | 16 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 2.12 | 1.74 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 45.32 | 42.73 |
| Other payable | | | |
| Total outstanding dues of micro enterprises and small enterprises | | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | - | - |
| Debt securities | 17 | 7,851.93 | 3,994.09 |
| Borrowings (other than debt securities) | 18 | 28,666.95 | 31,174.70 |
| Deposits | 19 | 17,758.17 | 17,213.96 |
| Subordinated liabilities | 20 | 739.49 | 1,238.35 |
| Other financial liabilities | 21 | 2,163.29 | 1,943.98 |
| | | 57,227.27 | 55,609.55 |
| Non-financial liabilities | | | |
| Provisions | 22 | 19.78 | 17.39 |
| Other non-financial liabilities | 23 | 191.79 | 225.45 |
| | | 211.57 | 242.84 |
| Equity | | | |
| Equity share capital | 24 | 259.72 | 168.86 |
| Other equity | 25 | 14,672.65 | 10,783.71 |
| Total equity | | 14,932.37 | 10,952.57 |
| Total | | 72,371.21 | 66,804.96 |
| Corporate and other information alongwith material accounting policies. | 1&2 | | |
| The accompanying notes are an integral part of the standalone financial statements. | | | |

In terms of our report of even date

For T R Chadha & Co LLP
Chartered Accountants
FR No.: 006711N/N500028

Neena Goel
Partner
M. No.: 057986

For Singhi & Co.
Chartered Accountants
FR No.: 302049E

Bimal Kumar Sipani
Partner
M. No.: 088926

Place: New Delhi
Date: 29th April 2024

For and on behalf of the Board of Directors

Girish Kousgi
Managing Director & CEO
DIN: 08524205

Neeraj Vyas
Director
DIN: 07053788

Vinay Gupta
Chief Financial Officer
ACA: 500609

Veena Kamath
Company Secretary
ACS: 23788

Standalone Statement of Profit and Loss

for the year ended 31st March 2024

| Particulars | Notes | (₹ in crore) | |
|--|-------|-----------------|-----------------|
| | | Current Year | Previous Year |
| Revenue from Operations | | | |
| Interest income | 26 | 6,706.24 | 6,172.91 |
| Fees and commission income | 27 | 272.89 | 273.03 |
| Net gain on fair value changes | 28 | 34.61 | 33.71 |
| Income on derecognised (assigned) loans | | - | 10.90 |
| Total revenue from operations | | 7,013.74 | 6,490.55 |
| Other income | | 10.24 | 1.84 |
| Total income | | 7,023.98 | 6,492.39 |
| Expenses | | | |
| Finance costs | 29 | 4,262.42 | 3,899.58 |
| Impairment on financial instruments and write offs | 30 | 171.01 | 691.24 |
| Employee benefits expenses | 31 | 264.13 | 214.34 |
| Fees and commission expenses | | 10.59 | 8.91 |
| Depreciation, amortisation and impairment | | 50.98 | 51.23 |
| Others expenses: | 32 | | |
| - Impairment/loss on assets held for sale | | - | 47.65 |
| - Other expenses | | 293.17 | 212.63 |
| Total expenses | | 5,052.30 | 5,125.58 |
| Profit before exceptional items & tax | | 1,971.68 | 1,366.81 |
| Exceptional items | | - | - |
| Profit before tax | | 1,971.68 | 1,366.81 |
| Tax expense/(credit) | | | |
| Current tax | 33 | 420.89 | 83.38 |
| Deferred tax charge | 33 | 23.37 | 227.16 |
| Profit for the year | | 1,527.42 | 1,056.27 |
| Other comprehensive (loss)/income | | | |
| A (i) Items that will not be reclassified to profit or loss | | | |
| Remeasurement (loss)/gain on defined benefit plan | | (0.89) | (1.31) |
| (ii) Tax relating to items that will not be reclassified to profit or loss | | 0.22 | 0.33 |
| Subtotal (A) | | (0.67) | (0.98) |
| B (i) Items that will be reclassified to profit or loss | | | |
| Cash flow hedge | | (21.07) | 103.67 |
| (ii) Tax relating to items that will be reclassified to profit or loss | | 5.30 | (26.09) |
| Subtotal (B) | | (15.77) | 77.58 |
| Other comprehensive (loss)/income (A + B) | | (16.44) | 76.60 |
| Total comprehensive income for the year | | 1,510.98 | 1,132.87 |
| Earnings per equity share (Face value of ₹10/- each fully paid up) | | | |
| Basic (₹) | 34 | 59.12 | 53.73 |
| Diluted (₹) | 34 | 58.94 | 53.69 |
| Corporate and other information alongwith material accounting policies. The accompanying notes are an integral part of the standalone financial statements. | 1&2 | | |

In terms of our report of even date

For T R Chadha & Co LLP
Chartered Accountants
FR No.: 006711N/N500028

Neena Goel
Partner
M. No.: 057986

For Singhi & Co.
Chartered Accountants
FR No.: 302049E

Bimal Kumar Sipani
Partner
M. No.: 088926

Place: New Delhi
Date: 29th April 2024

For and on behalf of the Board of Directors

Girish Kousgi
Managing Director & CEO
DIN: 08524205

Neeraj Vyas
Director
DIN: 07053788

Vinay Gupta
Chief Financial Officer
ACA: 500609

Veena Kamath
Company Secretary
ACS: 23788

Standalone Statement of Changes in Equity

for the year ended 31st March 2024

A. Equity Share Capital*

As at 31st March 2024

(₹ in crore)

| Particulars | Balance as at 1 st April 2023 | Changes in Equity Share Capital due to prior period errors | Restated balance as at 1 st April 2023 | Change during the year | Balance as at 31 st March 2024 |
|----------------------|--|--|---|------------------------|---|
| Equity share capital | 168.86 | - | 168.86 | 90.86 | 259.72 |

As at 31st March 2023

(₹ in crore)

| Particulars | Balance as at 1 st April 2022 | Changes in Equity Share Capital due to prior period errors | Restated balance as at 1 st April 2022 | Change during the year | Balance as at 31 st March 2023 |
|----------------------|--|--|---|------------------------|---|
| Equity share capital | 168.60 | - | 168.60 | 0.26 | 168.86 |

*Refer note 24

B. Other Equity*

(₹ in crore)

| Particulars | Share application money pending allotment | Reserves and surplus | | | | | Other comprehensive income Effective portion of cash flow hedges | Total other equity |
|---|---|----------------------|-----------------|-------------------|----------------------------------|-------------------|---|--------------------|
| | | Securities premium | Special reserve | Statutory reserve | Share option outstanding account | Retained earnings | | |
| Balances as at 1st April 2022 | - | 4,062.41 | 1,134.76 | 167.97 | 55.54 | 4,331.67 | (120.41) | 9,631.94 |
| Changes in accounting policy/prior period errors | - | - | - | - | - | - | - | - |
| Restated balance at the beginning of the year | - | 4,062.41 | 1,134.76 | 167.97 | 55.54 | 4,331.67 | (120.41) | 9,631.94 |
| Profit for the year | - | - | - | - | - | 1,056.27 | - | 1,056.27 |
| Fair value changes on derivatives | - | - | - | - | - | - | 77.58 | 77.58 |
| Remeasurement of net defined benefit liabilities/assets | - | - | - | - | - | (0.98) | - | (0.98) |
| Total comprehensive income for the year | - | - | - | - | - | 1,055.29 | 77.58 | 1,132.87 |
| Transfer to special reserve [#] | - | - | 45.00 | - | - | (45.00) | - | - |
| Transfer to statutory reserve ^{##} | - | - | - | 167.00 | - | (167.00) | - | - |
| Share application money received during the year | 0.20 | - | - | - | - | - | - | 0.20 |
| Premium on shares issued during the year | - | 6.75 | - | - | - | - | - | 6.75 |
| Employee stock option exercised during the year (Refer Note 24.8) | - | 3.32 | - | - | (3.32) | - | - | - |
| Share based payment to employees (Refer Note 24.8 (iv)) | - | - | - | - | 11.95 | - | - | 11.95 |
| Transfer on account of stock option lapsed/ expired | - | - | - | - | (14.16) | 14.16 | - | - |

Standalone Statement of Changes in Equity

for the year ended 31st March 2024

(₹ in crore)

| Particulars | Share application money pending allotment | Reserves and surplus | | | | | Other comprehensive income | Total other equity |
|--|---|----------------------|-----------------|-------------------|----------------------------------|-------------------|---------------------------------------|--------------------|
| | | Securities premium | Special reserve | Statutory reserve | Share option outstanding account | Retained earnings | Effective portion of cash flow hedges | |
| Balances as at 31st March 2023 | 0.20 | 4,072.48 | 1,179.76 | 334.97 | 50.01 | 5,189.12 | (42.83) | 10,783.71 |
| Changes in accounting policy/prior period errors | - | - | - | - | - | - | - | - |
| Restated balance at the beginning of the year | 0.20 | 4,072.48 | 1,179.76 | 334.97 | 50.01 | 5,189.12 | (42.83) | 10,783.71 |
| Profit for the year | - | - | - | - | - | 1,527.42 | - | 1,527.42 |
| Fair value changes on derivatives | - | - | - | - | - | - | (15.77) | (15.77) |
| Remeasurement of net defined benefit liabilities/assets | - | - | - | - | - | (0.67) | - | (0.67) |
| Total comprehensive income for the year | - | - | - | - | - | 1,526.75 | (15.77) | 1,510.98 |
| Transfer to special reserve [#] | - | - | 236.00 | - | - | (236.00) | - | - |
| Transfer to statutory reserve ^{##} | - | - | - | 70.00 | - | (70.00) | - | - |
| Share allotted against share application money during the year | (0.20) | - | - | - | - | - | - | (0.20) |
| Premium on shares issued during the year | - | 2,377.78 | - | - | - | - | - | 2,377.78 |
| Employee stock option exercised during the year (Refer Note 24.8) | - | 3.00 | - | - | (3.00) | - | - | - |
| Share based payment to employees (Refer Note 24.8 (iv)) | - | - | - | - | 14.46 | - | - | 14.46 |
| Transfer on account of stock option lapsed/ expired (net of taxes) | - | - | - | - | (14.92) | 0.84 | - | (14.08) |
| Balances as at 31st March 2024 | - | 6,453.26 | 1,415.76 | 404.97 | 46.55 | 6,410.71 | (58.60) | 14,672.65 |

*Refer Note 25 for nature and the purpose of reserves.

[#]As per Section 29C(i) of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profit every year to a reserve before any dividend is declared. For this purpose any Special Reserve created by the Company under Section 36(1) (viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. The Company has transferred an amount of ₹236.00 crore (Previous year ₹45.00 crore) to Special Reserve in terms of Section 36(1) (viii) of the Income Tax Act, 1961.

^{##}The Company has transferred an amount of ₹70.00 crore (Previous year ₹167.00 crore) to Statutory Reserve u/s 29C of the National Housing Bank Act, 1987.

The accompanying notes are an integral part of the standalone financial statements.

In terms of our report of even date

For T R Chadha & Co LLP
Chartered Accountants
FR No.: 006711N/N500028

For and on behalf of the Board of Directors

Neena Goel
Partner
M. No.: 057986

Girish Kousgi
Managing Director & CEO
DIN: 08524205

Neeraj Vyas
Director
DIN: 07053788

For Singhi & Co.
Chartered Accountants
FR No.: 302049E

Bimal Kumar Sipani
Partner
M. No.: 088926

Vinay Gupta
Chief Financial Officer
ACA: 500609

Veena Kamath
Company Secretary
ACS: 23788

Place: New Delhi
Date: 29th April 2024

Standalone Statement of Cash Flow

for the year ended 31st March 2024

(₹ in crore)

| Particulars | Current Year | Previous Year |
|--|-------------------|-------------------|
| Cash flow from operating activities | | |
| Profit before tax | 1,971.68 | 1,366.81 |
| Adjustment to reconcile profit before tax to net cash flows: | | |
| Depreciation, amortisation and impairment | 50.98 | 51.23 |
| Net loss on sale of property, plant and equipment | 0.25 | 0.19 |
| Impairment on financial instruments | (182.60) | (1,046.96) |
| Impairment on assets held for sale | - | 47.65 |
| Net (gain)/loss on financial asset at fair value through profit and loss | (16.15) | 2.80 |
| Share based payment expense | 14.46 | 11.95 |
| Impact of effective interest rate on financial assets | (70.69) | (48.37) |
| Impact of effective interest rate on financial liabilities | 32.79 | 15.78 |
| Interest expenses | 4,255.20 | 3,893.41 |
| Unwinding/(Income) on derecognised (assigned) loans | 177.76 | (84.39) |
| Loss on restructured financial assets | 9.81 | 4.86 |
| Interest on leases including modification gain/(loss) | 6.46 | 5.67 |
| Advances written-off | - | 2.23 |
| Bad debts written-off | 353.61 | 1,738.20 |
| | 4,631.88 | 4,594.25 |
| Operating profits before changes in working capital | 6,603.56 | 5,961.06 |
| Working Capital changes | | |
| Increase/(decrease) in trade payables | 2.97 | 17.33 |
| Increase/(decrease) in provisions | 1.50 | (1.04) |
| Increase/(decrease) in other financial liabilities | 78.15 | (519.76) |
| (Decrease)/increase in non- financial liabilities | (33.66) | (71.15) |
| (Increase)/decrease in loans at amortised cost | (6,392.23) | (3,081.78) |
| (Increase)/decrease in receivables | (52.25) | 39.05 |
| Decrease/(increase) in other financial assets | 6.52 | 3.03 |
| Decrease/(increase) in other non- financial assets | 1.96 | (27.21) |
| Proceeds from sale of asset held for sale | - | 61.18 |
| (Increase)/decrease in bank balance other than cash and cash equivalents | (331.70) | 125.31 |
| | (6,718.74) | (3,455.04) |
| Cash (used in) / generated from operations before adjustments for interest and taxes paid | (115.18) | 2,506.02 |
| Interest Paid | (4,182.42) | (3,980.99) |
| Taxes paid (net of refunds) | (346.54) | (297.07) |
| Net cash (used in) / generated from operating activities | (4,644.14) | (1,772.04) |
| Cash flow from investing activities | | |
| Purchase of property, plant and equipment and other intangible assets including Capital work-in-progress and intangible assets under development | (39.20) | (14.59) |
| Proceeds from sale of property, plant and equipment and other intangible assets | 0.28 | 0.17 |
| Investments (net) | (1,154.56) | 188.05 |
| Net cash (used in) / generated from investing activities | (1,193.48) | 173.63 |

Standalone Statement of Cash Flow

for the year ended 31st March 2024

| Particulars | (₹ in crore) | |
|---|-------------------|-------------------|
| | Current Year | Previous Year |
| Cash flow from financing activities* | | |
| Proceeds from | | |
| Debt securities and subordinated liabilities | 1451.00 | 149.99 |
| Borrowings from banks | 21,885.45 | 17,771.75 |
| Commercial paper | 10,054.70 | 50.00 |
| Repayment of | | |
| Debt securities and subordinated liabilities | (1,399.00) | (2,560.00) |
| Borrowings from banks | (24,043.72) | (14,636.84) |
| Commercial paper | (6,750.00) | (50.00) |
| Deposits (net) | 545.02 | (394.80) |
| Lease Liability | (33.25) | (35.84) |
| Proceeds from issue of share capital including securities premium | 2,468.44 | 7.21 |
| Net cash generated from / (used in) financing activities | 4,178.64 | 301.47 |
| Net changes in cash & cash equivalents | (1,658.98) | (1,296.94) |
| Cash or cash equivalents at the beginning of the year | 3,617.42 | 4,914.36 |
| Cash or cash equivalents at the end the of the year | 1,958.44 | 3,617.42 |
| Net decrease of cash & cash equivalents during the year | (1,658.98) | (1,296.94) |
| Components of cash and cash equivalents | | |
| Cash on hand | 1.77 | 1.49 |
| Balances with banks in current accounts | 359.85 | 558.31 |
| Bank deposit with maturity of less than 3 months | 540.55 | 3,107.61 |
| Certificate of deposits with maturity of less than 3 months | 1,239.60 | - |
| Stamps on hand | 0.00 | 0.00 |
| Less: Overdraft facility against term deposits (as per note 18 to the financial statements) | (183.33) | (49.99) |
| | 1,958.44 | 3,617.42 |

*Refer Note no 44 for change in liabilities arising from financing activities.

Note: Figures in bracket denotes application of cash.

The accompanying notes are an integral part of the standalone financial statements.

In terms of our report of even date

For T R Chadha & Co LLP

Chartered Accountants
FR No.: 006711N/N500028

Neena Goel

Partner
M. No.: 057986

For Singhi & Co.

Chartered Accountants
FR No.: 302049E

Bimal Kumar Sipani

Partner
M. No.: 088926

Place: New Delhi

Date: 29th April 2024

For and on behalf of the Board of Directors

Girish Kousgi

Managing Director & CEO
DIN: 08524205

Vinay Gupta

Chief Financial Officer
ACA: 500609

Neeraj Vyas

Director
DIN: 07053788

Veena Kamath

Company Secretary
ACS: 23788

Notes to Standalone Financial Statements

for the year ended 31st March 2024

1. Corporate and other information

1.1. Corporate Overview

PNB Housing Finance Limited ('PNBHFL', 'the Company') was incorporated on November 11, 1988. The Company is primarily engaged in the business of providing loans to individuals and corporate bodies for purchase, construction, repair and up-gradation of houses. It also provides loans for commercial space, loan against property and loan for purchase of residential plots. The Company is deposit taking Housing Finance Company registered with National Housing Bank (NHB) under Section 29A of the National Housing Bank Act, 1987. The Company is listed on BSE Limited and National Stock Exchange of India Limited. The Company's registered office is at 9th floor, Antriksh Bhawan, 22, K.G. Marg, New Delhi -110001.

These standalone financial statements are approved and adopted by the Board of Directors of the Company in their meeting held on April 29, 2024. However, the shareholders have the power to amend the financial statements after issue.

1.2. Statement of Compliance and basis of preparation and presentation

The standalone financial statements are prepared in accordance with provision contained in section 129 of the Companies Act, 2013, read with Division III of Schedule III as amended from time to time. The Statement of Cash Flows has been prepared and presented as per Ind AS 7 "Statement of Cash Flows".

The standalone financial statements have been prepared under the historical cost convention on accrual basis except where quantum of accruals cannot be ascertained with reasonable certainty. Following are measured on each reporting date:

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value.
- Defined benefit liability/(assets): present value of defined benefit obligation less fair value of plan assets.
- Financial instrument - measured at fair value.

The standalone financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, notified under section 133 of the Companies Act, 2013 and the relevant provisions of the National Housing Bank Act, 1987 as amended from time to time and the Non-Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021 ('RBI Directions') as amended from time to time and the Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 dated October 19, 2023 as amended from time to time.

The standalone financial statements are presented in Indian Rupees (₹) which is the functional and presentation currency of the Company and all values are rounded to the nearest crore with two decimals, except when otherwise indicated.

Balance sheet analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 45.

Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use.

2. Material accounting policies

2.1. Use of estimates, judgements and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are known or materialised.

Some of the judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are:

a) Business model assessment

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and measured, the risks that affect the performance of the assets and how these are being managed. The Company monitors financial assets on a continuous basis to assess whether the business model for which the 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 the assets.

b) Fair value of financial instruments

The fair value of financial instruments is the price that would be received upon selling of an asset or paid

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upon transfer of 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 another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

c) Effective Interest Rate (EIR) method

EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well as expected changes to interest rates and other fee income/expense that are integral parts of the instrument.

d) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and 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 (Refer note 2.21).

e) Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. Cases where Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows probable, it recognises a provision against the same. Where the probability of outflow is considered remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed for the same.

f) Defined benefit plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

g) Deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

h) Useful Life of Property, Plant and Equipment (PPE) and Intangible assets

The Company reviews its estimate of the useful life of PPE and intangible assets at each reporting date, based on the expected utility of the PPE and intangible assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of PPE and intangible assets. In case of a revision of useful life, the unamortised depreciable amount is charged over the remaining useful life of the PPE and intangible assets.

i) Share-Based Payments

The Company measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

2.2 Cash and cash equivalents

Cash and cash equivalent comprises cash/ stamp on hand, demand deposits and time deposits with original maturity of less than three months from the date of acquisition, highly liquid investments that are readily convertible in the known amounts of cash and which are subject to insignificant risk of change in value, debit balance in cash credit account.

Deposits held with bank, with original maturity of more than three months but less than twelve months is a part of bank balance other than cash and cash equivalents.

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For the purpose of the statement of cash flow, cash and cash equivalents consists of cash at banks and on hand and short term deposits, as defined above.

2.3 Revenue Recognition

a) Interest and related income

Interest income for all financial instruments measured either at amortised cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example- prepayment options) and includes any discount or premium on acquisition, fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the EIR on net amount (i.e. gross carrying amount less allowance for expected credit loss). If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest income on all trading assets measured at fair value through profit and loss (FVTPL) is recognised using the contractual interest rate under interest income and the fair value impact is recognised in net gain / loss on fair value changes.

b) Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when shareholders approve the dividend.

c) Profit on derecognition of financial assets

When the Company transfers the financial asset in a transfer that qualifies for derecognition in its entirety then whole of the interest spread and net servicing fees (over the expected life of the asset) is recognised at present value on the date of derecognition itself as interest-only strip / net servicing fees receivable and correspondingly recognised as profit on derecognition of financial asset.

d) Fees and commission income

Fees and commissions income i.e. login fee, penal interest on defaults, pre-payment / other charges, fees on corporate agency, fees for advertising in offices / website etc. (other than for those items to which Ind AS 109 Financial Instruments are applicable) is recognised in accordance with the terms of the relevant contracts / agreements and when it is probable that the Company will collect the consideration.

e) Other income

Income from operating leases are recognised in the statement of profit and loss as per the contractual rentals.

Interest on tax refunds and other claims where quantum of accruals cannot be ascertained with reasonable certainty, are recognised as income only when revenue is virtually certain which generally coincides with receipts.

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 Property, plant and equipment (PPE) and Intangible assets

a) PPE

PPE are stated at cost (including directly attributable expenses) less accumulated depreciation and impairment losses, if any. Cost includes deemed cost which represents the carrying value of PPE recognised as at April 1, 2017 measured as per the previous Generally Accepted Accounting Principles (GAAP). The cost of PPE comprises the purchase price (excluding tax credits availed, if any) and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE are capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. 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 includes assets which are not ready for the intended use at the end of the reporting year and is carried at cost including directly attributable expenses.

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b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost (excluding tax credits availed, if any) and are capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Cost comprises the purchase price (excluding tax credits availed, if any) and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to Intangible assets are capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses (if any).

An 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.

Intangible assets which are not ready for the intended use at the end of the reporting year are disclosed as Intangible assets under development.

2.5 Depreciation and amortisation

a) Depreciation

Depreciation on PPE is provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, except for networking equipment and mobile phone instruments that are depreciated over a period of five years and three years respectively based on technical evaluation. Leasehold improvements are amortised over the period of five years however, where the lease term is less than five years amortisation is restricted to the underlying lease term.

All PPE individually costing ₹ 5,000/- or less are fully depreciated in the year of purchase.

Depreciation on additions to PPE is provided on a pro-rata basis from the date the asset is available for use. Depreciation on sale / derecognition of PPE is provided for up to the date of sale / derecognition, as the case may be.

The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year-end and changes (if any) are then treated as changes in accounting estimates.

b) Amortisation

Intangible assets are amortised over a period of five years or less on straight-line method except website development costs, which are amortised over a period of three years on a straight-line basis from the date when the assets are available for use or the life whichever is less.

The amortisation period and the amortisation method for these Intangibles with a finite useful life are reviewed at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates.

2.6 Investment Property

Investment property comprises freehold properties that are held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefit associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Investment properties are depreciated using the straight-line method over their estimated useful lives prescribed in Schedule II of the Companies Act, 2013.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by a registered independent valuer.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

2.7 Foreign currency

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

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Foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange at the reporting date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss except for differences arising on cash flow hedges.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of initial recognition.

2.8 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Right-of-use assets - The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Lease liability - At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement

date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets - The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense.

Company as a lessor

The Company as an intermediate lessor, accounts for the head lease and the sublease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

2.9 Borrowing costs

Borrowing costs consists of interest and other cost that the Company incurred in connection with the borrowing of funds. Borrowing costs charged to the Statement of Profit and Loss on the basis of effective interest rate method.

2.10 Impairment of non-financial assets

The carrying amount of assets is reviewed at each reporting date. If there is any indication of impairment based on internal/external factors, an impairment loss is recognised in the statement of profit and loss wherever the carrying amount of an asset exceeds its recoverable amount.

After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

If at the reporting date there is an indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciable historical cost.

2.11 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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2.12 Contingent liabilities, Contingent assets and Commitments

The Company does not recognise a contingent liability but discloses its existence in the financial statements.

- a) Contingent liability is disclosed in case of –
- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
 - A present obligation arising from past events, when no reliable estimate is possible.
 - A possible obligation arising from past events, unless the probability of outflow of resources is remote.
- Contingent liabilities are reviewed at each balance sheet date.
- b) Contingent assets are not recognised in the financial statements.
- c) Commitments are future liabilities for contractual expenditure and is disclosed in case of –
- Estimated amount of contracts remaining to be executed on capital account and not provided for;
 - Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.13 Employee Benefits

✓ Retirement and other employee benefits

Defined contribution plan

Retirement benefit in the form of provident fund and Employee State Insurance Scheme is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and Employee State Insurance scheme. The Company recognises contribution payable to the provident fund and Employee State Insurance scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid.

Defined benefit plan

The Company has defined benefit plans as Compensated absences and Gratuity for all eligible employees, the liability for which is determined based on actuarial valuation at each year-end using projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability, the effect of the asset ceiling, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs.

The Company recognises the following changes in the net defined benefit obligation as an employee benefits expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

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

In case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences and 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.

✓ Share based payments

The Company operates a number of Employee Stock Option Scheme/ Restricted stock units ('the Scheme') which provides for the grant of options to acquire equity shares of the Company to its employees. The options granted to employees vest in a graded manner

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and these may be exercised by the employees within a specified period. These equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (Share option outstanding account). The fair value of options is estimated using valuation techniques, which incorporate exercise price, term, risk-free interest rates, the current share price, its expected volatility etc.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in statement of profit and loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the share option outstanding account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.14 Taxes

Taxes on income

Tax expense comprises current and deferred tax.

a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income Tax Act, 1961, Income Computation and Disclosure Standards and other applicable tax laws. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Current tax assets and liabilities are offset if a legally enforceable right exists to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

b) Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date 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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow 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 at the reporting date.

Deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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.

Goods and Services Input Tax Credit

Goods and Services tax input credit is recognised in the period in which the supply of goods or service received is recognised and the conditions to avail the credit are fulfilled as per the underlying law.

2.15 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the result would be antidilutive.

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2.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

✓ Initial recognition and measurement

Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e. the date that the Company becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed to the customers. The classification of financial assets at initial recognition depends on their purpose, characteristics and the intention of the management's while acquiring the same. All financial assets measured at fair value through profit or loss (FVTPL) are recognised initially at fair value. Financial assets measured at amortised cost or at fair value through other comprehensive income (FVTOCI) is recorded at fair value plus transaction costs that are attributable to the acquisition of that financial asset. Trade receivable that does not contain a significant financing component are measured at transaction price.

✓ Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial asset at amortised cost
- Financial asset (debt instruments) at FVTOCI
- Financial asset at FVTPL

Financial asset at amortised costs

Financial asset is measured at the amortised cost if both the following conditions are met:

- i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment (if any). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees received and the costs incurred on acquisition of financial asset. The EIR amortisation is included in interest income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

Financial assets (debt instruments) at FVTOCI

Financial asset (debt instruments) is classified as at the FVTOCI if both of the following criteria are met:

- i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- ii) The asset's contractual cash flows represent SPPI.

Financial assets included within the above 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 or reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial asset at FVTPL

Financial asset which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Financial assets classified under FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

b) Financial liabilities

Financial liabilities are classified and 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 designated as on initial recognition to be measured at FVTPL. All financial liabilities, other than classified at FVTPL, are classified at amortised cost in which case they are initially measured at fair value, net of transaction costs and subsequently at amortised cost using effective interest rate.

Amortised cost is calculated by taking into account any fees, commission / brokerage and ancillary costs incurred in relation to the financial liability.

c) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recognised at the face value and proceeds received in excess of the face value are recognised as share premium.

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Offsetting a financial asset and a financial liability

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.17 Derivative financial instruments

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e. the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than what would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Company holds derivative to mitigate the risk of changes in exchange rates on foreign currency exposures as well as interest fluctuations. The counterparty for such contracts are generally banks.

Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives are included in net gain on fair value changes unless hedge accounting is applied.

2.18 HEDGE ACCOUNTING

The Company makes use of derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been

highly effective throughout the financial reporting periods for which they were designated.

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in net gain/loss on fair value changes in the profit and loss statement.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss. When the forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in OCI are reversed and included in the initial cost of the asset or liability.

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.

2.19 Reclassification of financial assets and liabilities

The Company doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Further, whenever there is a change in the business model the underlying affected financial asset are reclassified. Financial liabilities has not been reclassified.

2.20 Derecognition of financial assets and liabilities

a) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognised the financial asset if it has transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if and only if, either:

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- It has transferred its contractual rights to receive cash flows from the financial asset

Or

- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full or in part without material delay to a third party under a 'pass-through' arrangement

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset

Or

- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which

case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

2.21 Measurement of Expected Credit Loss (ECL)

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL together with the financial guarantee contracts. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk (SICR) since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

Default

Classification of default is based on the regulatory definition of Non-Performing Assets (NPA). Our regulator i.e. Reserve Bank of India defines NPA in Paragraph 8.3.5 in its Master Directions – Non Banking Financial Company – Housing Finance (Reserve Bank) Directions, 2021 as exposures where interest or principal is in arrears for a period of more than ninety days.

The Company will maintain the definition of default in line with any amendments made by the regulator from time to time through its circulars and through its Master Circular published from time to time.

Staging

The Company while assessing whether there has been a SICR of an exposure since origination, it compares the risk of a default occurring over the expected life of the financial instrument as at the reporting date with the risk of default as at the date of initial recognition. The Company classifies the accounts into three stages.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

The mechanics and key inputs for classifying the stages and computing the ECL are defined below:

| Stage Definition | Details | Classification |
|------------------|--|---|
| Stage 1 | Low credit risk Days Past Due (DPD) 0-30 | Financial instruments are treated as Stage 1 which are not credit impaired and for which the credit risk has not increased significantly since initial recognition. The Company calculates the 12 month ECL allowance. |
| Stage 2 | DPD 31-90 Qualitative indicators of SICR | Financial instruments having SICR since initial recognition (origination of facilities) are classified under (if not impaired) Stage 2. The Company calculates the lifetime ECL allowance. |
| Stage 3 | 90+ / NPA | Remaining financial instruments which are credit impaired are treated as Stage 3. The Company uses regulatory definition as a consistent measure for default across all product classes. The Company records an allowance for the LTECLs. |

Key components for computation of Expected Credit Loss are:

- Probability of default (PD)**
 Probability of Default (PD) is one of the three risk components needed to estimate ECL under Ind AS 109. PD is defined as the probability that a borrower will be unable to meet their debt obligations over a stipulated time. The PD estimate incorporates information relevant for assessing the borrower's ability and willingness to repay its debts, as well as information about the economic environment in which the borrower operates.

 The Company uses 12-month PD for stage 1 assets and lifetime PD for stage 2 and Stage 3 assets.
- Loss given default (LGD)**
 The Loss given default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the expected cash flows, including from the realisation of available collateral.
- Exposure at default (EAD)**
 Exposure at default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and future interests.

The Company has adopted the following methodology for ECL computation:

| Particulars | PD | LGD |
|-----------------|---------------------------------|--|
| Retail loans | Multinomial logistic regression | Workout Method |
| Corporate loans | Pluto-Tasche | Asset coverage based / Expected Collateral Realisation (ECR) |

Broadly, the Company has grouped the portfolio into retail and corporate category. ECL computation is based on collective approach except for a few large exposure of corporate finance portfolio where loss estimation is based on ECR. Further, given the characteristics and inherent risks of the various sub categories of the portfolio the Company has used appropriate PD / LGD computation techniques which are detailed below:

Retail loans

Probability of default

The retail portfolio is segregated into homogenous pools at the product level and occupational level.

For ECL computation, basis risk emergence curve movement, the Company has adopted statistical techniques of multinomial logistic regression, observed default rate based on customer classification etc using behaviour and credit variables. For life time PDs computation, the Company has used survival analysis using Kaplan-Meier technique.

Previous year(s) portfolio behaviour of homogenous pools is considered for PD estimation. The Company has further stressed the PDs for such selective group of customers who are falling in early warning signal pool like customers who have had experienced delinquency with other financial institutions but remained good with us, customers showing very early signs of stress in emerging delinquencies.

Loss given default

The LGD for the retail portfolio is modelled through a workout approach. Historical NPA data of last few years has been used to arrive at behavioral LGD. Loss estimation have been done either basis distressed value or actual/expected recoveries, depending on resolution strategies already materialised or in the process of materialisation. Multiple factors are considered for determining the LGD including time taken for resolutions, geographies, collection feedback, underlying security etc.

Exposure at default

EAD is the sum of the outstanding principle, interest outstanding and future interest receivables for the expected life of the asset, computed basis the behavioral analysis of the Company's historical experience.

Corporate loans

Probability of default

PDs for the corporate portfolio are determined by using external ratings as cohorts along with ever default behavior of an account in last 12 months (basis external ratings based statistical technique of Pluto-Tasche). PD s are further stressed basis operational variables like construction variance, sales velocity, resolution team feedback etc. For

Notes to Standalone Financial Statements

for the year ended 31st March 2024

life time PDs computation, the Company has used survival analysis using Kaplan-Meier technique.

Loss given default

For LGD estimates, the Company has used ECR approach and have applied business logic based on security coverage ratio of existing portfolio. Sensitivity analysis, resolution feedbacks are applied on probability weighted scenarios to compute loss given default.

Exposure at default

EAD is the sum of the outstanding principle, interest outstanding and future interest receivables for the expected life of the asset, computed basis the behavioral analysis of the Company's historical experience.

Significant increase in credit risk (SICR)

The Company monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk in the assets falling in stage 1 then the Company measures the loss allowance over the lifetime of the loan instead of 12 month ECL.

Retail loans:

The qualitative criteria for triggering SICR in retail exposure is:

- i. Those stage 1 loan assets where underlying property is under construction and expected construction progress is likely to remain slow based on historical data / market feedback.
- ii. Those stage 1 assets which are restructured under RBI OTR scheme of Aug 2020 and May 2021 and have shown higher degree of risk basis their performance with us and/or with other financial institutions.

Corporate loans:

The Company has its own qualitative assessment criteria comprising various operational and repayment variables like construction variance, historical delinquency rates, sales velocity, asset coverage ratio, resolution team feedback etc. Basis the review and management overlay, the Company identifies assets where likelihood of deterioration in credit quality is high and for such assets SICR has been triggered.

Incorporation of forward looking information

Ind AS 109 requires entities to model their ECL and apply forward looking macroeconomic scenarios taking into consideration possibility of favorable, neutral, adverse and stressed economic conditions. Multiple scenarios are required to be applied to the ECL and a probability weighted ECL is then computed. In order to compute probability

weighted ECL considering the impact of COVID-19 several macroeconomic variables such as GDP at constant prices, Housing Price Index (HPI) inflation, Gross national savings, unemployment rate etc. were considered from the International Monetary Fund (IMF), NHB and RBI websites and the Company's historical data were analysed.

A model was then built, and forecasts were generated, and scenario creation carried out to finally arrive at the final macroeconomic overlay. Identification of relevant macroeconomic variables was done combining statistical analysis (correlation) and business intuition (sign of correlation).

The macroeconomic variables (MEVs) of the final model were used to generate multiple simulations for forecasting under different probabilistic scenarios, i.e., favorable, neutral, adverse and stress scenarios. Under each scenario, based on the independent variable forecasts, the forecasted default rates are obtained using the final model relationship between the default rates and macroeconomic variables. The scenarios are identified based on the probability of occurrence, i.e. expected probability of the future economic state. An anchor variable (GDP) analysis was performed in order to select a particular scenario for future quarters. Accordingly, the probability weighted ECL is computed using the likelihood as weights.

Trade receivables, other receivables and other financial assets

The Company records allowance for expected credit losses on trade receivables, other receivables and other financial assets. The allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk (SICR) since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

2.22 ECL on financial guarantee contracts

ECL on financial guarantee contracts has been computed basis the methodologies defined under note 2.21.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

2.23 Write offs

The Company undertakes write off on a loan, in full or in part, when the amount is construed as irrecoverable after enforcement of available means of resolution. The authority of write off is vested with committee of senior officials of the Company. In case the company writes off an asset, the recoveries resulting from the write off activity may result in impairment gains.

2.24 Collateral

The Company is in business of secured lending and all loans are adequately covered by either residential collateral or commercial collateral. The collaterals are assessed at the time of origination and are being re-assessed as and when required.

The illustrative factors considered while evaluation of collateral are liquidity, enforceability, marketability, ease and efficiency in custody and settlement. The Company complies with local by-laws and relevant jurisdictions to ensure that the collaterals are free from all encumbrances. The assessment of collateral is undertaken by empanelled team of independent and qualified technical / legal agencies.

The Company has specified the maximum loan-to-value ratio for various types of asset to be accepted as collateral. Such ratios commensurate with the relative risk of the assets as prescribed by RBI and provides an adequate buffer against potential losses.

On case-to-case basis, the Company may ask for additional security, which may in the form of guarantee or financial assets or any other real estate assets.

The Company may take actions as provided in the SARFAESI Act which enables it to enforce the underlying collateral of stage 3 assets without court intervention.

2.25 Dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the Shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

2.26 Unclaimed deposits

Deposits, which has become overdue but have not been presented for payment or renewal, are transferred to unclaimed deposits. Deposit remaining unclaimed for more than seven years have been transferred to the Investor Education and Protection Fund (IEPF). Interest for the period from last maturity date to the date of renewal of unclaimed deposits is accounted for during the year of its renewal.

2.27 Securities premium

Securities premium is credited:

- when shares are issued at premium;
- with the fair value of the stock options which are treated as expense (if any), in respect of shares allotted pursuant to Employee Stock Options Scheme

Securities premium can be utilised only for limited purposes such as issuance of bonus shares or adjustment of share issue expenses, net of tax, as permissible under section 52(2) of the Companies Act, 2013, to the extent of balance available and thereafter, the balance portion is charged to the statement of profit and loss, as incurred.

2.28 Assets held for sale

The Company repossess properties or other assets to settle outstanding recoverable and the surplus (if any) post auction is refunded to the obligors. These assets acquired by the company under SARFAESI Act, 2002 has been classified as assets held for sale, as their carrying amounts will be recovered principally through a sale of asset. In accordance with Ind AS 105, the company is committed to sell these assets and they are measured at the lower of their carrying amount and the fair value less costs of disposal.

2.29 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). CODM is responsible for allocating the resources, assess the financial performance and position of the Company and makes strategic decision. Company's main business is to provide loans against/for purchase, construction, repairs & renovations of houses/flats/commercial properties etc. All other activities of the Company revolve around the main business. As such, there are no separate reportable segment, as per the Operating Segments (Ind AS 108), notified by the Companies (Accounting Standard) Rules, 2015 as amended from time to time.

2.30 Investment in subsidiaries

Investments in subsidiaries are measured at cost as per Ind AS 27 – Separate Financial Statements.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 3: Cash and Cash Equivalents

| Particulars | (₹ in crore) | |
|--|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Cash on hand | 1.77 | 1.49 |
| Balance with banks in current accounts | 359.85 | 558.31 |
| Bank deposit with maturity of less than 3 months (Refer Note 3.1) | 540.55 | 3,107.61 |
| Certificate of deposits with maturity of less than 3 months (Refer Note 3.1) | 1,239.60 | - |
| Stamps on hand | 0.00 | 0.00 |
| Total | 2,141.77 | 3,667.41 |

Note 3.1: Short-term deposits and certificate of deposits earn interest at the respective deposit rates.

Note 4: Bank Balance Other than Cash and Cash Equivalents

| Particulars | (₹ in crore) | |
|--|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Bank Deposits (More than 3 months & upto 12 months) (Refer Note 4.1) | 356.27 | 25.09 |
| Earmarked balances with bank (Refer Note 4.2) | 0.59 | 0.07 |
| Total | 356.86 | 25.16 |

Note 4.1: Bank deposit amounting to ₹25.00 crore (Previous year ₹25.00 crore) has been pledged against the bank guarantee issued for Rights Issue of the Company.

Note 4.2: Earmarked balances with bank represents unclaimed dividend on equity shares and unspent amount of CSR activities

Note 5: Receivables

| Particulars | (₹ in crore) | |
|--|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Trade receivables | | |
| Receivable considered good- Secured | - | - |
| Receivable considered good- Unsecured | 44.01 | - |
| Receivables from related parties- Unsecured (Refer Note 5.2) | 8.17 | - |
| Receivables which have significant increase in credit risk | - | - |
| Receivables – credit impaired | - | - |
| | 52.18 | - |
| Other receivables | | |
| Receivable considered good- Unsecured (Refer Note 5.2) | 0.08 | 0.01 |
| | 0.08 | 0.01 |
| Total | 52.26 | 0.01 |
| Less: Provision for impairment | 0.11 | - |
| Total (net) | 52.15 | 0.01 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 5.1: Trade Receivables Ageing

(₹ in crore)

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|--------------|--|-------------------|-------------|-----------|-------------------|--------------|
| | | As at 31 st March 2024 | | | | | |
| | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade and other receivables – considered good | - | 25.68 | 0.02 | 0.01 | - | - | 25.71 |
| Undisputed trade and other receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade and other receivables – credit impaired | - | - | - | - | - | - | - |
| Disputed trade and other receivables– considered good | - | - | - | - | - | - | - |
| Disputed trade and other receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade and other receivables – credit impaired | - | - | - | - | - | - | - |
| Unbilled trade and other receivables | 26.55 | - | - | - | - | - | 26.55 |
| Total | 26.55 | 25.68 | 0.02 | 0.01 | - | - | 52.26 |

(₹ in crore)

| Particulars | Not due | Outstanding for following periods from due date of payment | | | | | Total |
|---|----------|--|-------------------|-----------|-----------|-------------------|-------------|
| | | As at 31 st March 2023 | | | | | |
| | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade and other receivables – considered good | - | 0.01 | - | - | - | - | 0.01 |
| Undisputed trade and other receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade and other receivables – credit impaired | - | - | - | - | - | - | - |
| Disputed trade and other receivables– considered good | - | - | - | - | - | - | - |
| Disputed trade and other receivables – which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade and other receivables – credit impaired | - | - | - | - | - | - | - |
| Unbilled trade and other receivables | - | - | - | - | - | - | - |
| Total | - | 0.01 | - | - | - | - | 0.01 |

Note 5.2: No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, director or member.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 6: Loans (at Amortised Cost)

(₹ in crore)

| Particulars | As at 31 st March 2024 | As at 31 st March 2023 |
|---------------------------------|--------------------------------------|--------------------------------------|
| Term Loans | 65,454.33 | 59,341.37 |
| Total Gross | 65,454.33 | 59,341.37 |
| Less: Impairment loss allowance | 1,249.57 | 1,432.84 |
| Total Net | 64,204.76 | 57,908.53 |
| Secured by tangible assets | 65,454.33 | 59,341.37 |
| Total Gross | 65,454.33 | 59,341.37 |
| Less: Impairment loss allowance | 1,249.57 | 1,432.84 |
| Total Net | 64,204.76 | 57,908.53 |
| Loans in India | | |
| Public Sector | - | - |
| Others | 65,454.33 | 59,341.37 |
| Total Gross | 65,454.33 | 59,341.37 |
| Less: Impairment loss allowance | 1,249.57 | 1,432.84 |
| Total Net (a) | 64,204.76 | 57,908.53 |
| Loans outside India | | |
| Less: Impairment loss allowance | - | - |
| Total Net (b) | - | - |
| Total Net (a+b) | 64,204.76 | 57,908.53 |

Note 6.1: Detail of loans & advances sanctioned to Directors/KMP/Senior officers/Related Parties.

(₹ in crore)

| Particulars | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
| Directors and their relatives | - | - |
| Entities associated with directors and their relatives | - | - |
| KMP/Senior Officers and their relatives | 5.23 | 2.65 |
| | 5.23 | 2.65 |

Note 6.2: Loans - Staging Analysis[#]

Analysis of change in gross carrying amount of loans is as follows:

(₹ in crore)

| Particulars | As at 31 st March 2024 | | | | As at 31 st March 2023 | | | |
|--|-----------------------------------|-----------------|---------------|------------------|-----------------------------------|-----------------|-----------------|------------------|
| | Stage 1 [^] | Stage 2 | Stage 3 | Total | Stage 1 [^] | Stage 2 | Stage 3 | Total |
| Opening gross carrying amount | 55,064.88 | 2,005.13 | 2,271.36 | 59,341.37 | 51,251.68 | 1,981.83 | 4,706.17 | 57,939.68 |
| Increase in EAD - new asset originated or purchased / further increase in existing asset (net) | 17,541.74 | 12.71 | 39.52 | 17,593.97 | 14,890.80 | 14.65 | 133.43 | 15,038.88 |
| Asset paid in part or full (excluding write off) (net) | (9,649.39) | (397.13) | (201.08) | (10,247.60) | (10,580.51) | (278.98) | (636.66) | (11,496.15) |
| Stressed loans transferred to ARC | - | - | (784.06) | (784.06) | - | - | (271.74) | (271.74) |
| Asset derecognised/co-lending | - | - | - | - | (179.79) | - | - | (179.79) |
| Asset written off | (7.65) | (21.30) | (420.40) | (449.35) | (28.17) | (68.36) | (1,592.98) | (1,689.51) |
| Transfer to stage 1 | 587.28 | (501.73) | (85.55) | - | 883.97 | (644.37) | (239.60) | - |
| Transfer to stage 2 | (896.31) | 980.84 | (84.53) | - | (994.06) | 1,142.00 | (147.94) | - |
| Transfer to stage 3 | (117.46) | (131.96) | 249.42 | - | (179.04) | (141.64) | 320.68 | - |
| Closing gross carrying amount | 62,523.09 | 1,946.56 | 984.68 | 65,454.33 | 55,064.88 | 2,005.13 | 2,271.36 | 59,341.37 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 6.2: Loans - Staging Analysis[#]

(₹ in crore)

| Particulars | As at 31 st March 2024 | | | | As at 31 st March 2023 | | | |
|-------------------|-----------------------------------|-----------------|---------------|------------------|-----------------------------------|-----------------|-----------------|------------------|
| | Stage 1 [^] | Stage 2 | Stage 3 | Total | Stage 1 [^] | Stage 2 | Stage 3 | Total |
| Retail Loans | 60,665.43 | 1,820.20 | 916.71 | 63,402.34 | 52,109.19 | 2,005.13 | 1,425.44 | 55,539.76 |
| Total | 60,665.43 | 1,820.20 | 916.71 | 63,402.34 | 52,109.19 | 2,005.13 | 1,425.44 | 55,539.76 |
| % of total | 95.68% | 2.87% | 1.45% | 100.00% | 93.82% | 3.61% | 2.57% | 100.00% |

Movement (in %) of loan assets is as follows:

| | Current Year | Previous Year |
|--|--------------|---------------|
| a) Movement of Stage 1: | | |
| i) % of loan assets moved out of books by year end | 16.62% | 12.16% |
| ii) Residual portfolio either remained in stage 1 or had forward flows | | |
| b) Movement of Stage 2: | | |
| i) % of loan assets moved out of books by year end | 17.07% | 0.52% |
| ii) Residual portfolio either remained in stage 2 or had forward or backward flows | | |
| c) Movement of Stage 3: | | |
| i) % of loan assets moved out of books by year end | 44.15% | 1.08% |
| ii) Residual portfolio either remained in stage 3 or had backward flows | | |

(₹ in crore)

| Particulars | As at 31 st March 2024 | | | | As at 31 st March 2023 | | | |
|-------------------|-----------------------------------|---------------|--------------|-----------------|-----------------------------------|--------------|---------------|-----------------|
| | Stage 1 [^] | Stage 2 | Stage 3 | Total | Stage 1 [^] | Stage 2 | Stage 3 | Total |
| Corporate Loans | 1,857.66 | 126.36 | 67.97 | 2,051.99 | 2,955.69 | - | 845.92 | 3,801.61 |
| Total | 1,857.66 | 126.36 | 67.97 | 2,051.99 | 2,955.69 | - | 845.92 | 3,801.61 |
| % of total | 90.53% | 6.16% | 3.31% | 100.00% | 77.75% | 0.00% | 22.25% | 100.00% |

Movement (in %) of loan assets is as follows:

| | Current Year | Previous Year |
|--|--------------|---------------|
| a) Movement of Stage 1: | | |
| i) % of loan assets moved out of books by year end | 33.67% | 18.20% |
| ii) Residual portfolio either remained in stage 1 or had forward flows | | |
| b) Movement of Stage 2: | | |
| i) % of loan assets moved out of books by year end | 0.00% | 0.29% |
| ii) Residual portfolio either remained in stage 2 or had forward or backward flows | | |
| c) Movement of Stage 3: | | |
| i) % of loan assets moved out of books by year end | 91.75% | 26.73% |
| ii) Residual portfolio either remained in stage 3 or had backward flows | | |

Note 6.3: Expected Credit Loss (ECL) - Staging Analysis[#]

(₹ in crore)

| Particulars | As at 31 st March 2024 | | | | As at 31 st March 2023 | | | |
|--------------|-----------------------------------|---------------|---------------|---------------|-----------------------------------|---------------|---------------|---------------|
| | Stage 1 [^] | Stage 2 | Stage 3 | Total | Stage 1 [^] | Stage 2 | Stage 3 | Total |
| Retail Loans | 259.73 | 251.97 | 322.01 | 833.71 | 244.87 | 254.63 | 466.66 | 966.16 |
| Total | 259.73 | 251.97 | 322.01 | 833.71 | 244.87 | 254.63 | 466.66 | 966.16 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

ECL movement as on 31st March 2023 and 31st March 2024

- The loan assets in stage 2 were 2.87% as on 31st March 2024 as against 3.61% as on 31st March 2023. The Company has applied qualitative SICR criteria owing to which stage 1 assets of ₹469.34 crore has moved to stage 2 assets. Pre SICR, the stage 2 loan assets as on 31st March 2024 would be 2.13% against 2.56% as on 31st March 2023.
- ECL % POS has increased by 1.14% as on 31st March 2024 in stage 2.
- Overall ECL % POS have decreased by 42 bps on accounts improvement in Asset quality.

ECL movement as on 31st March 2022 and 31st March 2023

- The loan assets in stage 2 were 3.61% as on 31st March 2023 as against 3.88% as on 31st March 2022. The Company has applied qualitative SICR criteria owing to which stage 1 assets of ₹584.70 crore has moved to stage 2 assets. Pre SICR, the stage 2 loan assets as on 31st March 2023 would be 2.56% against 2.25% as on 31st March 2022.
- ECL % POS has increased by 2.63% as on 31st March 2023 in stage 2.
- Overall ECL % POS have decreased by 25 bps on accounts improvement in assets quality.

(₹ in crore)

| Particulars | As at 31 st March 2024 | | | | As at 31 st March 2023 | | | |
|-----------------|-----------------------------------|--------------|--------------|---------------|-----------------------------------|----------|---------------|---------------|
| | Stage 1 [^] | Stage 2 | Stage 3 | Total | Stage 1 [^] | Stage 2 | Stage 3 | Total |
| Corporate Loans | 304.97 | 65.10 | 45.79 | 415.86 | 279.95 | - | 186.73 | 466.68 |
| Total | 304.97 | 65.10 | 45.79 | 415.86 | 279.95 | - | 186.73 | 466.68 |

ECL movement as on 31st March 2023 and 31st March 2024

- Stage 1 ECL % of POS increased from 9.47% to 16.42%.
- The loan assets in stage 2 were increased to 6.16% as on 31st March 2024 from 0.00% as on 31st March 2023 majorly due to shift of stage 1 asset to stage 2.
- The Company's stage 3 asset ratio has decreased from 22.25% as on 31st March 2023 to 3.31% as on 31st March 2024.

ECL movement as on 31st March 2022 and 31st March 2023

- Stage 1 ECL % of POS increased from 6.50% to 9.47%.
- The loan assets in stage 2 were decreased to nil as on 31st March 2023 from 0.29% as on 31st March 2022 majorly due to decreasing corporate portfolio.
- The Company's stage 3 asset ratio has decreased from 37.13% as on 31st March 2022 to 22.25% as on 31st March 2023 owing to this ECL has also decreased.

[^]The restructuring was done for Stage 1 accounts, total restructured assets were ₹696.38 crore (previous year ₹967 crore), against which provision of ₹94 crore (Previous year ₹102 crore) is held.

#Refer Note 2.21, 2.22, 2.23 and 46.1.

Note 6.4: Loans due from borrowers are secured wholly or partly by any one or all of the below as applicable:

Tangible securities

- Equitable / Simple / English Mortgage of immovable property;
- Mortgage of Development Rights / FSI / any other benefit flowing from the immovable property;
- Hypothecation of rent receivables, cash flow of the project, debt service reserve account, fixed deposit, current and escrow accounts;

Intangible securities

- Demand Promissory Note;
- Post dated cheques towards the repayment of the debt;
- Personal / Corporate Guarantees;
- Undertaking to create a security;
- Letter of Continuity.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 7: Investments

(₹ in crore)

| Particulars | As at 31 st March 2024 | | | |
|--|-----------------------------------|--------------------------------------|-------------|-----------------|
| | Amortised cost | At fair value through profit or loss | Others* | Total |
| Investments in India (a) | | | | |
| Government securities^ (Refer Note 36.31) | 2,338.29 | - | - | 2,338.29 |
| Other approved securities^ | 50.66 | - | - | 50.66 |
| Debt securities | - | 1,915.56 | - | 1,915.56 |
| Subsidiaries (Wholly owned) | | | | |
| 2,50,000 (31 st March 2023: 2,50,000) equity shares of face value of ₹10 each of PHFL Home Loans and Services Limited | - | - | 0.25 | 0.25 |
| 50,000 (31 st March 2023: 50,000) equity shares of face value of ₹10 each of PEHEL Foundation | - | - | 0.05 | 0.05 |
| ACRE-122-Trust | - | 119.00 | - | 119.00 |
| Total gross | 2,388.95 | 2,034.56 | 0.30 | 4,423.81 |
| Investments outside India (b) | - | - | - | - |
| Total gross (a+b) | 2,388.95 | 2,034.56 | 0.30 | 4,423.81 |
| Less: Allowance for impairment loss on investment for ACRE -122 Trust (c)** | | (78.55) | - | (78.55) |
| Total net (a+b-c) | 2,388.95 | 1,956.01 | 0.30 | 4,345.26 |

(₹ in crore)

| Particulars | As at 31 st March, 2023 | | | |
|--|------------------------------------|--------------------------------------|-------------|-----------------|
| | Amortised cost | At fair value through profit or loss | Others* | Total |
| Investments in India (a) | | | | |
| Government securities^ (Refer Note 36.31) | 2,103.88 | 413.18 | - | 2,517.06 |
| Other approved securities^ | 172.54 | - | - | 172.54 |
| Debt securities | - | 457.67 | - | 457.67 |
| Subsidiaries (Wholly owned) | | | | |
| 2,50,000 (31 st March 2022: 2,50,000) equity shares of face value of ₹10 each of PHFL Home Loans and Services Limited | - | - | 0.25 | 0.25 |
| 50,000 (31 st March 2022: 50,000) equity shares of face value of ₹10 each of PEHEL Foundation | - | - | 0.05 | 0.05 |
| ACRE-122-Trust | - | 119.00 | - | 119.00 |
| Total gross | 2,276.42 | 989.85 | 0.30 | 3,266.57 |
| Investments outside India (b) | - | - | - | - |
| Total gross (a+b) | 2,276.42 | 989.85 | 0.30 | 3,266.57 |
| Less: Allowance for impairment loss on investment for ACRE -122 Trust (c)** | | (78.55) | - | (78.55) |
| Total net (a+b-c) | 2,276.42 | 911.30 | 0.30 | 3,188.02 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

| Name of Subsidiaries | Principle place of business | Ownership interest | |
|--------------------------------------|-----------------------------|--------------------------------------|--------------------------------------|
| | | As at 31 st March 2024 | As at 31 st March 2023 |
| PHFL Home Loans and Services Limited | India | 100.00% | 100.00% |
| PEHEL Foundation | India | 100.00% | 100.00% |

*Others include investment in subsidiaries which have been carried at cost.

**Allowance for impairment loss carried forward as per applicable regulations of RBI.

^Expected credit loss provision has not been recognised on investments made in government securities and other approved securities.

Note 8: Other Financial Assets

(₹ in crore)

| Particulars | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| Receivable considered good- Unsecured | | |
| Receivables on assignment and co-lending of loans (Refer Note 8.1, 8.2 and 8.3) | 544.88 | 728.37 |
| Security deposits | 25.53 | 16.79 |
| Other Receivables | 1.73 | 11.34 |
| Security deposits - credit impaired | 0.54 | 0.54 |
| Total gross (a) | 572.68 | 757.04 |
| Less: Impairment loss allowance (b) | 2.88 | 2.40 |
| Total net (a-b) | 569.80 | 754.64 |

Note 8.1: During the year ended 31st March 2024, the Company had not sold any loans and advances measured at amortised cost. However during the year ended 31st March 2023, the Company has sold some loans and advances measured at amortised cost under co-lending deals through assignment mode. As per the terms of deal, the de-recognition criteria as per IND AS 109, including transfer of substantially all the risks and rewards relating to assets being transferred to the buyer is met and the assets have been derecognised.

The table below summarises the carrying amount of the derecognised financial assets:

(₹ in crore)

| Loans and advances measured at amortised cost | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
| Carrying amount of derecognised financial assets | 5,884.77 | 7,344.70 |

Since the Company transferred the above financial asset in a transfer that qualified for derecognition in its entirety therefore the whole of the interest spread and net servicing fees (over the expected life of the assets) is recognised at present value on the date of derecognition as interest-only strip / net servicing fees receivable ("Receivables on assignment of loan") and correspondingly recognised as profit on derecognition of financial assets.

Note 8.2: Includes receivable from related party ₹1.92 crore (previous year ₹0.44 crore.)

Note 8.3: Disclosure pursuant to RBI Notification dated 24th September 2021 on "Transfer of Loan Exposures" are given below:

- (a) The Company has not acquired any stressed loans or loans not in default during the year ended 31st March 2024 and 31st March 2023.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

(b) Details of loans not in default transferred:

| Particulars | (₹ in crore) | |
|---|------------------------------|---------------|
| | Assignment through colending | |
| | Current Year | Previous Year |
| Total amount of loans transferred through colending | - | 179.79 |
| Weighted average residual maturity (in months) | - | 220 |
| Weighted average holding period (in months) | - | 7 |
| Retention of beneficial economic interest | - | 20% |
| Coverage of tangible security coverage | - | 100% |
| Rating-wise distribution of rated loans | - | unrated |

(c) Details of stressed loans transferred:

| Particulars | (₹ in crore) | |
|---|--|---------------|
| | To Asset Reconstruction Companies (ARC) - NPA- Retail | |
| | Current Year | Previous Year |
| Number of accounts | - | 35 |
| Aggregate principal outstanding of loan transferred | - | 62.52 |
| Weighted average residual tenor of the loans transferred (years) | - | 12.66 |
| Net book value of loans transferred (at the time of transfer) | - | 43.76 |
| Aggregate consideration | - | 31.26 |
| Additional consideration realized in respect of accounts transferred in earlier years | - | - |
| Excess provisions reversed to the profit and loss account on account of sale | - | - |

| Particulars | (₹ in crore) | |
|---|--|----------------|
| | To Asset Reconstruction Companies (ARC) - NPA - Corporate | |
| | Current Year | Previous Year* |
| Number of accounts | 1 | 2 |
| Aggregate principal outstanding of loan transferred | 784.06 | 186.96 |
| Weighted average residual tenor of the loans transferred (years) | 2 | 6.55 |
| Net book value of loans transferred (at the time of transfer) | 584.74 | 61.46 |
| Aggregate consideration | 828.00 | 140.00 |
| Additional consideration realized in respect of accounts transferred in earlier years | - | - |
| Excess provisions reversed to the profit and loss account on account of sale | 199.32 | - |

* Security Receipts are rated as IVR RR2.

Note 9: Current Tax (Net)

| Particulars | (₹ in crore) | |
|---|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Net current tax asset / (liability) at the beginning (a) | 251.57 | 37.55 |
| Current tax expense (b) | 421.01 | 83.35 |
| Current tax expense on OCI (c) | (0.22) | (0.33) |
| Tax on ESOPs/RSU (d) | 14.08 | - |
| Current tax paid (e) | 427.35 | 297.07 |
| Current tax refund (f) | 80.81 | - |
| Tax related to earlier years (g) | (0.12) | 0.03 |
| Net current tax asset / (liability) at the end (a-b-c-d+e-f-g) | 163.36 | 251.57 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 10: Deferred Tax Assets (Net)

As at 31st March 2024

(₹ in crore)

| Particulars | Deferred Tax Asset | Deferred Tax Liabilities | (Charged)/ credit during the year | Other comprehensive income |
|---|--------------------|--------------------------|-----------------------------------|----------------------------|
| Depreciation on property, plant and equipment and amortisation of Other Intangible assets | 12.19 | - | (0.12) | - |
| Provision for employee benefits | 4.98 | - | 0.60 | - |
| Impairment allowance for financial assets | 334.51 | - | (45.88) | - |
| Derivative instruments in cash flow hedge | 19.70 | - | - | 5.30 |
| Expenses paid in advance (net of income received in advance) | - | 101.62 | (21.18) | - |
| Interest spread on assigned loans | - | 130.11 | 44.74 | - |
| Fair valuation of financial instruments held for trading | 0.23 | - | (4.06) | - |
| Others temporary differences | 3.05 | 15.44 | 2.53 | - |
| Total | 374.66 | 247.17 | (23.37) | 5.30 |

As at 31st March 2023

(₹ in crore)

| Particulars | Deferred Tax Asset | Deferred Tax Liabilities | (Charged)/ credit during the year | Other comprehensive income |
|---|--------------------|--------------------------|-----------------------------------|----------------------------|
| Depreciation on property, plant and equipment and amortisation of Other Intangible assets | 12.31 | - | 0.59 | - |
| Provision for employee benefits | 4.38 | - | 0.07 | - |
| Impairment allowance for financial assets | 380.39 | - | (192.64) | - |
| Derivative instruments in cash flow hedge | 14.40 | - | - | (26.09) |
| Expenses paid in advance (net of income received in advance) | - | 80.44 | (15.85) | - |
| Interest spread on assigned loans | - | 174.85 | (21.24) | - |
| Fair valuation of financial instruments held for trading | 4.29 | - | 0.70 | - |
| Others temporary differences | 2.99 | 17.92 | 1.21 | - |
| Total | 418.76 | 273.21 | (227.16) | (26.09) |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 11: Investment Property

| Particulars | Gross carrying value | | | Depreciation | | | Net carrying value | | |
|--------------|----------------------------------|--------------------------|---|-----------------------------------|--------------|---|-----------------------------------|-----------------------------------|-----------------------------------|
| | As at 1 st April 2023 | Addition during the year | Adjustments/ Deductions during the year | As at 31 st March 2024 | For the year | Adjustments/ Deductions during the year | As at 31 st March 2024 | As at 31 st March 2023 | As at 31 st March 2023 |
| Buildings | 0.58 | - | - | 0.58 | 0.01 | - | 0.07 | 0.51 | 0.52 |
| Total | 0.58 | - | - | 0.58 | 0.01 | - | 0.07 | 0.51 | 0.52 |

| Particulars | Gross carrying value | | | Depreciation | | | Net carrying value | | |
|--------------|----------------------------------|--------------------------|---|-----------------------------------|--------------|---|-----------------------------------|-----------------------------------|-----------------------------------|
| | As at 1 st April 2022 | Addition during the year | Adjustments/ Deductions during the year | As at 31 st March 2023 | For the year | Adjustments/ Deductions during the year | As at 31 st March 2023 | As at 31 st March 2022 | As at 31 st March 2022 |
| Buildings | 0.58 | - | - | 0.58 | 0.01 | - | 0.06 | 0.52 | 0.53 |
| Total | 0.58 | - | - | 0.58 | 0.01 | - | 0.06 | 0.52 | 0.53 |

Note 11.1: The Company has leased out its investments properties and same has been classified as operating leases on account that there was no transfer of substantial risk and rewards incidental to the ownership of the assets. Recognition of income and related expenses in profit or loss for investment properties are tabulated below:

| Particulars | Current Year | | Previous Year |
|--|-----------------------------------|-----------------------------------|---------------|
| | As at 31 st March 2024 | As at 31 st March 2023 | |
| Rental Income | 0.13 | 0.12 | 0.12 |
| Profit from investment properties before depreciation | 0.13 | 0.12 | 0.12 |
| Depreciation | (0.01) | (0.01) | (0.01) |
| Profit from investment properties | 0.12 | 0.11 | 0.11 |

Note 11.2: Investment properties are leased to tenants under long term operating leases with rentals receivable on monthly basis. Minimum undiscounted lease payments receivable under non-cancellable leases of investment properties after the reporting period:

| Particulars | As at 31 st March 2024 | | As at 31 st March 2023 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 | |
| Within one year | 0.12 | 0.04 | 0.04 |
| Later than one year but not later than five year | 0.08 | 0.04 | 0.04 |
| Later than five years | - | - | - |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 11.3: The fair value of the investment property has been determined on the basis of valuation carried out at the reporting date by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair value measurement for investment property has been categorised as Level 2 based on the valuation techniques used and inputs applied. The main inputs considered by the valuer are government rates, property location, market research, contracted rentals, discount rates and comparable values, as appropriate. The best estimate of fair value is current prices in an active market for similar properties. Fair value are as follows:

| Particulars | As at | |
|--------------------------|-----------------------------|-----------------------------|
| | 31 st March 2024 | 31 st March 2023 |
| Opening balance | 5.64 | 5.55 |
| Addition during the year | - | - |
| Deletion during the year | - | - |
| Variation in Fair value | - | 0.09 |
| Closing balance | 5.64 | 5.64 |

Note 12: Property Plant and Equipment

| Particulars | Gross carrying value | | | Depreciation | | | Net carrying value | | |
|---------------------------|----------------------------------|--------------------------|-----------------------------------|----------------------------------|--------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | As at 1 st April 2023 | Addition during the year | As at 31 st March 2024 | As at 1 st April 2023 | For the year | As at 31 st March 2024 | As at 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 |
| Buildings | 37.72 | - | 37.72 | 4.01 | 1.20 | 5.21 | - | 32.51 | 33.71 |
| Furniture & Fixtures | 19.11 | 0.83 | 19.16 | 11.16 | 1.88 | 12.47 | 0.57 | 6.69 | 7.95 |
| Computers | 41.17 | 12.02 | 53.17 | 26.29 | 7.25 | 33.52 | 0.02 | 19.65 | 14.88 |
| Office Equipment & Others | 31.66 | 3.17 | 33.64 | 26.15 | 2.48 | 27.57 | 1.06 | 6.07 | 5.51 |
| Leasehold Improvements | 39.58 | 0.88 | 34.44 | 35.58 | 3.14 | 32.89 | 5.83 | 1.55 | 4.00 |
| Total | 169.24 | 16.90 | 178.13 | 103.19 | 15.95 | 111.66 | 7.48 | 66.47 | 66.05 |

| Particulars | Gross carrying value | | | Depreciation | | | Net carrying value | | |
|---------------------------|----------------------------------|--------------------------|-----------------------------------|----------------------------------|--------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | As at 1 st April 2022 | Addition during the year | As at 31 st March 2023 | As at 1 st April 2022 | For the year | As at 31 st March 2023 | As at 31 st March 2022 | As at 31 st March 2023 | As at 31 st March 2022 |
| Buildings | 37.72 | - | 37.72 | 2.81 | 1.20 | 4.01 | - | 33.71 | 34.91 |
| Furniture & Fixtures | 19.68 | 0.45 | 19.11 | 10.01 | 1.87 | 11.16 | 0.72 | 7.95 | 9.67 |
| Vehicles | 0.10 | - | - | 0.05 | 0.01 | - | 0.06 | - | 0.05 |
| Computers | 31.91 | 9.31 | 41.17 | 21.91 | 4.43 | 26.29 | 0.05 | 14.88 | 10.00 |
| Office Equipment & Others | 31.71 | 1.44 | 31.66 | 23.71 | 3.80 | 26.15 | 1.36 | 5.51 | 8.00 |
| Leasehold Improvements | 42.67 | 0.27 | 39.58 | 33.97 | 4.94 | 35.58 | 3.33 | 4.00 | 8.70 |
| Total | 163.79 | 11.47 | 169.24 | 92.46 | 16.25 | 103.19 | 5.52 | 66.05 | 71.33 |

- (i) Buildings pledged and hypothecated against borrowings.
(ii) There were no revaluation carried out by the Company during the years reported above.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 12: Property Plant and Equipment (Contd.)

Right of use[#]

| Particulars | Gross carrying value | | | Depreciation | | | Net carrying value | | |
|--------------|-------------------------------------|-----------------------------|---|--------------------------------------|-------------------------------------|--------------|---|--------------------------------------|--------------------------------------|
| | As at 1 st April 2023 | Addition during the year | Adjustments/ Deductions during the year | As at 31 st March 2024 | As at 1 st April 2023 | For the year | Adjustments/ Deductions during the year | As at 31 st March 2024 | As at 31 st March 2023 |
| Building | 169.74 | 91.13 | 71.21 | 189.66 | 104.21 | 27.39 | 64.76 | 122.82 | 65.53 |
| Vehicle | - | 0.31 | - | 0.31 | - | 0.04 | - | 0.27 | - |
| Total | 169.74 | 91.44 | 71.21 | 189.97 | 104.21 | 27.43 | 64.76 | 123.09 | 65.53 |

| Particulars | Gross carrying value | | | Depreciation | | | Net carrying value | | |
|--------------|-------------------------------------|-----------------------------|---|--------------------------------------|-------------------------------------|--------------|---|--------------------------------------|--------------------------------------|
| | As at 1 st April 2022 | Addition during the year | Adjustments/ Deductions during the year | As at 31 st March 2023 | As at 1 st April 2022 | For the year | Adjustments/ Deductions during the year | As at 31 st March 2023 | As at 31 st March 2022 |
| Building | 140.99 | 34.71 | 5.96 | 169.74 | 80.60 | 27.24 | 3.63 | 104.21 | 60.39 |
| Total | 140.99 | 34.71 | 5.96 | 169.74 | 80.60 | 27.24 | 3.63 | 104.21 | 60.39 |

[#]All lease deeds are executed in favour of the Company.

Note 12.1: Capital-Work-in Progress

(a) Capital-Work-in Progress ageing

| Particulars | As at 31 st March 2024 | | | |
|--------------------------------|-----------------------------------|-------------|-----------|-------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| Projects in progress | 5.42 | 0.01 | - | - |
| Projects temporarily suspended | - | - | - | - |
| Total | 5.42 | 0.01 | - | 5.43 |

| Particulars | As at 31 st March 2023 | | | |
|--------------------------------|-----------------------------------|-----------|-----------|-------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| Projects in progress | 0.08 | - | - | - |
| Projects temporarily suspended | - | - | - | - |
| Total | 0.08 | - | - | 0.08 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

(b) For capital-work-in progress, where completion is overdue or has exceeded its cost compared to its original plan

| Particulars | As at 31 st March 2024 | | | | Total |
|--------------|-----------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Project 1 | 0.09 | - | - | - | 0.09 |
| (₹ in crore) | | | | | |
| Particulars | As at 31 st March 2023 | | | | Total |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Project 1 | - | - | - | - | - |
| (₹ in crore) | | | | | |

Note 12.2: Intangible Assets under Development

(a) Intangible assets under development ageing

| Particulars | As at 31 st March 2024 | | | | Total |
|--------------------------------|-----------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 8.05 | 1.77 | - | - | 9.82 |
| Projects temporarily suspended | - | - | - | - | - |
| (₹ in crore) | | | | | |
| Particulars | As at 31 st March 2023 | | | | Total |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 1.90 | 1.17 | 0.01 | - | 3.08 |
| Projects temporarily suspended | - | - | - | - | - |
| (₹ in crore) | | | | | |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

(b) For Intangible assets under development, where completion is overdue or has exceeded its cost compared to its original plan

| Particulars | As at 31 st March 2024 | | | | Total |
|-----------------------------------|-----------------------------------|-----------|-----------|-------------------|-------|
| | To be completed in | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Project 1 (overdue) | 0.91 | - | - | - | 0.91 |
| Project 2 (overdue) | 0.72 | - | - | - | 0.72 |
| Project 3 (overdue) | 2.62 | - | - | - | 2.62 |
| As at 31 st March 2023 | | | | | |
| Particulars | To be completed in | | | | Total |
| | | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Project 1 | - | - | - | - | - |

Note 13: Other Intangible Assets

| Particulars | Gross carrying value | | | Depreciation | | | Net carrying value | | | |
|-----------------------------------|----------------------------------|--------------------------|-----------------------------------|--------------|---|-----------------------------------|----------------------------------|--------------|---|-----------------------------------|
| | As at 1 st April 2023 | Addition during the year | As at 31 st March 2024 | For the year | Adjustments/ Deductions during the year | As at 31 st March 2024 | As at 1 st April 2022 | For the year | Adjustments/ Deductions during the year | As at 31 st March 2023 |
| Software | 60.63 | 10.21 | 70.80 | 7.59 | 0.04 | 54.43 | 46.88 | 7.73 | - | 46.88 |
| Total | 60.63 | 10.21 | 70.80 | 7.59 | 0.04 | 54.43 | 46.88 | 7.73 | - | 46.88 |
| As at 31 st March 2022 | | | | | | | | | | |
| Particulars | Gross carrying value | | | Depreciation | | | Net carrying value | | | |
| | As at 1 st April 2022 | Addition during the year | As at 31 st March 2023 | For the year | Adjustments/ Deductions during the year | As at 31 st March 2023 | As at 1 st April 2022 | For the year | Adjustments/ Deductions during the year | As at 31 st March 2022 |
| Software | 56.89 | 3.74 | 60.63 | 7.73 | - | 46.88 | 39.15 | 7.73 | - | 46.88 |
| Total | 56.89 | 3.74 | 60.63 | 7.73 | - | 46.88 | 39.15 | 7.73 | - | 46.88 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 14: Other Non-financial Assets

(₹ in crore)

| Particulars | As at 31 st March 2024 | As at 31 st March 2023 |
|---------------------------|--------------------------------------|--------------------------------------|
| Unsecured considered good | | |
| Prepaid expenses | 10.91 | 10.85 |
| GST input credit | 31.29 | 33.24 |
| Others | 10.86 | 10.93 |
| Total | 53.06 | 55.02 |

Note 15: Derivative Financial Instruments*

(₹ in crore)

| Particulars | As on March 31, 2024 | | | As on March 31, 2023 | | |
|---|----------------------|-------------------|------------------------|----------------------|-------------------|------------------------|
| | Notional amounts | Fair value assets | Fair value liabilities | Notional amounts | Fair value assets | Fair value liabilities |
| Currency derivatives: | | | | | | |
| Spot and forwards | 816.40 | - | 55.35 | 734.17 | 0.73 | 38.67 |
| Currency swaps | 1,459.04 | 190.36 | - | 5,508.54 | 657.29 | - |
| (i) | 2,275.44 | 190.36 | 55.35 | 6,242.71 | 658.02 | 38.67 |
| Interest rate derivatives: | | | | | | |
| Interest rate swaps | 1,000.00 | - | - | 3,823.08 | 63.02 | - |
| (ii) | 1,000.00 | - | - | 3,823.08 | 63.02 | - |
| Margin money received from/(paid to) counter party bank | - | - | - | - | - | 22.33 |
| (iii) | - | - | - | - | - | 22.33 |
| Total derivative financial instruments (i)+(ii)+(iii) | 3,275.44 | 190.36 | 55.35 | 10,065.79 | 721.04 | 61.00 |
| Included in above are derivatives held for hedging and risk management purposes as follows: | | | | | | |
| Cash flow hedging: | | | | | | |
| Currency derivatives | 2,275.44 | 190.36 | 55.35 | 6,242.71 | 658.02 | 61.00 |
| Interest rate derivatives | 1,000.00 | - | - | 3,823.08 | 63.02 | - |
| Total derivative financial instruments | 3,275.44 | 190.36 | 55.35 | 10,065.79 | 721.04 | 61.00 |

* Refer Note 18.3, 43 and 46.2.

Note 16: Trade Payables

(₹ in crore)

| Particulars | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
| Total outstanding dues of micro enterprises and small enterprises | 2.12 | 1.74 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 17.57 | 28.18 |
| Due to related parties | 27.75 | 14.55 |
| Total | 47.44 | 44.47 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 16.1: Trade Payables Ageing

(₹ in crore)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|-----------------------------|--|------------------|-----------|-----------|-------------------|--------------|
| | As at 31 st March 2024 | | | | | |
| | Unbilled | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 2.07 | 0.05 | - | - | - | 2.12 |
| (ii) Others | 17.41 | 27.91 | - | - | 0.00 | 45.32 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | - |
| Total | 19.48 | 27.96 | - | - | 0.00 | 47.44 |

(₹ in crore)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|-----------------------------|--|------------------|-----------|-------------|-------------------|--------------|
| | As at 31 st March 2023 | | | | | |
| | Unbilled | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 1.69 | 0.05 | - | - | - | 1.74 |
| (ii) Others | 27.93 | 14.80 | - | 0.00 | - | 42.73 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | - |
| Total | 29.62 | 14.85 | - | 0.00 | - | 44.47 |

Note 16.2: The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been determined to the extent such parties have been identified on the basis of Information available with the Company. The amount of principal and interest outstanding during the year is as follows:

(₹ in crore)

| Particulars | As at 31 st March 2024 | As at 31 st March 2023 |
|---|-----------------------------------|-----------------------------------|
| 1. Principal amount due and remaining unpaid | 0.05 | 0.05 |
| 2. Interest due on (1) above and the unpaid interest | - | - |
| 3. Interest paid on all delayed payment under the MSMED Act | 0.04 | 0.00 |
| 4. Payment made beyond the appointed day during the year | 4.68 | 0.10 |
| 5. Interest due and payable for the period of delay other than (3) above | - | - |
| 6. Interest accrued and remaining unpaid | 0.02 | 0.00 |
| 7. Amount of further interest remaining due and payable in succeeding years | - | - |
| Total | 4.79 | 0.15 |

Note 17: Debt Securities

(₹ in crore)

| Particulars | As on March 31 2024 | | | | As on March 31 2023 | | | |
|---------------------------------------|---------------------|--------------------------------------|---|-----------------|---------------------|--------------------------------------|---|-----------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | Total | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | Total |
| Secured | | | | | | | | |
| Redeemable non convertible bonds | 2,946.84 | - | - | 2,946.84 | 3,844.17 | - | - | 3,844.17 |
| Redeemable non convertible debentures | 1,600.39 | - | - | 1,600.39 | 149.92 | - | - | 149.92 |
| Unsecured | | | | | | | | |
| Commercial papers | 3,304.70 | - | - | 3,304.70 | - | - | - | - |
| Total | 7,851.93 | - | - | 7,851.93 | 3,994.09 | - | - | 3,994.09 |
| Debt securities in India | 7,851.93 | - | - | 7,851.93 | 3,994.09 | - | - | 3,994.09 |
| Debt securities outside India | - | - | - | - | - | - | - | - |
| Total | 7,851.93 | - | - | 7,851.93 | 3,994.09 | - | - | 3,994.09 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 17.1: Nature of Security and Terms of Repayment:

a) Nature of Security

Redeemable non-convertible bonds and debentures are secured by hypothecation of specific book debts to the extent of 1.00 to 1.25 times of outstanding amount.

b) Terms of Repayment

(₹ in crore)

| Maturities | As at 31 st March 2024 | | | | As at 31 st March 2023 | | | |
|-------------------|-----------------------------------|-----------------|-----------------|---------------|-----------------------------------|-----------------|-----------------|-----------------|
| | ≤ 1 year | 1 - 3 years | 3 - 5 years | > 5 years | ≤ 1 year | 1 - 3 years | 3 - 5 years | > 5 years |
| Bonds | | | | | | | | |
| Rate of interest | | | | | | | | |
| 6.01% - 8.00% | 455.00 | - | - | - | - | 455.00 | - | - |
| 8.01% - 9.00% | - | 1,000.00 | 1,000.00 | 500.00 | 600.00 | 500.00 | 1,000.00 | 1,000.00 |
| 9.01% - 10.00% | - | - | - | - | 300.00 | - | - | - |
| Debentures | | | | | | | | |
| Rate of interest | | | | | | | | |
| 8.01% - 9.00% | 950.00 | 222.00 | 400.00 | 29.00 | - | 150.00 | - | - |
| | 1,405.00 | 1,222.00 | 1,400.00 | 529.00 | 900.00 | 1,105.00 | 1,000.00 | 1,000.00 |

Note 17.2: The rate of interest and amount of repayment appearing in note 17.1(b) are as per the term of the debt instruments (i.e. excluding impact of effective interest rate). Further, refer note 44.1, 44.2 and 44.3 for compliance in relation to the utilisation of the borrowed fund and submission of underlying returns/statements.

Note 18: Borrowings (Other than Debt Securities)

(₹ in crore)

| Maturities | As at 31 st March 2024 | | | | As at 31 st March 2023 | | | |
|-------------------------------|-----------------------------------|--------------------------------------|---|------------------|-----------------------------------|--------------------------------------|---|------------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | Total | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | Total |
| Secured | | | | | | | | |
| Term loans | | | | | | | | |
| National housing bank | 5,090.33 | - | - | 5,090.33 | 3,046.20 | - | - | 3,046.20 |
| Banks | 17,313.02 | - | - | 17,313.02 | 18,029.00 | - | - | 18,029.00 |
| Financial Institution | 157.49 | - | - | 157.49 | - | - | - | - |
| External commercial borrowing | 1,456.15 | - | - | 1,456.15 | 3,312.83 | - | - | 3,312.83 |
| Bank overdraft | 160.00 | - | - | 160.00 | 49.99 | - | - | 49.99 |
| Loans from related party | 2,691.63 | - | - | 2,691.63 | 4,636.68 | - | - | 4,636.68 |
| Unsecured | | | | | | | | |
| Term loans | | | | | | | | |
| Banks | 1,775.00 | - | - | 1,775.00 | 2,100.00 | - | - | 2,100.00 |
| Bank overdraft | 23.33 | - | - | 23.33 | - | - | - | - |
| Total | 28,666.95 | - | - | 28,666.95 | 31,174.70 | - | - | 31,174.70 |
| Borrowings in India | 27,210.80 | - | - | 27,210.80 | 25,683.12 | - | - | 25,683.12 |
| Borrowings outside India | 1,456.15 | - | - | 1,456.15 | 5,491.58 | - | - | 5,491.58 |
| Total | 28,666.95 | - | - | 28,666.95 | 31,174.70 | - | - | 31,174.70 |

Note 18.1: Refinance from National Housing Bank (NHB):

a) Nature of Security

- (i) All the present and outstanding refinancing from NHB are secured by hypothecation of specific loans/ book debts to the extent of 1.0 to 1.20 times of outstanding amount.
- (ii) During FY 24, the Company has availed ₹3,000.00 crore (previous year ₹ Nil) under "Liberalised Refinance Scheme" ₹2,250.00 crore and Affordable Housing Finance ₹750.00 crore to provide refinance assistance in respect of eligible individual Housing loans.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

b) Terms of Repayment

(₹ in crore)

| Maturities | As at 31 st March 2024 | | | | As at 31 st March 2023 | | | |
|----------------|-----------------------------------|-----------------|-----------------|-----------------|-----------------------------------|-----------------|---------------|---------------|
| | ≤ 1 year | 1 - 3 years | 3 - 5 years | > 5 years | ≤ 1 year | 1 - 3 years | 3 - 5 years | > 5 years |
| 4.00% - 6.00% | 215.85 | 327.26 | 222.39 | 211.82 | 132.46 | 281.46 | - | - |
| 6.01% - 8.00% | - | - | - | - | 418.04 | 821.19 | 400.42 | 155.12 |
| 8.01% - 10.00% | 643.50 | 1,376.13 | 931.57 | 1,161.81 | 123.78 | 330.08 | 308.48 | 75.17 |
| | 859.35 | 1,703.39 | 1,153.96 | 1,373.63 | 674.28 | 1,432.73 | 708.90 | 230.29 |

Note 18.2: Term Loan from Banks and Financial Institutions:

a) Nature of Security

- Term loan from Punjab National Bank (related party) are secured by hypothecation by way of exclusive charge on specific standard book debts of the Company with minimum asset cover of 1.10 times to be maintained at all times.
- Term loans from banks other than Punjab National Bank and financial institution are secured by hypothecation of specific book debts to the extent of 1.0 to 1.12 times of outstanding amount.

b) Terms of Repayment

(₹ in crore)

| Maturities | As at 31 st March 2024 | | | | As at 31 st March 2023 | | | |
|----------------------------|-----------------------------------|-----------------|-----------------|---------------|-----------------------------------|-----------------|-----------------|---------------|
| | ≤ 1 year | 1 - 3 years | 3 - 5 years | > 5 years | ≤ 1 year | 1 - 3 years | 3 - 5 years | > 5 years |
| from related party: | | | | | | | | |
| 7.01% - 9.00% | 551.66 | 569.97 | 370.00 | - | 1,891.30 | 566.63 | - | - |
| from others: | | | | | | | | |
| 4.00% - 7.00% | - | - | - | - | 500.00 | - | - | - |
| 7.01% - 9.00% | 9,138.98 | 8,042.23 | 3,013.97 | 260.70 | 7,570.34 | 6,693.26 | 3,823.27 | 559.55 |
| 9.01% - 9.11% | - | - | - | - | 166.67 | 666.67 | 166.67 | - |
| | 9,690.64 | 8,612.20 | 3,383.97 | 260.70 | 10,128.31 | 7,926.56 | 3,989.94 | 559.55 |

Note 18.3: External Commercial Borrowing:

a) Nature of Security

- The ECB borrowings are secured against eligible housing loans/book debts and are hedged through currency swaps, interest rate swaps and forward contracts as per the applicable RBI guidelines.
- The derivative contracts are initially recognised at fair value on the date of the transaction and all outstanding derivative transactions, on the date of balance sheet, are subsequently measured at fair value on that date. Where cash flow hedge accounting is used, fair value changes of the derivative contracts are recognised through the cash flow hedge reserve (through other comprehensive income) which is reclassified to profit and loss account as the hedged item effects profit and loss. Premium paid / discount received in advance (if any) on the derivative contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts, if such contracts relate to monetary items as at the balance sheet date.
- As at 31st March 2024, the Company has outstanding ECB of USD 175.00 million (equivalent to ₹1,459.04 crore) (31st March 2023 USD 670.00 million (equivalent to ₹5,508.53 crore)). The Company has undertaken cross currency swaps and principal only swaps to hedge the foreign currency risk of the ECB principal. Whereas the Company has entered floating to fixed coupon only swaps to hedge the floating interest and foreign currency risk of the coupon payments. However during the previous year the Company has also entered into interest rate swaps along with forward contracts to hedge the floating interest and foreign currency risk of the coupon payments respectively. All the derivative instruments are purely for hedging the underlying ECB transactions as per applicable RBI guidelines and not for any speculative purpose.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

b) Terms of Repayment

(₹ in crore)

| Maturities | As at 31 st March 2024 | | | | As at 31 st March 2023 | | | |
|----------------------------|-----------------------------------|---------------|-------------|-----------|-----------------------------------|-----------------|-------------|-----------|
| | ≤ 1 year | 1 - 3 years | 3 - 5 years | > 5 years | ≤ 1 year | 1 - 3 years | 3 - 5 years | > 5 years |
| from related party: | | | | | | | | |
| USD LIBOR + 110 - 200 bps | - | - | - | - | 2,178.75 | - | - | - |
| from others: | | | | | | | | |
| SOFR + 140 - 200 bps | 833.74 | 625.30 | - | - | - | - | - | - |
| USD LIBOR + 110 - 200 bps | - | - | - | - | 1,890.98 | 1,438.80 | - | - |
| | 833.74 | 625.30 | - | - | 4,069.73 | 1,438.80 | - | - |

Note 18.4: Bank Overdraft:

a) Nature of Security

Overdraft facilities are secured by hypothecation of specific book debts to the extent of 1.0 to 1.12 times of outstanding amount.

b) Terms of Repayment

(₹ in crore)

| Maturities | As at 31 st March 2024 | | | | As at 31 st March 2023 | | | |
|------------------|-----------------------------------|-------------|-------------|-----------|-----------------------------------|-------------|-------------|-----------|
| | ≤ 1 year | 1 - 3 years | 3 - 5 years | > 5 years | ≤ 1 year | 1 - 3 years | 3 - 5 years | > 5 years |
| Secured | | | | | | | | |
| 7.50% -8.50% | 160.00 | - | - | - | 49.99 | - | - | - |
| Unsecured | | | | | | | | |
| 8.00% -8.50% | 23.33 | - | - | - | - | - | - | - |

Note 18.5: The rate of interest and amount of repayment appearing in note 18.1(b), 18.2(b) and 18.3(b) are as per the term of the respective instruments (i.e. excluding impact of effective interest rate). Further, refer note 44.1, 44.2 and 44.3 for compliance in relation to the utilisation of the borrowed fund and submission of underlying returns/statements.

Note 19: Deposits

(₹ in crore)

| Particulars | As at 31 st March 2024 | | | | As at 31 st March 2023 | | | |
|-----------------------------------|-----------------------------------|--------------------------------------|---|------------------|-----------------------------------|--------------------------------------|---|------------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | Total | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | Total |
| Unsecured | | | | | | | | |
| Deposits | | | | | | | | |
| (i) From public* | 15,677.46 | - | - | 15,677.46 | 15,513.00 | - | - | 15,513.00 |
| (ii) From banks (Refer Note 19.2) | 295.75 | - | - | 295.75 | 325.84 | - | - | 325.84 |
| (iii) From others | 1,784.96 | - | - | 1,784.96 | 1,375.12 | - | - | 1,375.12 |
| Total | 17,758.17 | - | - | 17,758.17 | 17,213.96 | - | - | 17,213.96 |

* Refer note 36.31

Note 19.1: Refer note 44.1, 44.2 and 44.3 for compliance in relation to the utilisation of the borrowed fund and submission of underlying returns/statements.

Note 19.2: Includes amount payable to related party ₹124.38 crore (Previous year ₹114.06 crore).

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 20: Subordinated Liabilities

(₹ in crore)

| Maturities | As at 31 st March 2024 | | | | As at 31 st March 2023 | | | |
|--|-----------------------------------|--------------------------------------|---|---------------|-----------------------------------|--------------------------------------|---|-----------------|
| | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | Total | At amortised cost | At fair value through profit or loss | Designated at fair value through profit or loss | Total |
| Unsecured | | | | | | | | |
| Redeemable non-convertible bonds | 739.49 | - | - | 739.49 | 1,238.35 | - | - | 1,238.35 |
| Total | 739.49 | - | - | 739.49 | 1,238.35 | - | - | 1,238.35 |
| Subordinated liabilities in India | 739.49 | - | - | 739.49 | 1,238.35 | - | - | 1,238.35 |
| Subordinated liabilities outside India | - | - | - | - | - | - | - | - |
| Total | 739.49 | - | - | 739.49 | 1,238.35 | - | - | 1,238.35 |

Note 20.1: Nature of Security and Terms of Repayment:

a) Nature of Security

Redeemable non-convertible subordinated bonds are subordinated debt to present and future senior indebtedness of the Company and based on the balance term to maturity as at 31st March 2024, ₹189.76 crore (31st March 2023 ₹337.70 crore) qualify as Tier II Capital under regulatory guidelines for assessing capital adequacy.

b) Terms of Repayment

(₹ in crore)

| Maturities | As at 31 st March 2024 | | | | As at 31 st March 2023 | | | |
|-------------------------|-----------------------------------|---------------|--------------|-----------|-----------------------------------|---------------|---------------|--------------|
| | ≤ 1 year | 1 - 3 years | 3 - 5 years | > 5 years | ≤ 1 year | 1 - 3 years | 3 - 5 years | > 5 years |
| Rate of interest | | | | | | | | |
| 8.01% - 9.00% | 200.00 | 500.00 | - | - | 499.00 | 410.00 | 290.00 | - |
| 9.01% - 10.00% | - | - | 39.70 | - | - | - | - | 39.70 |
| | 200.00 | 500.00 | 39.70 | - | 499.00 | 410.00 | 290.00 | 39.70 |

Note 20.2: The rate of interest and amount of repayment appearing in note 20.1(b) are as per the term of the debt instruments. (i.e. excluding impact of effective interest rate). Further, refer note 44.1, 44.2 and 44.3 for compliance in relation to the utilisation of the borrowed fund and submission underlying returns/statements.

Note 21: Other Financial Liabilities

(₹ in crore)

| Particulars | As at 31 st March 2024 | As at 31 st March 2023 |
|--|-----------------------------------|-----------------------------------|
| Interest accrued but not due on deposits | 4.33 | 3.72 |
| Interest accrued but not due on borrowings (Refer Note 21.1) | 334.63 | 262.46 |
| Unpaid matured deposits and interest accrued thereon | 40.13 | 29.94 |
| Amount payable under assignments (Refer Note 21.2) | 156.49 | 167.11 |
| Book overdraft | 1,166.61 | 1,117.57 |
| Unpaid dividends | 0.07 | 0.07 |
| Other liabilities | 328.14 | 288.44 |
| Lease liabilities (Refer Note 37) | 132.89 | 74.67 |
| Total | 2,163.29 | 1,943.98 |

Note 21.1: Includes amount payable to related party ₹0.99 crore (previous year ₹2.23 crore).

Note 21.1: Includes amount payable to related party ₹73.39 crore (previous year ₹79.29 crore).

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 22: Provisions

| Particulars | (₹ in crore) | |
|---------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Retirement benefits | 19.78 | 17.39 |
| Total | 19.78 | 17.39 |

Note 23: Other Non-financial Liabilities

| Particulars | (₹ in crore) | |
|---------------------------------|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Advance received from customers | 72.77 | 134.75 |
| Statutory dues Payable | 85.76 | 73.43 |
| Other liabilities | 33.26 | 17.27 |
| Total | 191.79 | 225.45 |

Note 24: Equity Share Capital

| Particulars | (₹ in crore) | |
|--|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Authorised | | |
| 50,00,00,000 equity shares of ₹10/- each (31 st March 2023: 50,00,00,000) | 500.00 | 500.00 |
| | 500.00 | 500.00 |
| Issued, subscribed and paid-up | | |
| 25,97,23,886 equity shares of ₹10/- each fully paid up (31 st March 2023: 16,88,55,818) | 259.72 | 168.86 |
| Total | 259.72 | 168.86 |

Note 24.1: Reconciliation of number of shares outstanding and the amount of share capital at the beginning and end of the year:

| Particulars | As at 31 st March 2024 | | As at 31 st March 2023 | |
|---|-----------------------------------|---------------|-----------------------------------|---------------|
| | No. of shares | ₹ in crore | No. of shares | ₹ in crore |
| At the beginning of the year | 16,88,55,818 | 168.86 | 16,85,98,555 | 168.60 |
| Add: Share allotted pursuant to Rights Issue [^] | 9,06,81,828 | 90.68 | - | - |
| Add: Share allotted pursuant to exercise of stock option | 1,86,240 | 0.18 | 2,57,263 | 0.26 |
| Outstanding at the end of the year | 25,97,23,886 | 259.72 | 16,88,55,818 | 168.86 |

Note 24.2: Detail of equity shareholding of Promoter

| Promoter name | As at 31 st March 2024 | | |
|----------------------|-----------------------------------|-------------------|---------------------------|
| | No. of shares | % of total shares | % Change during the year* |
| Punjab National Bank | 7,30,51,205 | 28.13% | (4.39%) |

| Promoter name | As at 31 st March 2023 | | |
|----------------------|-----------------------------------|-------------------|---------------------------|
| | No. of shares | % of total shares | % Change during the year* |
| Punjab National Bank | 5,49,14,840 | 32.52% | (0.05%) |

*Change during the year on account of Rights Issue and exercise of ESOPs by employees. However, during the previous year change was on account of exercise of ESOPs by employees.

[^]During the year (4th May 2023) the Company has allotted 9,06,81,828 fully paid-up equity shares at a price of ₹275 per equity share (including premium of ₹265/- per equity share) aggregating to ₹2,493.76 crore to the eligible shareholders, as on the record date (5th April 2023). The offer was in the ratio of 29 rights equity shares for every 54 equity shares held by the eligible equity shareholders on the said record date. The expenses in relation to the Rights Issue was ₹37.62 crore (excluding GST). The Rights Issue proceeds are utilised in accordance with the objects of the issue as stated in the offer document.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 24.3: Details of shareholders holding more than 5% of equity shares in the Company:

| Particulars | As at 31 st March 2024 | | As at 31 st March 2023 | |
|---|-----------------------------------|--------------|-----------------------------------|--------------|
| | No. of shares | % of Holding | No. of shares | % of Holding |
| Punjab National Bank | 7,30,51,205 | 28.13 | 5,49,14,840 | 32.52 |
| Quality Investments Holdings Pcc | 8,48,84,311 | 32.68 | 5,41,92,300 | 32.09 |
| Asia Opportunities V (Mauritius) Limited | 2,56,50,006 | 9.88 | - | - |
| Investment Opportunities V Pte. Limited | - | - | 1,66,87,956 | 9.88 |
| General Atlantic Singapore FII Pte. Limited | 2,55,04,424 | 9.82 | 1,65,93,240 | 9.83 |

Note 24.4: Terms / Rights Attached to Equity Shares

The Company has only one class of shares referred to as equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in ₹. Dividend distribution is for all equity shareholders who are eligible for dividend as on record date. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 24.5: The Company has not allotted any share pursuant to contracts without payment being received in cash nor it has issued any bonus shares or bought back any shares, during the period of five years immediately preceding the reporting date.

Note 24.6: The Company has not:

- Issued any securities convertible into equity / preference shares.
- Issued any shares where calls are unpaid.
- Forfeited any shares.

Note 24.7: 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 directives of the regulator. The adequacy of the Company capital is monitored using, among other measures, the regulations issued by NHB & RBI from time to time.

Company has complied in full with all its externally imposed capital requirements.

The primary objectives of the Company capital management policy are to ensure that it complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder's value.

The Company manages its capital structure after taking in to consideration the inherent business risk and the changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return of capital to shareholders or issue capital securities.

No changes have been made to the objectives, policies and processes from the previous years and they are reviewed by the Board of Director's at regular intervals.

Regulatory capital consists of Tier I capital, which includes owned funds comprising share capital, share premium, retained earnings including current year profit and free reserves less cash flow hedge reserve, deferred revenue expenditure and intangible assets. The book value of investment in shares of other non-banking financial companies including housing finance companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate 10% of owned funds will be reduced while arriving at the Tier I capital.

The other component of regulatory capital is Tier II Capital Instruments, which includes non convertible preference shares, revaluation reserve, general provision and loss reserves to the extent of one and one fourth percent of risk weighted asset, hybrid capital instruments and subordinated debts.(Refer Note 36.1)

Notes to Standalone Financial Statements

for the year ended 31st March 2024

(₹ in crore)

| Particulars | As at 31 st March 2024 | As at 31 st March 2023 |
|---|--------------------------------------|--------------------------------------|
| Debt securities | 7,851.93 | 3,994.09 |
| Borrowings (other than debt securities) | 28,666.95 | 31,174.70 |
| Deposits | 17,798.30 | 17,243.90 |
| Subordinated liabilities | 739.49 | 1,238.35 |
| Less: Cash and cash equivalents | (2,141.77) | (3,667.41) |
| Less: Bank balance other than cash and cash equivalents (other than earmarked balances) | (356.27) | (25.09) |
| Net debt | 52,558.63 | 49,958.54 |
| Total equity- Shareholder funds | 14,932.37 | 10,952.57 |
| Net debt to equity ratio | 3.52 | 4.56 |

Note 24.8: Shares reserved for issue under ESOS

(i) Employee Stock Option Scheme and related scheme wise details are as follows:

| Particulars | ESOS - 2016 Tranche I | ESOS - 2016 Tranche II | ESOS - 2016 Tranche III | ESOS - 2016 Tranche IV |
|---------------------------|---|-------------------------------------|---------------------------------------|-------------------------------------|
| Date of grant | 22 nd April 2016 | 30 th August 2017 | 23 rd February 2018 | 27 th July 2018 |
| Number of options granted | 38,07,690 | 4,05,700 | 1,00,000 | 1,36,485 |
| Exercise price per option | ₹338.00 | ₹1600.60 | ₹1206.35 | ₹1333.35 |
| | The vesting will be as under: | | | |
| | 25% on 22 nd April 2017 | 25% on 30 th August 2018 | 20% on 23 rd February 2019 | 25% on 27 th July 2019 |
| | 25% on 22 nd April 2018 | 25% on 30 th August 2019 | 20% on 23 rd February 2020 | 25% on 27 th July 2020 |
| | 25% on 22 nd April 2019 | 25% on 30 th August 2020 | 20% on 23 rd February 2021 | 25% on 27 th July 2021 |
| | 25% on 22 nd April 2020 | 25% on 30 th August 2021 | 20% on 23 rd February 2022 | 25% on 27 th July 2022 |
| | - | - | 20% on 23 rd February 2023 | - |
| Date of vesting | | | | |
| Exercise period | Within 3 years from the date of respective vesting | | | |
| Method of settlement | Through allotment of one equity share for each option granted | | | |
| Vesting conditions | Employee to remain in service on the date of vesting | | | |
| Particulars | ESOS - 2018 Tranche I | ESOS - 2018 Tranche II | ESOS - 2018 Tranche III | ESOS - 2018 Tranche IV |
| Date of grant | 27 th July 2018 | 27 th July 2018 | 19 th March 2019 | 19 th August 2020 |
| Number of options granted | 18,15,000 | 2,35,000 | 1,81,200 | 45,000 |
| Exercise price per option | ₹1333.35 | ₹1333.35 | ₹847.40 | ₹261.15 |
| | The vesting will be as under: | | | |
| | 15% on 27 th July 2020 | 25% on 27 th July 2019 | 25% on 19 th March 2020 | 10% on 19 th August 2021 |
| | 28% on 27 th July 2021 | 25% on 27 th July 2020 | 25% on 19 th March 2021 | 20% on 19 th August 2022 |
| | 28% on 27 th July 2022 | 25% on 27 th July 2021 | 25% on 19 th March 2022 | 30% on 19 th August 2023 |
| | 29% on 27 th July 2023 | 25% on 27 th July 2022 | 25% on 19 th March 2023 | 40% on 19 th August 2024 |
| Date of vesting | | | | |
| Exercise period | Within 3 years from the date of respective vesting | | | |
| Method of settlement | Through allotment of one equity share for each option granted | | | |
| Vesting conditions | Employee to remain in service on the date of vesting | | | |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

| Particulars | ESOS - 2016 Tranche V | ESOS - 2016 Tranche VI | ESOS - Restricted stock units 2020 Tranche I | ESOS - Restricted stock units 2020 Tranche II |
|---------------------------|---|---|---|---|
| Date of grant | 19 th August 2020 | 21 st October 2022 | 15 th February 2021 | 26 th April 2022 |
| Number of options granted | 5,50,000 | 5,75,000 | 2,75,676 | 25,000 |
| Exercise price per option | ₹261.15 | ₹444.05 | ₹10.00 | ₹10.00 |
| | The vesting will be as under: | | | |
| Date of vesting | 10% on 19 th August 2021 | 20% on 21 st October 2023 | 10% on 15 th February 2022 | 10% on 26 th April 2023 |
| | 20% on 19 th August 2022 | 20% on 21 st October 2024 | 20% on 15 th February 2023 | 20% on 26 th April 2024 |
| | 30% on 19 th August 2023 | 30% on 21 st October 2025 | 30% on 15 th February 2024 | 30% on 26 th April 2025 |
| | 40% on 19 th August 2024 | 30% on 21 st October 2026 | 40% on 15 th February 2025 | 40% on 26 th April 2026 |
| Exercise period | Within 3 years from the date of respective vesting | | Within 1 year from the date of respective vesting | |
| Method of settlement | Through allotment of one equity share for each option granted | | Through allotment of one equity share for each option granted | |
| Vesting conditions | Employee to remain in service on the date of vesting | Employee to remain in service on the date of vesting and other applicable performance conditions. | Employee to remain in service on the date of vesting and other applicable performance conditions. | |

| Particulars | ESOS - 2018 Tranche VI | ESOS - 2018 Tranche V | ESOS - 2018 Tranche VII |
|---------------------------|---|---|--|
| Date of grant | 8 th October 2021 | 26 th July 2021 | 28 th October 2021 |
| Number of options granted | 22,000 | 1,00,000 | 75,000 |
| Exercise price per option | ₹644.70 | ₹690.35 | ₹507.20 |
| | The vesting will be as under: | | |
| Date of vesting | 10% on 8 th October 2022 | 10% on 26 th July 2022 | 10% on 28 th October 2022 |
| | 20% on 8 th October 2023 | 20% on 26 th July 2023 | 20% on 28 th October 2023 |
| | 30% on 8 th October 2024 | 30% on 26 th July 2024 | 30% on 28 th October 2024 |
| | 40% on 8 th October 2025 | 40% on 26 th July 2025 | 40% on 28 th October 2025 |
| Exercise period | Within 3 years from the date of respective vesting | | Within 3 years from the date of respective vesting |
| Method of settlement | Through allotment of one equity share for each option granted | Through allotment of one equity share for each option granted | |
| Vesting conditions | Employee to remain in service on the date of vesting | Employee to remain in service on the date of vesting and other applicable performance conditions. | |

| Particulars | ESOS - 2018 Tranche VIII | ESOS - 2018 Tranche IX | ESOS - 2018 Tranche X | ESOS - 2018 Tranche XI |
|---------------------------|---|----------------------------------|------------------------------------|--------------------------------------|
| Date of grant | 10 th December 2021 | 9 th June 2022 | 8 th August 2022 | 27 th October 2022 |
| Number of options granted | 75,000 | 25,000 | 6,78,559 | 2,00,000 |
| Exercise price per option | ₹588.10 | ₹345.20 | ₹345.30 | ₹431.20 |
| | The vesting will be as under: | | | |
| Date of vesting | 10% on 10 th December 2022 | 20% on 9 th June 2023 | 20% on 8 th August 2023 | 20% on 27 th October 2023 |
| | 20% on 10 th December 2023 | 20% on 9 th June 2024 | 20% on 8 th August 2024 | 20% on 27 th October 2024 |
| | 30% on 10 th December 2024 | 30% on 9 th June 2025 | 30% on 8 th August 2025 | 30% on 27 th October 2025 |
| | 40% on 10 th December 2025 | 30% on 9 th June 2026 | 30% on 8 th August 2026 | 30% on 27 th October 2026 |
| Exercise period | Within 3 years from the date of respective vesting | | | |
| Method of settlement | Through allotment of one equity share for each option granted | | | |
| Vesting conditions | Employee to remain in service on the date of vesting and other applicable performance conditions. | | | |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

| Particulars | ESOS - 2018 Tranche XII | ESOS - 2022 Tranche I | ESOS - 2022 Tranche II | ESOS - 2022 Tranche III |
|---------------------------|---|-----------------------------------|------------------------------------|---|
| Date of grant | 13 th April, 2023 | 31 st May, 2023 | 18 th July, 2023 | 25 th September, 2023 |
| Number of options granted | 60,000 | 2,86,500 | 18,000 | 41,000 |
| Exercise price per option | ₹438.85 | ₹483.15 | ₹643.40 | ₹688.15 |
| | The vesting will be as under: | | | |
| | 20% on 13 th April, 2024 | 20% on 31 st May, 2024 | 20% on 18 th July, 2024 | 20% on 25 th September, 2024 |
| Date of vesting | 20% on 13 th April, 2025 | 20% on 31 st May, 2025 | 20% on 18 th July, 2025 | 20% on 25 th September, 2025 |
| | 30% on 13 th April, 2026 | 30% on 31 st May, 2026 | 30% on 18 th July, 2026 | 30% on 25 th September, 2026 |
| | 30% on 13 th April, 2027 | 30% on 31 st May, 2027 | 30% on 18 th July, 2027 | 30% on 25 th September, 2027 |
| Exercise period | Within 3 years from the date of respective vesting | | | |
| Method of settlement | Through allotment of one equity share for each option granted | | | |
| Vesting conditions | Employee to remain in service on the date of vesting and other applicable performance conditions. | | | |

| Particulars | ESOS - 2022 Tranche IV | ESOS - Restricted stock units 2020 Tranche III |
|---------------------------|---|---|
| Date of grant | 16 th December, 2023 | 31 st May, 2023 |
| Number of options granted | 30,000 | 67,500 |
| Exercise price per option | ₹803.40 | ₹10 |
| | The vesting will be as under: | |
| | 20% on 16 th December, 2024 | 20% on 31 st May, 2024 |
| Date of vesting | 20% on 16 th December, 2025 | 20% on 31 st May, 2025 |
| | 30% on 16 th December, 2026 | 30% on 31 st May, 2026 |
| | 30% on 16 th December, 2027 | 30% on 31 st May, 2027 |
| Exercise period | Within 3 years from the date of respective vesting | Within 1 year from the date of respective vesting |
| Method of settlement | Through allotment of one equity share for each option granted | Through allotment of one equity share for each option granted |
| Vesting conditions | Employee to remain in service on the date of vesting and other applicable performance conditions. | Employee to remain in service on the date of vesting and other applicable performance conditions. |

Note: During the previous year the Company has approved Restricted stock unit Scheme 2022 where in maximum number of RSU available for grant in scheme are 8.50 Lakhs. However, no grant has been made under this scheme during previous and current year.

(ii) Employee Stock Option Scheme movement and related weighted average exercise price are as follows:

| Particulars | | As at 31 st March 2024 | | | |
|--|-----------------|-----------------------------------|------------------------|-------------------------|------------------------|
| | | ESOS - 2016 Tranche I | ESOS - 2016 Tranche II | ESOS - 2016 Tranche III | ESOS - 2016 Tranche IV |
| Options outstanding at the beginning of the year | (a) | - | - | - | - |
| Options exercisable at the beginning of the year | (b) | 10,300 | 51,650 | - | 19,114 |
| Options granted during the year | (c) | - | - | - | - |
| Options lapsed / expired during the year | (d) | 4,250 | 29,575 | - | 6,371 |
| Options vested during the year | (e) | - | - | - | - |
| Options exercised during the year | (f) | 6,050 | - | - | - |
| Options forfeited during the year | (g) | - | - | - | - |
| Options outstanding at end of the year | (h) = (a+c-e-g) | - | - | - | - |
| Options exercisable at the end of the year | (i) = (b+e-d-f) | - | 22,075 | - | 12,743 |
| Weighted average exercise price per option (₹) | | 338.00 | 1,600.60 | - | 1,333.35 |
| Weighted average remaining contractual life (year) | | - | 0.05 | - | - |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

| Particulars | As at 31 st March 2024 | | | |
|--|-----------------------------------|---------------------------|----------------------------|---------------------------|
| | ESOS - 2018 Tranche I | ESOS - 2018 Tranche II | ESOS - 2018 Tranche III | ESOS - 2018 Tranche IV |
| Options outstanding at the beginning of the year (a) | 1,39,200 | - | - | 14,000 |
| Options exercisable at the beginning of the year (b) | 3,40,800 | 34,125 | 33,450 | 6,000 |
| Options granted during the year (c) | - | - | - | - |
| Options lapsed / expired during the year (d) | 1,36,575 | 14,375 | 18,450 | - |
| Options vested during the year (e) | 1,31,950 | - | - | 6,000 |
| Options exercised during the year (f) | - | - | - | 12,000 |
| Options forfeited during the year (g) | 7,250 | - | - | - |
| Options outstanding at end of the year (h) = (a+c-e-g) | - | - | - | 8,000 |
| Options exercisable at the end of the year (i) = (b+e-d-f) | 3,36,175 | 19,750 | 15,000 | - |
| Weighted average exercise price per option (₹) | 1,333.35 | 1,333.35 | 847.40 | 261.15 |
| Weighted average remaining contractual life (year) | 0.57 | 0.21 | 0.37 | 1.27 |

| Particulars | As at 31 st March 2024 | | | |
|--|-----------------------------------|---------------------------|--|---|
| | ESOS - 2016 Tranche V | ESOS - 2016 Tranche VI | ESOS - Restricted stock units 2020 Tranche I | ESOS - Restricted stock units 2020 Tranche II |
| Options outstanding at the beginning of the year (a) | - | 5,75,000 | 81,209 | 25,000 |
| Options exercisable at the beginning of the year (b) | - | - | 23,194 | - |
| Options granted during the year (c) | - | - | - | - |
| Options lapsed / expired during the year (d) | - | - | 8,123 | - |
| Options vested during the year (e) | - | 1,15,000 | 23,970 | 2,100 |
| Options exercised during the year (f) | - | - | 26,743 | 2,100 |
| Options forfeited during the year (g) | - | - | 15,249 | 400 |
| Options outstanding at end of the year (h) = (a+c-e-g) | - | 4,60,000 | 41,990 | 22,500 |
| Options exercisable at the end of the year (i) = (b+e-d-f) | - | 1,15,000 | 12,298 | - |
| Weighted average exercise price per option (₹) | - | 444.05 | 10.00 | 10.00 |
| Weighted average remaining contractual life (year) | - | 2.80 | 0.68 | 1.62 |

| Particulars | As at 31 st March 2024 | | | |
|--|-----------------------------------|---------------------------|----------------------------|-----------------------------|
| | ESOS - 2018 Tranche V | ESOS - 2018 Tranche VI | ESOS - 2018 Tranche VII | ESOS - 2018 Tranche VIII |
| Options outstanding at the beginning of the year (a) | 90,000 | - | 13,500 | 67,500 |
| Options exercisable at the beginning of the year (b) | 10,000 | - | 1,500 | 7,500 |
| Options granted during the year (c) | - | - | - | - |
| Options lapsed / expired during the year (d) | 3,000 | - | 450 | 7,500 |
| Options vested during the year (e) | 15,600 | - | 1,680 | 11,700 |
| Options exercised during the year (f) | - | - | 2,730 | - |
| Options forfeited during the year (g) | 4,400 | - | 11,820 | 3,300 |
| Options outstanding at end of the year (h) = (a+c-e-g) | 70,000 | - | - | 52,500 |
| Options exercisable at the end of the year (i) = (b+e-d-f) | 22,600 | - | - | 11,700 |
| Weighted average exercise price per option (₹) | 690.35 | - | 507.20 | 588.10 |
| Weighted average remaining contractual life (year) | 1.97 | - | 2.19 | 2.29 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

| Particulars | As at 31 st March 2024 | | | |
|--|-----------------------------------|--------------------------|---------------------------|----------------------------|
| | ESOS - 2018 Tranche IX | ESOS - 2018 Tranche X | ESOS - 2018 Tranche XI | ESOS - 2018 Tranche XII |
| Options outstanding at the beginning of the year (a) | 25,000 | 5,66,590 | 2,00,000 | - |
| Options exercisable at the beginning of the year (b) | - | - | - | - |
| Options granted during the year (c) | - | - | - | 60,000 |
| Options lapsed / expired during the year (d) | - | - | - | - |
| Options vested during the year (e) | 3,800 | 79,881 | 31,200 | - |
| Options exercised during the year (f) | 3,800 | 60,108 | 31,200 | - |
| Options forfeited during the year (g) | 1,200 | 92,634 | 8,800 | - |
| Options outstanding at end of the year (h) = (a+c-e-g) | 20,000 | 3,94,075 | 1,60,000 | 60,000 |
| Options exercisable at the end of the year (i) = (b+e-d-f) | - | 19,773 | - | - |
| Weighted average exercise price per option (₹) | 345.20 | 345.30 | 431.20 | 438.85 |
| Weighted average remaining contractual life (year) | 2.47 | 2.62 | 2.82 | 3.24 |

| Particulars | As at 31 st March 2024 | | | |
|--|-----------------------------------|---------------------------|----------------------------|---------------------------|
| | ESOS - 2022 Tranche I | ESOS - 2022 Tranche II | ESOS - 2022 Tranche III | ESOS - 2022 Tranche IV |
| Options outstanding at the beginning of the year (a) | - | - | - | - |
| Options exercisable at the beginning of the year (b) | - | - | - | - |
| Options granted during the year (c) | 2,86,500 | 18,000 | 41,000 | 30,000 |
| Options lapsed / expired during the year (d) | - | - | - | - |
| Options vested during the year (e) | - | - | - | - |
| Options exercised during the year (f) | - | - | - | - |
| Options forfeited during the year (g) | 52,500 | - | - | - |
| Options outstanding at end of the year (h) = (a+c-e-g) | 2,34,000 | 18,000 | 41,000 | 30,000 |
| Options exercisable at the end of the year (i) = (b+e-d-f) | - | - | - | - |
| Weighted average exercise price per option (₹) | 483.15 | 643.40 | 688.15 | 803.40 |
| Weighted average remaining contractual life (year) | 3.37 | 3.50 | 3.69 | 3.91 |

| Particulars | As at 31 st March 2024 | |
|--|--|--------|
| | ESOS - Restricted stock units 2020 Tranche III | |
| Options outstanding at the beginning of the year (a) | - | - |
| Options exercisable at the beginning of the year (b) | - | - |
| Options granted during the year (c) | - | 67,500 |
| Options lapsed / expired during the year (d) | - | - |
| Options vested during the year (e) | - | - |
| Options exercised during the year (f) | - | - |
| Options forfeited during the year (g) | - | 9,500 |
| Options outstanding at end of the year (h) = (a+c-e-g) | - | 58,000 |
| Options exercisable at the end of the year (i) = (b+e-d-f) | - | - |
| Weighted average exercise price per option (₹) | - | 10.00 |
| Weighted average remaining contractual life (year) | - | 2.67 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Pursuant to Rights Issue: Employee Stock Option Scheme movement and related weighted average exercise price are as follows:

| Particulars | As at 31 st March 2024 | | | |
|--|-----------------------------------|---------------------------|---------------------------|---------------------------|
| | ESOS - 2016 Tranche I | ESOS - 2016 Tranche II | ESOS - 2016 Tranche IV | ESOS - 2016 Tranche VI |
| Options outstanding at the beginning of the year (a) | - | - | - | - |
| Options exercisable at the beginning of the year (b) | - | - | - | - |
| Options granted during the year (c) | 6,364 | 1,42,428 | 19,334 | 1,67,384 |
| Options lapsed / expired during the year (d) | 31 | 73,974 | 6,443 | - |
| Options vested during the year (e) | 6,364 | 1,34,844 | 19,334 | 33,477 |
| Options exercised during the year (f) | 6,333 | - | - | - |
| Options forfeited during the year (g) | - | 7,584 | - | - |
| Options outstanding at end of the year (h) = (a+c-e-g) | - | - | - | 1,33,907 |
| Options exercisable at the end of the year (i) = (b+e-d-f) | - | 60,870 | 12,891 | 33,477 |
| Weighted average exercise price per option (₹) | - | 1,600.60 | 1,333.35 | 444.05 |
| Weighted average remaining contractual life (year) | - | 0.42 | 0.82 | 4.26 |

| Particulars | As at 31 st March 2024 | | | |
|--|-----------------------------------|---------------------------|----------------------------|---------------------------|
| | ESOS - 2018 Tranche I | ESOS - 2018 Tranche II | ESOS - 2018 Tranche III | ESOS - 2018 Tranche IV |
| Options outstanding at the beginning of the year (a) | - | - | - | - |
| Options exercisable at the beginning of the year (b) | - | - | - | - |
| Options granted during the year (c) | 4,85,563 | 47,790 | 83,301 | 6,129 |
| Options lapsed / expired during the year (d) | 1,29,179 | 20,132 | 45,945 | - |
| Options vested during the year (e) | 4,69,250 | 47,790 | 83,301 | 3,678 |
| Options exercised during the year (f) | - | - | - | 3,678 |
| Options forfeited during the year (g) | 16,312 | - | - | - |
| Options outstanding at end of the year (h) = (a+c-e-g) | 1 | - | - | 2,451 |
| Options exercisable at the end of the year (i) = (b+e-d-f) | 3,40,071 | 27,658 | 37,356 | - |
| Weighted average exercise price per option (₹) | 1,333.35 | 1,333.35 | 847.40 | 261.15 |
| Weighted average remaining contractual life (year) | 1.34 | 0.67 | 1.47 | 3.39 |

| Particulars | As at 31 st March 2024 | | | |
|--|-----------------------------------|----------------------------|-----------------------------|---------------------------|
| | ESOS - 2018 Tranche V | ESOS - 2018 Tranche VII | ESOS - 2018 Tranche VIII | ESOS - 2018 Tranche IX |
| Options outstanding at the beginning of the year (a) | - | - | - | - |
| Options exercisable at the beginning of the year (b) | - | - | - | - |
| Options granted during the year (c) | 39,288 | 5,758 | 25,683 | 6,988 |
| Options lapsed / expired during the year (d) | - | - | - | - |
| Options vested during the year (e) | 8,879 | 1,048 | 4,006 | 1,062 |
| Options exercised during the year (f) | - | 1,048 | - | 1,062 |
| Options forfeited during the year (g) | 2,908 | 4,710 | 3,699 | 336 |
| Options outstanding at end of the year (h) = (a+c-e-g) | 27,501 | - | 17,978 | 5,590 |
| Options exercisable at the end of the year (i) = (b+e-d-f) | 8,879 | - | 4,006 | - |
| Weighted average exercise price per option (₹) | 690.35 | - | 588.10 | 345.20 |
| Weighted average remaining contractual life (year) | 3.43 | - | 3.98 | 4.32 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

| Particulars | As at 31 st March 2024 | | | |
|--|-----------------------------------|---------------------------|---|--|
| | ESOS - 2018 Tranche X | ESOS - 2018 Tranche XI | ESOS - Restricted stock units 2020 Tranche I | ESOS - Restricted stock units 2020 Tranche II |
| Options outstanding at the beginning of the year (a) | - | - | - | - |
| Options exercisable at the beginning of the year (b) | - | - | - | - |
| Options granted during the year (c) | 1,55,876 | 57,560 | 17,872 | 4,274 |
| Options lapsed / expired during the year (d) | - | - | - | - |
| Options vested during the year (e) | 21,964 | 8,979 | 6,722 | 359 |
| Options exercised during the year (f) | 15,217 | 8,979 | 4,833 | 359 |
| Options forfeited during the year (g) | 25,495 | 2,533 | 4,021 | 68 |
| Options outstanding at end of the year (h) = (a+c-e-g) | 1,08,417 | 46,048 | 7,129 | 3,847 |
| Options exercisable at the end of the year (i) = (b+e-d-f) | 6,747 | - | 1,889 | - |
| Weighted average exercise price per option (₹) | 345.30 | 431.20 | 10.00 | 10.00 |
| Weighted average remaining contractual life (year) | 4.36 | 4.70 | 1.68 | 2.29 |

Employee Stock Option Scheme movement and related weighted average exercise price are as follows:

| Particulars | As at 31 st March 2023 | | | |
|--|-----------------------------------|---------------------------|----------------------------|---------------------------|
| | ESOS - 2016 Tranche I | ESOS - 2016 Tranche II | ESOS - 2016 Tranche III | ESOS - 2016 Tranche IV |
| Options outstanding at the beginning of the year (a) | - | - | - | 7,872 |
| Options exercisable at the beginning of the year (b) | 1,14,871 | 1,12,025 | - | 36,113 |
| Options granted during the year (c) | - | - | - | - |
| Options lapsed / expired during the year (d) | 24,999 | 60,375 | - | 24,871 |
| Options vested during the year (e) | - | - | - | 7,872 |
| Options exercised during the year (f) | 79,572 | - | - | - |
| Options forfeited during the year (g) | - | - | - | - |
| Options outstanding at end of the year (h) = (a+c-e-g) | - | - | - | - |
| Options exercisable at the end of the year (i) = (b+e-d-f) | 10,300 | 51,650 | - | 19,114 |
| Weighted average exercise price per option (₹) | 338.00 | 1,600.60 | - | 1,333.35 |
| Weighted average remaining contractual life (year) | 0.01 | 0.23 | - | 0.04 |

| Particulars | As at 31 st March 2023 | | | |
|--|-----------------------------------|---------------------------|----------------------------|---------------------------|
| | ESOS - 2018 Tranche I | ESOS - 2018 Tranche II | ESOS - 2018 Tranche III | ESOS - 2018 Tranche IV |
| Options outstanding at the beginning of the year (a) | 3,23,759 | 14,875 | 23,375 | 40,500 |
| Options exercisable at the beginning of the year (b) | 3,32,456 | 60,375 | 70,125 | 2,000 |
| Options granted during the year (c) | - | - | - | - |
| Options lapsed / expired during the year (d) | 1,42,575 | 40,375 | 47,825 | 5,000 |
| Options vested during the year (e) | 1,50,919 | 14,125 | 11,150 | 9,000 |
| Options exercised during the year (f) | - | - | - | - |
| Options forfeited during the year (g) | 33,640 | 750 | 12,225 | 17,500 |
| Options outstanding at end of the year (h) = (a+c-e-g) | 1,39,200 | - | - | 14,000 |
| Options exercisable at the end of the year (i) = (b+e-d-f) | 3,40,800 | 34,125 | 33,450 | 6,000 |
| Weighted average exercise price per option (₹) | 1,333.35 | 1,333.35 | 847.40 | 261.15 |
| Weighted average remaining contractual life (year) | 1.06 | 0.50 | 0.74 | 2.03 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

| Particulars | | As at 31 st March 2023 | | | |
|--|-----------------|-----------------------------------|---------------------------|---|--|
| | | ESOS - 2016 Tranche V | ESOS - 2016 Tranche VI | ESOS - Restricted stock units 2020 Tranche I | ESOS - Restricted stock units 2020 Tranche II |
| Options outstanding at the beginning of the year | (a) | 4,95,000 | - | 1,42,367 | - |
| Options exercisable at the beginning of the year | (b) | 55,000 | - | 14,204 | - |
| Options granted during the year | (c) | - | 5,75,000 | - | 25,000 |
| Options lapsed / expired during the year | (d) | - | - | 1,513 | - |
| Options vested during the year | (e) | 1,10,000 | - | 23,194 | - |
| Options exercised during the year | (f) | 1,65,000 | - | 12,691 | - |
| Options forfeited during the year | (g) | 3,85,000 | - | 37,964 | - |
| Options outstanding at end of the year | (h) = (a+c-e-g) | - | 5,75,000 | 81,209 | 25,000 |
| Options exercisable at the end of the year | (i) = (b+e-d-f) | - | - | 23,194 | - |
| Weighted average exercise price per option (₹) | | 261.15 | 444.05 | 10.00 | 10.00 |
| Weighted average remaining contractual life (year) | | 2.03 | 3.76 | 1.46 | 2.57 |

| Particulars | | As at 31 st March 2023 | | | |
|--|-----------------|-----------------------------------|---------------------------|----------------------------|-----------------------------|
| | | ESOS - 2018 Tranche V | ESOS - 2018 Tranche VI | ESOS - 2018 Tranche VII | ESOS - 2018 Tranche VIII |
| Options outstanding at the beginning of the year | (a) | 1,00,000 | 22,000 | 75,000 | 75,000 |
| Options exercisable at the beginning of the year | (b) | - | - | - | - |
| Options granted during the year | (c) | - | - | - | - |
| Options lapsed / expired during the year | (d) | - | - | 1,000 | - |
| Options vested during the year | (e) | 10,000 | - | 2,500 | 7,500 |
| Options exercised during the year | (f) | - | - | - | - |
| Options forfeited during the year | (g) | - | 22,000 | 59,000 | - |
| Options outstanding at end of the year | (h) = (a+c-e-g) | 90,000 | - | 13,500 | 67,500 |
| Options exercisable at the end of the year | (i) = (b+e-d-f) | 10,000 | - | 1,500 | 7,500 |
| Weighted average exercise price per option (₹) | | 690.35 | 644.70 | 507.20 | 588.10 |
| Weighted average remaining contractual life (year) | | 2.86 | 3.05 | 3.10 | 3.21 |

| Particulars | | As at 31 st March 2023 | | |
|--|-----------------|-----------------------------------|--------------------------|---------------------------|
| | | ESOS - 2018 Tranche IX | ESOS - 2018 Tranche X | ESOS - 2018 Tranche XI |
| Options outstanding at the beginning of the year | (a) | - | - | - |
| Options exercisable at the beginning of the year | (b) | - | - | - |
| Options granted during the year | (c) | 25,000 | 6,78,559 | 2,00,000 |
| Options lapsed / expired during the year | (d) | - | - | - |
| Options vested during the year | (e) | - | - | - |
| Options exercised during the year | (f) | - | - | - |
| Options forfeited during the year | (g) | - | 1,11,969 | - |
| Options outstanding at end of the year | (h) = (a+c-e-g) | 25,000 | 5,66,590 | 2,00,000 |
| Options exercisable at the end of the year | (i) = (b+e-d-f) | - | - | - |
| Weighted average exercise price per option (₹) | | 345.20 | 345.30 | 431.20 |
| Weighted average remaining contractual life (year) | | 3.40 | 3.56 | 3.78 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

For the year ended 31st March, 2024

ESOS - 2016 Tranche I: Weighted average share price at the date of the exercise of the stock option is ₹571.88
 ESOS - 2018 Tranche IV: Weighted average share price at the date of the exercise of the stock option is ₹656.39
 ESOS - 2018 Tranche VII: Weighted average share price at the date of the exercise of the stock option is ₹782.90
 ESOS - 2018 Tranche IX: Weighted average share price at the date of the exercise of the stock option is ₹778.40
 ESOS - 2018 Tranche X: Weighted average share price at the date of the exercise of the stock option is ₹698.67
 ESOS - 2018 Tranche XI: Weighted average share price at the date of the exercise of the stock option is ₹796.05
 ESOS - Restricted stock units 2020 Tranche I: Weighted average share price at the date of the exercise of the stock option is ₹694.70
 ESOS - Restricted stock units 2020 Tranche II: Weighted average share price at the date of the exercise of the stock option is ₹730.58

For the year ended 31st March, 2023

ESOS - 2016 Tranche I: Weighted average share price at the date of the exercise of the stock option is ₹520.28
 ESOS - 2016 Tranche V: Weighted average share price at the date of the exercise of the stock option is ₹433.53
 ESOS - Restricted stock units 2020 Tranche I: Weighted average share price at the date of the exercise of the stock option is ₹395.86

(iii) Black-Scholes Model has been used to derive the fair value of the stock option granted, taking into account the terms and conditions upon which the share options were granted. The fair value of each stock options and the related parameters considered for the same are:

| Particulars | ESOS - 2016 Tranche I | ESOS - 2016 Tranche II | ESOS - 2016 Tranche III | ESOS - 2016 Tranche IV |
|-------------------------------------|--------------------------|---------------------------|----------------------------|---------------------------|
| Estimated value of stock option (₹) | 111.71 | 546.15 | 487.10 | 511.64 |
| Share price at grant date (₹) | 338.00 | 1,600.60 | 1,206.35 | 1,333.35 |
| Exercise price (₹) | 338.00 | 1,600.60 | 1,206.35 | 1,333.35 |
| Expected volatility (%)* | 0.4065 | 0.4097 | 0.3560 | 0.3560 |
| Dividend yield rate (%) | 1.24 | 0.31 | 0.39 | 0.55 |
| Expected life of options** (year) | 3.00 | 3.00 | 4.50 | 4.00 |
| Risk free rate of interest (%) | 7.23 | 6.30 | 7.43 | 7.79 |

| Particulars | ESOS - 2018 Tranche I | ESOS - 2018 Tranche II | ESOS - 2018 Tranche III | ESOS - 2018 Tranche IV |
|-------------------------------------|--------------------------|---------------------------|----------------------------|---------------------------|
| Estimated value of stock option (₹) | 593.17 | 511.64 | 321.87 | 120.56 |
| Share price at grant date (₹) | 1,333.35 | 1,333.35 | 847.40 | 261.15 |
| Exercise price (₹) | 1,333.35 | 1,333.35 | 847.40 | 261.15 |
| Expected volatility (%)* | 0.3560 | 0.3560 | 0.4102 | 0.4834 |
| Dividend yield rate (%) | 0.53 | 0.55 | 1.06 | - |
| Expected life of options** (year) | 5.21 | 4.00 | 4.00 | 4.50 |
| Risk free rate of interest (%) | 7.90 | 7.79 | 6.97 | 5.06 |

| Particulars | ESOS - 2016 Tranche V | ESOS - 2016 Tranche VI | ESOS - Restricted stock units 2020 Tranche I | ESOS - Restricted stock units 2020 Tranche II |
|-------------------------------------|--------------------------|---------------------------|--|---|
| Estimated value of stock option (₹) | 120.56 | 214.75 | 348.04 | 380.13 |
| Share price at grant date (₹) | 261.15 | 444.05 | 356.40 | 388.20 |
| Exercise price (₹) | 261.15 | 444.05 | 10.00 | 10.00 |
| Expected volatility (%)* | 0.48 | 50.64 | 0.49 | 52.01 |
| Dividend yield rate (%) | - | - | - | - |
| Expected life of options** (year) | 4.50 | 4.21 | 3.50 | 3.50 |
| Risk free rate of interest (%) | 5.06 | 7.26 | 5.10 | 6.07 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

| Particulars | ESOS - 2018 Tranche V | ESOS - 2018 Tranche VI | ESOS - 2018 Tranche VII | ESOS - 2018 Tranche VIII |
|-------------------------------------|--------------------------|---------------------------|----------------------------|-----------------------------|
| Estimated value of stock option (₹) | 332.79 | 308.88 | 243.69 | 282.65 |
| Share price at grant date (₹) | 690.35 | 644.70 | 507.20 | 588.10 |
| Exercise price (₹) | 690.35 | 644.70 | 507.20 | 588.10 |
| Expected volatility (%)* | 0.5106 | 0.5077 | 0.5091 | 0.5104 |
| Dividend yield rate (%) | - | - | - | - |
| Expected life of options** (year) | 4.50 | 4.50 | 4.50 | 4.50 |
| Risk free rate of interest (%) | 5.28 | 5.20 | 5.24 | 5.19 |

| Particulars | ESOS - 2018 Tranche IX | ESOS - 2018 Tranche X | ESOS - 2018 Tranche XI | ESOS - 2018 Tranche XII |
|-------------------------------------|---------------------------|--------------------------|---------------------------|----------------------------|
| Estimated value of stock option (₹) | 166.72 | 166.16 | 208.11 | 214.71 |
| Share price at grant date (₹) | 345.20 | 345.30 | 431.20 | 438.85 |
| Exercise price (₹) | 345.20 | 345.30 | 431.20 | 438.85 |
| Expected volatility (%)* | 51.30 | 51.03 | 50.65 | 52.25 |
| Dividend yield rate (%) | - | - | - | - |
| Expected life of options** (year) | 4.21 | 4.21 | 4.21 | 4.21 |
| Risk free rate of interest (%) | 6.94 | 6.92 | 7.19 | 6.97 |

| Particulars | ESOS - 2022 Tranche I | ESOS - 2022 Tranche II | ESOS - 2022 Tranche III | ESOS - 2022 Tranche IV |
|-------------------------------------|--------------------------|---------------------------|----------------------------|---------------------------|
| Estimated value of stock option (₹) | 233.39 | 311.81 | 332.51 | 373.48 |
| Share price at grant date (₹) | 483.15 | 643.40 | 688.15 | 803.40 |
| Exercise price (₹) | 483.15 | 643.40 | 688.15 | 803.40 |
| Expected volatility (%)* | 51.56 | 51.62 | 51.00 | 47.82 |
| Dividend yield rate (%) | - | - | - | - |
| Expected life of options** (year) | 4.21 | 4.21 | 4.21 | 4.21 |
| Risk free rate of interest (%) | 6.81 | 6.90 | 7.06 | 7.03 |

| Particulars | ESOS - Restricted stock units 2020 Tranche III |
|-------------------------------------|--|
| Estimated value of stock option (₹) | 475.08 |
| Share price at grant date (₹) | 483.15 |
| Exercise price (₹) | 10.00 |
| Expected volatility (%)* | 51.25 |
| Dividend yield rate (%) | - |
| Expected life of options** (year) | 3.20 |
| Risk free rate of interest (%) | 6.78 |

*Expected volatility has been computed basis the expected life.

**Expected life of the share option is based on the date of grant and is not necessarily indicative of exercise pattern that may occur.

(iv) The expenses recognised for the employee services received during the year are as follows:

| Particulars | (₹ in crore) | |
|--|--------------|---------------|
| | Current Year | Previous Year |
| Expenses arising from equity settled share based payment transaction | 14.46 | 11.95 |
| Expenses arising from cash settled share based payment transaction | - | - |
| Total | 14.46 | 11.95 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 24.9: Dividend Declared and Paid

| Particulars | Net profit for the accounting period (₹ in crore) | Rate of dividend (per cent) | Amount of dividend | Dividend pay out ratio (per cent) |
|-------------------------|--|--------------------------------|--------------------|-----------------------------------|
| April 2023 - March 2024 | 1,527.42 | - | - | - |
| April 2022 - March 2023 | 1,056.27 | - | - | - |

Dividend paid during the financial year:

| Particulars | (₹ in crore) | |
|--|--------------|---------------|
| | Current Year | Previous Year |
| Dividend on ordinary shares: | | |
| Final dividend for 2024: ₹ Nil per share | - | - |
| Final dividend for 2023: ₹ Nil per share | - | - |
| Total | - | - |

Note 25: Other Equity (Nature and Purpose of Reserves)

Share Application Money

Share application money pending allotment whereby the amount has been received on the application, of which allotment is not yet made.

Securities Premium

Securities premium includes:

- amount of premium received on issue of equity shares and;
- fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Employee Stock Options Scheme.

The securities premium can be utilised only for limited purposes such as issuance of bonus shares, issue expenses of securities which qualify as equity instruments in accordance with the provisions of the Companies Act, 2013.

Special Reserve and Statutory Reserve

In accordance with Section 29C(i) of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profit every year to a reserve fund (statutory reserve) before any dividend is declared.

The Company has created a special reserve in terms of clause (viii) of sub-section (1) of section 36 of the Income-tax Act, 1961 and the same is considered to be an eligible transfer for the purposes of section 29C (i).

Share Option Outstanding Account

The cost of equity settled transactions is determined by the fair value at the date when the grant is made using the Black-Scholes Model. The cumulative expense recognised for equity settled transaction is credited to share option outstanding account in equity.

Retained Earnings

Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.

Effective Portion of Cash Flow Hedges

The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts, cross currency swaps and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss (e.g. interest payments).

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 26: Interest Income

(₹ in crore)

| Particulars | Current Year | | | Previous Year | | |
|--|--|---|-----------------|--|---|-----------------|
| | On financial assets measured at Amortised cost | Interest income on financial assets classified as fair value through profit or loss | Total | On financial assets measured at Amortised cost | Interest income on financial assets classified as fair value through profit or loss | Total |
| Loans | 6,215.63 | - | 6,215.63 | 5,816.41 | - | 5,816.41 |
| Investments | | | | | | |
| Financial investments - Debt | 173.82 | - | 173.82 | 169.82 | - | 169.82 |
| Financial asset valued at fair value through profit and loss | - | 175.03 | 175.03 | - | 81.22 | 81.22 |
| Deposits with banks | 136.84 | - | 136.84 | 101.95 | - | 101.95 |
| Other Interest income | | | | | | |
| Loan against deposits | 4.92 | - | 4.92 | 3.51 | - | 3.51 |
| Total | 6,531.21 | 175.03 | 6,706.24 | 6,091.69 | 81.22 | 6,172.91 |

Note 27: Fees and Commission Income

(₹ in crore)

| Particulars | Current Year | Previous Year |
|--|---------------|---------------|
| Fees income | 41.21 | 135.65 |
| Fees income on corporate insurance agency (Note 27.1) | 141.58 | - |
| Other charges recovered | 90.10 | 137.38 |
| Total | 272.89 | 273.03 |
| Geographical markets | | |
| India | 272.89 | 273.03 |
| Outside India | - | - |
| Total | 272.89 | 273.03 |
| Timing of revenue recognition | | |
| Services transferred at a point in time | 272.89 | 273.03 |
| Services transferred over time | - | - |
| Total | 272.89 | 273.03 |
| Contract Assets | | |
| Fees and other receivables (net of impairment allowance) | 56.17 | 2.50 |
| Contract Liabilities | | |
| Advance received from customers | 3.58 | - |

Note 27.1 During the year, the Company has obtained certificate of registration to act as corporate agent (composite) from Insurance Regulatory and Development Authority of India ("IRDAI").

Note 28: Net Gain on Fair Value Changes

(₹ in crore)

| Particulars | Current Year | Previous Year |
|--|--------------|---------------|
| Net gain on financial instruments at fair value through profit or loss | | |
| Others | | |
| - Investments | 34.61 | 33.71 |
| Total | 34.61 | 33.71 |
| Fair value changes: | | |
| - Realised | 18.46 | 44.64 |
| - Unrealised | 16.15 | (10.93) |
| Total | 34.61 | 33.71 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 29: Finance Costs

(₹ in crore)

| Particulars | Current Year | | | Previous Year | | |
|--------------------------------------|--|---|-----------------|--|---|-----------------|
| | On financial liabilities measured at fair value through Profit or loss | On financial liabilities measured at Amortised cost | Total | On financial liabilities measured at fair value through Profit or loss | On financial liabilities measured at Amortised cost | Total |
| Interest on debt securities | - | 516.70 | 516.70 | - | 395.68 | 395.68 |
| Interest on borrowings | - | 2,328.80 | 2,328.80 | - | 2,051.22 | 2,051.22 |
| Interest on deposits | - | 1,322.20 | 1,322.20 | - | 1,316.46 | 1,316.46 |
| Interest on subordinated liabilities | - | 76.96 | 76.96 | - | 119.25 | 119.25 |
| Interest on lease liabilities | - | 7.22 | 7.22 | - | 6.17 | 6.17 |
| Interest on Income tax | - | 0.02 | 0.02 | - | 0.05 | 0.05 |
| Fee and other charges | - | 10.52 | 10.52 | - | 10.75 | 10.75 |
| Total | - | 4,262.42 | 4,262.42 | - | 3,899.58 | 3,899.58 |

Note 30: Impairment on Financial Instruments and Write Offs

(₹ in crore)

| Particulars | Current Year | | | Previous Year | | |
|-----------------------------|---|---|---------------|---|---|---------------|
| | On financial instruments measured at fair value through OCI | On financial instruments measured at Amortised cost | Total | On financial instruments measured at fair value through OCI | On financial instruments measured at Amortised cost | Total |
| Loans | - | (183.27) | (183.27) | - | (1,126.10) | (1,126.10) |
| Bad debts written off (net) | - | 353.61 | 353.61 | - | 1,738.20 | 1,738.20 |
| Investments | - | - | - | - | 78.55 | 78.55 |
| Other receivables | - | 0.56 | 0.56 | - | 0.59 | 0.59 |
| Trade receivables | - | 0.11 | 0.11 | - | - | - |
| Total | - | 171.01 | 171.01 | - | 691.24 | 691.24 |

Note 31: Employee Benefits Expenses

(₹ in crore)

| Particulars | Current Year | Previous Year |
|---|---------------|---------------|
| Salaries, allowances and benefits | 231.42 | 188.32 |
| Contribution to provident and other funds | 13.57 | 10.41 |
| Share based payments to employees | 14.46 | 11.95 |
| Staff welfare expenses | 4.68 | 3.66 |
| Total | 264.13 | 214.34 |

Note 32: Other Expenses

(₹ in crore)

| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| Rent expenses | 4.36 | 2.06 |
| Rates and taxes | 0.26 | 0.26 |
| Electricity and water expenses | 9.33 | 8.71 |
| Repairs and maintenance | 26.22 | 24.51 |
| Office running and maintenance expenses | 38.25 | 29.26 |
| Business support services | 47.86 | 30.13 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

(₹ in crore)

| Particulars | Current Year | Previous Year |
|--|---------------|---------------|
| Legal and professional charges | 62.90 | 53.66 |
| Royalty Fee | 29.66 | - |
| Advertisement and publicity | 14.17 | 11.34 |
| Corporate social responsibility expenses (Refer Note 32.1) | 22.69 | 17.80 |
| Communication costs | 11.19 | 7.93 |
| Travelling and conveyance | 11.95 | 8.69 |
| Printing and stationery | 4.48 | 5.38 |
| Training and recruitment expenses | 2.90 | 6.70 |
| Director's fees, allowances and expenses | 3.10 | 2.92 |
| Auditor's fees and expenses (Refer Note 32.2) | 1.08 | 0.99 |
| Insurance | 0.60 | 0.66 |
| Bank charges | 1.92 | 1.44 |
| Net loss on derecognition of property, plant and equipment | 0.25 | 0.19 |
| Impairment on assets held for sale | - | 47.65 |
| Total | 293.17 | 260.28 |

Note 32.1: Corporate Social Responsibility Expense (CSR)

As per section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules 2021 as amended, the Company is required to spend for CSR activities in accordance with its CSR policy. The details of the CSR expenses for the year are as under:

(₹ in crore)

| Particulars | Current Year | Previous Year |
|--|--------------------|--------------------|
| a) Gross amount required to be spent by the Company during the year | 22.69 | 17.80 |
| b) Amount spent during the year | | |
| i) Construction/acquisition of any asset | - | - |
| ii) On purposes other than (i) above | | |
| - Contribution to various Trust/NGOs/Societies/Agencies and utilisation thereon | 16.70 | 10.85 |
| - Expenditure on administrative overheads for CSR^ | 0.89 | - |
| - Expenditure on Impact Assessment study | 0.21 | - |
| Total | 17.80 | 11.39 |
| c) Shortfall at the end of year | 4.89 | 6.41 |
| d) Total of previous years shortfall | 0.42 | - |
| e) Reason for shortfall | Refer note 32.1(i) | Refer note 32.1(i) |
| f) Details of related party transactions, contribution to a trust controlled by the company in relation to CSR expenditure trust | | |
| - Pehel Foundation | 22.64 | 10.85 |
| g) Nature of CSR activities | | |
| Nature of CSR activities undertaken by the Company are in relation to: | | |
| - Healthcare | 16.28 | 2.42 |
| - Education | 2.33 | 1.64 |
| - Women Empowerment | 1.96 | 2.84 |
| - Environmental Sustainability | 2.07 | 3.95 |
| - Others | 0.05 | - |
| h) CSR amount spent or unspent for the financial year | | |
| - Total Amount Spent for the Financial Year | 17.80 | 11.39 |
| - Total Amount transferred to Unspent CSR Account as per section 135(6)* | - | 6.41 |
| - Amount transferred to Unspent Corporate Social Responsibility Account with in specified period | Yes | Yes |
| - Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | - | - |

*Unspent CSR amount for the year ended 31st March, 2024 will be transferred to Unspent CSR Account as per section 135(6) defined under CSR rules.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 32.1 (i): For optimal and proper utilization of the CSR funds, projects have been designed as an ongoing multi year projects for effective and long term impact. Accordingly, funds for the same projects will be utilised as planned from unspent account in the subsequent financial years.

^The administrative overheads considered on the actual CSR amount spent and not on unspent account.

Note 32.2: Auditor's Fees and Expenses*

| Particulars | (₹ in crore) | |
|---|--------------|---------------|
| | Current Year | Previous Year |
| Statutory audit fee | 0.45 | 0.39 |
| Tax audit fee | 0.08 | 0.07 |
| Limited review fee | 0.32 | 0.28 |
| Other certification fee | 0.12 | 0.14 |
| Out of pocket expenses | 0.03 | 0.03 |
| GST expenses on Auditor's fees and expenses | 0.08 | 0.08 |
| Total | 1.08 | 0.99 |

*Excluding fees in relation to the Rights Issue related services by the statutory auditor's amounting to ₹ Nil crore excluding applicable taxes (Previous year ₹0.65 crore).

Note 33: Income Taxes

The components of income tax expense are:

| Particulars | (₹ in crore) | |
|--|---------------|---------------|
| | Current Year | Previous Year |
| Current tax | 421.01 | 83.35 |
| Adjustments in respect of current income tax of prior years | (0.12) | 0.03 |
| Deferred tax relating to origination and reversal of temporary differences | 23.37 | 227.16 |
| Total | 444.26 | 310.54 |
| Current tax | 420.89 | 83.38 |
| Deferred tax (Refer Note 10) | 23.37 | 227.16 |

Note 33.1: Reconciliation of tax expense and the accounting profit multiplied by statutory income tax rate for the year ended 31st March 2024 and 31st March 2023 is as follows:

| Particulars | | (₹ in crore) | |
|---|----------------------|---------------|---------------|
| | | Current Year | Previous Year |
| Accounting profit before tax | (a) | 1,971.68 | 1,366.81 |
| Statutory income tax rate (%) | (b) | 25.168 | 25.168 |
| Tax at statutory income tax rate | (c) = (a*b) | 496.23 | 344.00 |
| Adjustments in respect of current income tax of prior years | (d) | (0.12) | 0.03 |
| Impact of: | | | |
| - Income not subject to tax | (e) | 27.15 | (38.33) |
| - Non deductible expenses | (f) | (44.31) | (211.21) |
| - Deduction under section 36 (1) (viii) | (g) | (58.05) | (11.10) |
| - Other deductions | (h) | (0.01) | (0.01) |
| Total current tax expense | (c+d+e+f+g+h) | 420.89 | 83.38 |
| Effective tax rate (%) | | 22.53 | 22.72 |
| Other comprehensive income | | | |
| Tax expense on re-measurement gains/ (losses) on defined benefit plan | | 0.22 | 0.33 |
| Total tax on other comprehensive income | | 0.22 | 0.33 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 34: Earning per share

i) The Earnings Per Share (EPS) is calculated as follows:

| Particulars | Unit | Current Year | Previous Year |
|---|--------------|--------------|---------------|
| a) Amount used as the numerator for basic EPS profit for the year | (₹ in crore) | 1,527.42 | 1,056.27 |
| b) Weighted average number of equity shares for basic EPS | Number | 25,83,67,514 | 19,65,82,728 |
| c) Weighted average number of equity shares for diluted EPS | Number | 25,91,30,272 | 19,67,47,791 |
| d) Nominal value per share | (in ₹) | 10/- | 10/- |
| e) Earnings per share: | | | |
| - Basic (a/b) | (in ₹) | 59.12 | 53.73 |
| - Diluted (a/c) | (in ₹) | 58.94 | 53.69 |

ii) The basic earnings per share has been computed by dividing the net profit after tax attributable to equity share holders of the Company by the weighted average number of equity shares outstanding during the year. The diluted earnings per share has been computed by dividing the net profit after tax attributable to equity share holders of the Company by the weighted average number of equity shares considered for deriving basic earning per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Diluted potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. Diluted potential equity shares are determined independently for each period presented. Diluted earnings per share does not include conversion or exercise of potential ordinary shares that would have an antidilutive effect on earnings per share.

Reconciliation of equity shares used in computation of basic and diluted earning per equity share is as follows:-

| Particulars | (₹ in crore) | |
|---|---|---|
| | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
| Weighted average number of equity shares at the beginning of the year | 16,88,55,818 | 16,85,98,555 |
| Weighted average number of equity shares issued during the year | 8,95,11,696 | 81,371 |
| Bonus share adjustment for Rights Issue during the year* | - | 2,79,02,802 |
| Weighted average number of equity shares for computation of basic earnings per share | 25,83,67,514 | 19,65,82,728 |
| Effect of dilutive equity shares - share option outstanding | 7,62,758 | 1,65,063 |
| Weighted average number of equity shares for computation of dilutive earnings per share | 25,91,30,272 | 19,67,47,791 |

*The EPS has been adjusted retrospectively for the bonus element in respect of Rights Issue of the company.

Note 35: Fund raising by issuance of debt securities

As per SEBI master circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated 7th July 2023, PNB Housing Finance Limited being Large Corporate during Financial year 2021-22, 2022-23 and 2023-24 was required to borrow at least 25% of its incremental borrowing by way of issuance of debt securities.

The incremental and actual borrowing is as follows:

| Particulars | (₹ in crore) | | |
|--|---------------------------|---------------------------|---------------------------|
| | Financial Year 2023-24 | Financial Year 2022-23 | Financial Year 2021-22 |
| Incremental Borrowing in Financial Year* (a) | 16,504.90 | 15,439.30 | 12,472.80 |
| Mandatory Borrowing through debt securities [25% of (a)] | 4,126.20 | 3,859.80 | 3,118.20 |
| Actual borrowing done through debt securities | 1,451.00 | 150.00 | 455.00 |

*As defined in master circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated 7th July 2023 (Erstwhile Criteria)

The company being an HFC raises funds from multiple sources viz., bank borrowings, deposits, National Housing Bank (NHB), External Commercial Borrowings (ECBs), debt markets, etc. In the last few years with rising interest rates, the borrowing from the debt market was costlier than the other long-term sources. Therefore, the Company's actual borrowing through debt securities was lower primarily due to higher cost of borrowing.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

As per SEBI circular SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/172 dated October 19, 2023, which is effective from April 01, 2024, the framework for funds raising by issuance of debt securities by large corporates has been revised from Financial Year 2024-25 onwards. As per the new framework, the requirement of mandatory qualified borrowing by an LC in a FY (not less than 25% of the qualified borrowings) shall be met over a contiguous block of three years i.e., by March 31, 2027.

Given that various rating agencies have upgraded Company's credit rating from AA with "Negative" outlook in Financial Year 2022-23 to AA+ with "Stable" outlook in Financial Year 2023-24, The Company shall raise funds through debt securities and meet the mandatory requirement of raising funds through debt securities.

Note 36: Disclosure as per regulatory guidelines

The Company has been classified as Upper Layer entity under Scale Based Regulations issued by Reserve Bank of India.

The following additional disclosures have been given in compliance with:

- (i) Master Direction – Non-Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021 ("RBI directions") issued by RBI vide notification number RBI/2020-21/73/DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated 17th February 2021; and
- (ii) Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("RBI directions") issued by RBI vide notification number RBI/DoR/2023-24/106/DoR.FIN.REC.No.45/03.10.119/2023-24 dated 19th October 2023.

Note 36.1: Capital to Risk Assets Ratio (CRAR)

| Particulars | As at 31 st March 2024 | As at 31 st March 2023 |
|--|--------------------------------------|--------------------------------------|
| i) CRAR (%) [^] | 29.26 | 24.43 |
| ii) CRAR – Tier I Capital (%) | 27.90 | 22.40 |
| iii) CRAR – Tier II Capital (%) | 1.36 | 2.03 |
| (iv) Amount of subordinated debt raised as Tier-II Capital | - | - |
| (v) Amount raised by issue of Perpetual Debt Instruments | - | - |

[^]The CAR or the CRAR is computed by dividing the total capital fund of the Company with aggregated risk-weighted assets/exposure.

Note 36.2: Reserve Fund u/s 29C of NHB Act, 1987

| Particulars | ₹ in crore) | |
|--|-----------------|-----------------|
| | Current Year | Previous Year |
| Balance at the beginning of the year | | |
| (a) Statutory Reserve u/s 29C of NHB Act, 1987 | 334.97 | 167.97 |
| (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 NHB Act, 1987 | 1,179.76 | 1,134.76 |
| (c) Total | 1,514.73 | 1,302.73 |
| Addition / Appropriation / Withdrawal during the year | | |
| Add: | | |
| (a) Amount transferred u/s 29C of the NHB Act, 1987 | 70.00 | 167.00 |
| (b) Amount of Special Reserve u/s 36 (1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of NHB Act, 1987 | 236.00 | 45.00 |
| Less: | | |
| (a) Amount appropriated from Statutory Reserve u/s 29C of the NHB Act, 1987 | - | - |
| (b) Amount withdrawn from Special Reserve u/s 36 (1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of NHB Act, 1987 | - | - |
| Balance at the end of the year | | |
| (a) Statutory Reserve u/s 29C of NHB Act, 1987 | 404.97 | 334.97 |
| (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 | 1,415.76 | 1,179.76 |
| (c) Total | 1,820.73 | 1,514.73 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 36.3: Investments

| Particulars | (₹ in crore) | |
|---|--------------|---------------|
| | Current Year | Previous Year |
| Value of Investments | | |
| (i) Gross value of Investments | | |
| (a) In India | 4,423.81 | 3,266.57 |
| (b) Outside India | - | - |
| (ii) Provisions for Depreciation | | |
| (a) In India | 78.55 | 78.55 |
| (b) Outside India | - | - |
| (iii) Net value of Investments | | |
| (a) In India | 4,345.26 | 3,188.02 |
| (b) Outside India | - | - |
| Movement of provisions held towards depreciation on investments | | |
| (i) Opening balance | 78.55 | - |
| (ii) Add: Provisions made during the year | - | 78.55 |
| (iii) Less: Write-off / Written-back of excess provisions during the year | - | - |
| (iv) Closing balance | 78.55 | 78.55 |

| Particulars | (₹ in crore) | |
|-------------------------|-----------------------------------|-----------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Current investments | 1,915.56 | 870.85 |
| Non-current investments | 2,429.70 | 2,317.17 |
| Total | 4,345.26 | 3,188.02 |

Note 36.4: Derivatives

i) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

| Particulars | (₹ in crore) | |
|---|-----------------------------------|-----------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| (i) The notional principal of swap agreements | 3,275.44 | 10,065.79 |
| (ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements | 190.36 | 721.04 |
| (iii) Collateral required by the HFC upon entering into swaps | Nil | Nil |
| (iv) Concentration of credit risk arising from the swaps [@] | 3,275.44 | 10,065.79 |
| (v) The fair value of the swap book | 135.01 | 660.04 |

[@] The Company has entered into swap and forward agreements with various banks having almost equal exposure with each of them. Hence, there is no concentration of credit risk which could be exposure to particular industries or swaps with highly geared companies.

ii) Exchange Traded Interest Rate (IR) Derivative – There is no exchange traded interest rate derivative.

| Particulars | (₹ in crore) | |
|---|-----------------------------------|-----------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| (i) Notional principal amount of exchange traded IR derivatives undertaken during the year | - | - |
| (ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31 st March | - | - |
| (iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" | - | - |
| (iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" | - | - |

iii) Disclosure on Risk Exposure in Derivatives

Notes to Standalone Financial Statements

for the year ended 31st March 2024

A. Qualitative Disclosure

| Particulars | Particulars |
|--|--|
| a) the structure and organization for management of risk in derivatives trading, | <p>Financial Risk Management of the Company constitutes the Asset Liability Committee (ALCO) and Risk Management Committee (RMC) and has a Market Risk Management policy under its supervision. The Company manages its risk in accordance with the guidelines prescribed in its 'Asset Liability Management' and 'Market Risk Management' policies. As a policy, the Company doesn't trade in derivative products.</p> <p>The Company has entered into derivative product for its ECB borrowing for financing prospective buyers of eligible housing units under both "automatic route" and "approval route" in terms of RBI guidelines. Interest rate risks is mitigated by entering into interest rate swaps. The currency risk on the borrowings is actively managed mainly through a combination of swaps and forward contracts. As a part of Asset Liability Management, the Company has entered into interest rate swaps wherein it has converted a portion of its floating rate liabilities into fixed rate.</p> |
| b) the scope and nature of risk measurement, risk reporting and risk monitoring systems, | The RMC has put in place the control measures to contain these risks. The Company has a robust mechanism to ensure an ongoing monitoring and review of systems, policies, processes and procedures to contain and mitigate risk that arise from time to time. |
| c) policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigates, and | The Company has not entered into any speculative derivative transaction (without underlying exposure). The Company has entered in to derivative transaction only for hedging its foreign currency and interest rate exposure against foreign currency borrowing which has been availed for financing prospective buyers of eligible housing units. The derivative transactions entered into for hedging the ECB borrowings are as per the applicable guidelines of RBI. The hedging is guided by the Board resolution authorising the Company to borrow through ECB route and hedging of the underlying exposure. |
| d) accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation. | The derivative contracts are initially recognised at fair value on the date of the transaction and all outstanding derivative transactions, on the date of balance sheet, are revalued at their fair market value, on that date. Where Cash Flow hedge accounting is used, fair value changes of the derivative contracts are recognised through the Cash Flow Hedge Reserve in the same period they are accrued. Any profit/loss arising on cancellation/unwinding of derivative contracts are recognised as income or expenses for the period. Premium paid / discount received in advance on derivative contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts, if such contracts relate to monetary items as at the balance sheet date. |

B. Quantitative Disclosure

| Particulars | As at 31 st March 2024 | | As at 31 st March 2023 | |
|---|-----------------------------------|---------------------------|-----------------------------------|---------------------------|
| | Currency Derivatives | Interest Rate Derivatives | Currency Derivatives | Interest Rate Derivatives |
| (i) Derivatives (Notional Principal Amount) | 2,275.44 | 1,000.00 | 6,242.71 | 3,823.08 |
| (ii) Marked to Market Positions | | | | |
| (a) Assets (+) | 190.36 | - | 658.02 | 63.02 |
| (b) Liability (-)* | (55.35) | - | (61.00) | - |
| (iii) Credit Exposure | - | - | - | - |
| (iv) Unhedged Exposures | - | - | 3.25 | 3.25 |

* Including margin money received from counter party bank.

Note 36.5: Assignment / Securitisation

- There are no SPVs sponsored by PNB Housing Finance Limited.
- During the year, the Company has not sold any financial assets to Securitisation / Reconstruction Company for Asset Reconstruction (Previous year ₹ Nil).
- Details of assignment transactions undertaken:

| Particulars | Current Year | Previous Year |
|--|--------------|---------------|
| (i) No. of accounts | - | - |
| (ii) Aggregate value (net of provisions) of accounts assigned | - | - |
| (iii) Aggregate consideration | - | - |
| (iv) Additional consideration realised in respect of accounts transferred in earlier years | - | - |
| (v) Aggregate gain / loss over net book value | - | - |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

During the previous year, the Company has sold some loans and advances measured at amortised cost under co-lending deals through assignment mode, the details of which has been given in note 8.3 (b).

- iv) During the year, the Company has not purchased any non-performing financial assets (Previous year ₹ Nil).
- v) During the current and previous year, the Company has sold non-performing financial assets details of which are given in note 8.3 (c).

Note 36.6: Asset Liability Management

The residual maturity profile of Assets and Liabilities is carried out based on the current estimates and assumptions regarding behavioural pattern of pre-payments/maturities and renewals. Maturity pattern of certain items of assets and liabilities are as follows:

As at 31st March 2024

(₹ in crore)

| Particulars | Liabilities | | | | Assets | | |
|---------------------------|------------------|--|-------------------|------------------------------|------------------|-----------------|-------------------------|
| | Deposits | Borrowings from banks and Financial Institutions | Market borrowings | Foreign Currency liabilities | Net advances | Investments | Foreign currency assets |
| 1 day to 7 days | 87.25 | 303.26 | - | - | 269.60 | - | - |
| 8 days to 14 days | 67.10 | 803.75 | - | - | 729.31 | - | - |
| 15 days to 30/31 days | 167.48 | 156.25 | - | - | 645.36 | 568.92 | - |
| Over 1 month to 2 months | 325.76 | 586.15 | 1,500.00 | - | 1,154.71 | 10.31 | - |
| Over 2 months to 3 months | 316.32 | 2,765.71 | 1,980.00 | - | 1,135.62 | 1,336.25 | - |
| Over 3 months to 6 months | 1,249.93 | 2,549.94 | 475.00 | 833.74 | 3,283.60 | 203.47 | - |
| Over 6 months to 1 year | 2,187.10 | 3,567.25 | 1,000.00 | - | 6,039.64 | 90.89 | - |
| Over 1 year to 3 years | 7,070.09 | 10,315.62 | 1,722.00 | 622.41 | 18,356.40 | 786.45 | - |
| Over 3 years to 5 years | 4,128.58 | 4,538.04 | 1,439.70 | - | 11,709.89 | 828.64 | - |
| Over 5 years | 2,198.69 | 1,624.83 | 474.72 | - | 20,880.63 | 520.33 | - |
| Total | 17,798.30 | 27,210.80 | 8,591.42 | 1,456.15 | 64,204.76 | 4,345.26 | - |

As at 31st March 2023

(₹ in crore)

| Particulars | Liabilities | | | | Assets | | |
|---------------------------|------------------|--|-------------------|------------------------------|------------------|-----------------|-------------------------|
| | Deposits | Borrowings from banks and Financial Institutions | Market borrowings | Foreign Currency liabilities | Net advances | Investments | Foreign currency assets |
| 1 day to 7 days | 61.85 | 49.99 | - | - | 251.03 | 91.46 | - |
| 8 days to 14 days | 60.41 | 30.00 | - | - | 660.38 | 103.00 | - |
| 15 days to 30/31 days | 115.49 | 550.01 | - | - | 609.72 | 676.38 | - |
| Over 1 month to 2 months | 384.95 | 1,177.51 | 600.00 | - | 1,091.87 | - | - |
| Over 2 months to 3 months | 326.63 | 2,336.99 | - | 246.65 | 1,069.41 | - | - |
| Over 3 months to 6 months | 981.24 | 3,557.89 | 499.00 | - | 3,081.30 | 155.65 | - |
| Over 6 months to 1 year | 1,858.52 | 3,150.19 | 300.00 | 3,823.09 | 5,638.22 | 416.15 | - |
| Over 1 year to 3 years | 6,951.91 | 9,359.29 | 1,515.00 | 1,421.84 | 16,837.37 | 750.77 | - |
| Over 3 years to 5 years | 4,305.65 | 4,698.84 | 1,290.00 | - | 10,790.55 | 406.39 | - |
| Over 5 years | 2,197.25 | 772.41 | 1,028.44 | - | 17,878.68 | 588.22 | - |
| Total | 17,243.90 | 25,683.12 | 5,232.44 | 5,491.58 | 57,908.53 | 3,188.02 | - |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 36.7: Exposure:

i) Exposure to Real Estate Sector

| Particulars | (₹ in crore) | |
|---|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| i) Direct Exposure | | |
| A. Residential Mortgages (including loan against residential property): Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure also include non-fund based (NFB) limits. | 57,292.18 | 49,173.90 |
| B. Commercial Real Estate: Lending secured by mortgages on commercial real estates. Exposure also include non-fund based (NFB) limits. | 8,162.15 | 10,167.47 |
| C. Investments in Mortgage Backed Securities (MBS) and other securitised exposures – | | |
| i) Residential | - | - |
| ii) Commercial Real Estate | - | - |
| ii) Indirect Exposure | | |
| Fund based and non-fund based exposures on NHB and Housing Finance Companies (HFCs) | - | - |
| Total exposures to real estate sector | 65,454.33 | 59,341.37 |

Note: While computing the above information, certain estimates, assumptions and adjustments have been made by the Management which have been relied upon by the auditors.

(ii) Sectoral Exposure

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | |
|--------------------------------------|--|---------------|--|--|-----------------|--|
| | Total Exposure (includes on balance sheet and off balance sheet exposure) | Gross NPAs | Percentage of Gross NPAs to total exposure in that sector | Total Exposure (includes on balance sheet and off balance sheet exposure) | Gross NPAs | Percentage of Gross NPAs to total exposure in that sector |
| 1. Agriculture and Allied Activities | - | - | - | - | - | - |
| 2. Industry | - | - | - | - | - | - |
| 3. Services | - | - | - | - | - | - |
| 4. Personal Loans | 72,282.05 | 984.68 | 1.36% | 63,656.79 | 2,271.36 | 3.57% |
| i. Retail Housing Loans | 51,509.42 | 520.41 | 1.01% | 43,213.43 | 808.99 | 1.87% |
| ii. Retail Non Housing Loans | 18,686.53 | 396.30 | 2.12% | 16,513.62 | 616.45 | 3.73% |
| iii. Non Retail Loans | 2,086.10 | 67.97 | 3.26% | 3,929.74 | 845.92 | 21.53% |

- iii) As on 31st March 2024, the Company does not have any exposure to Capital Market (Previous year ₹ Nil).
- iv) As on 31st March 2024, the Company has not financed any product of the parent company (Previous year ₹ Nil).
- v) As on 31st March 2024, the Company has not exceeded the prudential exposure limit for single borrower or group borrower (Previous year ₹ Nil).
- vi) As on 31st March 2024, the Company has not given any unsecured advances (Previous year ₹ Nil).
- vii) As on 31st March 2024, all advances of the Company are secured against tangible assets and there are no advances against intangible assets (Previous year ₹ Nil).
- viii) As on 31st March 2024, the Company has no exposures to group companies engaged in the real estate business (Previous year ₹ Nil).
- ix) As on 31st March 2024, the Company has no Intra-group exposures with in the group companies as defined by RBI (Previous year ₹ Nil).
- x) Unhedged foreign currency exposure Refer Note 36.4.

Note 36.8: Registration obtained from financial sector regulators

NHB : vide registration number 01.0018.01

Ministry of Corporate Affairs : L65922DL1988PLC033856

Insurance Regulatory and Development Authority of India : CA0862

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 36.9: Disclosure of Penalties imposed by NHB/RBI and other regulators:

During the financial year ended 31st March 2024, there is no penalty imposed by Regulators. However, during the financial year ended 31st March 2023, Regulators have imposed a penalty of ₹ 0.08 crore for delay in appointment of Independent directors on Board pursuant to Regulation 17 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Note 36.10: Related Party Transactions

| Name of the Related Party | Nature of Relationship |
|---|--|
| i) Pehel Foundation | Wholly owned Subsidiary |
| ii) PHFL Home Loans and Services Limited | Wholly owned Subsidiary |
| iii) Punjab National Bank | Promoter/Enterprise having Significant Influence |
| iv) Quality Investment Holding Pcc (w.e.f. 19 th July 2022) (formerly Quality Investment Holdings) | Enterprise having Significant Influence |
| v) PNB Investment Services Limited | Enterprise having Significant Influence |
| vi) PNB Gilts Limited | Enterprise having Significant Influence |
| vii) PNB Metlife India Insurance Co Ltd | Enterprise having Significant Influence |
| viii) Dakshin Bihar Gramin Bank | Enterprise having Significant Influence |
| ix) Assam Gramin Vikash Bank | Enterprise having Significant Influence |
| x) Tripura Gramin Bank | Enterprise having Significant Influence |
| xi) Bangiya Gramin Vikash Bank | Enterprise having Significant Influence |
| xii) Mr. Atul Kumar Goel (Non-Executive Nominee Director) (w.e.f. 28 th April 2022) | Key Management Personnel |
| xiii) Mr. Sunil Kaul (Non-Executive Nominee Director) | Key Management Personnel |
| xiv) Mr. Kapil Modi (Non-Executive Nominee Director) | Key Management Personnel |
| xv) Mr. Neeraj Madan Vyas (Non-Executive and Non-Independent Director) | Key Management Personnel |
| xvi) Mr. Chandrasekaran Ramakrishnan (Independent Director) | Key Management Personnel |
| xvii) Mr. Nilesh S Vikamsey (Independent Director) | Key Management Personnel |
| xviii) Mr. Ashwani Kumar Gupta (Independent Director)* | Key Management Personnel |
| xix) Mr. Tejendra Mohan Bhasin (Independent Director) | Key Management Personnel |
| xx) Mr. Sudarshan Sen (Independent Director) | Key Management Personnel |
| xxi) Ms. Gita Nayyar (Independent Director) (w.e.f. 29 th May 2021) | Key Management Personnel |
| xxii) Mr Binod Kumar (Non- Executive, Nominee Director) (w.e.f. 12 th January 2022)** | Key Management Personnel |
| xxiii) Mr. Pavan Pal Kaushal (Independent Director) (w.e.f. 27 th October 2022) | Key Management Personnel |
| xxiv) Mr. Dilip Kumar Jain (Non-Executive Nominee Director) (w.e.f. 4 th November 2022) | Key Management Personnel |
| xxv) Mr. Girish Kousgi (Managing Director and CEO) (w.e.f. 21 st October 2022) | Key Managerial Personnel |
| xxvi) Mr. Hardayal Prasad (Managing Director and CEO)*** | Key Managerial Personnel |
| xxvii) Mrs. Veena Kamath (Company Secretary) (w.e.f. 1 st February 2024) | Key Managerial Personnel |
| xxviii) Mr. Sanjay Jain (Company Secretary)**** | Key Managerial Personnel |
| xxix) Mr. Kapish Jain (Chief Financial Officer)***** | Key Managerial Personnel |
| xxx) Mr. Kaushal Mithani (Chief Financial Officer) (w.e.f. 8 th April 2022)***** | Key Managerial Personnel |
| xxxi) Mr. Vinay Gupta (Chief Financial Officer) (w.e.f. 26 th October 2022) | Key Managerial Personnel |

*Ceases to be Independent Director w.e.f. 11th May 2022

**Ceases to be Non-Executive Nominee Director w.e.f. 21st October 2022

***Ceased to be Managing Director and CEO w.e.f. 20th October 2022

****Ceased to be Company Secretary w.e.f. 31st January 2024

*****Ceases to be Chief Financial Officer w.e.f. 07th April 2022

*****Ceases to be Chief Financial Officer w.e.f. 23rd August 2022

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Transactions with Related Parties

The nature & volume of transactions of the Company during the year, with the related parties were as follows. These transactions were carried out in ordinary course of business and were at arm's length price:

| Particulars | ₹ in crore) | | | | | | | | | | | |
|---|---|---------------|---------------------------|---------------|--|---------------|--|---------------|--------------|---------------|--------------|---------------|
| | Promoter/Enterprises having significant influence | | Wholly owned subsidiaries | | Key Managerial Personnel/Relatives of Key Managerial Personnel | | Key Managerial Personnel/Relatives of Key Management Personnel | | Total | | | |
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Transaction during the year: | | | | | | | | | | | | |
| Peel Foundation | | | | | | | | | | | | |
| - Donation paid | - | - | 22.64 | 10.85 | - | - | - | - | - | - | 22.64 | 10.85 |
| PHFL Home Loans and Services Limited | | | | | | | | | | | | |
| - Fees and commission income | - | - | - | 99.47 | - | - | - | - | - | - | - | 99.47 |
| - Management and deputation services | - | - | - | - | 3.14 | - | - | - | - | - | 3.14 | - |
| - Rental income | - | - | - | 0.25 | - | - | - | - | - | - | 0.25 | 0.25 |
| - Commission & support services expense | - | - | - | 179.53 | - | - | - | - | - | - | 179.53 | 134.79 |
| - Property service charges | - | - | - | 0.68 | - | - | - | - | - | - | 0.68 | 0.87 |
| - Reimbursement/settlement of expenses | - | - | - | - | - | - | - | - | - | - | - | 0.51 |
| Punjab National Bank* | | | | | | | | | | | | |
| - Principal paid on assignment of loans | 679.76 | 916.47 | - | - | - | - | - | - | - | - | 679.76 | 916.47 |
| - Interest & other charges paid on assignment of loans | 276.45 | 313.41 | - | - | - | - | - | - | - | - | 276.45 | 313.41 |
| - Servicing fees received on assignment of loan portfolio | 4.28 | 5.37 | - | - | - | - | - | - | - | - | 4.28 | 5.37 |
| - Term loan raised | 5,305.00 | 2,150.00 | - | - | - | - | - | - | - | - | 5,305.00 | 2,150.00 |
| - Term loan repaid | 5,071.30 | 2,009.06 | - | - | - | - | - | - | - | - | 5,071.30 | 2,009.06 |
| - ECB repaid | 1,863.40 | - | - | - | - | - | - | - | - | - | 1,863.40 | - |
| - Interest Paid on Term Loan Installment / ECB / OD | 279.51 | 243.21 | - | - | - | - | - | - | - | - | 279.51 | 243.21 |
| - Non Convertible debentures paid | - | 90.00 | - | - | - | - | - | - | - | - | - | 90.00 |
| - Interest on Non convertible debentures | - | 7.35 | - | - | - | - | - | - | - | - | - | 7.35 |
| - Rent & Maintenance Charges | 0.39 | 0.38 | - | - | - | - | - | - | - | - | 0.39 | 0.38 |
| - Bank Charges | 0.25 | 0.34 | - | - | - | - | - | - | - | - | 0.25 | 0.34 |
| - Royalty fees | 27.21 | - | - | - | - | - | - | - | - | - | 27.21 | - |
| PNB Investment Service Private Limited | | | | | | | | | | | | |
| - Fees paid | 0.02 | 0.02 | - | - | - | - | - | - | - | - | 0.02 | 0.02 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

| Particulars | Promoter/Enterprises having significant influence | | Wholly owned subsidiaries | | Key Managerial Personnel/ Relatives of Key Managerial Personnel | | Key Management Personnel/ Relatives of Key Management Personnel | | Total | |
|---|---|---------------|---------------------------|---------------|---|---------------|---|---------------|--------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| | (₹ in crore) | | | | | | | | | |
| PNB Gilts Limited | | | | | | | | | | |
| - Purchase of securities (inter-mediatory) | 2,280.12 | 165.40 | - | - | - | - | - | - | 2,280.12 | 165.40 |
| - Redemption of securities | 2,456.97 | 674.41 | - | - | - | - | - | - | 2,456.97 | 674.41 |
| - Service charges | 0.02 | 0.01 | - | - | - | - | - | - | 0.02 | 0.01 |
| - Interest income on securities | 201.51 | 231.71 | - | - | - | - | - | - | 201.51 | 231.71 |
| PNB Metlife India Insurance Co Ltd | | | | | | | | | | |
| - Insurance premium given on behalf of customer | 102.04 | 122.51 | - | - | - | - | - | - | 102.04 | 122.51 |
| - Insurance claims received on behalf of customer | 6.26 | 2.77 | - | - | - | - | - | - | 6.26 | 2.77 |
| - Insurance premium received back | 9.71 | 6.55 | - | - | - | - | - | - | 9.71 | 6.55 |
| - Fees income on corporate insurance agency | 15.76 | - | - | - | - | - | - | - | 15.76 | - |
| Assam Gramin Vikash Bank | | | | | | | | | | |
| - Deposits received | 45.00 | 15.00 | - | - | - | - | - | - | 45.00 | 15.00 |
| - Interest on deposit received | 7.38 | 4.68 | - | - | - | - | - | - | 7.38 | 4.68 |
| - Deposits Matured (including interest) | 47.08 | 5.80 | - | - | - | - | - | - | 47.08 | 5.80 |
| - Interest on Non convertible debentures | 3.48 | - | - | - | - | - | - | - | 3.48 | - |
| Dakshin Bihar Gramin Bank | | | | | | | | | | |
| - Interest on deposit received | - | 2.36 | - | - | - | - | - | - | - | 2.36 |
| - Deposits Matured (including interest) | - | 55.82 | - | - | - | - | - | - | - | 55.82 |
| Tripura Gramin Bank | | | | | | | | | | |
| - Deposits received | 5.00 | 20.00 | - | - | - | - | - | - | 5.00 | 20.00 |
| - Interest on deposit received | 4.67 | 2.59 | - | - | - | - | - | - | 4.67 | 2.59 |
| - Deposits Matured | - | 10.00 | - | - | - | - | - | - | - | 10.00 |
| Bangiya Gramin Vikash Bank | | | | | | | | | | |
| - Non Convertible debentures redeemed | 4.00 | - | - | - | - | - | - | - | 4.00 | - |
| - Interest on Non convertible debentures | 0.10 | 0.34 | - | - | - | - | - | - | 0.10 | 0.34 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

| Particulars | Promoter/Enterprises having significant influence | | Wholly owned subsidiaries | | Key Managerial Personnel/Relatives of Key Managerial Personnel | | Key Management Personnel/Relatives of Key Management Personnel | | Total | |
|---|---|---------------|---------------------------|---------------|--|---------------|--|---------------|--------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Transactions with KMPs and relatives: | | | | | | | | | | |
| Sitting Fee and Commission paid to Directors | | | | | | | | | | |
| - Mr. Chandrasekaran Ramakrishnan | - | - | - | - | - | - | 0.41 | 0.37 | 0.41 | 0.37 |
| - Mr. Sudarshan Sen | - | - | - | - | - | - | 0.43 | 0.36 | 0.43 | 0.36 |
| - Mr. Nilesh S Vikamsey | - | - | - | - | - | - | 0.40 | 0.43 | 0.40 | 0.43 |
| - Mr. Ashwani Kumar Gupta | - | - | - | - | - | - | 0.02 | 0.17 | 0.02 | 0.17 |
| - Mr. Neeraj Madan Vyas | - | - | - | - | - | - | 0.48 | 0.46 | 0.48 | 0.46 |
| - Mr. Tejendra Mohan Bhasin | - | - | - | - | - | - | 0.46 | 0.43 | 0.46 | 0.43 |
| - Ms. Gita Nayyar | - | - | - | - | - | - | 0.36 | 0.36 | 0.36 | 0.36 |
| - Mr. Pavan Pal Kaushal | - | - | - | - | - | - | 0.31 | 0.12 | 0.31 | 0.12 |
| Rental expense: | | | | | | | | | | |
| - Mr. Tejendra Mohan Bhasin and Anjali Bhasin | - | - | - | - | - | - | 0.23 | 0.23 | 0.23 | 0.23 |
| Recovery against salary advance from KMP's | | | | | | | | | | |
| - Mr. Sanjay Jain | - | - | - | - | - | 0.03 | - | - | - | 0.03 |
| Repayment of security deposit | | | | | | | | | | |
| - Mr. Hardayal Prasad | - | - | - | - | - | 0.04 | - | - | - | 0.04 |
| Remuneration expense#: | | | | | | | | | | |
| - Mr. Girish Kousgi | - | - | - | - | 2.81 | 1.14 | - | - | 2.81 | 1.14 |
| - Mr. Vinay Gupta | - | - | - | - | 1.19 | 3.97 | - | - | 1.19 | 3.97 |
| - Mr. Hardayal Prasad | - | - | - | - | 1.25 | 2.62 | - | - | 1.25 | 2.62 |
| - Mr. Sanjay Jain | - | - | - | - | 0.91 | 0.81 | - | - | 0.91 | 0.81 |
| - Ms. Veena G Kamath | - | - | - | - | 0.10 | - | - | - | 0.10 | - |
| - Mr. Kapish Jain | - | - | - | - | - | 0.18 | - | - | - | 0.18 |
| - Mr. Kaushal Mithani | - | - | - | - | - | 0.40 | - | - | - | 0.40 |

^ Excluding running current / overdraft account transactions.

Excluding perquisites on exercise of stock options during the year.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

| Particulars | Promoter/Enterprises having significant influence | | Wholly owned subsidiaries | | Key Managerial Personnel/ Relatives of Key Managerial Personnel | | Key Management Personnel/ Relatives of Key Management Personnel | | Total | |
|---|---|-----------------------------------|-----------------------------------|-----------------------------------|---|-----------------------------------|---|-----------------------------------|-----------------------------------|-----------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 |
| Outstanding balances# | | | | | | | | | | |
| Punjab National Bank | | | | | | | | | | |
| Receivables | | | | | | | | | | |
| - Servicing fees receivable on assignment on loans | 1.92 | 0.44 | - | - | - | - | 1.92 | 0.44 | | |
| Payables | | | | | | | | | | |
| - Term loans | 2,691.63 | 2,457.93 | - | - | - | - | 2,691.63 | 2,457.93 | | |
| Maximum during the year | 2,691.63 | 2,457.93 | - | - | - | - | 2,691.63 | 2,457.93 | | |
| - External Commercial Borrowings## | - | 2,178.75 | - | - | - | - | - | 2,178.75 | | |
| Maximum during the year | 2,201.04 | 2,193.83 | - | - | - | - | 2,201.04 | 2,193.83 | | |
| - Interest accrued on term loans and external commercial borrowings | 0.99 | 2.23 | - | - | - | - | 0.99 | 2.23 | | |
| - Payable on assignment on loans | 73.39 | 79.29 | - | - | - | - | 73.39 | 79.29 | | |
| - Payable against Royalty | 27.21 | - | - | - | - | - | 27.21 | - | | |
| PHFL Home Loans and Services Limited | | | | | | | | | | |
| Payables | | | | | | | | | | |
| Others (net) | - | - | 27.13 | 14.55 | - | - | 27.13 | 14.55 | | |
| Assam Gramin Vikash Bank | | | | | | | | | | |
| - Deposits received | 79.36 | 74.06 | - | - | - | - | 79.36 | 74.06 | | |
| Maximum during the year | 81.77 | 74.06 | - | - | - | - | 81.77 | 74.06 | | |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

| Particulars | Promoter/Enterprises having significant influence | | Wholly owned subsidiaries | | Key Managerial Personnel/ Relatives of Key Managerial Personnel | | Key Management Personnel/ Relatives of Key Management Personnel | | Total | |
|---|---|-----------------------------------|-----------------------------------|-----------------------------------|--|-----------------------------------|--|-----------------------------------|-----------------------------------|-----------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 |
| Tripura Gramin Bank | | | | | | | | | | |
| - Deposits received | 45.02 | 40.00 | - | - | - | - | 45.02 | - | 45.02 | 40.00 |
| <i>Maximum during the year</i> | 45.02 | 40.00 | - | - | - | - | 45.02 | - | 45.02 | 40.00 |
| PNB Metlife India Insurance Co Ltd | | | | | | | | | | |
| Receivables | | | | | | | | | | |
| Others | 7.54 | - | - | - | - | - | 7.54 | - | - | - |
| Key Managerial Personnel | | | | | | | | | | |
| Receivables | | | | | | | | | | |
| - Mr. Hardayal Prasad | - | - | - | - | - | 0.40 | - | - | - | 0.40 |
| - Mr. Sanjay Jain | - | - | - | - | - | 0.04 | - | - | - | 0.04 |
| Retirement benefits (as per actuarial valuation) | | | | | | | | | | |
| - Mr. Girish Kousgi | - | - | - | - | 0.22 | 0.10 | - | - | 0.22 | 0.10 |
| - Mr. Vinay Gupta | - | - | - | - | 0.11 | 0.05 | - | - | 0.11 | 0.05 |
| - Mr. Sanjay Jain | - | - | - | - | - | 0.33 | - | - | - | 0.33 |
| - Ms. Veena G Kamath | - | - | - | - | 0.02 | - | - | - | 0.02 | - |

#Excluding running current account balances.

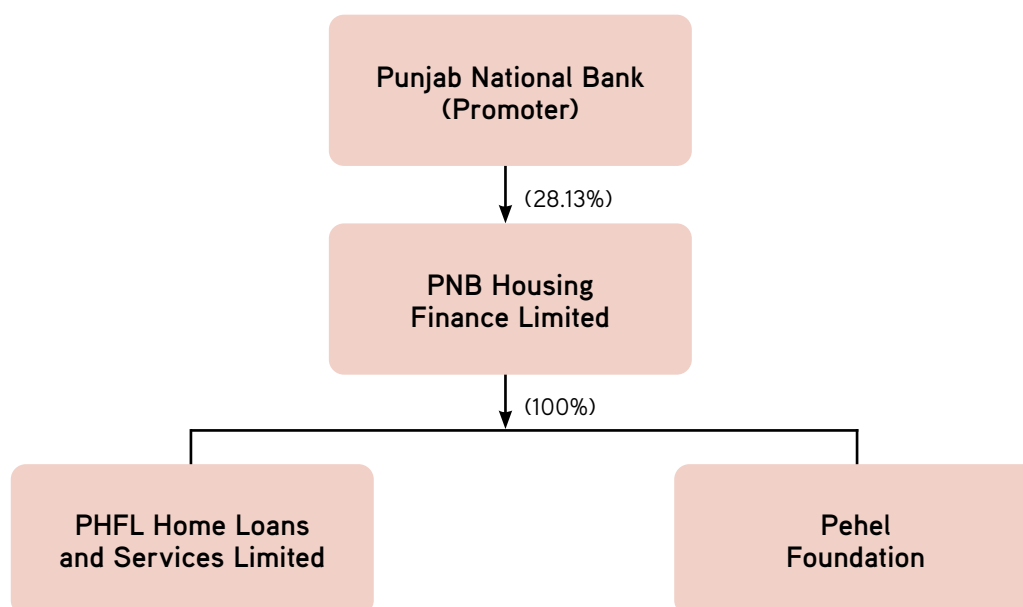
##Including mark to market adjustment.

The policy on dealing with Related Party Transactions is available on our website www.pnbhousing.com

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 36.11: Diagrammatic representation of group structure along with holding percentage is tabulated below. Further, the Company has complied with the provisions relating to number of layers as prescribed under clause (87) of section 2 of the Companies Act 2013, read with Companies (Restriction on number of Layers) Rules, 2017.



Note 36.12: Rating assigned by Credit Rating Agencies and migration of rating during the year are as follows:

| Particulars | As at 31 st March 2024 | As at 31 st March 2023 | Migration during the year |
|---|-----------------------------------|-----------------------------------|---|
| Deposits | CRISIL AA (Outlook - Positive) | CRISIL AA (Outlook - Stable) | Outlook revised from Stable to Positive |
| | CARE AA+ (Outlook - Stable) | CARE AA (Outlook - Stable) | Upgraded |
| Long term bonds and debentures (Secured and Tier-II bonds) | CRISIL AA (Outlook - Positive) | CRISIL AA (Outlook - Stable) | Outlook revised from Stable to Positive |
| | CARE AA+ (Outlook - Stable) | CARE AA (Outlook - Stable) | Upgraded |
| | IND AA+ (Outlook - Stable) | IND AA (Outlook - Stable) | Upgraded |
| | ICRA AA+ (Outlook - Stable) | ICRA AA (Outlook - Stable) | Upgraded |
| Commercial Paper | CRISIL A1+ | CRISIL A1+ | No change |
| | CARE A1+ | CARE A1+ | No change |
| Bank Term Loan | CRISIL AA (Outlook - Positive) | CRISIL AA (Outlook - Stable) | Outlook revised from Stable to Positive |
| | CARE AA+ (Outlook - Stable) | CARE AA (Outlook - Stable) | Upgraded |
| | IND AA+ (Outlook - Stable) | - | Assigned |

Note 36.13: Remuneration of Directors: Details of Remuneration of Directors are disclosed in Form No. MGT - 7.

Note 36.14: Management: Management Discussion and Analysis report shall be referred for the relevant disclosures.

Note 36.15: During the year, no transaction was accounted which was related to prior period (Previous year ₹ Nil).

Note 36.16: During the year, no item of revenue recognition has been postponed except as disclosed in accounting policy for revenue recognition (Refer Note 2.3).

Note 36.17: Consolidated Financial Statements (CFS): Consolidated Financial Statements shall be referred for the relevant disclosures.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 36.18: Provisions and Contingencies:

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss is given as follows:

| Particulars | ₹ in crore) | |
|--|---------------|---------------|
| | Current Year | Previous Year |
| 1. Provisions for depreciation on Investment | - | 78.55 |
| 2. Provision made towards Income tax | 420.89 | 83.38 |
| 3. Provision towards NPA | (285.59) | (1,121.82) |
| 4. Provision for Standard Assets | | |
| i) Teaser Loans | - | - |
| ii) CRE | 2.71 | (10.11) |
| iii) CRE – RH | 83.44 | (14.86) |
| iv) Other Loans | 16.17 | 20.69 |
| Total (i + ii + iii + iv) | 102.32 | (4.28) |
| 5. Other Provision and Contingencies (Refer Note 2.21) | 0.67 | 0.59 |

Note 36.19: Break-up of Loan & Advances and Provisions thereon:

The Company has complied with the norms prescribed by the regulator for recognising Non-Performing Assets (NPA) in preparation of accounts. As per the norms, NPAs are recognised on the basis of more than 90 days overdue. NPAs are to be treated as Bad & Doubtful, if they remain outstanding for more than 15 months. The Company has made adequate provisions on Non-Performing Assets and Standard Assets in respect of Housing and Non-Housing Loans as prescribed under directions issued by the regulator.

| Particulars | ₹ in crore) | | | |
|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | Housing | | Non-Housing | |
| | As at 31 st March 2024 | As at 31 st March 2023 | As at 31 st March 2024 | As at 31 st March 2023 |
| Standard Assets | | | | |
| a) Total Outstanding Amount | 46,954.13 | 41,288.04 | 17,515.52 | 15,781.97 |
| b) Provision made | 621.57 | 496.44 | 260.20 | 283.01 |
| Sub-Standard Assets | | | | |
| a) Total Outstanding Amount | 181.00 | 255.58 | 104.06 | 157.95 |
| b) Provision made | 44.46 | 72.95 | 25.56 | 25.98 |
| Doubtful Assets - Category-I | | | | |
| a) Total Outstanding Amount | 130.62 | 1,080.94 | 83.10 | 204.18 |
| b) Provision made | 48.45 | 264.15 | 20.31 | 54.34 |
| Doubtful Assets - Category-II | | | | |
| a) Total Outstanding Amount | 250.73 | 266.09 | 158.17 | 211.30 |
| b) Provision made | 127.29 | 114.65 | 57.20 | 69.27 |
| Doubtful Assets - Category-III | | | | |
| a) Total Outstanding Amount | 26.03 | 49.98 | 50.97 | 38.50 |
| b) Provision made | 11.69 | 25.02 | 32.84 | 20.19 |
| Loss Assets | | | | |
| a) Total Outstanding Amount | - | 2.33 | - | 4.51 |
| b) Provision made | - | 2.33 | - | 4.51 |
| TOTAL | | | | |
| a) Total Outstanding Amount | 47,542.51 | 42,942.96 | 17,911.82 | 16,398.41 |
| b) Provision made | 853.46 | 975.54 | 396.11 | 457.30 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 36.20: Draw Down from Reserves: During the year there were no draw down from Reserves.

Note 36.21: Concentration of Public Deposits

| Particulars | (₹ in crore) | |
|---|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Total deposits of twenty largest depositors | 1,700.02 | 2,070.75 |
| Percentage of deposits of twenty largest depositors to total deposits | 10.81% | 13.32% |

Note 36.22: Concentration of Loans & Advances

| Particulars | (₹ in crore) | |
|--|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Total loans & advances to twenty largest borrowers | 2,189.13 | 3,821.86 |
| Percentage of loans & advances to twenty largest borrowers to total advances | 3.34% | 6.44% |

Note 36.23: Concentration of all Exposure (including off-balance sheet exposure)

| Particulars | (₹ in crore) | |
|---|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Total exposure to twenty largest borrowers /customers | 2,223.24 | 3,950.27 |
| Percentage of exposures to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers | 3.08% | 6.30% |

Note 36.24: Concentration of NPAs

| Particulars | (₹ in crore) | |
|--|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Total Exposure to top ten NPA accounts | 165.92 | 944.06 |

Note 36.25: Sector-wise NPAs

| Particulars | Percentage of NPAs to Total Advances in that sector | |
|---------------------------|--|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| A. Housing Loans: | 1.24 | 3.85 |
| 1. Individuals | 1.08 | 2.00 |
| 2. Builders/Project Loans | 3.53 | 24.22 |
| 3. Corporates | 12.57 | 9.37 |
| 4. Others (specify) | - | - |
| B. Non-Housing Loans: | 2.22 | 3.76 |
| 1. Individuals | 2.16 | 3.68 |
| 2. Builders/Project Loans | - | - |
| 3. Corporates | 3.20 | 5.45 |
| 4. Others (specify) | - | - |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 36.26: Movement of NPAs

| Particulars | (₹ in crore) | |
|--|--------------|---------------|
| | Current Year | Previous Year |
| (I) Net NPAs to Net Advances (%) | 0.95% | 2.76% |
| (II) Movement of NPAs (Gross) | | |
| a) Opening balance | 2,271.36 | 4,706.17 |
| b) Additions during the year | 564.49 | 743.44 |
| c) Reductions during the year | 1,851.17 | 3,178.25 |
| d) Closing balance | 984.68 | 2,271.36 |
| (III) Movement of Net NPAs | | |
| a) Opening balance | 1,617.97 | 2,930.96 |
| b) Additions during the year | 424.88 | 506.38 |
| c) Reductions during the year | 1,425.97 | 1,819.37 |
| d) Closing balance | 616.88 | 1,617.97 |
| (IV) Movement of provisions for NPAs (excluding provisions on standard assets) | | |
| a) Opening balance | 653.39 | 1,775.21 |
| b) Provisions made during the year | 139.61 | 237.06 |
| c) Write-off/write-back of excess provisions | 425.20 | 1,358.88 |
| d) Closing balance | 367.80 | 653.39 |

Note 36.27: As on 31st March 2024, the Company does not have any assets outside the country (Previous year ₹ Nil).

Note 36.28: As on 31st March 2024, the Company does not have any Off-Balance Sheet SPVs sponsored which are required to be consolidated as per accounting norms (Previous year Nil).

Note 36.29: (A) Disclosure of Complaints

| Particulars | (₹ in crore) | |
|---|--------------|---------------|
| | Current Year | Previous Year |
| Complaints received from customers | | |
| a) No. of complaints pending at the beginning of the year | 10 | 10 |
| b) No. of complaints received during the year | 1,618 | 1,804 |
| c) No. of complaints disposed during the year | 1,601 | 1,804 |
| c) (i) Of which, no. of complaints rejected | 144 | 168 |
| d) No. of complaints pending at the end of the year | 27 | 10 |
| Maintainable complaints received from Office of Ombudsman | | |
| a) No. of maintainable complaints received from Office of Ombudsman | - | - |
| (i) Of a, no. of complaints resolved in favour of the Company by Office of Ombudsman | - | - |
| (ii) Of a, no. of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman | - | - |
| (iii) Of a, no. of complaints resolved after passing of Awards by Office of Ombudsman against the Company | - | - |
| Number of Awards unimplemented within the stipulated time (other than those appealed) | - | - |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

(B) Top five grounds of complaints received by the NBFCs from customers:

| Grounds of complaints, (i.e. complaints relating to) | Number of complaints pending at the beginning of the year | Number of complaints received during the year | % increase/ decrease in the number of complaints received over the previous year | Number of complaints pending at the end of the year | Number of complaints pending beyond 30 days |
|---|--|--|---|--|---|
| Current Year | | | | | |
| Ground - 1 Pre Closure Related | 2 | 616 | 65.00 | 5 | - |
| Ground - 2 ROI Conversion/ Rate repricing | - | 132 | (9.00) | 1 | - |
| Ground - 3 Disbursement Related | 2 | 219 | 6.00 | 3 | - |
| Ground - 4 Loan Application Status | - | 91 | (21.00) | 2 | - |
| Ground - 5 Property Papers Related | - | 83 | (8.00) | 1 | - |
| Ground - 6 Others | 6 | 477 | (53.00) | 15 | - |
| Total | 10 | 1,618 | (10.00) | 27 | - |
| Previous Year | | | | | |
| Ground - 1 Pre Closure Related | - | 374 | 34.00 | 2 | - |
| Ground - 2 ROI Conversion/ Rate repricing | - | 145 | (42.00) | - | - |
| Ground - 3 PMAY Application | - | 101 | (54.00) | - | - |
| Ground - 4 Property Papers Related | - | 90 | (27.00) | - | - |
| Ground - 5 Pre-EMI/EMI | - | 81 | (33.00) | - | - |
| Ground - 6 Others | 10 | 1,013 | (22.00) | 8 | - |
| Total | 10 | 1,804 | (21.00) | 10 | - |

Note 36.30: As on 31st March 2024, the Company has not granted any loans and has no outstanding loans (Nil % of total assets) against collateral gold jewellery (Previous year ₹ Nil).

Note 36.31: Deposit includes Public Deposits as defined in Paragraph 4.1.30 of RBI Directions, are secured by floating charge on the Statutory Liquid Assets maintained in terms of sub-sections (1) & (2) of Section 29B of the National Housing Bank Act, 1987. As on March 31, 2024, the public deposits (including accrued interest) outstanding amounts to ₹15,721.35 crore (excluding effective interest rate ₹15,822.00 crore) [Previous year ₹15,545.96 crore (excluding effective interest rate ₹15,654.74 crore)].

The Company is carrying Statutory Liquid Assets amounting to ₹2,388.95 crore (Previous year ₹2,276.42 crore).

Note 36.32: As on 31st March 2024, the Company operates within India and does not have any joint venture or overseas subsidiary.

Note 36.33: Liquidity Risk Management and Liquidity Coverage Ratio

(a) Liquidity Risk Management disclosures as at 31st March 2024:

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

| As at | Number of Significant Counterparties [^] | Amount (₹ in crore) | % of total deposits* | % of total liabilities |
|-----------------------------|---|------------------------|----------------------|------------------------|
| 31 st March 2024 | 18 | 31,850 | NA | 55.45% |
| 31 st March 2023 | 15 | 32,918 | NA | 58.94% |

*Company does not have any depositor who would be eligible as significant counterparty

[^]Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4th November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies. Funding concentration based on significant counterparty has been computed using latest beneficiary position instead of original subscribers.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

(ii) Top 20 large deposits

(₹ in crore)

| Particulars | As at 31 st March 2024 | | As at 31 st March 2023 | |
|---|-----------------------------------|---------------------|-----------------------------------|---------------------|
| | | % of total deposits | | % of total deposits |
| Total deposits of top twenty largest depositors | 2,079.80 | 11.69% | 2,109 | 12.23% |

(iii) Top 10 borrowings

(₹ in crore)

| Particulars | As at 31 st March 2024 | | As at 31 st March 2023 | |
|-----------------------------------|-----------------------------------|------------------------|-----------------------------------|------------------------|
| | | % of total liabilities | | % of total liabilities |
| Total exposure of top ten lenders | 25,178.61 | 43.84% | 28,429 | 50.90% |

(iv) Funding Concentration based on significant instrument/product

(₹ in crore)

| Name of the instrument/product^^ | As at 31 st March 2024 | | As at 31 st March 2023 | |
|---|-----------------------------------|------------------------|-----------------------------------|------------------------|
| | | % of total liabilities | | % of total liabilities |
| Secured Non-Convertible Bonds | 2,946.84 | 5.13% | 3,844.17 | 6.88% |
| Secured Non-Convertible Debentures | 1,600.39 | 2.79% | 149.92 | 0.27% |
| Commercial Papers | 3,304.70 | 5.75% | - | - |
| Refinance Facility from NHB | 5,090.33 | 8.86% | 3,046.20 | 5.45% |
| Bank Facilities (Long Term + Short Term) | 21,962.98 | 38.24% | 22,636.92 | 40.53% |
| Financial Institution Facilities (Long Term + Short Term) | 157.49 | 0.27% | - | - |
| External Commercial Borrowings | 1,456.15 | 2.54% | 5,491.58 | 9.83% |
| Deposits | 17,798.30 | 30.99% | 17,243.90 | 30.88% |
| Subordinated Tier-II Non-Convertible Debentures | 739.49 | 1.29% | 1,238.35 | 2.22% |
| Total Borrowings | 55,056.67 | 95.86% | 53,651.04 | 96.06% |
| Total Liabilities | 57,438.84 | | 55,852.39 | |

^^Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4th November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

(v) Stock ratios

| Particulars | As at 31 st March 2024 | | | As at 31 st March 2023 | | |
|--|-----------------------------------|-----------------------------|------------------------|-----------------------------------|-----------------------------|------------------------|
| | as a % of total public funds | as a % of total liabilities | as a % of total assets | as a % of total public funds | as a % of total liabilities | as a % of total assets |
| Commercial papers | 6.00% | 5.75% | 4.57% | - | - | - |
| Non-convertible Bonds & Debentures (original maturity of less than 1 year) | NA | NA | NA | NA | NA | NA |
| Other short term liabilities* | 8.14% | 7.81% | 6.19% | 7.91% | 7.59% | 6.35% |

* Includes short term funds with original maturity of less than 1 year and includes funds from Refinance from NHB, Short Term Lines / OD / WCDL

(vi) Institutional set-up for liquidity risk management

The Board of Directors of the Company has constituted the Asset Liability Management Committee (ALCO) and the Risk Management Committee. The Board has the overall responsibility for management of liquidity risk. The Board decides the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits approved by it. 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 ALCO is responsible for ensuring adherence to the liquidity risk tolerance/limits set out in the Board approved Asset Liability Management (ALM) policy. The role of the ALCO with respect to liquidity risk includes, inter alia, decision on desired maturity profile for assets & liabilities, responsibilities and controls for managing liquidity risk and overseeing the liquidity position of the Company. The ALM Policy is reviewed periodically to realign the same pursuant to any regulatory changes or business needs and approved by the RMC and the Board.

Management regularly reviews the position of cash and cash equivalents by aligning the same with the projected maturity of financial assets and financial liabilities, economic environment, liquidity position in the financial market, anticipated pipeline of future borrowing & future liabilities and threshold of minimum liquidity defined in the ALM policy with additional liquidity buffers as management overlay.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

(b) Disclosure pertaining to Liquidity Risk Management Framework for Housing Finance Companies

A. Qualitative Disclosure

All deposit taking HFCs irrespective of their asset size, shall maintain a liquidity buffer in terms of Liquidity Coverage Ratio (LCR) which will promote resilience of HFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The timeline on adhering to LCR guidelines are tabulated below.

| Periods | 1 st December 2021 | 1 st December 2022* | 1 st December 2023* | 1 st December 2024 | 1 st December 2025 |
|-----------------|-------------------------------|--------------------------------|--------------------------------|-------------------------------|-------------------------------|
| Minimum LCR (%) | 50% | 60% | 70% | 85% | 100% |

*As per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as on 1st December 2022 and 1st December 2023 Minimum LCR required is 70% and 85% respectively.

The objective of the LCR is to promote an environment wherein balance sheet carry a strong liquidity for short term cash flow requirements. To ensure strong liquidity NBFCs are required to maintain adequate pool of unencumbered HQLA which can be easily converted into cash to meet their stressed liquidity needs for 30 calendar days. The LCR is expected to improve the ability of financial sector to absorb the shocks arising from financial and/or economic stress, thus reducing the risk of spill over from financial sector to real economy.

The Liquidity Risk Management of the Company is managed by the ALCO under the governance of Board approved Liquidity Risk Framework comprising of Asset Liability Management policy, Contingency Funding Policy, Funding Strategy and Resource Mobilization Policy, and Market Risk Management Policy. The LCR levels for the balance sheet date is derived by arriving the stressed expected cash inflow and outflow for the next calendar month. To compute stressed cash outflow, all expected and contracted cash outflows are considered by applying a stress of 15%. Similarly, inflows for the Company is arrived at by considering all expected and contracted inflows by applying a haircut of 25%.

The main drivers of LCR are:

Outflows comprises of:

- All the contractual debt repayments and interest payments
- Expected operating expense based on FY 2022-23
- Committed credit facilities contracted with customers for both sanctioned but partly disbursed cases and sanctioned but undisbursed cases based on historical experience and other expected or contracted cash outflows like expected payouts under contracted direct assignment deals.

The potential debt which may be recalled by the lenders on account of covenant breach has not been considered since the Company has not experienced such debt recall by any lender so far despite having breached covenants in the past.

Inflows comprises of:

- Expected receipt (scheduled EMIs) from all performing loans
- Liquid investment either in the form of short tenure Fixed Deposits with banks or in units of Debt Mutual Fund Schemes (like Overnight Liquid and Money Market Schemes) which are unencumbered and have not been considered as part of HQLA
- Sanctioned and undrawn lines of credit from banks.

For the purpose of HQLA the Company considers unencumbered government securities and cash/bank balances with nil haircuts.

The unencumbered government securities held as part of HQLA are identified separately from the government securities which are lien marked in favour of Trustee for public deposits accepted by the Company. The LCR is computed by dividing the stock of HQLA by its total net cash outflows over one-month stress period.

LCR guidelines are effective from 1st December 2021. LCR has been calculated and monitored as per methodology prescribed in the RBI circular. LCR has been calculated as a simple average of the total number of days in a quarter on daily basis. The Company is compliant with maintenance of stipulated LCR. Further, the Company has been monitoring the LCR at monthly intervals for the period of April 2023 to March 2024. The maximum and minimum daily required HQLA for regulatory compliance has been ₹299.51 crore and ₹1,591.42 crore respectively for the period of April'23 to March'24. The Company has maintained the daily average LCR of 105% for Financial Year 2023-2024.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

The Company maintains diversified sources of funding comprising short/long term loans from banks, Non-Convertible Debentures (NCDs), External Commercial Borrowings (ECBs), Deposits, Refinance from National Housing Bank (NHB) and Commercial Papers (CPs). The funding pattern is reviewed on monthly basis by the management and on quarterly basis by the ALM Committee and Risk Management Committee.

Funding profile of the Company is tabulated below:

| Particulars | As at 31 st March 2024 | | As at 31 st March 2023 | |
|---|-----------------------------------|----------------|-----------------------------------|----------------|
| | ₹ in crore | % | ₹ in crore | % |
| Secured Non-Convertible Bonds | 2,946.84 | 4.84% | 3,844.17 | 6.30% |
| Secured Non-Convertible Debentures | 1,600.39 | 2.63% | 149.92 | 0.25% |
| Commercial Papers | 3,304.70 | 5.42% | - | - |
| Refinance Facility from NHB | 5,090.33 | 8.35% | 3,046.20 | 5.00% |
| Bank Facilities (Long Term + Short Term) | 21,962.98 | 36.04% | 22,636.92 | 37.11% |
| Financial Institution Facilities (Long Term + Short Term) | 157.49 | 0.26% | - | - |
| External Commercial Borrowings | 1,456.15 | 2.39% | 5,491.58 | 9.00% |
| Deposits | 17,798.30 | 29.20% | 17,243.90 | 28.27% |
| Subordinated Tier-II Non-Convertible Debentures | 739.49 | 1.21% | 1,238.35 | 2.03% |
| Total (a) | 55,056.67 | | 53,651.04 | |
| Assignment of loans (b) | 5,884.77 | 9.66% | 7,344.70 | 12.04% |
| Total (a+b) | 60,941.44 | 100.00% | 60,995.74 | 100.00% |

Derivative exposures and potential collateral calls: To hedge ECBs and mitigate the Interest rate risk on NCDs, the Company enters into derivative transactions. All the derivatives of the Company are for hedging purpose and not for any speculative or trading purpose. As on 31st March 2024, the notional amount of outstanding derivatives is ₹3,275.44 crore (Previous year ₹10,065.79 crore) with net positive MTM of ₹135.01 crore (Previous year ₹ 682.37 crore). Further, the Company has executed bilateral Credit Support Agreement with one of its derivative counterparty. As on 31st March 2024 there is no outstanding margin but there could be potential future margin calls based on the MTM movements ₹ Nil (Previous year ₹22.33 crore).

Currency mismatch in LCR: There is no mismatch required to be reported in LCR as on 31st March 2024 and 31st March 2023 since all the Foreign Currency liabilities are reinstated to ₹ as per the corresponding derivative/ forward deals and closing RBI reference / FBIL exchange rates.

B. Quantitative Disclosure

(₹ in crore)

| Particulars | Quarter ended March 2024 | | Quarter ended December 2023 | |
|--|--------------------------|-----------------------|-----------------------------|-----------------------|
| | Total Unweighted** Value | Total Weighted# Value | Total Unweighted** Value | Total Weighted# Value |
| High Quality Liquid Assets | | | | |
| Total High Quality Liquid Assets (HQLA) | 1,719.41 | 1,476.27 | 1,482.93 | 1,329.18 |
| (i) Cash in hand & Bank balance | 82.22 | 82.22 | 105.11 | 105.11 |
| (ii) CP/Corporate Bond | 1,620.92 | 1,377.78 | 1,025.01 | 871.26 |
| (iii) Government securities | 16.27 | 16.27 | 352.81 | 352.81 |
| Cash Outflows | | | | |
| Deposits | 439.03 | 504.88 | 399.28 | 459.17 |
| Unsecured wholesale funding | 1,845.60 | 2,122.44 | 647.28 | 744.37 |
| Secured wholesale funding | 1,253.85 | 1,441.93 | 1,719.82 | 1,977.79 |
| Additional requirements, of which | | | | |
| (i) Outflows related to derivative exposures and other collateral requirements | - | - | - | - |
| (ii) Outflows related to loss of funding on debt products | - | - | - | - |
| (iii) Credit and liquidity facilities | - | - | - | - |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

(₹ in crore)

| Particulars | Quarter ended March 2024 | | Quarter ended December 2023 | |
|---|--------------------------|-----------------------------|-----------------------------|-----------------------|
| | Total Unweighted** Value | Total Weighted# Value | Total Unweighted** Value | Total Weighted# Value |
| Other contractual funding obligations | 1,212.32 | 1,394.17 | 1,208.71 | 1,390.02 |
| Other contingent funding obligations | 157.98 | 181.68 | 179.56 | 206.49 |
| Total Cash Outflows | 4,908.78 | 5,645.10 | 4,154.65 | 4,777.85 |
| Cash Inflows | | | | |
| Secured lending | - | - | - | - |
| Inflows from fully performing exposures | 795.32 | 596.49 | 772.27 | 579.20 |
| Other cash inflows | 11,066.45 | 8,299.84 | 11,572.15 | 8,679.11 |
| Total Cash Inflows | 11,861.77 | 8,896.33 | 12,344.42 | 9,258.32 |
| | | Total Adjusted Value | | |
| Total HQLA | | 1,476.27 | | 1,329.18 |
| Total Net Cash Outflows | | 1,411.27 | | 1,194.46 |
| Liquidity Coverage Ratio (%) | | 104.61% | | 111.28% |
| Required LCR | in % | 70.00% | in % | 70.00% |
| | in ₹ | 987.89 | in ₹ | 836.12 |
| HQLA SLR investments (haircut of 20%) | 2,261.11 | 1,808.89 | 2,333.25 | 1,866.60 |
| Total HQLA Incl investments for SLR (haircut of 20%) | | 3,285.16 | | 3,195.78 |
| Liquidity Coverage Ratio (%) (Incl investments for SLR haircut of 20%) | | 232.78% | | 267.55% |

(₹ in crore)

| Particulars | Quarter ended September 2023 | | Quarter ended June 2023 | |
|--|------------------------------|-----------------------|--------------------------|-----------------------|
| | Total Unweighted** Value | Total Weighted# Value | Total Unweighted** Value | Total Weighted# Value |
| High Quality Liquid Assets | | | | |
| Total High Quality Liquid Assets (HQLA) | 1,227.67 | 1,130.43 | 1,029.54 | 948.99 |
| (i) Cash in hand & Bank balance | 96.45 | 96.45 | 93.59 | 93.59 |
| (ii) CP/Corporate Bond | 648.27 | 551.03 | 536.99 | 456.44 |
| (iii) Government securities | 482.95 | 482.95 | 398.96 | 398.96 |
| Cash Outflows | | | | |
| Deposits | 445.47 | 512.29 | 445.14 | 511.91 |
| Unsecured wholesale funding | 358.70 | 412.51 | - | - |
| Secured wholesale funding | 1,654.63 | 1,902.82 | 1,735.70 | 1,996.06 |
| Additional requirements, of which | | | | |
| (i) Outflows related to derivative exposures and other collateral requirements | - | - | 0.38 | 0.44 |
| (ii) Outflows related to loss of funding on debt products | - | - | - | - |
| (iii) Credit and liquidity facilities | - | - | - | - |
| Other contractual funding obligations | 1,082.63 | 1,245.02 | 1,108.85 | 1,275.18 |
| Other contingent funding obligations | 172.62 | 198.51 | 138.81 | 159.63 |
| Total Cash Outflows | 3,714.05 | 4,271.16 | 3,428.88 | 3,943.21 |
| Cash Inflows | | | | |
| Secured lending | - | - | - | - |
| Inflows from fully performing exposures | 768.03 | 576.02 | 802.16 | 601.62 |
| Other cash inflows | 8,689.83 | 6,517.37 | 8,108.76 | 6,081.57 |
| Total Cash Inflows | 9,457.86 | 7,093.40 | 8,910.92 | 6,683.19 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

(₹ in crore)

| Particulars | Quarter ended September 2023 | | Quarter ended June 2023 | |
|--|------------------------------|-----------------------------|--------------------------|-----------------------|
| | Total Unweighted** Value | Total Weighted# Value | Total Unweighted** Value | Total Weighted# Value |
| | | Total Adjusted Value | | |
| Total HQLA | | 1,130.43 | | 948.99 |
| Total Net Cash Outflows | | 1,067.79 | | 985.80 |
| Liquidity Coverage Ratio (%) | | 105.87% | | 96.27% |
| Required LCR | in % | 60.00% | in % | 60.00% |
| | in ₹ | 640.67 | in ₹ | 591.48 |
| HQLA SLR investments (haircut of 20%) | 2,322.80 | 1,858.24 | 2,243.20 | 1,794.56 |
| Total HQLA Incl investments for SLR (haircut of 20%) | | 2,988.67 | | 2,743.55 |
| Liquidity Coverage Ratio (%) (Incl investments for SLR (haircut of 20%)) | | 279.89% | | 278.31% |

(₹ in crore)

| Particulars | Quarter ended March 2023 | | Quarter ended December 2022 | |
|--|--------------------------|-----------------------------|-----------------------------|-----------------------|
| | Total Unweighted** Value | Total Weighted# Value | Total Unweighted** Value | Total Weighted# Value |
| High Quality Liquid Assets | | | | |
| Total High Quality Liquid Assets (HQLA) | 862.98 | 819.27 | 1,011.42 | 967.19 |
| (i) Cash in hand & Bank balance | 90.83 | 90.83 | 74.24 | 74.24 |
| (ii) CP/Corporate Bond | 291.39 | 247.68 | 294.89 | 250.66 |
| (iii) Government securities | 480.76 | 480.76 | 642.29 | 642.29 |
| Cash Outflows | | | | |
| Deposits | 428.73 | 493.04 | 450.07 | 517.58 |
| Unsecured wholesale funding | 32.78 | 37.70 | 133.70 | 153.76 |
| Secured wholesale funding | 1,205.18 | 1,385.96 | 620.27 | 713.31 |
| Additional requirements, of which | | | | |
| (i) Outflows related to derivative exposures and other collateral requirements | 9.16 | 10.53 | 17.81 | 20.48 |
| (ii) Outflows related to loss of funding on debt products | - | - | - | - |
| (iii) Credit and liquidity facilities | - | - | - | - |
| Other contractual funding obligations | 1,113.66 | 1,280.71 | 1,095.24 | 1,259.53 |
| Other contingent funding obligations | 111.76 | 128.52 | 134.43 | 154.59 |
| Total Cash Outflows | 2,901.27 | 3,336.46 | 2,451.52 | 2,819.25 |
| Cash Inflows | | | | |
| Secured lending | - | - | - | - |
| Inflows from fully performing exposures | 790.32 | 592.74 | 765.79 | 574.34 |
| Other cash inflows | 5,941.67 | 4,456.25 | 5,081.98 | 3,811.49 |
| Total Cash Inflows | 6,731.99 | 5,048.99 | 5,847.77 | 4,385.83 |
| | | Total Adjusted Value | | |
| Total HQLA | | 819.27 | | 967.19 |
| Total Net Cash Outflows | | 834.11 | | 704.81 |
| Liquidity Coverage Ratio (%) | | 98.22% | | 137.23% |
| Required LCR | in % | 60.00% | in % | 60.00% |
| | in ₹ | 500.47 | in ₹ | 422.89 |
| HQLA SLR investments (haircut of 20%) | 2,265.48 | 1,812.38 | 2,197.74 | 1,758.19 |
| Total HQLA Incl investments for SLR (haircut of 20%) | | 2,631.66 | | 2,725.38 |
| Liquidity Coverage Ratio (%) (Incl investments for SLR (haircut of 20%)) | | 315.50% | | 386.68% |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

(₹ in crore)

| Particulars | Quarter ended September 2022 | | Quarter ended June 2022 | |
|---|------------------------------|-----------------------|--------------------------|-----------------------|
| | Total Unweighted** Value | Total Weighted# Value | Total Unweighted** Value | Total Weighted# Value |
| High Quality Liquid Assets | | | | |
| Total High Quality Liquid Assets (HQLA) | 1,021.13 | 978.79 | 1,010.10 | 998.92 |
| (i) Cash in hand & Bank balance | 73.69 | 73.69 | 83.32 | 83.32 |
| (ii) CP/Corporate Bond | 282.26 | 239.92 | 74.56 | 63.38 |
| (iii) Government securities | 665.18 | 665.18 | 852.22 | 852.22 |
| Cash Outflows | | | | |
| Deposits | 531.53 | 611.26 | 488.89 | 562.22 |
| Unsecured wholesale funding | - | - | 82.42 | 94.78 |
| Secured wholesale funding | 1,523.65 | 1,752.20 | 1,320.75 | 1,518.86 |
| Additional requirements, of which | | | | |
| (i) Outflows related to derivative exposures and other collateral requirements | 32.75 | 37.66 | 34.13 | 39.25 |
| (ii) Outflows related to loss of funding on debt products | - | - | - | - |
| (iii) Credit and liquidity facilities | - | - | - | - |
| Other contractual funding obligations | 1,045.31 | 1,202.11 | 1,030.12 | 1,184.64 |
| Other contingent funding obligations | 120.60 | 138.69 | 114.37 | 131.52 |
| Total Cash Outflows | 3,253.84 | 3,741.92 | 3,070.68 | 3,531.28 |
| Cash Inflows | | | | |
| Secured lending | - | - | - | - |
| Inflows from fully performing exposures | 739.79 | 554.84 | 753.55 | 565.16 |
| Other cash inflows | 6,205.08 | 4,653.81 | 7,029.65 | 5,272.24 |
| Total Cash Inflows | 6,944.87 | 5,208.65 | 7,783.20 | 5,837.40 |
| Total Adjusted Value | | | | |
| Total HQLA | | 978.79 | | 998.92 |
| Total Net Cash Outflows | | 935.48 | | 882.82 |
| Liquidity Coverage Ratio (%) | | 104.63% | | 113.15% |
| Required LCR | in % | 50.00% | in % | 50.00% |
| | in ₹ | 467.74 | in ₹ | 441.41 |
| HQLA SLR investments (haircut of 20%) | 2,152.51 | 1,722.01 | 2,214.92 | 1,771.94 |
| Total HQLA Incl investments for SLR (haircut of 20%) | | 2,700.80 | | 2,770.85 |
| Liquidity Coverage Ratio (%) (Incl investments for SLR (haircut of 20%)) | | 288.71% | | 313.86% |

**Unweighted values are calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

#Weighted values are calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 36.34: Disclosure as per Annexure III of RBI directions:

| | | (₹ in crore) | |
|--------------------|---|---------------------------|----------------|
| S. No | Liabilities side | Amount outstanding | Amount overdue |
| 1 | Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid: | | |
| | (a) Bonds/ Debentures : Secured | 4,700.64 | - |
| | : Unsecured | 770.18 | - |
| | (other than falling within the meaning of public deposits) | | |
| | (b) Deferred Credits | - | - |
| | (c) Term Loans | 28,817.49 | - |
| | (d) Inter-corporate loans and borrowing | 2,081.28 | - |
| | (e) Commercial Paper | - | - |
| | (f) Public Deposits | 15,721.35 | - |
| | (g) Other Loans (specify nature) | - | - |
| 2 | Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid): | | |
| | (a) In the form of Unsecured debentures | - | - |
| | (b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security | - | - |
| | (c) Other public deposits | 15,721.35 | - |
| | | (₹ in crore) | |
| Assets side | | Amount outstanding | |
| 3 | Break-up of Loans and Advances including bills receivables [other than those included in (4) below]: | | |
| | (a) Secured | | 65,454.33 |
| | (b) Unsecured | | - |
| 4 | Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities | | |
| | (i) Lease assets including lease rentals under sundry debtors | | |
| | (a) Financial lease | | - |
| | (b) Operating lease | | - |
| | (ii) Stock on hire including hire charges under sundry debtors | | |
| | (a) Assets on hire | | - |
| | (b) Repossessed Assets | | - |
| | (iii) Other loans counting towards asset financing activities | | |
| | (a) Loans where assets have been repossessed (net of provision) | | - |
| | (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 | | 1,915.56 |
| | (iii) Units of mutual funds | | - |
| | (iv) Government Securities | | - |
| | (v) Others (Security receipts in ACRE Trust) | | - |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

(₹ in crore)

| Assets side | Amount outstanding |
|--|--------------------|
| 2. Unquoted | |
| (i) Shares | |
| (a) Equity | - |
| (b) Preference | - |
| (ii) Debentures and Bonds | - |
| (iii) Units of mutual funds | |
| (iv) Government Securities | - |
| (v) Others (please specify) | - |
| Long Term Investments | |
| 1. Quoted | |
| (i) Shares | |
| (a) Equity | - |
| (b) Preference | - |
| (ii) Debentures and Bonds | 50.66 |
| (iii) Units of mutual funds | - |
| (iv) Government Securities | 2,338.29 |
| (v) Others (Security receipts in ACRE Trust) | 40.45 |
| 2. Unquoted | |
| (i) Shares | |
| (a) Equity | 0.30 |
| (b) Preference | - |
| (ii) Debentures and Bonds | - |
| (iii) Units of mutual funds | - |
| (iv) Government Securities | - |
| (v) Others (please specify) | - |

(₹ in crore)

| Category | Amount net of provisions | | |
|---|--------------------------|-----------|------------------|
| | Secured | Unsecured | Total |
| 6 Borrower group-wise classification of assets financed as in (3) and (4) above: | | | |
| 1. Related Parties | | | |
| (a) Subsidiaries | - | - | - |
| (b) Companies in the same group | - | - | - |
| c) Other related parties | - | - | - |
| 2. Other than related parties | 64,204.76 | - | 64,204.76 |
| Total | 64,204.76 | - | 64,204.76 |

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

(₹ in crore)

| Category | Market Value / Break up or fair value or NAV | Total Book Value (net of provisions) |
|---------------------------------|--|--------------------------------------|
| 1. Related Parties | | |
| (a) Subsidiaries* | 138.47 | 0.30 |
| (b) Companies in the same group | - | - |
| (c) Other related parties | - | - |
| 2. Other than related parties | 4,355.65 | 4,344.96 |
| Total | 4,494.12 | 4,345.26 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

8 Other information

(₹ in crore)

| Particulars | Amount |
|---|--------|
| 1. Gross Non-Performing Assets | |
| (a) Related Parties | - |
| (b) Other than related parties | 984.68 |
| 2. Net Non-Performing Assets | |
| (a) Related Parties | - |
| (b) Other than related parties | 616.88 |
| Assets acquired in satisfaction of debt | - |

* Equity capital contributed by the Company has been considered as break up value for subsidiary formed under section 8 of the Company Act 2013 as the subsidiary is prohibited to give any right over its profits to any of its members.

Note 36.35: Breach of covenant of loans availed and debt securities issued

| Loans/debt securities | Current Year (₹ in crore) | Previous Year (₹ in crore) | Breach of Covenant | Status as on 31 st March 2024 | Status as on 31 st March 2023 | Details |
|---|------------------------------|-------------------------------|--------------------|---|---|--|
| External Commercial Borrowings - Asian Development Bank | - | 246.61 | Breach of NPA % | No Breach | Waived off | Waiver received till 31 st March 2023; Loan matures in June 2023 |
| ISDA-IndusInd Bank (Interest Rate Swap) | - | 124.00 | Breach of NPA % | No Breach | Waived off | The NPA financial covenant parameter was reset and waiver was received upto 31 st March 2023. |
| ISDA-IndusInd Bank (Principal Only Swap) | - | 124.00 | Breach of NPA % | No Breach | Waived off | The NPA financial covenant parameter was reset and waiver was received upto 31 st March 2023. |

Note 36.36: RBI vide its circular number RBI/2020-21/60/DOR.NBFC (HFC) CC.NO 118/03.10.136/2020-21 dated 22nd October 2020 defined the principal business criteria for HFCs.

Details of principal business criteria as follows:

| As at 31 st March 2024 | | As at 31 st March 2023 | |
|---|---|---|---|
| % of total assets towards housing finance | % of total assets towards housing finance for individuals | % of total assets towards housing finance | % of total assets towards housing finance for individuals |
| 66.33% | 63.28% | 64.91% | 59.21% |

Note 36.37: In compliance with RBI notification number RBI/DNBS/2016-17/49/Master Direction DNBS. PPD.01/66.15.001/2016-17 dated 29th September 2016, during the year the Company has reported one fraud case in relation to loan advanced to a borrower amounting to ₹2.00 crore (loss recognised ₹1.97 crore) to NHB (Previous year ₹5.44 crore (loss recognised ₹5.32 crore) in relation to eight fraud cases for loans advanced to the borrowers).

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 36.38: The comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 is tabulated below:

| Asset Classification as per RBI Norms (1) | Asset classification as per Ind AS 109 (2) | Gross Carrying Amount as per Ind AS 109 (3) | Loss Allowances (Provisions) as required under Ind AS 109 (4) | Net Carrying Amount (5)=(3)-(4) | Provisions required as per IRACP norms (6) | Difference between Ind AS 109 provisions and IRACP norms (7) = (4)-(6) |
|---|--|---|---|---------------------------------|--|--|
| Performing Assets | | | | | | |
| Standard | Stage 1 | 62,523.09 | 564.70 | 61,958.39 | 252.85 | 311.85 |
| | Stage 2 | 1,946.56 | 317.07 | 1,629.49 | 11.56 | 305.51 |
| Subtotal | | 64,469.65 | 881.77 | 63,587.88 | 264.41 | 617.36 |
| Non-Performing Assets (NPA) | | | | | | |
| Substandard | Stage 3 | 285.06 | 70.02 | 215.04 | 39.59 | 30.43 |
| Doubtful - up to 1 year | Stage 3 | 213.72 | 68.76 | 144.96 | 49.06 | 19.70 |
| 1 to 3 years | Stage 3 | 408.90 | 184.49 | 224.41 | 160.44 | 24.05 |
| More than 3 years | Stage 3 | 77.00 | 44.53 | 32.47 | 60.39 | (15.86) |
| Subtotal for doubtful | | 699.62 | 297.78 | 401.84 | 269.89 | 27.89 |
| Loss | Stage 3 | - | - | - | - | - |
| Subtotal for NPA | | 984.68 | 367.80 | 616.88 | 309.48 | 58.32 |
| 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 | 624.40 | 2.45 | 621.95 | - | 2.45 |
| | Stage 2 | - | - | - | - | - |
| | Stage 3 | 0.54 | 0.54 | - | 0.54 | - |
| Subtotal | | 624.94 | 2.99 | 621.95 | 0.54 | 2.45 |
| Total | Stage 1 | 63,147.49 | 567.15 | 62,580.34 | 252.85 | 314.30 |
| | Stage 2 | 1,946.56 | 317.07 | 1,629.49 | 11.56 | 305.51 |
| | Stage 3 | 985.22 | 368.34 | 616.88 | 310.02 | 58.32 |
| Total | | 66,079.27 | 1,252.56 | 64,826.71 | 574.43 | 678.13 |

Note 36.39: In compliance with RBI circular number RBI/2020-21/16/DOR.No.BP.BC/3/21.04.048/2020-21 dated 6th August 2020, the disclosure in relation to resolution plan implemented under the Resolution Framework for COVID-19-related stress is tabulated below:

For half-year ended 31st March 2024

(₹ in crore)

| Type of Borrower | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A) ^(§) | Of (A), aggregate debt that slipped into NPA during the half-year | Of (A) amount written off during the half-year | Of (A) amount paid by the borrowers during the half year | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year ^(@) |
|---------------------|---|---|--|--|---|
| Personal Loans* | 1,551.07 | 46.86 | 8.74 | 161.13 | 1,381.20 |
| Corporate persons | | | | | |
| of which, MSMEs | | | | | |
| Others [^] | 50.67 | - | - | 31.42 | 19.25 |
| Total | 1,601.74 | 46.86 | 8.74 | 192.55 | 1,400.45 |

*Retail loans

[§]Principal outstanding as on 30th September 2023.

[@]Principal outstanding (including capitalised interest, disbursement) for the live restructured accounts as on 31st March 2024.

[^]Corporate finance loans

Notes to Standalone Financial Statements

for the year ended 31st March 2024

For half-year ended 30th September 2023

(₹ in crore)

| Type of Borrower | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A) ^(§) | Of (A), aggregate debt that slipped into NPA during the half-year | Of (A) amount written off during the half-year | Of (A) amount paid by the borrowers during the half year | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year ^(@) |
|---------------------|---|---|--|--|---|
| Personal Loans* | 1,738.25 | 62.69 | 33.44 | 153.74 | 1,551.07 |
| Corporate persons | | | | | |
| of which, MSMEs | | | | | |
| Others [^] | 105.78 | - | - | 55.11 | 50.67 |
| Total | 1,844.03 | 62.69 | 33.44 | 208.85 | 1,601.74 |

* Retail loans

§ Principal outstanding as on 31st March 2023.

@ Principal outstanding (including capitalised interest, disbursement) for the live restructured accounts as on 30th September 2023.

[^]Corporate finance loans

Note 37: Leases

(i) Movement of lease liability

(₹ in crore)

| Particulars | As at 31 st March 2024 | As at 31 st March 2023 |
|--|-----------------------------------|-----------------------------------|
| Lease liability as at the beginning of the year | 74.67 | 70.13 |
| Additions (b) | 91.44 | 34.71 |
| Accretion of interest (c) | 7.22 | 6.17 |
| Payments (d) | 33.25 | 33.50 |
| Modification (e) | 7.19 | 2.84 |
| Lease liability as at the end of the year (a+b+c-d-e) | 132.89 | 74.67 |

(ii) Maturity analysis of minimum undiscounted lease payments after the reporting period:

(₹ in crore)

| Particulars | As at 31 st March 2024 | As at 31 st March 2023 |
|---|-----------------------------------|-----------------------------------|
| Less than one year | 34.84 | 28.51 |
| Later than one year but not later than five years | 91.79 | 54.78 |
| Later than five years | 39.31 | 7.94 |
| Total | 165.94 | 91.23 |

(iii) Maturity analysis of minimum discounted lease payments after the reporting period:

(₹ in crore)

| Particulars | As at 31 st March 2024 | As at 31 st March 2023 |
|---|-----------------------------------|-----------------------------------|
| Less than one year | 25.98 | 23.44 |
| Later than one year but not later than five years | 72.23 | 44.20 |
| Later than five years | 34.68 | 7.03 |
| Total | 132.89 | 74.67 |

(iv) There are no gains or losses from sales and leaseback for the year ended 31st March 2024 and 31st March 2023.

(v) There are no variable lease payments for the year ended 31st March 2024 and 31st March 2023.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 38: Derivatives

The Company uses derivative financial instruments such as forwards and swaps to hedge its risks associated with foreign exchange fluctuation, price risk and interest rate movements. The fair values of all such derivative financial instruments are recognized as assets or liabilities at the balance sheet date.

a. The Asset and Liability position of various outstanding derivative financial instruments is given below:

(₹ in crore)

| Particulars | Nature of Risk being Hedged | As at 31 st March 2024 | | | As at 31 st March 2023 | | |
|------------------|-----------------------------------|-----------------------------------|--------------|----------------|-----------------------------------|--------------|----------------|
| | | Assets | Liabilities | Net fair value | Assets | Liabilities | Net fair value |
| Cash flow hedges | Currency risk, Interest rate risk | 190.36 | 55.35 | 135.01 | 721.04 | 61.00 | 660.04 |
| Fair Value Hedge | Interest rate risk | - | - | - | - | - | - |
| Total | | 190.36 | 55.35 | 135.01 | 721.04 | 61.00 | 660.04 |

b. Outstanding position and fair value of various foreign exchange derivative financial instruments:

(₹ in crore)

| Particulars | Currency Pair | As at 31 st March 2024 | | As at 31 st March 2023* | |
|---------------------------|---------------|------------------------------------|-------------------------|------------------------------------|-------------------------|
| | | Notional Value in foreign currency | Fair Value Gain/ (Loss) | Notional Value in foreign currency | Fair Value Gain/ (Loss) |
| Cash flow hedges | | | | | |
| Currency swap | USD_INR | 1,459.04 | 190.36 | 5,508.53 | 657.29 |
| Interest rate swap | USD_INR | - | - | 3,823.09 | (37.94) |
| Foreign currency forwards | USD_INR | 816.40 | (55.35) | 734.17 | 63.02 |
| Fair value hedges | | | | | |
| Interest rate swap | INR_INR | 1,000.00 | - | - | - |

*Additionally margin money paid to counter party bank is ₹22.33 crore.

c. The following table presents details of amount held effective portion of cash flow hedge and cost of hedging reserve and the period during which these are going to be released and affecting Statement of Profit and Loss.

(₹ in crore)

| Effective Portion of Cash Flow Hedges | As at 31 st March 2024 | | | As at 31 st March 2023 | | |
|---------------------------------------|-----------------------------------|-----------------|---------------|-----------------------------------|-----------------|---------------|
| | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Months | Total |
| Currency swap | 144.38 | 45.98 | 190.36 | 461.03 | 196.26 | 657.29 |
| Interest rate swap | - | - | - | 63.02 | - | 63.02 |
| Foreign currency forwards | (0.75) | (54.60) | (55.35) | 0.59 | (38.53) | (37.94) |
| Total | 143.62 | (8.62) | 135.01 | 524.64 | 157.73 | 682.37 |
| Deferred tax on above | 36.15 | (2.17) | 33.98 | 132.04 | 39.70 | 171.74 |
| Total | 107.48 | (6.45) | 101.03 | 392.60 | 118.03 | 510.63 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

- d. The following tables presents the amount of gain/(loss) recognized for effective portion of cash flow hedge and cost of hedging reserve and recycled during the financial year 2023-24 along with closing amount in hedging reserve:

| | Opening Balance | Net Amount recognised OCI | Net Amount to P&L | Net Amount added to Non-Financial Assets | Recycled | Closing Balance |
|---------------------------|-----------------|---------------------------|-------------------|--|----------|-----------------|
| | | | | | | (₹ in crore) |
| Currency swap | 657.29 | 466.93 | - | - | - | 190.36 |
| Interest rate swap | 63.02 | 63.02 | - | - | - | - |
| Foreign currency forwards | (37.94) | (17.41) | - | - | - | (55.35) |

- e. The Company's hedging policy allows for effective hedge relationships to be established. The effective portion of hedge is recognised in OCI, while ineffective portion of hedge is recognised immediately in the Statement of Profit and Loss. For Cash flow hedges, the Company uses hypothetical derivative method to assess effectiveness based on "lower off" assessment.

Sources of Hedge ineffectiveness summarised by risk category are as follows :

| Risk Category | Sources of Hedge Ineffectiveness | Type of Hedge |
|---------------|----------------------------------|--------------------------------|
| Price Risk | Critical terms Mismatch | Cash Flow and Fair Value Hedge |
| | Basis Risk | Fair Value Hedge |
| | Credit Risk Adjustment | Cash Flow and Fair Value Hedge |
| Exchange Risk | Credit Risk Adjustment | Cash Flow Hedge |

Note 39: Segment Reporting:

Company's main business is to provide loans against/for purchase, construction, repairs & renovations of Houses/ Flats/ Commercial Properties etc. All other activities of the Company revolve around the main business. As such, there are no separate reportable segment, as per the Operating Segments (Ind AS 108), notified by the Companies (Accounting Standard) Rules, 2015. The Company operates within India and does not have operations in economic environments with different risks and returns, hence it is considered operating in single geographical segment.

The Company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

Note 40: Contingent Liabilities and Commitments

- Contingent liabilities in respect of Income-tax of ₹56.01 crore (Previous year ₹56.01 crore) is disputed and are under appeals. This includes contingent liability of ₹1.96 crore (Previous year ₹1.96 crore) with respect to Income-tax which have been decided by the ITAT in Company's favour. However, Income-tax Department has filed appeal with Delhi High Court. The Company expects the demands to be set aside by the Delhi High Court and appellate authority, hence no additional provision is considered necessary.
- Contingent liabilities in respect of Goods and Service Tax of ₹0.47 crore (Previous year ₹ Nil) is disputed and appeals has been filed for ₹0.33 crore. Further the Company in the process of filing of appeal ₹0.14 crore. The Company expects the demands to be set aside by the appellate authority, hence no additional provision is considered necessary.
- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹20.23 crore (Previous year ₹21.51 crore).
- Claims against the Company not acknowledged as debt is ₹1.20 crore (Previous year ₹0.43 crore)
- Company had issued corporate financial guarantee amounting to ₹22.19 crore (Previous year ₹0.25 crore) to "National Stock Exchange of India Ltd" and "UNIQUE IDENTIFICATION AUTHORITY OF INDIA (UIDAI)" in relation to Rights Issue of the Company and Aadhar Authentication Services respectively.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 41: Disclosure in respect of Employee Benefits:

In accordance with Indian Accounting Standards on “Employee Benefits” (Ind AS 19), the following disclosure have been made:

Defined Contribution Plans:

Note 41.1: The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. The contribution has been recognised in the Statement of Profit and Loss which are included under “Contribution to Provident Fund and Other Funds” in Note 31.

| Particulars | (₹ in crore) | |
|--|--------------|---------------|
| | Current Year | Previous Year |
| Contribution to Provident Fund and Other Funds | 10.35 | 8.18 |

Note 41.2: Defined Benefit Plans

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The scheme is funded and the same is managed by Life Insurance Corporation of India. The liability of Gratuity is recognised on the basis of actuarial valuation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31st March 2024. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Risks associated with defined benefit plan

Interest rate risk: A fall in the discount rate, which is linked to the Government Securities 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 salary of members. As such, an increase in the salary of the members more than assumed level may increase the plan's liability.

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.

GRATUITY LIABILITY

Change in present value of obligation

| Particulars | (₹ in crore) | |
|---|--------------|---------------|
| | Current Year | Previous Year |
| Present value of obligation as at the beginning of the year | 13.18 | 12.89 |
| Interest cost | 0.93 | 0.88 |
| Current service cost | 3.22 | 2.27 |
| Past service cost including curtailment gains/losses | - | - |
| Benefits paid | (3.57) | (3.06) |
| Actuarial (gain) / loss on obligation | 0.63 | 0.20 |
| Present value of obligation as at the end of year | 14.39 | 13.18 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Change in fair value of plan assets*

| Particulars | (₹ in crore) | |
|--|--------------|---------------|
| | Current Year | Previous Year |
| Fair value of plan assets as at the beginning of the year | 13.50 | 13.59 |
| Actual return on plan assets | 0.74 | 0.85 |
| Variation in actual return and expected return considered in previous year | - | (0.95) |
| Fund charges | - | (0.09) |
| Contributions | 3.50 | 3.14 |
| Benefits paid | (2.79) | (3.04) |
| Fair value of plan assets as at the end of year | 14.95 | 13.50 |
| Funded status | 1.02 | 1.23 |
| Unfunded status | (0.46) | (0.91) |

Expense recognised in the statement of Profit and Loss

| Particulars | (₹ in crore) | |
|---|--------------|---------------|
| | Current Year | Previous Year |
| Service cost | 3.22 | 2.27 |
| Interest cost (net) | 1.01 | 0.88 |
| Expected return on plan assets | (1.00) | (0.92) |
| Expenses recognised in the statement of profit and loss | 3.23 | 2.23 |
| Remeasurement (loss)/gain in Other Comprehensive Income (OCI) | (0.89) | (1.31) |

Expected contribution for the next financial year is ₹ 3.99 crore.

Assumptions

| Particulars | Current Year | Previous Year |
|---------------------------|----------------|----------------|
| a) Discounting Rate | 7.22%-7.23% | 7.36%-7.39% |
| b) Future salary Increase | 3.00%-8.00% | 3.00%-7.00% |
| c) Retirement Age (Years) | 58-60 years | 58-60 years |
| d) Mortality Table | IALM (2012-14) | IALM (2012-14) |

Maturity profile of defined benefits obligation

| Particulars | (₹ in crore) | |
|-------------------------------|--------------|---------------|
| | Current Year | Previous Year |
| With in the next 12 months | 1.21 | 1.42 |
| above 1 year and upto 5 years | 4.76 | 4.22 |
| above 5 year | 8.42 | 7.54 |

Sensitivity analysis of the defined benefit obligation**

| Particulars | Current Year | | | |
|--------------------------------------|---------------|---------------|------------------------|---------------|
| | Discount Rate | | Future salary increase | |
| | 0.5% increase | 0.5% decrease | 0.5% increase | 0.5% decrease |
| Sensitivity Level | | | | |
| Impact on defined benefit obligation | (0.50) | 0.53 | 0.47 | (0.44) |

| Particulars | Previous Year | | | |
|--------------------------------------|---------------|---------------|------------------------|---------------|
| | Discount Rate | | Future salary increase | |
| | 0.5% increase | 0.5% decrease | 0.5% increase | 0.5% decrease |
| Sensitivity Level | | | | |
| Impact on defined benefit obligation | (0.44) | 0.47 | 0.43 | (0.42) |

*100% of the plan assets are managed by the insurer for current as well as previous year for employees on the Company payroll. However, for contractual employees there are no plan assets.

**Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these are not calculated. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 42: Expenditure in Foreign Currency:

(₹ in crore)

| Particulars | Current Year | Previous Year |
|----------------|--------------|---------------|
| Interest paid | 259.58 | 229.63 |
| Other expenses | 3.57 | 6.15 |

Note 43: Derivative financial assets / liabilities

Derivative financial assets subject to offsetting, netting arrangements

(₹ in crore)

| Particulars | Offsetting recognised on the balance sheet | | | Netting potential not recognised on the balance sheet | | | Derivative assets not subject to netting arrangements | Total derivative assets | Maximum exposure to risk |
|---------------------------------|--|--|---|---|----------------------|--|---|---------------------------------|--|
| | Gross derivative assets before offset | Offset with gross derivative liabilities | Net derivative assets recognised on the balance sheet | Derivative liabilities | Collaterals received | Derivative assets after consideration of netting potential | Derivative assets recognised on the balance sheet | Recognised in the balance sheet | After consideration of netting potential |
| Derivative assets | A | B | C = (A + B) | D | E | F = (C + D + E) | G | H = (C + G) | I = (H + D + E) |
| At 31 st March 2024 | 190.36 | (55.35) | 135.01 | - | - | 135.01 | - | 135.01 | 135.01 |
| At 31 st March 2023* | 721.04 | (61.00) | 660.04 | - | - | 660.04 | - | 660.04 | 660.04 |

Derivative financial liabilities subject to offsetting, netting arrangements

(₹ in crore)

| Particulars | Offsetting recognised on the balance sheet | | | Netting potential not recognised on the balance sheet | | | Derivative liabilities not subject to netting arrangements | Total derivative liabilities | Maximum exposure to risk |
|---------------------------------|--|-------------------------------------|--|---|-------------------|---|--|---------------------------------|--|
| | Gross derivative liabilities before offset | Offset with gross derivative assets | Net derivative liabilities recognised on the balance sheet | Derivative assets | Collaterals given | Derivative liabilities after consideration of netting potential | Derivative liabilities recognised on the balance sheet | Recognised in the balance sheet | After consideration of netting potential |
| Derivative liabilities | A | B | C = (A + B) | D | E | F = (C + D + E) | G | H = (C + G) | I = (H + D + E) |
| At 31 st March 2024 | (55.35) | 55.35 | - | - | - | - | - | - | - |
| At 31 st March 2023* | (61.00) | 61.00 | - | - | - | - | - | - | - |

* Net of margin money paid to counter party bank.

Note 44: Change in liabilities arising from financing activities

(₹ in crore)

| Particulars | As at 1 st April 2023 | Cash flows (net) | Exchange difference | Others | As at 31 st March 2024 |
|---|----------------------------------|------------------|---------------------|--------|-----------------------------------|
| Debt securities & subordinated liabilities | 5,232.44 | 52.00 | - | 2.28 | 5,286.72 |
| Borrowings from bank and Financial Institutions | 31,174.70 | (2,158.27) | (370.62) | 21.14 | 28,666.95 |
| Deposits (net) | 17,243.90 | 545.02 | - | 9.38 | 17,798.30 |
| Commercial paper | - | 3,304.70 | - | - | 3,304.70 |
| Lease liabilities | 74.67 | (33.25) | - | 91.47 | 132.89 |

(₹ in crore)

| Particulars | As at 1 st April 2022 | Cash flows (net) | Exchange difference | Others | As at 31 st March 2023 |
|--|----------------------------------|------------------|---------------------|--------|-----------------------------------|
| Debt securities & subordinated liabilities | 7,640.15 | (2,410.01) | - | 2.30 | 5,232.44 |
| Borrowings from bank | 27,715.84 | 3,112.56 | 336.45 | 9.85 | 31,174.70 |
| Deposits (net) | 17,648.97 | (408.68) | - | 3.61 | 17,243.90 |
| Lease liabilities | 70.13 | (35.84) | - | 40.38 | 74.67 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 44.1: The borrowings has been utilised for the purpose for which it has been taken from banks and financial institutions.

Note 44.2: The borrowings which has been repaid during the year whereby satisfaction is yet to be filed with Registrar of Companies (ROC):

| Lender Name | Amount (₹ in crore) | Location of registrar | Reason for delay |
|---------------|------------------------|-----------------------|-----------------------------|
| HDFC Bank LTD | 500.00 | ROC- Delhi | Awating NOC from the lender |

Note 44.3: Quarterly returns/statements of current assets filed with banks or financial institutions against the underlying borrowings are in agreement with the books of accounts (principal outstanding).

Note 45: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. However, with regard to loans and advances to customers and investments, the Company has used the contractual maturities for recovery/settlement. Borrowings (including debt securities and deposits) are reflected basis the contractual maturities.

(₹ in crore)

| Particulars | As at 31 st March 2024 | | | As at 31 st March 2023 | | |
|---|-----------------------------------|------------------|------------------|-----------------------------------|------------------|------------------|
| | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Months | Total |
| ASSETS | | | | | | |
| Financial assets | | | | | | |
| Cash and cash equivalents | 2,141.77 | - | 2,141.77 | 3,667.41 | - | 3,667.41 |
| Bank balance other than cash and cash equivalents | 356.86 | - | 356.86 | 25.16 | - | 25.16 |
| Derivative financial instruments | 135.01 | - | 135.01 | 524.63 | 135.41 | 660.04 |
| Trade and other receivables | 52.15 | - | 52.15 | 0.01 | - | 0.01 |
| Loans | 3,398.04 | 60,806.72 | 64,204.76 | 3,390.30 | 54,518.23 | 57,908.53 |
| Investments | 1,134.45 | 3,210.81 | 4,345.26 | 1,446.53 | 1,741.49 | 3,188.02 |
| Other financial assets | 99.66 | 470.14 | 569.80 | 166.78 | 587.86 | 754.64 |
| Total (a) | 7,317.94 | 64,487.67 | 71,805.61 | 9,220.82 | 56,982.99 | 66,203.81 |
| Non-financial assets | | | | | | |
| Current tax assets (net) | - | 163.36 | 163.36 | - | 251.57 | 251.57 |
| Deferred tax assets (net) | - | 127.49 | 127.49 | - | 145.55 | 145.55 |
| Investment property | - | 0.51 | 0.51 | - | 0.52 | 0.52 |
| Property, plant and equipment | - | 66.47 | 66.47 | - | 66.05 | 66.05 |
| Right of use assets | - | 123.09 | 123.09 | - | 65.53 | 65.53 |
| Capital work-in-progress | - | 5.43 | 5.43 | - | 0.08 | 0.08 |
| Intangible assets under development | - | 9.82 | 9.82 | - | 3.08 | 3.08 |
| Other Intangible assets | - | 16.37 | 16.37 | - | 13.75 | 13.75 |
| Other non-financial assets | 51.76 | 1.30 | 53.06 | 51.50 | 3.52 | 55.02 |
| Total (b) | 51.76 | 513.84 | 565.60 | 51.50 | 549.65 | 601.15 |
| Total asset c = (a+b) | 7,369.70 | 65,001.51 | 72,371.21 | 9,272.32 | 57,532.64 | 66,804.96 |
| LIABILITIES | | | | | | |
| Financial liabilities | | | | | | |
| Trade Payables | 47.44 | - | 47.44 | 44.47 | - | 44.47 |
| Debt Securities | 4,707.90 | 3,144.03 | 7,851.93 | 900.00 | 3,094.09 | 3,994.09 |
| Borrowings (other than debt securities) | 11,559.35 | 17,107.60 | 28,666.95 | 14,908.20 | 16,266.50 | 31,174.70 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

(₹ in crore)

| Particulars | As at 31 st March 2024 | | | As at 31 st March 2023 | | |
|------------------------------------|-----------------------------------|------------------|------------------|-----------------------------------|------------------|------------------|
| | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Months | Total |
| Deposits | 6,022.33 | 11,735.84 | 17,758.17 | 5,138.38 | 12,075.58 | 17,213.96 |
| Subordinated liabilities | 200.00 | 539.49 | 739.49 | 499.00 | 739.35 | 1,238.35 |
| Other financial liabilities | 1,899.01 | 264.28 | 2,163.29 | 1,737.98 | 206.00 | 1,943.98 |
| Total (d) | 24,436.03 | 32,791.24 | 57,227.27 | 23,228.03 | 32,381.52 | 55,609.55 |
| Non-financial liabilities | | | | | | |
| Provisions | 5.94 | 13.84 | 19.78 | 2.30 | 15.09 | 17.39 |
| Other Non-financial Liabilities | 158.53 | 33.26 | 191.79 | 208.20 | 17.25 | 225.45 |
| Total (e) | 164.47 | 47.10 | 211.57 | 210.50 | 32.34 | 242.84 |
| Total liabilities f = (d+e) | 24,600.49 | 32,838.35 | 57,438.84 | 23,438.53 | 32,413.86 | 55,852.39 |
| Net (c-f) | | | 14,932.37 | | | 10,952.57 |

Note 46: Risk Management

The Company has formulated a comprehensive enterprise risk management policy to take care of major risks, such as credit risk, market risk, liquidity risk. The Company has an integrated risk management policy (IRM) in place, which communicates the risk management strategy, framework, and risk processes across the organisation, and has been approved by the Board. The risk management framework broadly includes governance, risk appetite approach, risk-specific guidelines, risk measurement, mitigation, monitoring reporting, and key risk indicators (KRIs). The Company has developed a clearly articulated risk appetite statement, functional policies, and KRIs to explicitly define the level and nature of risk that an organisation willing to take in order to pursue the articulated mission on behalf of various stakeholders. 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 laid down. The RMC gives directions to executive risk management committee (ERMC), comprising senior management.

Note 46.1: Credit Risk

The Company's asset base comprises of retail loans and corporate loans.

Retail loans mainly focusses on financing of acquisition or construction of houses that includes repair, upgradation, and development of plot of land. In retail loans category, the Company also provides loan against properties and loans for purchase & construction of non-residential premises.

Corporate finance loans are given mainly to developers for financing the construction of residential / commercial properties, i.e. construction finance loans, and for general corporate purpose loans. i.e. corporate term loans and lease rental discounting loans.

Being in the lending domain, credit risk is one of the major risks in the business model of the Company. Credit risk stems from outright default due to inability or unwillingness of a customer or counterparty to meet the contractual commitments. The essence of credit risk management in the Company pivots around the early assessment of stress, both at a portfolio and account level, and taking appropriate measures.

Credit Risk Management

Credit risk of the Company is managed through a robust Credit Risk Management set-up at various levels. Given the pervasiveness of credit risk in the Company's line of business, the Board and the senior management consider credit risk management to be an integral part of the organisational strategy. The Board has constituted a Risk Management Committee (RMC) that owns the risk management framework. The RMC oversees the Risk Management practices and gives direction to the Executive Risk Management Committee (ERMC), comprising of the MD and CEO along with functional heads, in implementing the risk management framework and policy. The policies and procedures have been drafted in close consultation with process owners, ERMC and RMC.

The risk management function is led by the Chief Risk Officer who is independent and has direct access to the RMC.

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for the year ended 31st March 2024

The Company's Risk Framework for credit risk management is mentioned below:

1) Established an appropriate credit risk environment

The Company has developed credit risk strategy which reflects its risk tolerance and level of profitability it expects to achieve. The execution of strategy is done through policies, guidelines and processes supervised by team of experienced professionals in the mortgage business.

2) Ensure sound credit approval process

The Company's Target Operating Model (TOM) primarily comprises of Hub and Spoc structure, advanced technology platform, experienced and specialized professionals and mark to market policies and products. The Company's TOM allows to manage various type of risks in a better manner which in turn helps building a robust portfolio.

The Company has clear segregation of duties between transaction originators in the business function and approvers in the credit risk function. Spoc or branch act as the primary point of sale, undertake loan originations, collection, deposit sourcing and customer service. Hubs perform functions, such as loan processing, credit appraisal and monitoring through subject matter experts comprising team of underwriters, fraud control unit, legal counsels, and technical evaluators.

The credit sanction is done through a well-defined delegation matrix under four eye principle. All functions are subject to audit, undertaken by an independent team directly reporting to the Board.

Hubs and Spocs are supported by Central Support Office (CSO), Centralised Operations (COPS) and Central Processing Centre (CPC).

3) Maintains an appropriate credit administration, measurement and monitoring process

Policies and procedures have been developed for identifying, measuring, monitoring and mitigating credit risk. Portfolio monitoring allows a proactive approach to identify, at an early stage, credit quality deterioration. A system of independent, periodical reviews of the Company's credit risk management process is established and the results of such reviews are communicated across the levels for corrective actions as applicable. The expected credit loss on financial instruments has been presented in respective note.

Adequate controls are in place to ensure that the credit approval function is being properly managed and that credit exposures are within levels consistent with prudential standards and internal limits.

Note 46.2: Derivative Financial Instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

Note 46.3: Analysis of risk concentration

(i) Risk concentrations on loans

An analysis of the Company's credit risk concentrations per product / sub product is provided in the below mentioned table:

| Particulars | (₹ in crore) | |
|--|--------------------------------------|--------------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 |
| Concentration by sector - Retail | | |
| Housing loans | 45,617.79 | 39,450.32 |
| Non housing loans | 17,784.55 | 16,089.44 |
| Total (a) | 63,402.34 | 55,539.76 |
| Concentration by sector - Corporate | | |
| Construction finance | 1,924.72 | 3,492.64 |
| Corporate term loan | 127.27 | 273.25 |
| Lease rental discounting | - | 35.72 |
| Total (b) | 2,051.99 | 3,801.61 |
| Total (a+b) | 65,454.33 | 59,341.37 |

Notes to Standalone Financial Statements

for the year ended 31st March 2024

(ii) Risk concentrations on financial assets other than loans

| Particulars | (₹ in crore) | | | | |
|---|-----------------|--------------------|-----------------|--------------|-----------------|
| | Government | Financial Services | Corporate | Others | Total |
| As at 31st March 2024 | | | | | |
| Cash and cash equivalents | - | 2,140.00 | - | 1.77 | 2,141.77 |
| Bank balance other than cash and cash equivalents | - | 356.86 | - | - | 356.86 |
| Derivative financial instruments | - | 135.01 | - | - | 135.01 |
| Trade and other receivables | - | - | 52.08 | 0.07 | 52.15 |
| Investments | 2,338.29 | - | 1,966.52 | 40.45 | 4,345.26 |
| Other financial assets | - | 542.55 | 10.97 | 16.28 | 569.80 |
| Total | 2,338.29 | 3,174.42 | 2,029.56 | 58.58 | 7,600.85 |
| As at 31st March 2023 | | | | | |
| Cash and cash equivalents | - | 3,665.92 | - | 1.49 | 3,667.41 |
| Bank balance other than cash and cash equivalents | - | 25.16 | - | - | 25.16 |
| Derivative financial instruments | - | 660.04 | - | - | 660.04 |
| Trade and other receivables | - | - | 0.01 | - | 0.01 |
| Investments | 2,517.06 | - | 630.51 | 40.45 | 3,188.02 |
| Other financial assets | 9.04 | 726.55 | 5.16 | 13.89 | 754.64 |
| Total | 2,526.10 | 5,077.67 | 635.68 | 55.83 | 8,295.28 |

Note 46.4: Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company monitors such changes and presents to the management on a regular basis. It undertakes scenario analysis as well as other techniques like earnings at risk to quantify the expected impact upon the change of market variables. The Board approved investment policy defines the overall exposure limits and specific limits pertaining to the exposure to a particular entity /counterparty as well as type of securities.

Note 46.4.1 Total market risk exposure

| | (₹ in crore) | | Primary risk sensitivity |
|---|--------------------------------------|--------------------------------------|---------------------------------|
| | As at 31 st March 2024 | As at 31 st March 2023 | |
| | Carrying amount | | |
| ASSETS | | | |
| Financial assets | | | |
| Cash and cash equivalents | 2,141.77 | 3,667.41 | - |
| Bank balance other than cash and cash equivalents | 356.86 | 25.16 | - |
| Derivative financial instruments | 135.01 | 660.04 | - |
| Trade and other receivables | 52.15 | 0.01 | - |
| Loans | 64,204.76 | 57,908.53 | Interest rate |
| Investments | 4,345.26 | 3,188.02 | Interest rate |
| Other financial assets | 569.80 | 754.64 | Interest rate |
| Total | 71,805.61 | 66,203.81 | |
| LIABILITIES | | | |
| Financial liabilities | | | |
| Trade payables | 47.44 | 44.47 | - |
| Debt securities | 7,851.93 | 3,994.09 | Interest rate |
| Borrowings (other than debt securities) | 28,666.95 | 31,174.70 | Interest rate/ Currency risk |
| Deposits | 17,758.17 | 17,213.96 | Interest rate |
| Subordinated liabilities | 739.49 | 1,238.35 | Interest rate |
| Other financial liabilities | 2,163.29 | 1,943.98 | - |
| Total | 57,227.27 | 55,609.55 | |

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46.4.2 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Board has established limits on interest rate sensitive assets and interest rate sensitive liabilities. The Company's policy is to monitor positions on a regular basis and hedging strategies are used to ensure positions are maintained within the established limits.

The following tables assesses the sensitivity of the assets and liabilities over the profit and loss with change in interest rates.

| Areas | Financial year | Increase / (decrease) in basis points | (₹ in crore) |
|---|----------------|---------------------------------------|----------------------------------|
| | | | Sensitivity of profit and (loss) |
| Loans | 2023-24 | 100 bps / (100) bps | 641.31 / (641.31) |
| | 2022-23 | 100 bps / (100) bps | 578.02 / (578.02) |
| Investments | 2023-24 | 100 bps / (100) bps | 21.83 / (23.04) |
| | 2022-23 | 100 bps / (100) bps | 4.19 / (1.38) |
| Other financial assets | 2023-24 | 25 bps / (25) bps | 56.52 / (56.52) |
| | 2022-23 | 25 bps / (25) bps | 68.22 / (68.22) |
| External Commercial Borrowing | 2023-24 | 100 bps / (100) bps | - |
| | 2022-23 | 100 bps / (100) bps | (0.63) / 0.63 |
| Debt securities, Borrowings (other than debt securities), Deposits and Subordinated liabilities | 2023-24 | 100 bps / (100) bps | (384.82) / 384.82 |
| | 2022-23 | 100 bps / (100) bps | (319.93) / 319.93 |

46.4.3 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arises majorly on account of foreign currency borrowings which are primarily in US dollar (\$). The Company manages its foreign currency risk by entering into cross currency swaps and forward contracts. When a derivative is entered into for the purpose of being as hedge, the Company negotiates the terms of those derivatives to match with the terms of the hedge exposure.

Currently, the Company is exposed to currency risk by virtue of its ECBs. But, the Company has undertaken hedging and mitigate such risk.

The following table assesses the sensitivity of the assets and liabilities over the profit and loss and other comprehensive income with change in currency rates.

| Areas | Financial year | Increase / (decrease) in % | (₹ in crore) |
|-------------------------------|----------------|----------------------------|---|
| | | | Sensitivity on profit and loss / other comprehensive income |
| External Commercial Borrowing | 2023-24 | 10 % / (10) % | - |
| | 2022-23 | 10 % / (10) % | (0.32) / 0.32 |

Note 46.4.4: Equity price risk :

The Company's investment in non-listed equity securities are accounted at cost in the financial statement net of impairment (if any). The expected cash flow from these entities are regularly monitored to identify impairment indicators.

Note 46.5: Liquidity risk and funding management

Liquidity risk is defined as the risk that the Company will encounter 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

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under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources and investors in addition to its core deposit base, also adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. The Company also keeps lines of credit and liquid investments that it can access to meet liquidity needs. The lines of credit are from various banks and institutions. The liquid investments are kept in liquid mutual funds, fixed deposits, liquid bonds, government securities etc., limits of which are defined as per investment policy based on the type of security, rating of entity and instrument. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios. The Company follows both stock and flow approaches to monitor and assess the liquidity position. Moreover, the Company keeps a track of the expected funds inflows and outflows along with the avenues of raising the funds. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required.

The Company has a Board approved Asset and Liability Management (ALM) policy. The policy has constituted an Asset and Liability Committee (ALCO) which meets at regular intervals and review the asset liability profile both at the particular time bucket level and cumulative level as well as the interest rate profile of the Company. The policy also defines the limits on such monitored items and these are further presented to the Board for information and further action, if any. Apart from the regulatory defined tools, the Company has voluntarily instituted various liquidity parameters that are presented to the ALCO and further to the Board. Moreover, the position of liquidity is presented to the Risk Management Committee of the Board.

Note 46.5.1: Analysis of financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows (including interest) of the Company's financial liabilities.

| Particulars | As at 31 st March 2024 | | | As at 31 st March 2023 | | |
|---|-----------------------------------|------------------|------------------|-----------------------------------|------------------|------------------|
| | Within 12 Months | After 12 Months | Total | Within 12 Months | After 12 Months | Total |
| | (₹ in crore) | | | | | |
| Financial liabilities | | | | | | |
| Trade payables | 47.44 | - | 47.44 | 44.47 | - | 44.47 |
| Debt securities | 4,707.90 | 3,144.03 | 7,851.93 | 900.00 | 3,094.09 | 3,994.09 |
| Borrowings (other than debt securities) | 11,559.35 | 17,107.60 | 28,666.95 | 14,908.20 | 16,266.50 | 31,174.70 |
| Deposits | 6,022.33 | 11,735.84 | 17,758.17 | 5,138.38 | 12,075.58 | 17,213.96 |
| Subordinated liabilities | 200.00 | 539.49 | 739.49 | 499.00 | 739.35 | 1,238.35 |
| Interest on borrowings (including debt securities / deposits / subordinated liabilities)* | 3,718.03 | 5,089.83 | 8,807.86 | 3,768.92 | 4,866.85 | 8,635.77 |
| Other financial liabilities | 1,560.05 | 264.28 | 1,824.33 | 1,471.80 | 206.00 | 1,677.80 |
| Total | 27,815.10 | 37,881.07 | 65,696.17 | 26,730.77 | 37,248.37 | 63,979.14 |

*Interest on borrowings includes undiscounted future interest.

The table below shows the contractual expiry by maturity of the Company's contingent assets, liabilities and commitments.

| | (₹ in crore) | | |
|---|------------------|-----------------|----------|
| | Within 12 Months | After 12 Months | Total |
| As at 31st March 2024 | | | |
| Undrawn commitments relating to advances | 4,338.28 | 2,489.44 | 6,827.72 |
| Undrawn commitments relating to financial guarantee | 21.93 | 0.25 | 22.18 |
| Undrawn sanction relating to borrowings | 5,766.68 | - | 5,766.68 |
| As at 31st March 2023 | | | |
| Undrawn commitments relating to advances | 2,618.62 | 1,696.80 | 4,315.42 |
| Undrawn commitments relating to financial guarantee | - | 0.25 | 0.25 |
| Undrawn sanction relating to borrowings | 1,210.00 | - | 1,210.00 |

Note 47: Fair value measurement

The principles and techniques of fair valuation measurement of both financial and non-financial instruments are as follows:

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(a) Valuation principles

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.

For determination of fair value, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2: Those where the inputs that are used for valuation are significant and are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument.

Level 3: Those that include one or more unobservable input that is significant to the measurement as whole.

(b) Valuation governance

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives and their valuations are subject to approvals by related functions of the Company.

(c) Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

As at 31st March 2024

| Particulars | (₹ in crore) | | | |
|---|--------------|----------|---------|----------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets measured at fair value on a recurring basis | | | | |
| Assets measured at fair value through profit or loss | | | | |
| Investments | | | | |
| Debt securities | - | 1,915.56 | - | 1,915.56 |
| Security Receipt in ACRE 122 trust | - | - | 40.45 | 40.45 |
| Derivative financial instruments | | | | |
| Currency swaps | - | 190.36 | - | 190.36 |
| Total assets measured at fair value on a recurring basis (a) | - | 2,105.92 | 40.45 | 2,146.37 |
| Assets measured at fair value on a non-recurring basis | | | | |
| Other assets | - | - | - | - |
| Total assets measured at fair value on a non-recurring basis (b) | - | - | - | - |
| Total assets measured at fair value (a)+(b) | - | 2,105.92 | 40.45 | 2,146.37 |
| Liabilities measured at fair value through profit or loss | | | | |
| Derivative financial instruments | | | | |
| Forward contracts and currency swaps | - | 55.35 | - | 55.35 |
| Total liabilities measured at fair value through profit or loss | - | 55.35 | - | 55.35 |

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As at 31st March 2023

| Particulars | (₹ in crore) | | | Total |
|---|--------------|-----------------|--------------|-----------------|
| | Level 1 | Level 2 | Level 3 | |
| Assets measured at fair value on a recurring basis | | | | |
| Assets measured at fair value through profit or loss | | | | |
| Investments | | | | |
| Debt securities | - | 457.67 | - | 457.67 |
| Government securities | - | 413.18 | - | 413.18 |
| Security Receipt in ACRE 122 trust | - | - | 40.45 | 40.45 |
| Derivative financial instruments | | | | |
| Currency swaps | - | 658.02 | - | 658.02 |
| Interest rate swaps | - | 63.02 | - | 63.02 |
| Total assets measured at fair value on a recurring basis (a) | - | 1,591.89 | 40.45 | 1,632.34 |
| Assets measured at fair value on a non recurring basis | | | | |
| Other assets | - | - | - | - |
| Total assets measured at fair value on a non recurring basis (b) | - | - | - | - |
| Total assets measured at fair value (a)+(b) | - | 1,591.89 | 40.45 | 1,632.34 |
| Liabilities measured at fair value through profit or loss | | | | |
| Derivative financial instruments | | | | |
| Forward contracts and currency swaps | - | 38.67 | - | 38.67 |
| Margin money received against derivative financial instruments | - | 22.33 | - | 22.33 |
| Total liabilities measured at fair value through profit or loss | - | 61.00 | - | 61.00 |

Valuation methodologies of financial instruments measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are recorded and measured at fair value in the Company's financial statements.

1. Debt securities

The Company's debt instruments are standard fixed rate securities. The Company uses market prices whenever available, or other observable inputs to estimate the corresponding fair value. These Corporate bonds are generally Level 2 instruments.

2. Derivative financial instruments

Interest rate derivatives

For Interest rate derivatives Company has interest rate swaps and cross currency swaps. The valuation techniques are the mark to market positions with forward pricing on the swap models using present value calculations by estimating future cash flows and discounting them with the appropriate yield curves like the OIS yield 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.

Foreign exchange contracts

Foreign exchange contracts include spot contracts, foreign exchange forward and swap contracts. However, the Company has not entered into any foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. Company classifies these foreign exchange contracts as level 2.

3. Security Receipt in ACRE 122 trust

The Company has invested in security receipt whereby the valuation is based on the underlying ratings of the security. The Company classifies these investments as Level 3.

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(d) Fair Value of financial instruments not measured at fair value

As at 31st March 2024

(₹ in crore)

| Particulars | Carrying Value | Fair Value | | | Total |
|--|------------------|------------|------------------|------------------|------------------|
| | | Level 1 | Level 2 | Level 3 | |
| Financial assets | | | | | |
| Financial assets measured at amortised cost: | | | | | |
| Loans and advances to customers (net of ECL) | 64,204.76 | - | 64,183.33 | - | 64,183.33 |
| Investment [#] | | | | | |
| Government Securities (at amortised cost) & Equity (at cost) | 2,389.25 | - | 2,399.94 | - | 2,399.94 |
| Total financial assets | 66,594.01 | - | 66,583.27 | - | 66,583.27 |
| Financial liabilities | | | | | |
| Financial liabilities measured at amortised cost: | | | | | |
| Debt securities (including interest accrued) | 8,005.34 | - | 8,006.98 | - | 8,006.98 |
| Deposits (including interest accrued) | 17,802.63 | - | - | 17,775.72 | 17,775.72 |
| Subordinated liabilities (including interest accrued) | 770.18 | - | 769.59 | - | 769.59 |
| Total financial liabilities | 26,578.15 | - | 8,776.57 | 17,775.72 | 26,552.29 |

As at 31st March 2023

(₹ in crore)

| Particulars | Carrying Value | Fair Value | | | Total |
|--|------------------|------------|------------------|------------------|------------------|
| | | Level 1 | Level 2 | Level 3 | |
| Financial assets | | | | | |
| Financial assets measured at amortised cost: | | | | | |
| Loans and advances to customers (net of ECL) | 57,908.53 | - | 57,901.01 | - | 57,901.01 |
| Investment [#] | | | | | |
| Government Securities (at amortised cost) & Equity (at cost) | 2,276.72 | - | 2,285.62 | - | 2,285.62 |
| Total financial assets | 60,185.25 | - | 60,186.63 | - | 60,186.63 |
| Financial liabilities | | | | | |
| Financial liabilities measured at amortised cost: | | | | | |
| Debt securities (including interest accrued) | 4,098.77 | - | 4,087.55 | - | 4,087.55 |
| Deposits (including interest accrued) | 17,247.62 | - | - | 17,142.92 | 17,142.92 |
| Subordinated liabilities (including interest accrued) | 1,239.44 | - | 1,239.22 | - | 1,239.22 |
| Total financial liabilities | 22,585.83 | - | 5,326.77 | 17,142.92 | 22,469.69 |

[#] fair value has been disclosed for those valued at amortised cost.

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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.

1. Financial assets and liabilities (Short term)

Cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, other financial assets, trade payables, commercial papers and other financial liabilities has been recognised at amortised cost in the financial statements.

In accordance with Ind AS 107.29(a), fair value is not required to be disclosed in relation to the financial instruments having short-term maturity (less than twelve months), where carrying amount (net of impairment) is a reasonable approximation of their fair value. Hence the fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, other financial assets, trade payables, commercial papers and other financial liabilities has not been disclosed.

2. Financial assets

Loans and advances to customers

Substantial amount of the loans are based on floating rate of interest, carrying amount of which represents the fair value of these loans. Minuscule amount of loans are based on fixed to floating rate of interest, the fair values of these loans are computed by discounted cash flow models incorporating prevailing interest rate. The Company classifies these assets as Level 2.

Government debt securities

Government debt securities are financial instruments issued by sovereign governments and include both long-term bonds and short-term bills with fixed or floating rate interest payments. These instruments are generally liquid and traded in active markets resulting in a Level 1 classification. When active market prices are not available, the Company uses 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.

3. Financial liabilities

Debt securities and Subordinated liabilities

Debt securities and subordinated liabilities are generally liquid and traded in active markets resulting in a Level 1 classification. When active market prices are not available, the Company uses 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.

Deposits

The fair values of deposits are computed by discounted cash flow models that incorporates prevailing interest rate. The Company classifies these liabilities as Level 3.

Financial assets or liabilities other than those mentioned above resembles the value approximate to their fair value.

(e) There have been no transfers among Level 1, Level 2 and Level 3, during the year ended March 31, 2024, and March 31, 2023.

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Note 48: Other disclosures:

- (i) There is no income which is required to be recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ii) The Company has not been declared willful defaulter by any Banks/Financial Institutions.
- (iii) The Company has not traded or invested in Crypto currency or Virtual currency during the year.
- (iv) There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Properties Transactions Act, 1988 and the rules made thereunder.
- (v) Disclosure in relation to Struck off Companies:

(₹ in crore)

| Name of struck off Company/LLP | Nature of transactions with struck-off Company | Balance outstanding as at 31 st March 2024 | Balance outstanding as at 31 st March 2023 | Relationship with the Struck off company/LLP |
|------------------------------------|--|---|---|--|
| A and B Fashions Private Limited | Interest credited on deposit received | - | 0.15 | Depositor |
| Swaraj Roof India Private Limited* | Repayment of loan and payment of charges | - | - | Customer |
| Kyle Water Purifier Pvt Ltd* | Repayment of loan and payment of charges | - | - | Customer |

*These Companies are struck of companies during the year.

- (vi) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

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- (vii) The Company has not received any funds from any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
- (viii) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and the Group has no CICs as part of the Group.
- (ix) The Company has not entered into Scheme of Arrangement in terms of section 230 to 237 of the Company Act, 2013.

In terms of our report of even date

For T R Chadha & Co LLP
Chartered Accountants
FR No.: 006711N/N500028

Neena Goel
Partner
M. No.: 057986

For Singhi & Co.
Chartered Accountants
FR No.: 302049E

Bimal Kumar Sipani
Partner
M. No.: 088926

Place: New Delhi
Date: 29th April 2024

For and on behalf of the Board of Directors

Girish Kousgi
Managing Director & CEO
DIN: 08524205

Vinay Gupta
Chief Financial Officer
ACA: 500609

Neeraj Vyas
Director
DIN: 07053788

Veena Kamath
Company Secretary
ACS: 23788

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 or associate companies or joint ventures

Part A Subsidiaries

| Sr. No. | Particulars | Details/ Amount (₹ in crore) |
|---------|--|---|
| 1 | Name of the subsidiary | PHFL Home Loans and Services Limited |
| 2 | Date since when subsidiary was acquired/ incorporated | PHFL Home Loans and Services Limited was not acquired, however it was incorporated as wholly owned subsidiary of the Company as on 22 nd August 2017 |
| 3 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period. | Reporting period of the subsidiary is the same as that of the holding i.e. 1 st April 2023 to 31 st March 2024 |
| 4 | Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. | Not applicable as this is the domestic subsidiary |
| 5 | Share capital | 0.25 |
| 6 | Reserves and surplus | 138.53 |
| 7 | Total assets | 161.55 |
| 8 | Total Liabilities | 22.77 |
| 9 | Investments | 1.00 |
| 10 | Turnover | 187.94 |
| 11 | Profit before taxation | 9.81 |
| 12 | Provision for taxation | 1.69 |
| 13 | Profit after taxation | 8.12 |
| 14 | Proposed Dividend | - |
| 15 | Extent of shareholding (in percentage) | 100 |

| Sr. No. | Particulars | Details/ Amount (₹ in crore) |
|---------|--|--|
| 1 | Name of the subsidiary | PEHEL Foundation |
| 2 | Date since when subsidiary was acquired/ incorporated | Pehel Foundation was not acquired, however it was incorporated as wholly owned subsidiary of the Company as on 14 th October 2019 |
| 3 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period. | Reporting period of the subsidiary is the same as that of the holding i.e. 1 st April 2023 to 31 st March 2024 |
| 4 | Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. | Not applicable as this is the domestic subsidiary |
| 5 | Share capital | 0.05 |
| 6 | Reserves and surplus | 0.03 |
| 7 | Total assets | 0.09 |
| 8 | Total Liabilities | 0.01 |
| 9 | Investments | 0.08 |
| 10 | Turnover | 23.44 |
| 11 | Loss before taxation / excess of expenditure over income | 0.99 |
| 12 | Provision for taxation | - |
| 13 | Loss after taxation / excess of expenditure over income | 0.99 |
| 14 | Proposed Dividend | - |
| 15 | Extent of shareholding (in percentage) | 100 |

Notes:

- Names of subsidiaries which are yet to commence operations: None
- Names of subsidiaries which have been liquidated or sold during the year: None

Part B Associates and Joint Ventures

The Company has no associate company or joint venture.

For and on behalf of the Board of Directors

Girish Kousgi
Managing Director & CEO
DIN: 08524205

Neeraj Vyas
Director
DIN: 07053788

Vinay Gupta
Chief Financial Officer
ACA: 500609

Veena Kamath
Company Secretary
ACS: 23788

Place: New Delhi
Date: 29th April 2024