

Ready for the next leap



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This Annual Report is also available on our website
<https://www.pnbhousing.com>

A year of growth

₹17,583 crore

Disbursements

17.5% ▲

₹2,516 crore

Net interest income

7.3% ▲

₹65,358 crore

Loan asset

10.3% ▲

2.20%

Return on assets

59 bps ▲

₹71,243 crore

AUM

6.9% ▲

₹17,798 crore

Deposits

Public 88% | ICD 12%

10.90%

Return on equity

92 bps ▲

1.50%

GNPA

233 bps ▼

3.68x

Gearing

0.95%

NNPA

181 bps ▼

29.26%

Capital adequacy ratio

Tier I 27.90% | Tier II 1.36%

₹577*

Book value

per share

*Post Rights Issue

▲ YoY growth ▼ YoY decline



Ready for the next leap

In FY24, PNB Housing Finance made significant progress in parameters such as loan growth, asset quality, liability mix, liquidity, credit rating and profitability.

Just as birds migrate in response to inclement weather, we at PNB Housing Finance adapted our strategies to navigate both internal and external challenges. We shifted our focus to the retail sector, reduced our corporate exposure, invested in digitalisation to enhance our internal processes and created a superior customer journey. Additionally, we introduced tailored products in the affordable segment, launched a new vertical targeting high-yielding emerging markets, and concentrated on improving our asset quality through focused underwriting and effective collection efforts.

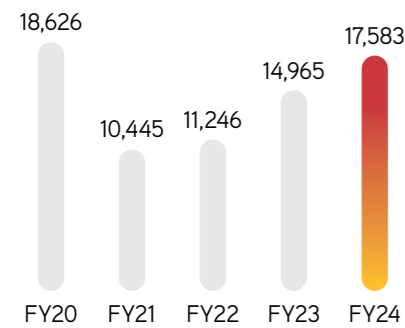
Our focused initiatives yielded significant results during the year under review. In FY24 retail loan assets crossed the ₹60,000 crore mark for the first time in the history of the Company. Furthermore, our affordable loan book crossed ₹1,000 crore within 12 months of operation, emerging as one of India's fastest-growing in the affordable segment before closing at ₹1,790 crore as on 31st March 2024. We expanded our physical presence to 300 branches and outreaches with 160 dedicated branches for Roshni, 90 for prime and 50 for emerging markets. Our efforts to improve asset quality resulted in a drastic improvement in asset quality to 1.5% as on 31st March 2024 from 3.83% as on 31st March 2023. On the back of this improved performance, we received rating upgrade to AA+ from three major credit rating agencies, i.e., India Ratings, ICRA and CARE and significantly enhanced profitability and returns.

With a successful capital raise through rights issue and access to diverse sources of borrowings, we have now created a robust foundation, positioning us for the next phase of accelerated growth.

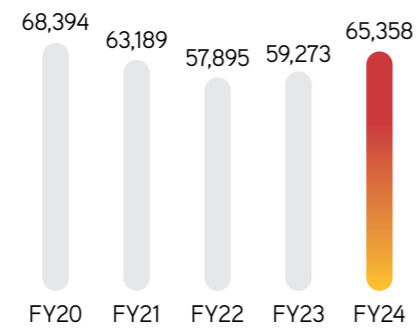
Performance metrics

Demonstrating excellence

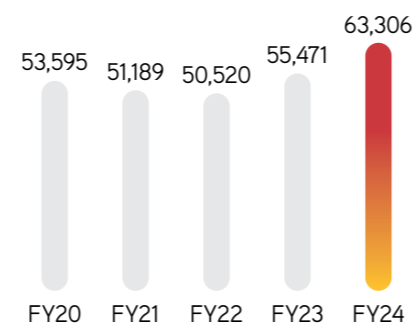
Loan disbursement¹
(₹ in crore)



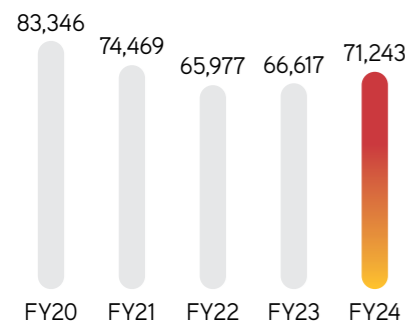
Loan asset[^]
(₹ in crore)



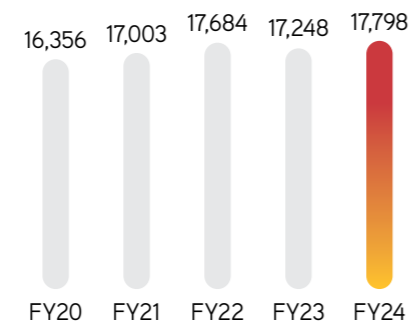
Retail loan asset[^]
(₹ in crore)



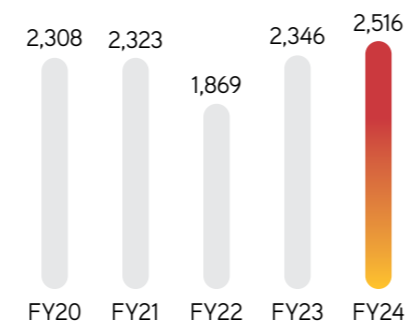
Assets under management^{2^}
(₹ in crore)



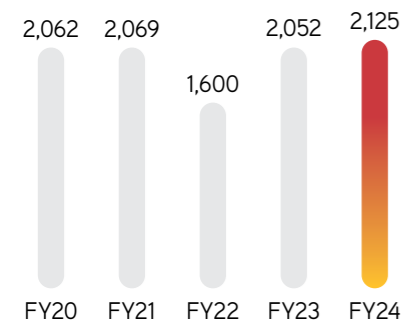
Deposit outstanding[^]
(₹ in crore)



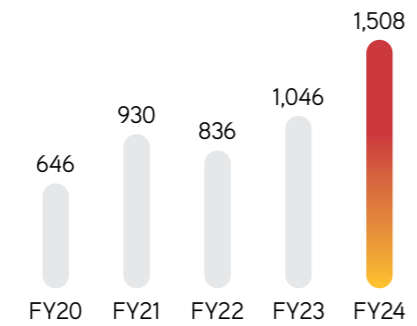
Net interest income
(₹ in crore)



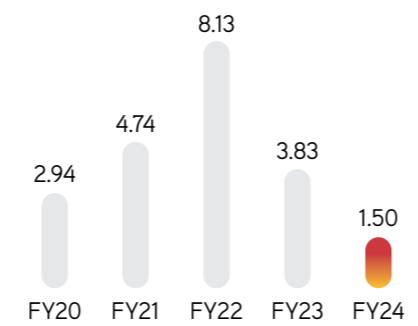
Pre-provision operating profit
(₹ in crore)



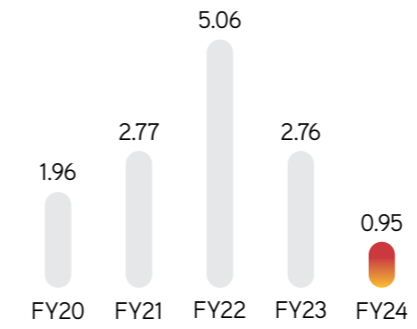
Profit after tax
(₹ in crore)



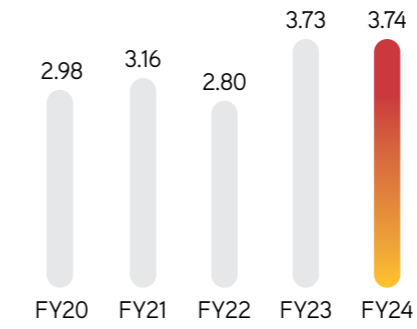
Gross non-performing assets^{*^}
(%)



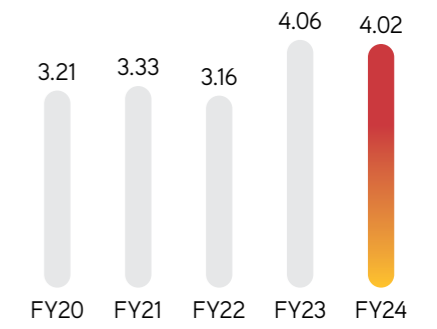
Net non-performing assets^{*^}
(%)



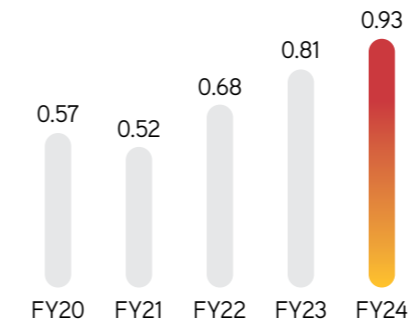
Net interest margin
(%)



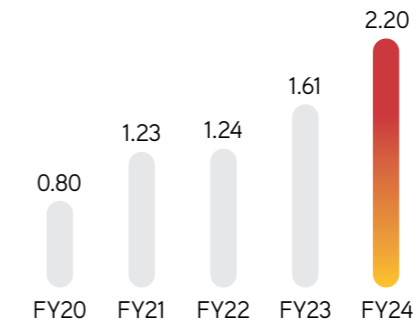
Gross interest margin
(%)



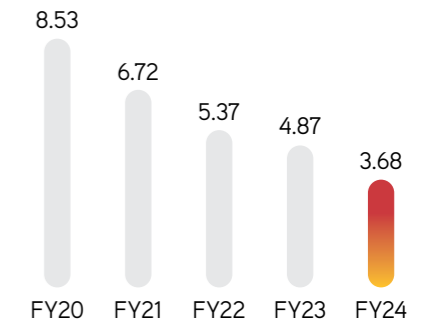
OPEX to ATA^{*}
(%)



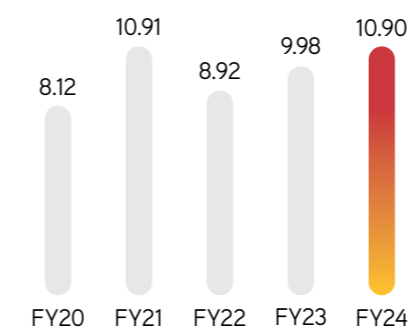
Return on asset
(%)



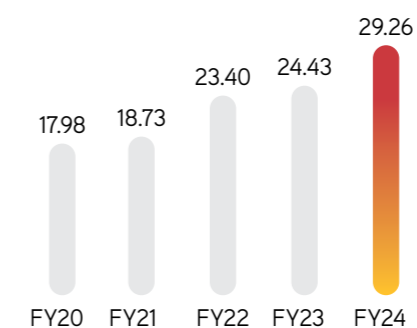
Gearing[^]
(%)



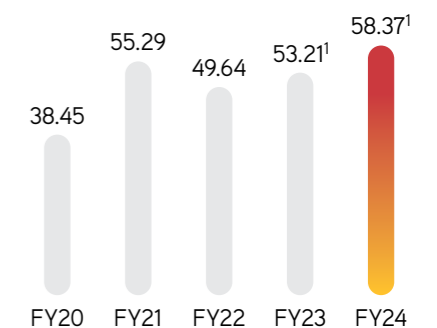
Return on equity
(%)



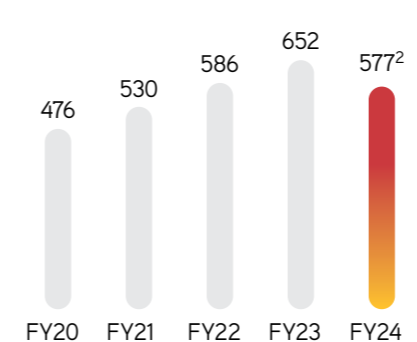
CRAR[^]
(%)



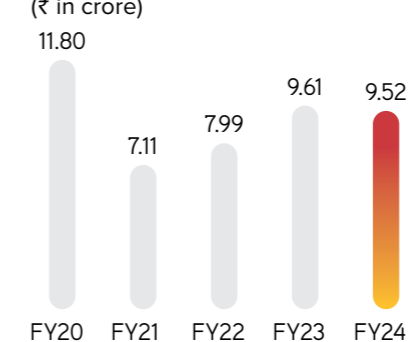
Earnings per share
(₹)



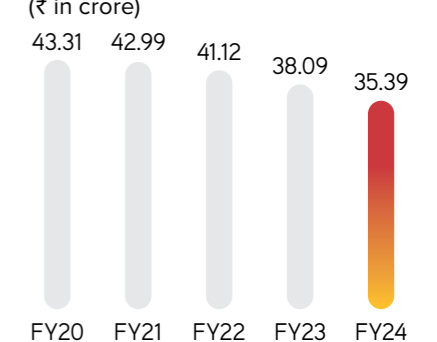
Book value[^]
(₹)



Disbursement per average number of employee[^]
(₹ in crore)



Loan asset per average number of employee
(₹ in crore)



¹Retail segment contributed to 99% of the total loan disbursement in FY24

²Retail segment contributed to 97% of the total AUM in FY24, whereas corporate segment contributed to 3%

^{*}Principal outstanding including principal overdue

[^]Indicates dates as on 31st March

¹Post rights issue

²Adjusted for rights issue

^{*}Principal outstanding including principal overdue

[^]Indicates dates as on 31st March

Redefined resilience for long-term growth



Longest non-stop bird flight

The bar-tailed godwit belongs to the sandpiper family. In summer, you can find the bar-tailed godwit in Europe and Asia before it moves on to Alaska. Known for their incredible long-distance flights during migration, these birds are often seen in large flocks, inhabiting estuarine mudflats, beaches, and mangroves.

Did you know?

~90,000

**Bar-tailed godwits
annually migrate from
Alaska to New Zealand**

Navigating successfully

Resilience and endurance are crucial to achieving long-term success, a concept illustrated by both nature and business. Each year, the impressive bar-tailed godwits embark on a rigorous journey as they migrate, flying non-stop from Alaska to New Zealand, crossing over 11,000 kilometres. Godwits prepare meticulously for their migration journey. They streamline their bodies to ensure their journey is successful by shrinking their digestive organs and storing fat in the body to continue flying for days and nights for survival.

At PNB Housing Finance, we also demonstrated the essence of resilience in our journey. We believed in being ready for dynamic market conditions and embracing innovation. By streamlining operations, mitigating risks, optimising resources and transforming digitally, we ensured that we navigate the challenges and push towards a long-term growth journey.

About the Company

Fulfilling millions of aspirations

With over three and a half decades of experience, PNB Housing Finance is India's third-largest housing finance company by loan asset, committed to offering tailored solutions to millions of customers nationwide. To cater to diverse customer segments, we introduced Roshni, a dedicated offering for the affordable housing finance sector, providing specialised services to meet the unique needs of this important and growing market. Further, from the beginning of FY25, we also carved out separate segment termed emerging markets to cater to tier 2 and 3 cities. Our portfolio includes retail housing and non-housing loans for prime customers, emerging market loans and affordable housing loans.

We are registered with the National Housing Bank and promoted by Punjab National Bank. Our wholly-owned subsidiary, PHFL Home Loans and Services Limited, acts as our in-house sales and distribution channel.

The Company at a glance

35+ Years of operating history	₹65,358 crore Loan book	₹71,243 crore AUM
5,00,000+ Active loan and deposit accounts	300 Branches/outreaches	14,000+ Active channel partners
Punjab National Bank Promoter with 28.1% holding	5,500+ Employees (PNBHFL and PHFL)	

Helping realise dreams



I always wanted to fulfil my dream of owning a house. My friend had told me that I could take a loan from PNB Housing Finance to build my house. My experience of loan processing with PNB Housing has been very good. I didn't have any problems with the paperwork, and I got the money from time to time whenever required after loan processing. There was no problem, and my job was done. Thanks to PNB Housing, I built my house and will advise my friends to take a loan from PNB Housing.

Mr. Suman Singh, Jaipur



After my younger brother got married 3-4 years ago, our house started feeling small. When we found a good house, I found PNB Housing Finance better than others in the market. I took a loan from another bank, but transferred it to PNB Housing due to their superior services. The best part is their easy-to-use app. PNB Housing processed the filing in a single day, and after a few days, I received the final approval. Just like me, I want PNB Housing to help others as well.

Mr. Govind Karyani, Jaipur



My parents are very happy since I purchased a house. When we decided to buy a new flat, a friend told me to get a loan from PNB Housing Finance. They treated us affectionately and were very cooperative. When the loan was successful, it felt good. There was no hassle. PNB Housing gives the best guidance. Now that I have bought my house, I am confident of getting married and moving into the next phase of life.

Krushna Jadhav, Bhiwandi



For more than 30 years, we lived in a rented place. All my relatives were in their own houses which made me feel upset on several occasions. Our family friend made us sign up for the PNB Housing Roshni Scheme and we became eligible for the loan. The staff treated us well and made the job easy; we only needed to sign the papers, which greatly satisfied us. I want to thank PNB Housing Finance.

Ms. Bharthi, Chennai

Presence

Going places

To fulfil the aspirations of homeownership for Indians, we are continuously expanding our presence in tier 1, 2, and 3 cities. Additionally, we have established dedicated branches for our affordable and emerging market verticals to cater to the specific needs of our target customers.

Over the past year, we have expanded our presence to 300 branches and outreaches across India, including 160 dedicated Roshni branches across 13 states. We have also decentralised our credit underwriting operations to enhance branch-level focus. Additionally, we maintain a robust network of over 14,000 channel partners, enabling us to serve customers across 20 states. To further granularise our focus on the high yielding segments, we started a separate vertical 'Emerging Markets' with 50 dedicated branches within the retail category, catering to customers in tier 2 and 3 cities. We have created separate verticals for each segment with sales, credit, collection & operations team.

● West region

Loan asset –
Geographical breakup (₹ in crore)

31 Mar 24 22,897

31 Mar 23 21,663

6% ▲

Disbursements –
Geographical breakup (₹ in crore)

31 Mar 24 4,909

31 Mar 23 5,101

-3% ▼

99

Total branches

57

Roshni branches

1

Emerging Markets branches

● South region

Loan asset –
Geographical breakup (₹ in crore)

31 Mar 24 21,062

31 Mar 23 17,362

21% ▲

Disbursement –
Geographical breakup (₹ in crore)

31 Mar 24 6,500

31 Mar 23 4,743

38% ▲

● North region

Loan asset –
Geographical breakup (₹ in crore)

31 Mar 24 21,399

31 Mar 23 20,248

6% ▲

Disbursements –
Geographical breakup (₹ in crore)

31 Mar 24 6,174

31 Mar 23 5,121

20% ▲

105

Total Branches

55

Roshni Branches

20

Emerging Markets branches

96

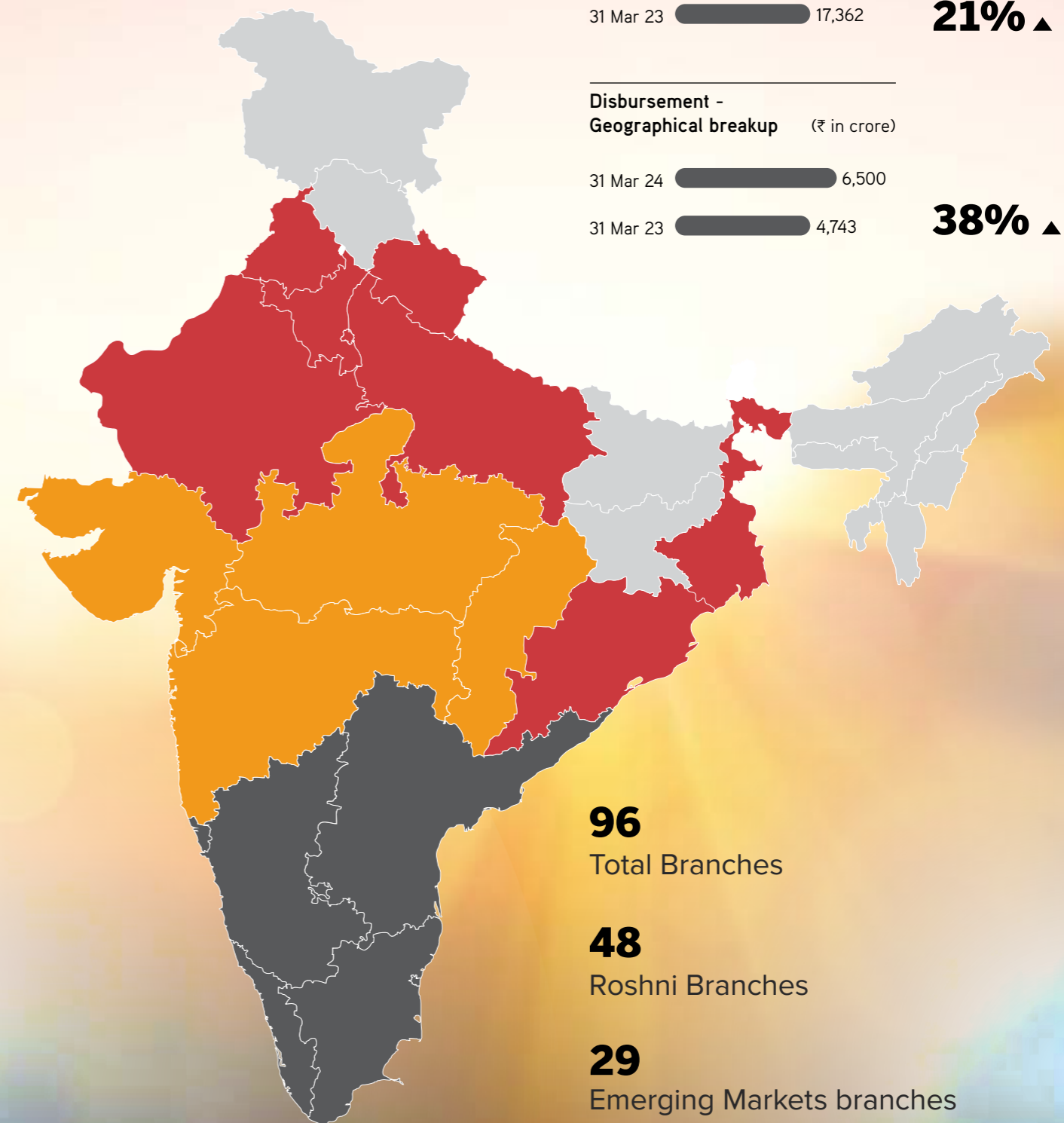
Total Branches

48

Roshni Branches

29

Emerging Markets branches



▲ YoY growth ▼ YoY decline

MD and CEO's Message

Ready to leap beyond

Dear shareholders,

I am excited to present our 36th Annual Report to you, as we enter the growth era of the Indian economy, driven by favourable policy interventions by the government, growing manufacturing and services sectors, increasing income levels, and rising investments in the infrastructure sector by the government of India. Ranked as the fifth largest economy in the world, the country is expected to emerge as a USD 5 trillion economy in the next 3-4 years.

Our newly launched vertical called 'Emerging Markets' is focused on tier 2 and 3 cities. We now have 50 branches in 12 target states in this segment, which can provide higher yields. Going forward, the Affordable and Emerging Markets segments are expected to contribute about 40% to 42% of the incremental business"

Girish Kousgi
Managing Director and CEO

The housing sector is considered a key pillar of economic growth, driving the economy through its extensive forward and backward linkages. Investments in housing can significantly multiply income and employment generation nationwide. Recognising housing as a fundamental human need, the government has launched multiple initiatives to drive this critical sector of the economy. For Indians, investment in housing is considered one of the largest in their lifetime.

Growing population, housing shortages, increasing urbanisation, growing aspiration levels driven by increasing income, and increasing number of nuclear families are some of the key drivers of the housing sector in the country. By 2047, India's population is projected to surge to 1.7 billion, with around 51% residing in urban centres. Additionally, rural and small towns are expected to transform into mini-urban hubs. Estimates suggest that India will need 230 million housing units by 2047 to accommodate this growth. Changing income profiles will fuel housing demand across all segments. According to a recent report unveiled by NAREDCO, the proportion of lower-income households is expected to drop from 43% to 9%, with a significant shift towards lower and upper-middle-income categories, driving substantial demand for mid-segment housing. The estimated residential demand has the potential to generate an output equivalent to USD 3.5 trillion by 2047.

Mortgage penetration in the country continues to be one of the lowest among the major economies and will be a critical driver of the sector going forward. Key factors to drive the penetration include increasing affordability, ease of financing, enhanced use of digitalisation, and the emergence of tier 2 and 3 cities. Housing finance companies are attractively positioned to ride on this growth due to immense potential in mortgage underserved by banks, increasing government focus through PMAY CLSS schemes in both rural and urban regions, and better network penetration beyond urban centres. The Government, to boost housing, announced assistance for the construction of an additional three crore rural and urban houses under the Pradhan Mantri Awas Yojana (PMAY) as a first major policy decision in its third term.

Our performance in FY24

This year marked the fruition of our collective efforts to lay the foundation for the next phase of our growth. We have achieved significant strides across all parameters: growth, asset quality, liability mix, liquidity, credit rating and profitability.

With multiple priorities driving our retail business, we reported a 14% growth in the retail loan book during the year under review, now contributing 97% of our portfolio. To bring undivided focus to the retail segment, we established different verticals—Affordable, Prime and Emerging Markets—with dedicated teams for sales, credit,

operations, and collections for each vertical. The Emerging Markets segment was carved out at the start of FY25 to align our strategies better towards profitable growth. This newly launched vertical will focus on tier 2 and 3 cities. We now have 50 branches in 12 states in this segment, to provide higher yields.

The affordable business, under the brand Roshni, started in the last quarter of the previous financial year and saw a significant uptick in disbursements. Within 15 months of starting the vertical, we achieved a loan book of ₹1,790 crore, making us the fastest-growing player in the segment. We have 160 dedicated branches catering to the affordable segment, primarily in tier 2 and 3 cities and beyond.

Overall, disbursements for the year stood at ₹17,583 crore, reflecting a growth of 17.5% over FY23. With a focus on the retail, 99% of the disbursements were made in the retail segment. The disbursements in the affordable segment formed about 10% of retail disbursements in FY24. The Company closed the Financial Year with Loan Asset of ₹65,358 crore, a growth of 10% on the overall book and 14% on the retail book. The corporate loan book was reduced by 46% in FY24, now standing at ₹2,052 crore. Our assets under management as on 31st March 2024 is at ₹71,243 crore.

We reported a gross NPA of 1.50% at the end of the year against 3.83% at the end of FY23. The Gross NPA reduced by about 660 bps from its peak of 8.13% at the end of FY22. The Net NPA declined below 1% and stood at 0.95% at the end of FY24. We will continue to work towards achieving best-in-class asset quality in the years to come. The improvement in asset quality is due to our focused approach on bucketisation of assets and early resolutions aided by technology, data, and analytics. We also emphasised collections using various legal tools, including extensive use of SARFAESI and auctions. We sold 282 properties in FY24 through auction compared to 98 properties in FY23. The Corporate book also witnessed reduction in the Gross NPA driven by resolutions, sales to ARC, and write-offs. We recovered about ₹100 crore from the write-off pool and we continue to work on the same.

The last quarter of the year was particularly special as we secured three consistent credit rating upgrades to 'AA+' from 'AA' with 'Stable' outlook, from the country's leading credit rating agencies, India Ratings, ICRA, and CARE. This is testament to our improved business performance, reduced NPA, strong market position, diversified resource profile and efficient capital management.

We reported a 44% growth in net profit from ₹1,046 crore in FY23 to ₹1,508 crore in FY24. Our return on assets improved to 2.2% in FY24 from 1.61% in FY23, and return on equity was 10.9% at the end of FY24. The Company is well capitalised with CRAR at 29.26% and leverage at 3.68x as on 31st March 2024.

Augmenting our funding mix

One of the Company's key achievements during the year was the successful capital raise through the rights issue, which provided us with the required growth capital. Our stronger credit ratings, along with enhanced asset quality, helped us reach wider debt market participants, further diversify our borrowing mix, and raise debt from multiple sources at competitive rates. We received refinance of ₹3,000 crore from NHB at a lower cost after a gap of 2 years. Furthermore, we restarted raising funds from the wholesale debt market, raising close to ₹1,500 crore through Non Convertible Debentures (NCDs) and ₹10,000 crore via Commercial Papers (CPs) during the year under review. Additionally, deposits saw good momentum as we mobilised ₹6,263.56 crore through public deposits and raised bank borrowings from 19 banks/financial institutions during the year.

Ready for the next phase

Over the past three years, we focused on strengthening our fundamentals—increasing the share of retail in the overall portfolio, strengthening systems and processes, enhancing asset quality, and focusing on target markets. As I mentioned earlier, we have made significant progress across these parameters, helping us create a stronger foundation for growth in the coming years.

Retail will continue to remain our focus area, and we will concentrate more on high-yielding segments, leading us to create focused segments for affordable and emerging markets. We will continue to expand our physical presence with newer branches in the coming year. With our pan-India presence and ability to cater to different segments across the pyramid, i.e., Prime, Emerging and Affordable, along with the available opportunity in the mortgage space, we look forward to generating profitable growth.

On the corporate book, we aim to restart the business in the coming year with clear guidelines towards select builders and geographies, smaller loan ticket size, focus on construction finance. Given the restart of the corporate book lending, we intend to keep the corporate book at less than 10% of the total loan asset.

One of the key differentiators for PNB Housing Finance has always been its technological edge. Over the years, we have made significant investments in digitalisation to create a seamless customer experience, robust risk management and credit underwriting processes, drive employee productivity and optimise operating expenses. During the year, we embarked on our tech transformation

The last quarter of the year was particularly special as we secured three consistent credit rating upgrades to 'AA+' from 'AA' with 'Stable' outlook, from the country's leading credit rating agencies, India Ratings, ICRA, and CARE. This is testament to our improved business performance, reduced NPA, strong market position, diversified resource profile and efficient capital management"

journey with a vision to make PNB Housing Finance a major digital player in the HFC ecosystem, collaborating with fintech, banks, and market aggregators to leverage synergy and scale. Through these platforms, we aim to offer personalised products and seamless services, promoting high levels of technology adoption. We are strengthening our core technology foundation by implementing and leveraging cloud workloads and amplification of micro capabilities and services for seamless digital integrations. We have implemented Salesforce CRM for frictionless customer experience. Cybersecurity remains a key priority, and we have implemented AI/ML-based security monitoring, events correlation, and zero-trust security systems. We are a responsible housing finance company, maintaining transparency and the highest level of ethical standards across all spheres of the organisation. Furthermore, we have created a robust risk management framework to navigate challenges effectively.

₹1,508 crore

Reported net profit
in FY24

₹71,243 crore

Asset under management
as on 31st March 2024

₹17,583 crore

Overall disbursement
in FY24

Leveraging decades of experience to bring advantages

We leverage our extensive experience in the prime segment to fuel growth in emerging markets and affordable housing. We have a rich legacy spanning 30 years across 20 states and UTs in India and we are renowned for our strong brand recall and trusted PNB parentage. With over a decade of proprietary data, we possess a deep understanding of customers across various market and credit cycles.

While we have dedicated teams consisting of sales, underwriting, collections and operations for each of our business verticals (Prime, Emerging and Affordable), our ONE PNBHF platform allows us to integrate shared resources and expertise across the breadth of the organisation, ensuring efficient and comprehensive service delivery to meet evolving customer needs and drive sustainable growth.

Strengthening our human capital

Our human capital is pivotal to driving our growth forward. I want to thank our dedicated team of over 5,500 exemplary individuals who tirelessly work together to turn our organisation's & customer's aspirations into reality. We prioritise creating an ecosystem that promotes equality and diversity, offers ample learning opportunities for career progression, and provides best-in-class benefits. Our Great Place to Work certification received this year is a testament to our efforts to make a meaningful difference in the workplace.

Making ESG a priority

As a top 1,000 listed entity and responsible corporate citizen, we recognise that sustainability involves addressing various intangible ESG risks while seizing numerous opportunities. The regulatory focus has rapidly shifted to emerging ESG material aspects, including climate change, highlighting the financial sector's exposure to climate risks that could evolve into systemic threats. At PNB Housing Finance, we approach all endeavours with a sustainability mindset. Our efforts include supporting low and medium-income groups through Roshni loans in the affordable space, promoting climate literacy and a carbon-conscious culture, emphasising diversity, equity, and inclusion (DE&I), implementing robust governance measures and cybersecurity protocols, and engaging in community programmes under CSR. Under the guidance of the Board and its committees, we continually seek innovative ways to leverage ESG principles, striving to become a 'Forever Sustainable Business' and deliver long-term value to our stakeholders.

In conclusion

I take this opportunity to thank our entire universe of stakeholders – customers, lenders, regulators, vendors, rating agencies, investors and the employees – for their resolute trust in us. With the country's housing sector slated for strong growth and having built a robust foundation to drive our next phase of growth, we expect to create significant value for our stakeholders in the years to come. I would also like to thank the Board for their continued guidance. I am confident that we are ready to leap beyond and unlock significant value together.

Warm regards,

Girish Kousgi

Managing Director and CEO

Evolving with excellence



High altitude flying bird

The bar-headed goose belongs to the Anatidae family. Primarily found in Central Asia, the bar-headed goose moves towards Tibet, Mongolia, and Western China during summer months for breeding. They are known for undertaking one of the most challenging migrations, flying over the towering peaks of the Himalayas in order to reach their breeding region in Central Asia and wintering sites in South Asia. They can soar at altitudes of up to 7,000 meters (23,000 feet), enduring low oxygen levels and freezing temperatures.

Did you know?

90 kph

Flying speed of a bar-headed goose without wind assistance

Symbolising adaptability

Adaptability is not just a mere quality, but a trait one can only have through generations. Migratory birds, the bar-headed goose, prove it every time when they defy limits during their high-altitude flights.

Flying high above the world's tallest peaks, bar-headed geese endure low oxygen levels and harsh temperatures as they go off from their breeding grounds in Central Asia to their wintering regions in South Asia. It is their haemoglobin with higher affinity for oxygen, allowing much ease even in the altitudes up to 7,000 meters (23,000 feet). Added to this, their powerful flight muscles and large lung capacity enable them to withstand demands of high-altitude flights.

Exemplifying the same spirit of adaptability, we, at PNB Housing Finance, are committed to adjusting our strategies and enhancing our offerings. Being customer-centric, we evolve with customers and their expectations. Adaptability, preparation, and a strong sense of direction enable the Company to turn challenges into opportunities.

Strategic priorities

Making steadfast progress

At PNB Housing Finance, we designed our strategic priorities to drive sustainable growth and enhance stakeholder value. We are focused on expanding our retail portfolio, leveraging digital transformation to optimise operations, and enhancing customer experiences. By diversifying our funding sources and strengthening our asset quality, we aim to build a robust and resilient business model. Our commitment to innovation, efficiency, and customer-centric solutions position us well for the future.



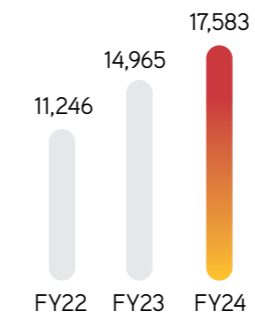
PRIORITY 1

Focused on retail loan book growth

To fuel our loan book growth, we have concentrated on the retail segment over the past few years. Our management team, with deep retail business experience, has been focusing consistently to build a leading retail franchise. Along with the focus on the Prime segment for growth, we are targeting high-yielding emerging market segment and continuing our growth trajectory in the affordable segment. We are committed to improving our market position by capitalising on our strong parentage and best-in-class liabilities franchise. Additionally, our emphasis on technology will drive operational efficiency.

Increased focus on Emerging Markets and Affordable segments, leveraging long experience of successful retail growth

Loan disbursement (₹ in crore)



14%

Growth in retail book in FY24

97%

Share of retail in total loan book in FY24

PRIORITY 2

Expand affordable loan offering

Our focused strategy for the affordable segment led us to expand our Roshni branches to 160 during the year, up from 82 at the end of FY23. Backed by a robust brand, dedicated vertical with separate sales, credit, collections, and operations team, and a pan-India distribution channel, we achieved a loan book of ₹1,790 crore at the end of FY24, making us one of the fastest-growing company in the segment.

Moving towards high-yielding segments on an incremental basis



₹1,653 crore

Disbursement under Roshni in FY24

160

Roshni branches in FY24

70%

In-house sourcing in FY24

PRIORITY 3

Improve asset quality through robust underwriting and collection framework

We have implemented advanced technology to enhance our underwriting and collection processes. Additionally, we have verticalised the collection team based on resolution buckets to significantly improve asset quality. We are also using SARFAESI Act to drive collection and improve asset quality.



Analytics-based case allocation



Geo-allocation



Real-time field force tracking



Delinquency prediction modelling

99.4%

Collection efficiency in FY24

1.50%

GNPA at the end of FY24

Verticalisation of collection team to improve asset quality

X-Bucket resolution

X- Bucket resolution through

- » Contactless collections
- » Emphasis on tele-calling
- » Regular field visits

Pre-NPA resolution

Pre-NPA resolution through

- » Focus on rollback/stabilisation
- » Focus to limit forward flow

97%

Resolution in X-Bucket in March FY24

99.6%

Resolution in SMA-2 in March FY24

Consistent NPA reduction

- » Focused early bucket cash collection
- » Support from legal machinery and SARFAESI
- » One-time settlements
- » Auction and sale of properties

Emphasis on recovery on written-off pool

- » OTS and property sale of written-off pool
- » Auction and sale of property-auctioned 282 properties in FY24 (98 in FY23)

Retail gross NPA reduced to

1.45%

as on 31st March 2024

Recovery of

₹68 crore

from written-off pool in FY24

PRIORITY 4

Diversify our funding mix

The successful completion of rights issue of ₹2,494 crore in May 2023, resulting in improved CRAR, followed by credit rating upgrade to AA+ by three rating agencies helped us to access debt market and borrow through Commercial Papers and Non-Convertible Debentures route. After a gap of 2 years, we availed NHB refinance, the rate for which is lower than other long term borrowings.

Borrowing mix (31st Mar 24)
(%)



- Loan from Banks- 40.2
- Deposits- 32.3
- NHB Refinance- 9.2
- NCDs- 9.6
- CPs- 6.0
- ECBs- 2.6

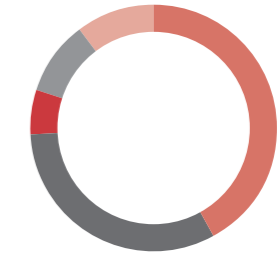
₹55,057 crore

Total borrowing

29.26%

CRAR at the end of FY24

Borrowing mix (31st Mar 23)
(%)



- Loan from Banks- 42.2
- Deposits- 32.1
- NHB Refinance- 5.7
- NCD- 9.8
- ECBs- 10.2

3.68x

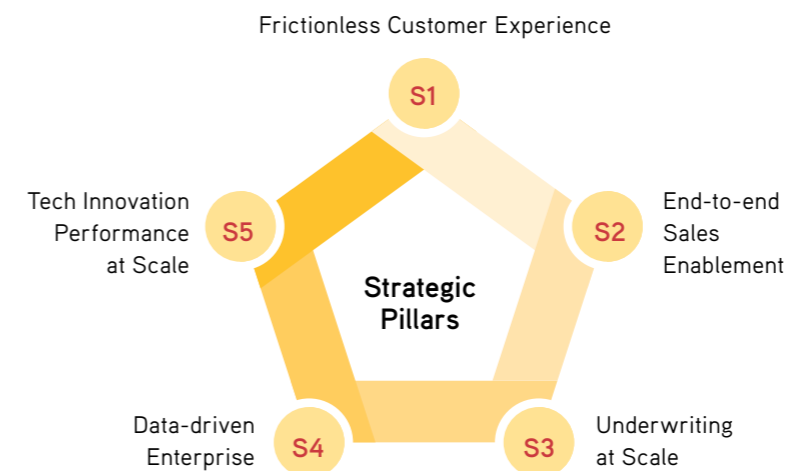
Gearing at the end of FY24

PRIORITY 5

Drive growth through digitalisation to drive efficiency

We are continuously investing in technology and analytics to strengthen core. To be a large digital player in the HFC ecosystem collaborating and partnering with fintech, banks, market aggregators among others, we are leveraging synergy and scale through platforms, offering personalised products and ease of services promoting high levels of adoption.

Our IT 2.0 strategy: Embracing disruptive digital, data power and changing customer preferences



16%

Automated service request in FY24 using Salesforce CRM

63

Calls handled per agent per day in FY24 using Salesforce CRM



Repeating success with precision

The Great Pink Voyage

Flamingos, the vibrant pink migratory bird, are known for travelling in large flocks usually in thousands. As winter approaches, these giant birds move out of their breeding regions in Africa, Southern Europe, and South Asia in search of warmth. They are known for their innate sense of direction as they cross thousands of kilometers each year, even sometimes travelling during the night to avoid predators and conserve energy.

In sync with teamwork

The magnificent sight of thousands of flamingos, shining bright in their iconic pink plumage, is a sign of beauty as they gather, demonstrating the remarkable essence of coordination and teamwork in their yearly migration routine. Every year, these flamingos begin their voyage, solely led by their instincts and collective purpose; they cross vast lands with precision, reaching the destination right on time. A parallel target-oriented story is also reflected in the core values of PNB Housing Finance as we work tirelessly to achieve our objectives and deliver the best results to our stakeholders. Flamingos migrate in large flocks, forming an impressive V-shape to reduce wind resistance and conserve energy. At PNB Housing Finance, we believe success is teamwork and requires focus, direction, and stability.

Did you know?

Flamingos are commonly spotted in Indian regions including the Rann of Kutch in Gujarat, the Pulicat Lake in Andhra Pradesh and Tamil Nadu, and the Chilika Lake in Odisha, among other locations.

ESG focus

Pivoting towards a sustainable future

In recent times, financial institutions have increasingly recognised that their profit and loss statements are impacted by factors not traditionally captured on the balance sheet. These external factors, known as ‘sustainability/ESG’ issues, encompass economic, environmental and social dimensions. At PNB Housing, we embody the belief that ‘being responsible and mindful of our impact on both the present and future world is not only good corporate citizenship but also holds significant business value.

We revitalised our sustainability strategy to ensure a comprehensive and focused approach. This involved establishing a dedicated ESG team led by our Chief People Officer. Additionally, we conducted a materiality analysis to identify priority financial, economic, social, and environmental issues for our stakeholders and business. The purpose was to determine reporting

priorities, consolidate relevant issues into strategic aspects, and develop an overarching ESG framework under Environment, Social, and Governance (ESG) principles, coined as Conserve, Respect

& Practice (aligned with E, S & G). This framework is illustrated below and will be enhanced with detailed progress in our upcoming GRI report, aligning with relevant UN SDGs to demonstrate our contributions to the global sustainability agenda.



Ghar ki Baat | Pragati Prakriti ke Saath



CONSERVE

Conserve resources and bolster climate health



ESG culture building
Strengthen governance around sustainability and drive 'ESG Culture'



RESPECT

Promote social equity and respect human dignity



ESG risk strengthening
Reinforce the core, enhance frameworks to build ESG risks



PRACTICE

Practice sustainability as a way of life



Advocacy around ESG and climate literacy
External and internal capability building

Stakeholder engagement

ESG disclosures through reports

Cross-functional participation

Mindset of ownership

People

People-first organisation

Since our inception, one of our organisation's credos has been being 'people-first'. Over the years, we have evolved our human capital philosophy to continuously deliver value in an ever-changing business and workplace environment while keeping employees at the centre of its purpose.

Our HR strategy, based on our foundational values of meritocracy, equality, inclusivity and non-discrimination has helped in developing an engaging and enterprising workplace culture. Over the years, our employees have made PNB Housing Finance one of the foremost players in the housing finance sector and are real custodians of the coveted "Great Place to Work[®]" certification. The certification has been a testament to our efforts to establish PNB Housing Finance as one of the most preferred employer brands in the industry.

2,003

Employees

2.7 years

Average employee tenure

35 years

Average employee age



Talent attraction and induction

Our three decades plus rich legacy and unmatched brand equity serve as the key value proposition in attracting the best talent in the industry. Recruitment and onboarding are the stages where we truly differentiate ourselves from the industry. True to our 'People First' ethos, every new joiner is made a part of the PNB Housing Finance family even before they formally join the organisation. With thoughtful initiatives like planting trees dedicated to the employee as a note of welcome and regular connects with the employee and their family during the pre-onboarding and onboarding journey helps in their smooth assimilation into the company environment. Every employee goes through our best-in-class, structured four-day induction programme within 45 days of joining, covering various aspects of the company and its business.

Our onboarding programme was recognised as the 'Best Employee Induction Program' at the Employee Happiness Summit & Awards.

The organisation encourages diversity hiring through a unique employee referral programme, Parichay 2.0, which partners closely with employees and hiring partners to refer diverse candidates.

Building future talent

We relaunched our campus hiring programme in FY24 after a hiatus of seven years. Over 140 postgraduates were hired as Management Trainees from 14 campuses pan India out of 800+ aspirants and were placed across verticals e.g. Sales, Credit, Legal, Audit and Human Resources. Through this programme, we are developing a pipeline of future leaders with the PNB Housing DNA.

886

New hires in FY24

15%

Share of women in new hires in FY24

Talent development

Building talent internally and developing future leaders remains a focus area for the organisation. Our internal job portal (IJP) programme is a robust framework to encourage employees to explore and take up new opportunities within the organisation. Our performance management process identifies high organisational performers we are developing to take up leadership roles.

60

High performers were given leadership roles

Performance Management: Building a high-performance Organisation

Our performance management philosophy focuses on accountability, transparency, and fairness. Employee performance is an outcome of the combination of individual and company goals. We follow a balanced scorecard approach to consider all factors of an employee's performance while assessing performance. Employees' goals are defined to cover all critical aspects of their job role. This ensures that performance assessment is well-rounded and that all employees align with the organisational goals. The organisation encourages open feedback and candid conversations regarding performance to inculcate a merit-based culture in the organisation.

Productivity focus

Various contest and programs are conducted round the year to ensure customer service quality and employee efficiency is at the centre of our day-to-day operations. Q-Exemplar is a monthly contest and service quality assurance programme for branch employees. The leadership team rewards and recognises top-performing branch employees across various platforms every month.

Learning and development

The learning and development function at PNB Housing is dedicated to serve as a catalyst for the organisation's growth by enabling employees for exceptional performance. It strives to create opportunities encouraging employees in gaining knowledge, acquiring new skills, and enhancing their competencies. Improving an individual's performance and potential enables them to stay competitive and relevant in the fast-paced and dynamic business scenario.

To ensure the effectiveness and alignment of our learning and development strategy with business goals, we establish clear learning objectives, curate personalised content, design engaging delivery methods, and implement assessment and evaluation mechanisms to track progress and effectiveness. These strategies reinforce our HR approach to enhance employee engagement, retention, and performance, fostering a culture of continuous learning and improvement.

52,900+

Learning hours

23

Learning hours per employee

Sales leadership programme - Parivartan

We developed an assessment-based competency development programme for our sales team to increase their productivity by focusing on critical areas of development concerning sales competencies.

Core competencies programme - Vani

A personalised communication enhancement journey which includes tailored personal coaching sessions designed to address the specific needs of individuals to develop their communication skills.

People

Employee recognition and motivation



Best-in-class employee well-being

Our employees' well-being is a critical enabler of our 'people-first' approach. Industry-leading health benefits for our employees, with holistic wellness options covering OPD support, health checks, 24x7 unlimited doctor consultations, diagnostics, and preventive healthcare programs help employees to take the best care of their health. The organisation also provides comprehensive insurance coverage for all employees across all grades. Group insurance facility includes group health, group personal accident and group life insurance scheme. Insurance top-up options were provided to employees for the first time to widen their insurance coverage safety net.

Human resource policies

Our robust policy framework holistically provides guidelines for employee conduct, growth, benefits, and lifecycle in the organisation, serving as a comprehensive document to guide employees during their journey in the organisation. The policies ensure that employees work in a fair, transparent and non-discriminatory environment. Grievance redressal mechanisms provide them with a strong platform to resolve workplace issues.

Creating an equitable workplace

Fair compensation

The compensation philosophy at PNB Housing Finance is based on pay for performance philosophy and is a mix of fixed and variable pay in line with internal and external pay parity. The fixed pay is derived from yearly merit increases, and the variable compensation is in the form of cash and share-linked instruments based on individual and company performance. To continue building meritocracy, our share-linked instruments are aligned with individual and company performance.

Diversity and inclusion

'Aikyam', our flagship diversity, inclusion and empowerment initiative is built to celebrate our uniqueness and differences, empowering our employees and affirming their diversity and experience are the organisation's strength. It's a step towards our philosophy of ensuring an inclusive working environment free from discrimination at all stages of the employee lifecycle, developing plans to promote D&I principles and empowering our employees to achieve their aspirations while contributing to the success of the organisation.

16.2%

Gender diversity
(15.1% in FY23)

8% to 14%

Increase in female representation in senior management from FY21 to FY24

0 to 10%

Increase in female representation in top management from FY21 to FY24

Achiev-Her

Achiev-Her is a unique series, featuring our extraordinary female employees, aimed at highlighting the incredible stories of women who broke barriers and led the Company to greater heights through their contributions. This programme celebrates the journeys of these women making a difference in their personal and professional spheres, with PNB Housing as a safe and trusted companion.

Developing women leaders

Our women leaders were enrolled in a year-long journey to develop their leadership skills, cross-cultural competence and mentoring skills. This programme intends to help female employees break the glass ceiling and aim higher.

Talent retention: creating solid citizens

The organisation emphasises workforce continuity and attrition control. Our concerted efforts in constantly providing employees with an environment to thrive and perform has led to encouraging results in significantly reducing our attrition in FY24. Our attrition has shown a remarkable improvement in the last three years and is among the best in the industry in FY24.

27.9%

Overall attrition in FY24
(36.1% in FY23)

17.2%

Regretted attrition in FY24
(24.7% in FY23)

Employee engagement: celebrating together

We foster a culture of togetherness and celebration within our organisation, where we celebrate our special occasions and festivals. Our inclusive environment ensures that everyone feels welcomed and valued, promoting a sense of belonging and collective celebration.

To celebrate a unified spirit, we launched a monthly engagement initiative – 'Happy Hour', where all employees across geographies get together and have a fun-filled event with each other. We also take part in celebrating essential moments of employees' family members. 'Taiyari Udaan Ki' recognises the academic success of our employees' children.

Anchors Club

Anchors Club is dedicated to our extraordinary ambassadors who have been with the company through its toughest challenges and greatest triumphs. We recognise our solid citizens who set exemplary standards for all of us with their work ethics and dedication. Employees are recognised in various tenure categories, e.g., starting from 5 years to upto 25 years.

360 (18%)

Employees recognised as Anchors in FY24

MD's Toppers Club & MD's Star Circle

A special recognition platform embodies our gratitude and recognition for those who go above and beyond, in delivering value for the organisation. Every quarter, our top performers are felicitated by our MD & CEO, followed by a well-deserved lunch with MD & CEO where they get an opportunity to share their experiences and ideas.

213

Awardees in FY24



Community

Broadbasing our impact

We aim to uplift the marginalised communities through impactful projects, driving growth and prosperity. Pehel Foundation, our CSR wing, spearheads initiatives aimed at their holistic development. We are committed to extending our reach to empower underserved populations and enhance their quality of life.

Focus areas

As a company specialising in housing finance, our primary CSR commitment centres on three segments.

1. Flagship initiatives aimed at the comprehensive welfare of construction workers, the migrant community, unorganised sector, and their associated communities.
2. Our CSR efforts are organised into four strategic thematic programmes:
 - » PEHEL WOMEN EMPOWERMENT
 - » PEHEL EDUCATION
 - » PEHEL HEALTH
 - » PEHEL ENVIRONMENT

Each of these programmes is designed to address specific needs within these communities, ensuring targeted and effective interventions.

We have also included a contingency pillar within our CSR framework, designed to support community efforts in disaster mitigation and response.

We have strategically opted to implement our CSR activities across India, focusing specifically on areas within a radius of our branches. This targeted geographical approach ensures that our CSR efforts are aligned with local needs and directly benefit the communities surrounding our operations.

Our CSR strategy

We firmly believe that businesses should be oriented towards society. We see our stakeholders as more than just our customers and associates; they include the community that invests their social and manual resources.



Flagship intervention: welfare construction worker community

A total of 71,333 beneficiaries have directly benefited under our flagship intervention, and an additional ~1 lakh beneficiaries (dependents) have also benefited indirectly.

HEALTH

Mobile Medical Unit (MMU) by ATNF

We aim to deliver doorstep primary healthcare to targeted communities, conducting screenings for NCDs like cancer, diabetes, hypertension, malnutrition, and anaemia. Additionally, we raise health awareness through effective camps. So far, our efforts have reached 15,670 people from construction worker communities in Chandigarh, Lucknow, Jaipur, Indore, Pune, Hyderabad, Bangalore, and Thiruvananthapuram through Apollo Telemedicine Networking Foundation (ATNF) services.

Mobile Medical Unit (MMU) by Wockhardt Foundation

The Pehel Foundation-supported Mobile Medical Unit (MMU) project aims to deliver healthcare directly to construction workers, promoting health awareness and modern healthcare-seeking behaviour. This initiative conducts regular health camps and utilises mobile medical units to provide services, medications, and screenings. Operational in Delhi, Mumbai, Chennai, and Kolkata six days a week, each van typically serves 75-80 patients daily, reaching 52,499 individuals. Of these beneficiaries, 12,744 were female, and 39,755 were male. Additionally, 1,886 beneficiaries received referrals to specialist health centres/hospitals for further diagnosis and treatment, addressing conditions requiring specialised intervention. This initiative empowers underprivileged communities with accessible healthcare, fostering better health outcomes and awareness.



Scheme for Construction Industry workers at NIMHANS

We have assisted 311 patients with psychiatric, neurological, or neurosurgical conditions at NIMHANS in Bangalore. The treating team, including physicians or social workers, evaluated those unable to afford treatment costs. Eligible patients, dependent on construction workers and financially disadvantaged, were recommended for scheme enrollment.

Eye Mitra Project (PVRI)

A total of 2,014 construction workers community had their eye checked. A total of 872 people corrected their visual issue with spectacles, and a total of 1,665 people restored their sight after treatment of cataract and cornea issues.

We also provided safe accommodation facility for 100 construction workers in Bangalore.



Community



WOMEN EMPOWERMENT

Skill development of dependents of construction workers

We have empowered 240 women in Haryana's construction worker communities with tailoring and fashion designing skills, achieving a 98% job placement rate. This NSDC-certified course offers initial salaries of ₹10-12K, rising to ₹15-18K after one year. Our aim is to bridge income gaps by providing employment-linked skills.

Moreover, 30 children of these women have completed bridge education programmes, which prepare them for mainstream schooling. These centres also offer focused attention on their nutrition, physical, and mental well-being.

Khandsa in Gurugram is populated with migrant construction workers and many reputed garment export and apparel industries that are in high demand of manpower. This project has knitted the need and provision through an integrated approach to make women economically independent.

STRATEGIC THEMATIC PROGRAMMES PEHEL SHAKTI

Objective

Empowering women with diverse backgrounds through skill development, entrepreneurship and supportive services to enhance their economic independence and overall well-being.

2,057

Women directly benefited by the CSR projects; with an additional 2,925 indirect beneficiaries (dependents)



» **Empowering women with hearing impairment through specialised technical training:** Across four state chapters, 423 hearing-impaired women received tailored technical and non-technical training, including mobile, LED, and home appliance repair. Many secured jobs or pursued self-employment, showcasing empowerment.

» **Millet cookies production unit:** In Rajasthan, we engaged 50 marginalised women in a millet cookies enterprise, aiming to uplift livelihoods and empower women through training and market strategies.

» **Blended spice production unit:** Another group of 50 women in Rajasthan were engaged in

a blended spices enterprise project, with an aim to improve their socioeconomic status and entrepreneurship.

» **Community drinking water project:** In Udaipur, Rajasthan, we provided safe drinking water to 3,174 people, including tribal and marginalised communities, with pipe water connections and water troughs for animals and birds.



EDUCATIONAL SUPPORT

PROTSAHAN scholarships in collaboration with TISS:

Providing scholarships totalling ₹1 crore to support 421 students from low-income families engaged in construction-related trades.

Education for out-of-school children

We are supporting 48 children aged 5 to 14 from construction workers' families at a construction site in Gurugram by providing education.

PEHEL SHIKSHA

Objective

Elevate educational quality and accessibility through infrastructure improvements, technology upgrades and targeted support programmes across multiple regions, benefiting students, parents and educators.

51,096

students have directly benefited with an additional 18,805 indirect beneficiaries (dependents)



Community

Anganwadi upgrades and repairs

We enhance anganwadi services to reduce infant mortality rates and improve maternal health. We upgraded five centres into PEHEL Smart Anganwadis in Rajkot, Gujarat, and repaired 22 centres in Bangalore, benefiting 1,325 beneficiaries comprising children and women.

STEM education

We conducted STEM education sessions in 20 schools, totalling 218 visits and 654 sessions, benefiting 3,798 students of classes VI, VII and VIII. STEM education fosters creativity and critical thinking, with teacher training enhancing educators' skills in AI and robotics for dynamic lessons.

Support services for education

School transportation

We ensure daily commute to and from school for needy students in remote Dehradun areas. A school bus supports 200 beneficiaries, including 170 students and 30 teachers.

Resources provided

Tribal schools in Jharkhand received 38 computer systems, 4 printers, solar panels, and a school bus benefiting 1,080 students and teachers.

Renovation

We painted and renovated 16 classrooms and two toilets at a Mumbai school, impacting 880 students.

Educational technology and resources

We installed digital infrastructure in 40 classrooms, with content fully uploaded, reaching 2,602 students and 54 teachers across 20 schools in Indore and Bhopal.

PEHEL SWASTHYA

Objective

To enhance the well-being of diverse populations by providing comprehensive medical services, advanced treatments, and essential health supplies.

98,124

Direct beneficiaries and 85,606 indirect beneficiaries dependants

Medical support

We provided comprehensive medical, nursing, nutritional and psychosocial assistance to 2,026 beneficiaries, including patients and caregivers. This intervention included 6,126 clinic visits across two outpatient clinics and a mobile clinic for cancer patients. The project aims to provide factual information, mobilise resources, and alleviate suffering associated with cancer journeys, from diagnosis to advanced stages.

Cochlear implant surgery

We successfully conducted cochlear implant surgery for 10 children and provided cochlear implant sound processor support for 20 children, resulting in improved hearing abilities, communication skills, sound perception, and academic performance.

Primary health centre strengthening

We refurbished and equipped two health centres in Karnataka to enhance primary healthcare services, ensuring 24/7 delivery facilities, uninterrupted power supply, and quality immunisation through cold chain maintenance.

Eye screening camps

We organised regular eye screening camps, performing 2,500 free cataract surgeries for patients from underprivileged families, focusing on eradicating avoidable blindness.

Wheelchair distribution

We distributed 200 wheelchairs to identified old-age homes across locations like Ahmedabad, Surat, Bhopal, Vijayawada, and Raipur, enhancing mobility and accessibility for elderly individuals.

Support for elderly and intellectually disabled

We provided medical equipment and aids for around 650 abandoned elderly and intellectually disabled individuals living in an old-age home in Gurugram, ensuring their well-being and care.

AI device distribution

We distributed AI devices for 55 visually-impaired individuals in Chennai, enhancing accessibility and quality of life.

Medical equipment support

We provided medical equipment support to benefit approximately 600 severely sick children from economically disadvantaged families in the Sick Newborn Care Unit (SNCU).

PEHEL PARYAVARAN



Objective

Achieve significant reductions in environmental challenges and enhance climate resilience throughout our communities.

1,32,756

Direct beneficiaries and 11,750 indirect beneficiaries dependants

Waste management

Plastic waste management

We installed 16 plastic bottle crushers in Mumbai, aiming to crush and recycle 1.1 million PET water bottles annually, reducing landfills and boosting recycling rates. 1.2 lakh individuals used the machine and collected 1,433.08 kilograms of waste.

MRF upgradation

We upgraded the Material Recovery Facility (MRF) in Dehradun, expanding the shed area from 5,000 sq ft to 9,000 sq ft, thereby increasing the processing capacity of collected waste from 2 to 3.5 tonnes daily.

Renewable energy

Solar electrification

In four villages, we provided electricity to community areas like primary health centres (PHCs) and schools and installed street lighting, benefiting 12,000 villagers. Additionally, we installed solar electrification plants at care homes for older adults and schools.

Environmental conservation

We aim to plant 22,000 trees in Hyderabad and Chennai, with 6,000 plants planted.

Water resources management

We are targeting the harvesting of 75 million litres of groundwater through the recharge of 50 borewells in the villages of Nashik.

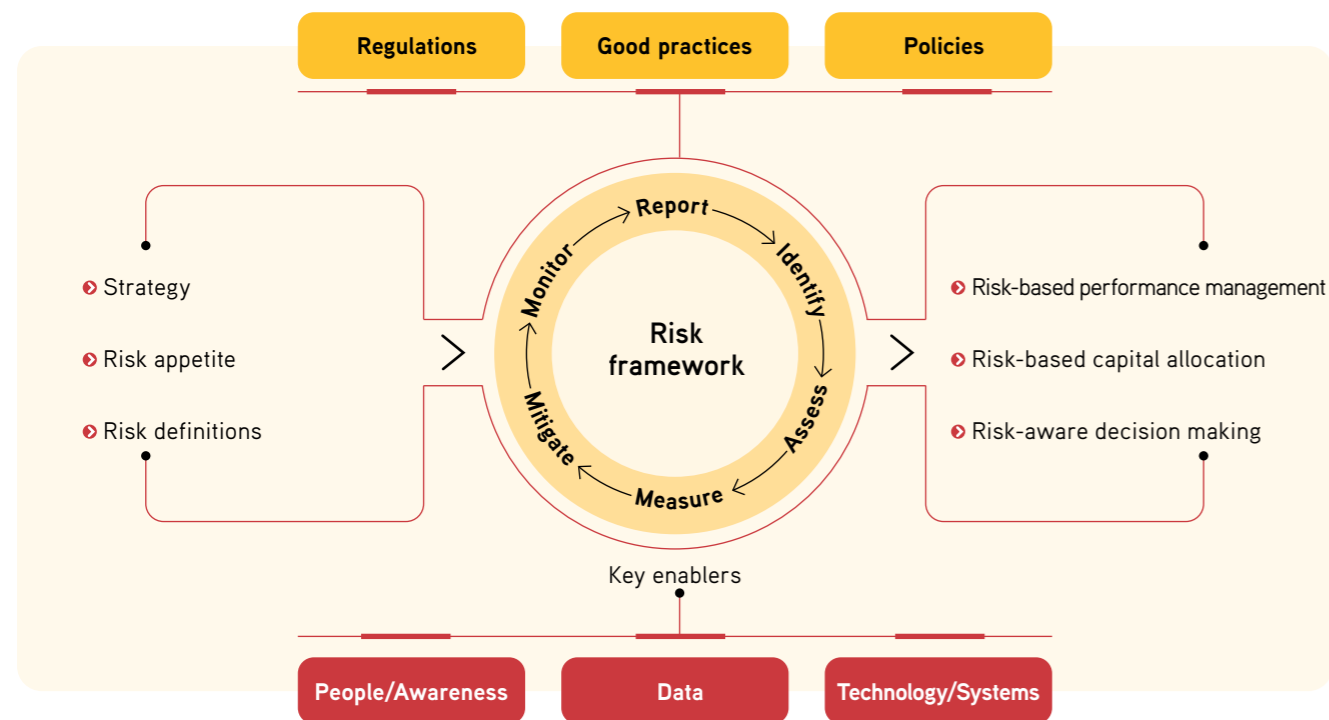
Governance

Upholding the highest standards

At PNB Housing Finance, we prioritise robust governance to ensure transparency, accountability and integrity across our operations. Our governance framework is designed to protect stakeholder interests, promote ethical practices and drive sustainable growth. Committed to the highest standards of corporate governance, we continuously strive to enhance our governance policies, ensuring compliance and fostering trust among our stakeholders.

Robust risk management framework

The Risk Management Committee (RMC) of the Board oversees our risk management practices and approves the Risk Management Framework. The Executive RMC, comprising senior members, regularly reviews this framework to ensure its effectiveness. Each business unit is accountable for the effective management of risks within their respective areas. Additionally, the Internal Audit function independently assesses the internal controls and the Risk Management Framework, ensuring their robustness. The Statutory and Compliance function also operates independently to monitor regulatory compliances, ensuring that all operations adhere to legal and regulatory standards. Together, these layers of oversight and accountability foster a resilient and well-governed risk management culture within the Company.



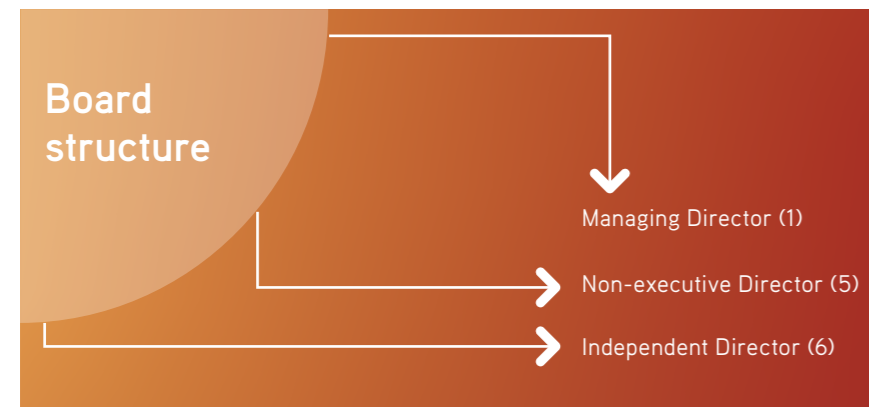
60 years
Average age of Board members

33 years
Average experience of Board members

4.3 years
Average tenure in the Company

Governance

BOARD COMPOSITION AND COMMITTEES OF THE BOARD



- » Audit Committee
- » Risk Management Committee
- » Credit Committee
- » Nomination and Remuneration Committee
- » Stakeholders Relationship Committee
- » Corporate Social Responsibility Committee
- » IT Strategy Committee

Led by a strong Board of Directors

Our Board provides valuable leadership and guidance to the Company, with directors possessing extensive knowledge of the industry and operations. Operating in the financial sector and dealing with mortgages, the Board understands various financial lifecycles, key challenges, competition and have experiences with credit cycles, workouts, and remedial management. Our Board members bring vast experience in the financial sector, economics, mortgages, banking, investment & wealth management, governance, international operations, fintech regulation, currency management, risk management, credit, and information technology. Highly qualified, they have held leadership positions in high-performing organisations, equipping them to guide the Company towards growth and excellence in the mortgage industry.

Board's responsibilities

The Board oversees the Company's long-term strategic planning and direction, maximising shareholders' value and protecting all stakeholders' interests. It provides strategic guidance to management and operates through various Committees with specific roles and responsibilities. These Committees closely monitor the Company's performance, and the Board reviews overall performance regularly. The Board has a formal schedule for considering and deciding on significant matters and those mandatorily required.

Ethical conduct

Our Board adheres to a comprehensive Code of Conduct for all Non-Executive Directors, including Independent Directors, in line with regulatory requirements. This code emphasises professional conduct, ethics, and governance. We also have distinct Codes of Conduct for Executive Directors and Senior Management. To foster an ethical culture, we implement various policies and frameworks on corporate governance, insider trading prohibition, related-party transactions, sexual harassment prevention, CSR, fair practices etc. These policies are consistently communicated to management, employees, and stakeholders.

Regulatory compliances

We comply with RBI directions and guidelines, including those on deposit acceptance, accounting standards, asset classification, income recognition, provisioning, capital adequacy, credit rating, corporate governance, IT framework, fraud monitoring, investment concentration, capital market exposure, Liquidity Coverage Ratio (LCR), loan transfers, KYC & AML guidelines, etc.

Additional policies

In compliance with the regulations and guidelines issued by regulatory authorities like Reserve Bank of India, National Housing Bank, Securities Exchange Board of India, Insurance Regulatory Development Authority of India, Ministry of Corporate Affairs, etc. and other applicable laws, and as part of our commitment to good corporate governance and robust internal controls, the Board adopted various policies and the same are reviewed periodically. We have established a comprehensive Whistle-blower Policy that empowers employees to report any serious irregularities or violations within the organisation. This policy provides direct access to the Chairperson of the Audit Committee, ensuring transparency and accountability. Additionally, we have implemented a robust grievance redressal mechanism for our customers for addressing their concerns promptly. Shareholders' grievances are diligently handled through dedicated email addresses and actively monitored by our Secretarial team and Investor Relations Team. Our Board-approved policies cover succession planning, outsourcing, anti-corruption and anti-bribery, information security, and cyber crisis management etc, ensuring adherence to statutory requirements.

Anti-money laundering

We have a robust Know Your Customer (KYC) and Anti-Money Laundering (AML) policy, aligned with the Reserve Bank of India's (RBI) guidelines and the Prevention of Money Laundering Act. Approved by the Board, this policy includes

essential elements such as Customer Acceptance Policy, Customer Identification Procedures, and Risk Management and Transaction Monitoring. We diligently ensure compliance with these guidelines throughout the customer lifecycle. Additionally, we have developed a targeted training module to provide effective and focused training on anti-corruption and AML practices.

In line with RBI's directives for driving anti-money laundering initiatives, NBFCs, including HFCs, are advised to follow specific customer identification procedures to monitor and report suspicious transactions. Accordingly, the Company conducts periodic money laundering and terrorist financing risk assessments to identify, evaluate, and implement effective measures to mitigate these risks.

Diversity in the Board

Our Board comprises individuals with diverse expertise, academic backgrounds, and industry experience, promoting diversity and inclusivity. Our Board Diversity policy underscores our belief in inclusivity as a key driver of performance and success. The Company recognises and embraces the significance of a diverse Board, believing that it enhances the quality of decisions by leveraging the varied skills, qualifications, professional experiences, backgrounds, gender, ethnicity, knowledge, length of service, and other distinguished qualities of its members. This diversity is essential for driving business results, achieving competitive advantage, ensuring effective corporate governance, and promoting sustainable and balanced development.



Governance

Our Board of Directors

**Mr. Atul Kumar Goel**

Non-Executive Nominee Director

DIN: 07266897

Date of joining: 28th April 2022

Mr. Atul Kumar Goel is the Managing Director & CEO of Punjab National Bank from 1st February 2022. Earlier, he was the Managing Director & CEO of UCO Bank, Executive Director of Union Bank of India and held various positions in Allahabad Bank. He is a qualified Chartered Accountant, having more than three decades of banking experience, large corporate, treasury management, risk management, financial planning, investor relations, business transformation, compliance, etc. He was the Chief Financial Officer (CFO) of Allahabad Bank.

Committee memberships

- » Nomination and Remuneration Committee
- » Stakeholders Relationship Committee

**Mr. Sunil Kaul**

Non-Executive Nominee Director

DIN: 05102910

Date of joining: 5th March 2015

Mr. Sunil Kaul is the Managing Director and Partner of Carlyle Singapore Investment Advisors Pte Limited. He heads the Southeast Asia region of the Carlyle Asia Buyout Advisory Team and concurrently leads the Financial Services Sector for the team in Asia (ex Japan). Before joining Carlyle 16 years ago, he was the President of Citibank Japan and the Chairman of CitiCards Japan KK and CitiFinancial Japan KK. In his previous roles with Citi, he was the Head of Retail Banking for Citibank in Asia, Head of International Personal Banking for Citibank in New York and Head of Global Transaction Services at Citibank, Japan. He has over 35 years of experience in the fields of private equity, corporate and consumer banking. He is a graduate of IIT Bombay and IIM Bangalore.

Committee memberships

- » Nomination and Remuneration Committee
- » Stakeholders Relationship Committee
- » Risk Management Committee

**Mr. Chandrasekaran Ramakrishnan**

Independent Director

DIN: 00580842

Date of joining: 7th October 2015

Mr. Chandrasekaran was one of the co-founders of Cognizant. He retired as the Executive Vice Chairman of Cognizant India in March 2019. He has been widely recognised as a significant contributor to the growth of Cognizant, including its global footprint. Prior to joining Cognizant, he was with Tata Consultancy Services for over nine years. He has 38 years of experience in the field of information technology.

Committee memberships

- » Nomination and Remuneration Committee
- » IT Strategy Committee
- » Corporate Social Responsibility Committee

**Mr. Nilesh Shivji Vikamsey**

Independent Director

DIN: 00031213

Date of joining: 22nd April 2016

Mr. Nilesh Vikamsey is a member of the Institute of Chartered Accountants of India (ICAI) since 1985 and is the former President of the ICAI. He has been associated with KKC & Associates LLP as a senior partner since 1985. He has extensive experience in Audit and consultancy of banks, large companies, mutual funds, and financial service sector companies.

Committee memberships

- » Audit Committee
- » Nomination and Remuneration Committee

**Mr. Tejendra Mohan Bhasin**

Independent Director

DIN: 03091429

Date of joining: 2nd April 2020

Dr. T. M. Bhasin has been a career Banker for 37 years with notable roles such as Chairman and Managing Director of Indian Bank from 2010 to 2015. Dr. Bhasin was appointed as Vigilance Commissioner of India by Hon'ble President of India in CVC from June 2015 to June 2019 and has also chaired the Advisory Board for Banking and Financial Frauds (constituted by CVC and RBI) from August 2019 to August 2023.

Dr. Bhasin holds an MBA in Finance from FMS, Delhi, LL.B. from Delhi University, CAIIB, and M.Sc. Gold Medallist. A Delhi University topper in its one year flagship programme in 'Criminology and Forensic Science', he is a fellow of the Indian Institute of Banking and Finance. He also completed the Advanced Financial Enterprises Management Programme at Harvard Kennedy School (US). His Doctoral Research findings and recommendations formed the basis of Pradhan Mantri Jan Dhan Yojana. Dr. Bhasin is a prolific author with a book on 'E-Commerce in Indian Banking' and has numerous research papers to his credit.

Committee memberships

- » Audit Committee
- » Risk Management Committee
- » Corporate Social Responsibility Committee

**Mr. Sudarshan Sen**

Independent Director

DIN: 03570051

Date of joining: 1st October 2020

Mr. Sudarshan Sen superannuated from the Reserve Bank of India as Executive Director in charge of the Regulation of Banks and Non-Banking Financial Companies. In a career spanning over 38 years, he worked in banking regulation, bank supervision, fintech regulation, human resources, information technology, and currency management. He has been on several major national and international committees constituted by the RBI.

Committee memberships

- » Audit Committee
- » Nomination and Remuneration Committee
- » Corporate Social Responsibility Committee

Governance



Mr. Neeraj Vyas
Non-Executive Non-Independent Director

DIN: 07053788

Date of joining: 1st September 2020

Mr. Neeraj Vyas superannuated as the Deputy Managing Director and Chief Operating Officer (COO) of the State Bank of India (SBI) on 30th June 2018. He has handled several assignments for SBI in India and abroad. He is a senior banking professional with over 37 years of experience across a wide range of functions, such as banking, credit, mortgages, risk management and operations. Mr. Vyas is Non-Executive Director since 1st September 2020. Earlier, he was Independent Director on the Board from 15th April 2019 till 28th April 2020. He was appointed as interim Managing Director & CEO of the Company from 28th April 2020 till 10th August 2020.

Committee memberships

- » Audit Committee
- » Credit Committee
- » Risk Management Committee



Mr. Kapil Modi
Non-Executive Nominee Director

DIN: 07055408

Date of joining: 1st October 2020

Mr. Kapil Modi is a Managing Director and Partner at Carlyle India Advisors Private Limited and is part of the Investment Team of Carlyle India for over 16 years. He holds a B. Tech degree in Computer Science (silver medallist) from IIT Kharagpur and is a postgraduate in Management (gold medallist) from IIM Ahmedabad. He also holds CFA from CFA Institute (USA) and a Master's degree in Business Law from National Law School, Bengaluru.

Committee memberships

- » IT Strategy Committee
- » Credit Committee



Ms. Gita Nayyar
Independent Director

DIN: 07128438

Date of joining: 29th May 2021

Ms. Gita Nayyar is a finance professional with over 32 years of global leadership experience with MNC banks/VC funds and corporates. She has expertise in corporate banking, risk and relationship management, investment banking, wealth management and fundraising. She is also recognised for her expertise in angel investing/mentoring and advising early-stage ventures. She serves as an Independent Director on the board of reputed corporate organisations.

Committee memberships

- » Nomination and Remuneration Committee
- » Stakeholders Relationship Committee



Mr. Pavan Kaushal
Independent Director

DIN: 07117387

Date of joining: 27th October 2022

Mr. Pavan Kaushal has over 34 years of experience in the financial services sector in various positions. He was associated with Fullerton India Credit Company Limited as the Chief Operating Officer and IDFC First Bank Limited as Group Executive President in the Risk Department. He is a member of the Institute of Chartered Accountants of India since 1985 and holds a Master's degree in Financial Management from Jamnalal Bajaj Institute of Management Studies.

Committee memberships

- » Credit Committee
- » IT Strategy Committee



Mr. Dilip Kumar Jain
Non-Executive Nominee Director

DIN: 06822012

Date of joining: 4th November 2022

Mr. Dilip Kumar Jain has over 28 years of experience in various fields in the banking industry. He carries with him several years of banking experience in various senior positions at Punjab National Bank. He is currently the CFO of Punjab National Bank in the rank of Chief General Manager. He is a member of the Institute of Chartered Accountants of India since 1989.

Committee memberships

- » Corporate Social Responsibility Committee
- » Credit Committee
- » Risk Management Committee
- » Stakeholders Relationship Committee
- » IT Strategy Committee



Mr. Girish Kousgi
Managing Director and Chief Executive Officer

DIN: 08524205

Date of joining: 21st October 2022

Mr. Girish Kousgi is the Managing Director and Chief Executive Officer of the Company. He has over 26 years of experience in the financial services sector. Previously, he was associated with Can Fin Homes Limited as the Managing Director and Chief Executive Officer, Tata Capital Financial Services Limited as Head Retail – Credit & Risk, IDFC Bank Limited as Executive Vice President and ICICI Bank Limited as joint General Manager. He is also serving as a director on the Boards of the subsidiaries of PNB Housing Finance Ltd., namely PHFL Home Loans and Services Limited and PEHEL Foundation. He holds an executive master's diploma in Business Administration from the Indian Institute of Commerce and Trade.

Committee memberships

- » Corporate Social Responsibility Committee
- » Credit Committee
- » Risk Management Committee
- » Stakeholders Relationship Committee
- » IT Strategy Committee

Leadership team



Girish Kousgi

Managing Director and CEO



Vinay Gupta

Chief Financial Officer



Amit Singh

Chief People Officer



Jatul Anand

Chief Credit & Collections Officer



Ajay Kumar Mohanty

Head - Internal Audit and Chief of Internal Vigilance



Anujai Saxena

Business Head - Affordable Business



Veena G Kamath

Company Secretary



Dilip Vaitheeswaran

Chief Sales Officer - Retail



Krishna Kant

Chief Compliance Officer



Anshul Dalela

Head - Customer Service & Operations



Anubhav Rajput

Chief Information Officer



Valli Sekar

Chief Sales & Collection Officer - Affordable



Bhavya Taneja

National Head - Marketing



Neeraj Manchanda

Chief Risk Officer

Awards and recognitions

Best Digital Customer Experience Initiative

Customer Fest Leadership Awards 2023

Best Contactless Service Experience

Quantic CX Excellence Awards

Best Use of Regional PR for Rural Marketing

Eggfirst Chalo Rural Awards 2023

Outstanding Product Innovation

Elets NBFC100 Leader of Excellence Award

Best CSR Initiative

Banking Frontiers DNA 2023

Best CSR/ Social Development Campaign for Rural

Eggfirst Chalo Rural Awards 2023

CEO of the Year

Great Indian BFSI Awards

Best Digital Transformation Initiative

Quantic 4th Annual BFSI Excellence Awards 2023

CSR Initiatives of the Year

CREDAI MCHI Golden Pillar Awards

Financial Inclusion Initiative of the Year

Great Indian BFSI Awards

Most Effective Holiday, Seasonal and Festival Marketing

Pitch BFSI Marketing Award

Specialised BFSI Campaign

BW Marketing Excel Awards

Marketing Campaign of the Year

Great Indian BFSI Awards

Women Empowerment

10th CSR Times Award

Regional Communication Campaign

BW Marketing Excel Awards

Outstanding Leadership in NBFCs

Elets BFSI Gamechanger Awards

Best Employee Induction Programme

Kamikaze Employee Happiness Award

Outstanding Leadership in NBFCs

Elets BFSI CXO Award

Excellence in Strategic Leadership

Elets BFSI CXO Award



Governance



Standing (L-R): Mr. Satish Singh, Mr. Vinay Gupta, Mr. Anshul Dalela, Mr. Anujai Saxena, Mr. Anubhav Rajput, Mr. Krishna Kant, Mr. Vikas Rana, Mr. Amit Singh, Mr. Jatul Anand, Mr. Neeraj Manchanda and Mr. Bhavya Taneja

Sitting (L-R): Ms. Veena Kamath, Mr. Ajay Kumar Mohanty, Mr. Girish Kousgi, Mr. Dilip Vaitheeswaran and Ms. Valli Sekar

Governance

Accelerating into the future



A herd of cranes is shown in a field at sunset. The cranes are in the foreground, with many more cranes visible in the background, creating a sense of a large flock. The lighting is warm and golden, typical of the 'golden hour' of sunset. The cranes are standing on a grassy field, and their long necks are prominent. The background is a soft, out-of-focus landscape with a bright horizon line.

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Management Discussion and Analysis

A YEAR OF STUPENDOUS GROWTH

The global economy grappled with challenges such as geopolitical conflicts and high inflation. However, the Indian economy demonstrated another year of stupendous growth, driven by buoyant domestic consumption, favourable demographics, and increasing disposable incomes. Further, the Government of India's favourable policy reforms, incentives for consumers, and sustained investments in augmenting the country's physical and digital infrastructure helped create a foundation for robust growth.

According to the second advance estimates of NSO and MoSPI, the Indian economy reported 8.2% output in FY24, against the 7% reported in FY23. The Gross Value Added (GVA) for all sub-sectors reported strong growth during the year under review, except the agriculture and allied sectors, which reported marginal growth owing to erratic rainfall. High income growth in urban centres increased consumer confidence levels, resulting in robust consumption expenditure. CPI inflation rate in FY24 largely remained lower than FY23 average, resulting prolonged pause by the RBI.



Credit growth exhibited significant strength during the fiscal year under review, with bank credit projected to reach approximately 16% in FY24. Notably, credit expansion in India has consistently exceeded deposit growth by a substantial margin. This growth has been primarily driven by personal loans, bolstered by enhanced digitalisation and prominently supported by the non-banking financial company (NBFC) sector.

Driven by better-than-expected performance of the advanced economies, especially the US, the global economic outlook remains stable for 2024. However, continued geopolitical

conflicts, remain key risk to the outlook. India is expected to continue its position as an outlier in the global scenario and register a growth of 7% in FY25. The optimism stems from both public and private investments and an anticipated recovery in rural income owing to the anticipated normalcy in the monsoon cycle. Further, a healthy balance sheet of the corporate sector is expected to drive upward financial cycle. To sum up, India is expected to continue being one of the fastest-growing economies in the world.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Housing finance companies experienced massive growth

The upward growth trajectory witnessed in the country's economic also reflected its impact on the real estate sector. The year 2023 set new milestones for the residential property sector, with the top seven cities registering record-breaking home sales as well as lowest-ever inventory.

Combined residential unit sales in top seven cities

FY23	FY24
3.64 lakh units	4.76 lakh units

New residential units launched in top seven cities

3.57 lakh units	4.45 lakh units
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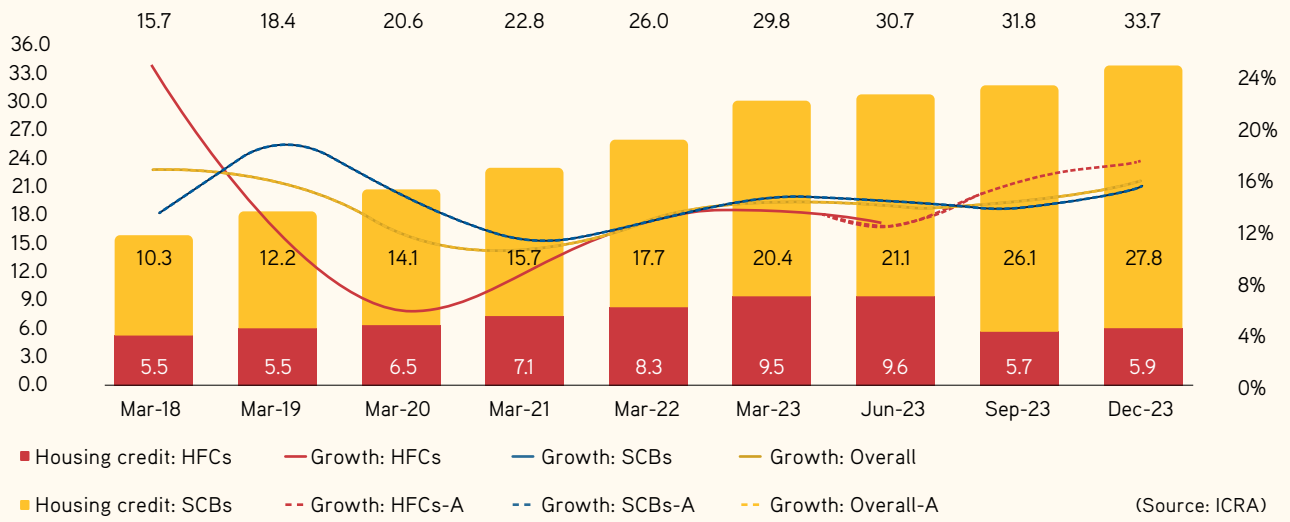
(Source: Anarock)

Driven by a buoyant real estate sector, India's home loan market is expected to fare better in FY24, with an anticipated 12-14% growth in the on-book portfolio. As of 31st December 2023, the aggregate on-book housing loan portfolio of NBFCs/HFCs and banks stood at approximately ₹33.7 lakh crore. HFCs' housing portfolio (after adjusting HDFC Limited as a part of banks as on 31st December 2022) experienced a slightly higher growth of 18% year-on-year in their housing portfolio, against 16% growth in Scheduled Commercial Banks (SCBs) housing portfolio. Housing credit increased at a compound annual growth rate (CAGR) of ~14% from March 2019 to December 2023.

Management Discussion and Analysis

Housing credit composition

(₹ in lakh crore)



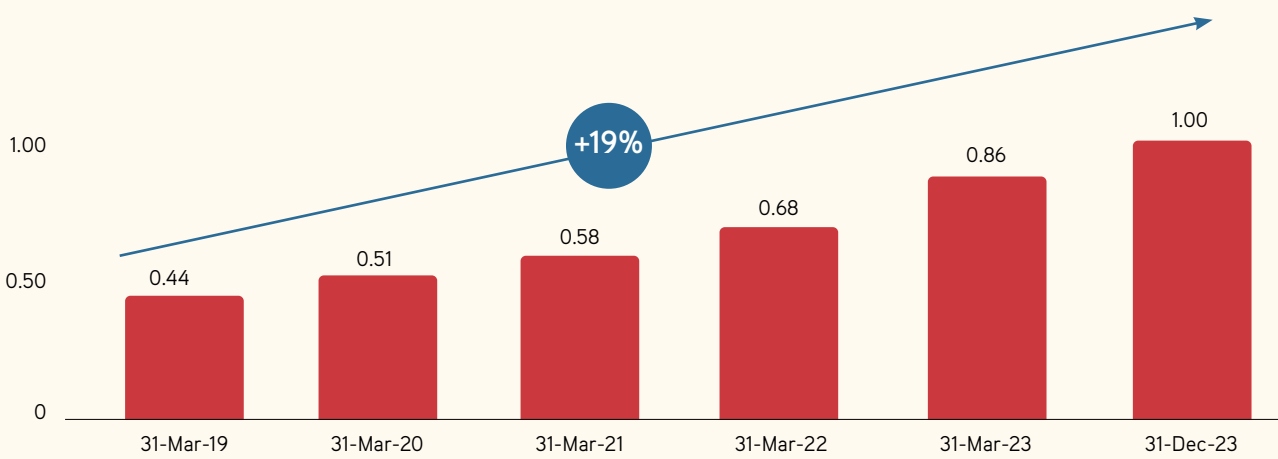
Growth trajectory of affordable housing segment

Significant housing shortage and lower mortgage penetration augurs well for the growth of the affordable housing finance companies (AHFCs) in India. AHFCs, with a geographically diversified portfolio, deep distribution focus, niche customer segment and granular underwriting model, are attractively positioned to capture the opportunity. Further, the Government impetus on “Housing for All” along

with multiple initiatives to drive home ownership mean a conducive growth environment for the AHFCs. They have shown robust growth compared to HFCs, driven by a lower base and stronger demand. AHFCs reported a loan book of ₹1 lakh crore as on 31st December 2023 registering a YoY growth of ~27%. The long-term outlook for AHFCs remains positive, supported by a large underserved market, favourable demographics, housing shortage, and government incentives like tax benefits and subsidies.

Affordable focused HFCs loan book

(₹ in trillion)



(Source: ICRA housing finance report, April 2024; CIBIL)

Affordable housing continues to be a focus area for the Government

The Pradhan Mantri Awas Yojana (Urban), launched in 2015, aims to address the urban housing shortage among the poor and middle-income groups, including slum dwellers, by ensuring a pucca house for all eligible urban households. Recently, the Government of India has undertaken the ambitious initiative to facilitate the construction of 3 crore homes across both rural and urban areas under the PMAY scheme.

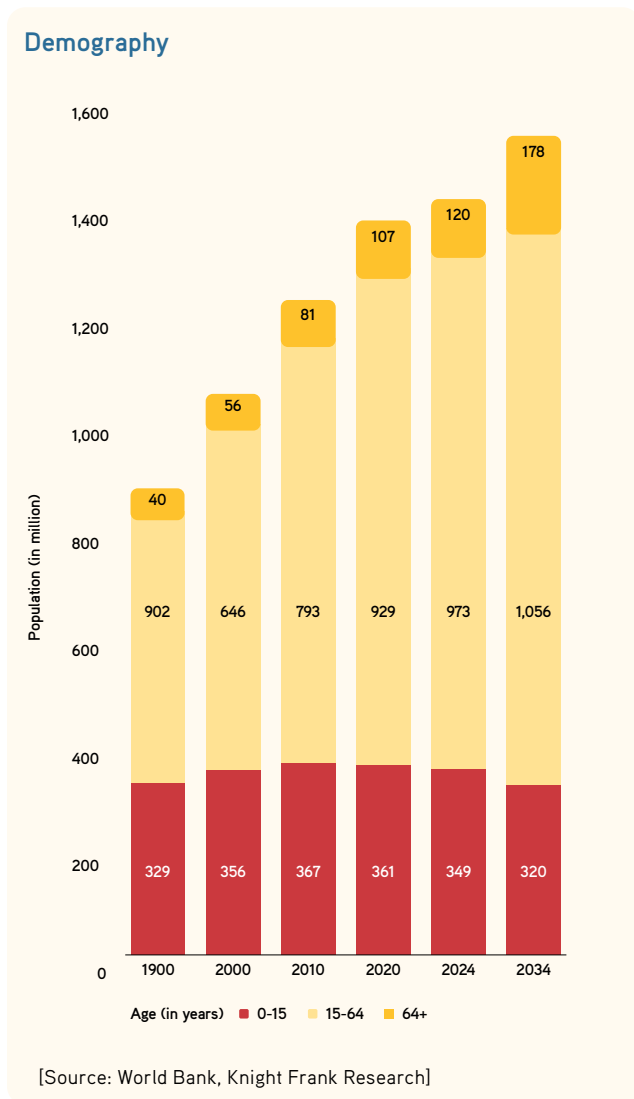


Management Discussion and Analysis

Key factors driving the housing sector growth

Demography

India, with an estimated population of 1.4 billion, boasts of the world's largest share of young people. As of 2023, the average age in India is 28 years, projected to increase to 31 years by 2034. By 2034, an estimated 1 billion Indians will fall within the 15-64 years working age bracket.



Growing income levels

A Standard Chartered Bank Report estimates India's per capita income to grow to USD 4,000 by 2030 from USD 2,450 in fiscal 2023.

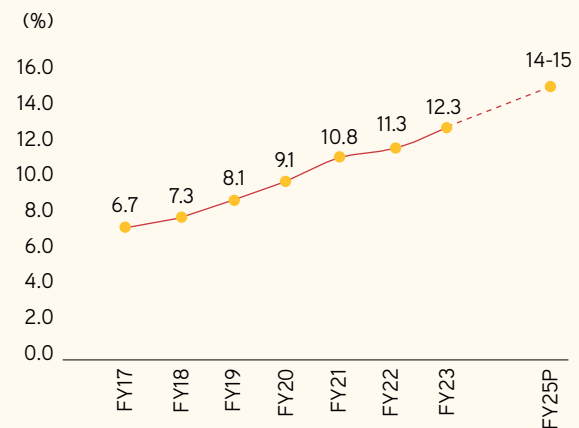
Socio-cultural trends observed after the COVID-19

Owning a house is being thought of as having security for the family. Millennials and young working population, who generally prefer rental houses, are also preferring to buy houses after the pandemic months.

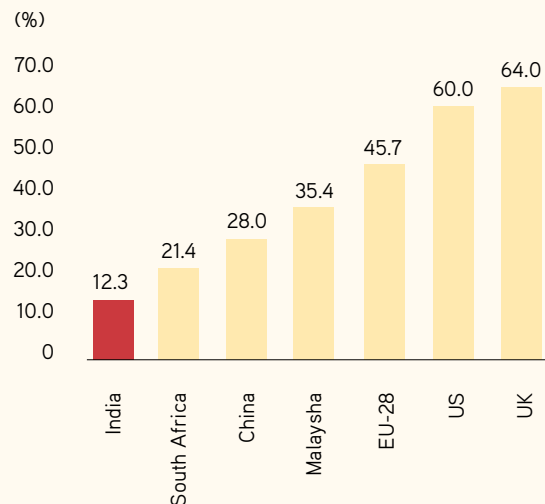
Low mortgage penetration

India's low mortgage penetration rate compared to other emerging markets provides significant growth opportunities.

Lower Mortgage-to-GDP ratio of India vs. other emerging markets



(Source: NHB, World Bank, CRISIL MI&A estimates)



(Source: HOFINET, European Mortgage Federation, NHB, CRISIL MI&A)

BUSINESS OVERVIEW

About the Company

PNB Housing Finance is a trusted brand in the housing financing sector with more than three and a half decades of specialised experience in enabling dreams of home ownership for millions of Indians. The Company offers a range of home loans and related financial products, such as housing loans for individuals to purchase, construct, repair, and upgrade houses as well as loans for commercial spaces, loans against property, and loans for the purchase of residential plots.

Promoted by Punjab National Bank – India's first Swadeshi bank, PNB Housing Finance is registered with National Housing Bank (NHB). We made our initial public offering (IPO) in November 2016, and our equity shares have been listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) since 7th November 2016.

We have a network of 300 branches/outreaches across the country, with 160 branches/outreaches dedicated to Roshni, the Company's flagship offering in the affordable housing segment. Furthermore, we have invested in creating intuitive digital interface (both web and mobile app-based) for our customers to seamlessly avail our products and services.

The past two years have been period of transition for us as we focused on building our retail book, add new segments viz affordable and emerging markets, strengthen distribution network, streamlining our systems and processes to strengthen our offerings to prime customers, design focused products for the affordable segments, reduce our corporate exposure, improve asset quality, and diversify liability mix with restarting of NHB refinance and debt market funding. Further, we have introduced processes to enhance customer experience, and improved risk management to create a robust foundation to drive accelerated growth. During the first quarter of the year, we raised ₹2,493.76 crore through a successful Rights Issue, to fund our growth aspirations. Our improved financial metrics and robust strategy for growth have earned us rating upgrades to AA+ from three major credit rating agencies in the country.

A year of robust performance

During FY24, we witnessed all-round growth across parameters. We sanctioned 88,465 loan applications, an increase of 23% over the previous year. Strong sectoral demand along with a focused approach helped us disburse loans to the tune of ₹17,583 crore, an increase of 17.5% over the previous year. Overall, loan asset for the year stood at ₹65,358 crore (as per IndAS), an increase of 10.3% over ₹59,273 crore loan asset as on 31st March 2023. The focus of the year was on building the retail business. The retail loan asset grew by 14.1% YoY to ₹63,306 crore as on 31st March 2024. The retail loan asset is 97% of the total loan asset. Focusing on the affordable segment, we commenced business in January 2023 and reached a loan book of ₹1,790 crore as on 31st March 2024. Driven by stringent cost optimisation measures, better risk management and process efficiency, our margins and return on assets reported expansion during the year.

The gross NPA during the year reduced by 233 bps to 1.50% as on 31st March 2024 from 3.83% as on 31st March 2023. The net NPA reduced to less than 1% to 0.95% as on 31st March 2024.

The incremental cost of funds during the year stood at 7.91%, while the average cost of borrowing was at 8.01% for FY24. The Company restarted its borrowing from the debt market and NHB during FY24. Our deposit mobilisation initiatives witnessed improved traction, helping us source around 70,392 deposit applications, amounting to total of ₹6,263.56 crore in FY24.

During the year under review, we further strengthened our balance sheet by way of raising capital through Rights Issue during the first quarter of the financial year. The Rights Issue helped us in reducing the gearing and improving Capital Risk Adequacy Ratio (CRAR).

Key developments of FY24

- ▶ **Capital raise**
 Successful completion of the rights issue, providing us with the growth capital
- ▶ **Retail at the core**
 Increased contribution of retail at **97%** of loan asset against **94%** of loan asset a year ago
- ▶ **Expanded distribution network**
 Expanded presence to **300** branches/outreaches to tap a wider customer base
- ▶ **Improvement in asset quality**
 - Focused approach drastically improved GNPA to **1.50%** from **3.83%** a year ago
 - Reduced GNPA by **₹1,286 crore**
- ▶ **Rating upgrade**
 Driven by a stronger balance sheet, rating upgrade by three agencies

Management Discussion and Analysis

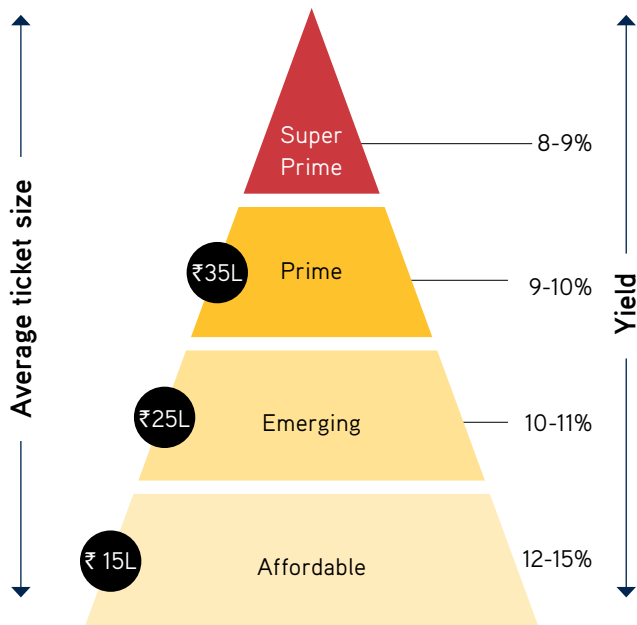


Retail loan on accelerate growth phase

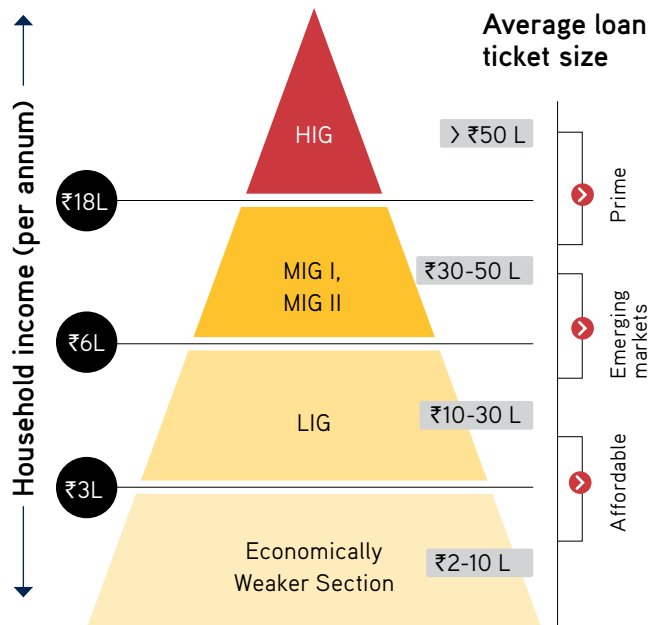
Over the last few years, the Company has focused on building its retail loan assets. The focused approach resulted in 97% share of retail in the total loan book in FY24, against 87% in FY22. Our retail loan book comprises the Prime segment and Affordable segment, termed 'Roshni'. The Company at the start of FY25 carved out Emerging Markets segment from Prime segment.

Driven by a leadership team with deep retail business experience at the helm, we are attractively positioned to stay ahead in the market. We aim to continue our accelerated growth trajectory in the affordable segment, aided by a dedicated distribution strategy. By focusing on higher yielding emerging markets, we are tapping into new opportunities for expansion. Further, the legacy of our parentage puts us advantageously in the market. Our emphasis on technology is aimed at enhancing operational efficiency, deliver superior services to our customers, maintain asset quality and drive sustainable growth.

A top-down approach with focus on profitability



Going down the affordability pyramid



RETAIL PRIME LOANS

During the year, to capitalise on the broader market with higher yields, we created a dedicated Emerging Markets segment within the Prime segment. We have dedicated 50 branches for this segment in Q4 FY24, creating separate teams responsible for sales, credit, collections, and operations to capitalise on the potential in these markets.

Individual housing loans

The individual loan segment targets prime customers in both salaried and self-employed categories. To drive accelerated growth, we expanded our team and distribution network. During the year, we added 33 branches primarily in tier 2 and 3 cities, focusing on granularising the loan book with an average ticket size (ATS) of ₹29 lakh. The salaried segment constituted 70.5% of our individual housing loan portfolio.

70%

Average loan-to-value in FY24

Retail non-housing loans

During the year, disbursements for retail non housing loans increased 22.6% to reach ₹4,510 crore. This segment contributed 26% to total disbursements. The average ticket size for the segment was ₹31.1 lakh, with a weighted average loan-to-value (LTV) ratio of 47.83%. The self-employed category constitutes 46.85% of the retail non housing segment.

26%

Segment contribution to total disbursements

Management Discussion and Analysis



RETAIL AFFORDABLE LOANS

Accelerating our affordable business through Roshni

Our journey in affordable segment under Roshni has been a remarkable one. With our value proposition, we created a distinct strategy to drive growth in this business. We commenced disbursements in this segment from January 2023 and became one of the fastest in the sector to cross the milestone of ₹1,000 crore of loan book within the first year of operations and closed the year with a loan book of ₹1,790 crore. Roshni follows a customer-centric approach characterised by tailored financial products, innovative technology and seamless experiences, to meet the unique needs of individuals seeking affordable housing finance solutions.

Our dedicated Roshni branches enable customers to access our products and realise their home ownership dreams. During the year, we expanded our Roshni branch network to 160 across 13 states. Going forward, we expect to continue our branch expansion for Roshni business year on year and expand to 140 districts across our targeted states.

₹1,653 crore

Loans disbursed under Roshni during FY24

11.5%

Average yield in FY24

CORPORATE LOANS

Construction finance loan

The focus during the year was to reduce the corporate book and resolve the delinquent accounts. The construction finance loan book registered a decline by 46% to ₹2,052 crore as on 31st March 2024. The decline in the book was on account of book run down, ARC sale, write off etc. The book is now 3% of the total loan asset, spread across 12 developers. With continuous efforts the gross NPA in the corporate book reduced from ₹846 crore as on 31st March 2023 to ₹68 crore as on 31st March 2024.

Driven by strong economic tailwinds, domain experience and builder connects, we plan to restart our corporate book in FY25, with focus on select builders and geographies, lending in construction finance and restricting the overall corporate loan book at 10% of the total loan book.

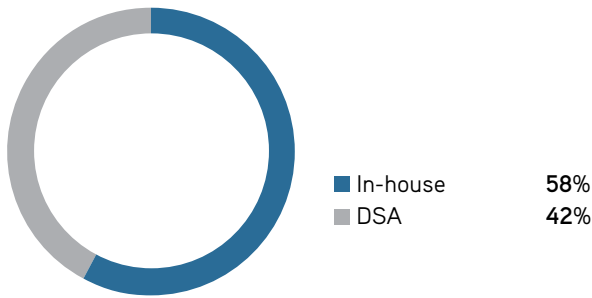
Widening our reach through a multi-pronged distribution channel

We have a multi-channel sourcing strategy to capture a wider range of customers across our focused markets. We have a dedicated in-house team and a network of Direct Selling Agents (DSAs) for sourcing both loan and deposit customers. Furthermore, we have more than 14,000 channel partners across the country.

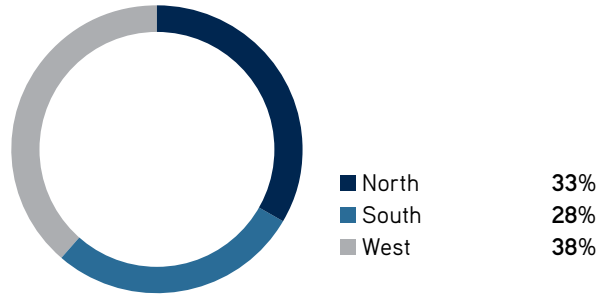
To drive better engagements with the channel partners we embarked on several relationship building activities such as DSA meets and contests. Furthermore, we have empowered the DSAs with digital tools to share customer documents, a step towards creating paperless environment.

Our affordable segment, Roshni, has dedicated branches, manpower and channel network across select cities to drive the business. Further, to promote diversity and empower women financially, we inaugurated our first-ever all-women Roshni branch in Tambaram (Tamil Nadu), consisting entirely of female staff to manage the operations. Incidentally, it also marked our 100th branch under Roshni.

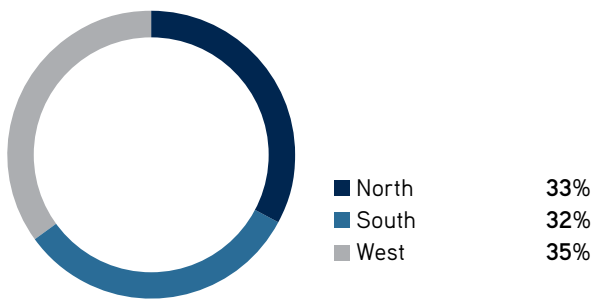
Retail Disbursement origination



Affordable Disbursement geographical breakup



Retail Loan Asset geographical breakup

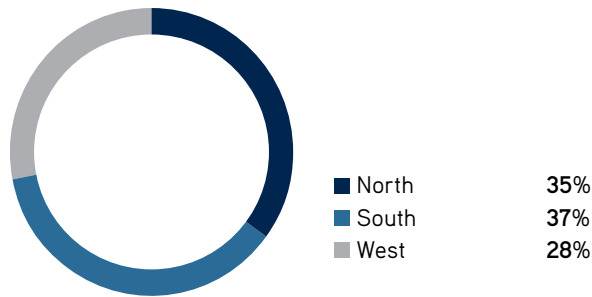


During the year, we expanded our retail branches for both Prime and Roshni segment. While we added 78 branches in Roshni segment, our reach in the Prime segment bolstered by adding 33 new branches during the year. Further, we empowered our DSAs with digital tools, seamlessly integrated with our core systems for digital enablement of sales process. With a focus on improving the productivity of our salesforce, we have implemented Salesforce in our Loan Origination System (LOS) and CRM.

14,000+

Active channel partners

Retail Disbursement geographical breakup

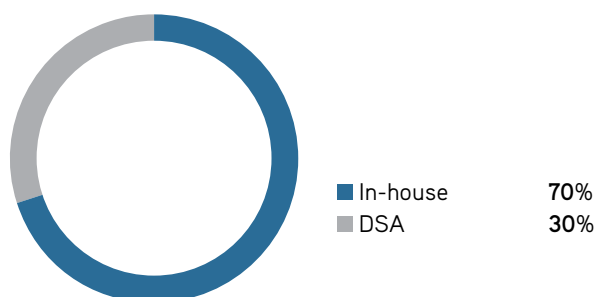


Supported by

5,500+

Strong team members

Affordable Disbursement origination



Branches/Outreach

As on 31st March 24



As on 31st March 23



Management Discussion and Analysis



PHFL HOME LOANS & SERVICES LIMITED (PHFL)

PHFL, a wholly-owned subsidiary of PNB Housing Finance, was floated to reduce the dependence on external sources for new customer acquisition. During the year, more than 76% of our new customer sourcing was done through PHFL.

PHFL actively supported the Authorised Officers of PNB Housing Finance in auction sales of the properties acquired under the provisions of SARFAESI Act. Our revised strategy for selling repossessed properties included creating customer awareness, that resulted in successful auction of more than 282 properties during the year as compared to 98 properties in FY23. The team also supported the buyers from facilitating the purchase to registration of the property.

Further, we focused on creating a secured career path and a career progression program to support the growth for our PHFL employees. We are grooming our employees to create a talent pool that meets the demand from the parent company. We've enhanced benefits such as family health coverage to create a sense of unity and foster long-term relationships with our PHFL employees.

Centralised operations

Our centralised operations drive operational excellence, optimise costs and reduce duplication of efforts. The business is divided into two units: Central Processing Centre (CPC) and Centralised Operations (COPS).

- » Our Central Processing Centres (CPCs) are situated in Mumbai, Bengaluru, and Noida, serving as repositories for customer documents, including loan files, deposit

applications, and repayment pouches. Each CPC is capable of managing over 23,000 service requests monthly. We have digitised customer records, where documents for all 2.8 lakh customers will now be accessible via cloud storage, enabling faster service and reducing the risk of original document loss or transit damage.

- » The COPS team manages deposit insurance reconciliation, pay-outs, vendor bill processing, customer correspondence, and channel partner empanelment in a paperless environment using electronic payments and image processing. In FY24, we mobilised fixed deposits from 72,509 customers with an average TAT of t+1 days from cheque clearance to FD receipt issuance.

Leveraging digitisation to drive efficiency

Over the past years, we have been investing in Information Technology (IT), transitioning from legacy systems to modern digital platforms. This shift has led to a substantial increase in digitisation, benefiting both internal operations and interactions with external stakeholders. One primary focus has been enhancing our underwriting capabilities, building on our cyber security initiatives from the previous year and expanding our cloud adoption, with significant share of our portfolio now running on cloud infrastructure. This adoption has had a massive impact, with a 100% adoption rate and noticeable improvements in system uptime, leading to a 14-15% reduction in service tickets managed by the platform.

To minimise security threats, our IT team has implemented robust security infrastructure, ensuring network integrity and operational continuity.

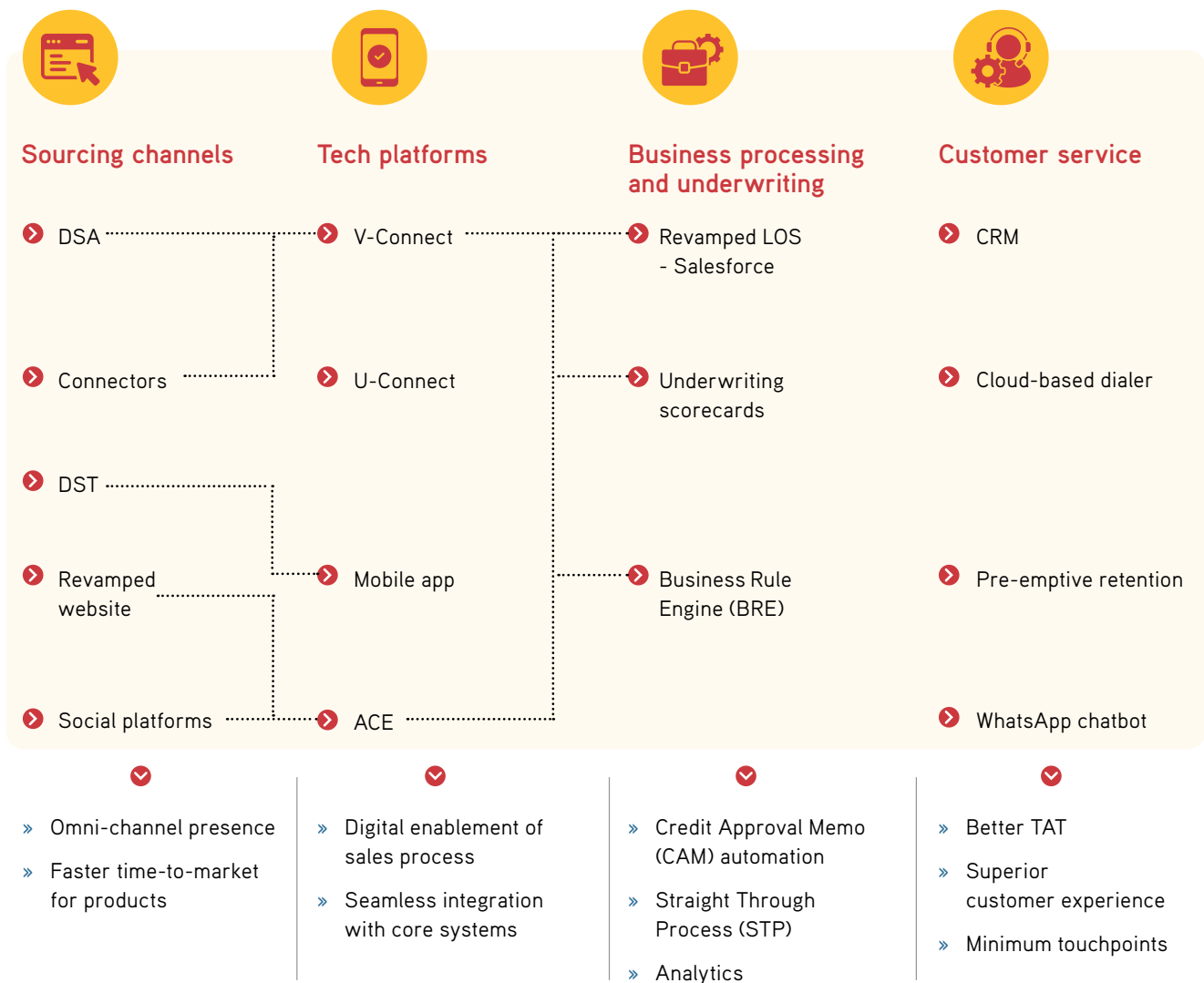
Regarding specific achievements, we launched a comprehensive cloud based Customer Relationship Management (CRM) platform for enhancing customer service capabilities. The automated service request feature has seen 16% adoption of self service feature. The 360 degree view of the platform helped in service agent productivity increase by 10%. During the year, we introduced predictive dialer for improving customer outbound capabilities and reduce leakages. We also launched a new website, WhatsApp chatbot and website bot feature as accelerated digital channels for customer service.

These initiatives have significantly reduced turnaround times and facilitated strategic partnerships with digital fintech firms.

On the IT innovation front, we established an Innovation Hub in Noida, where teams explore new technologies with a focus on ROI-driven solutions. Our goal is to scale these innovations from a handful of projects to a broader portfolio.

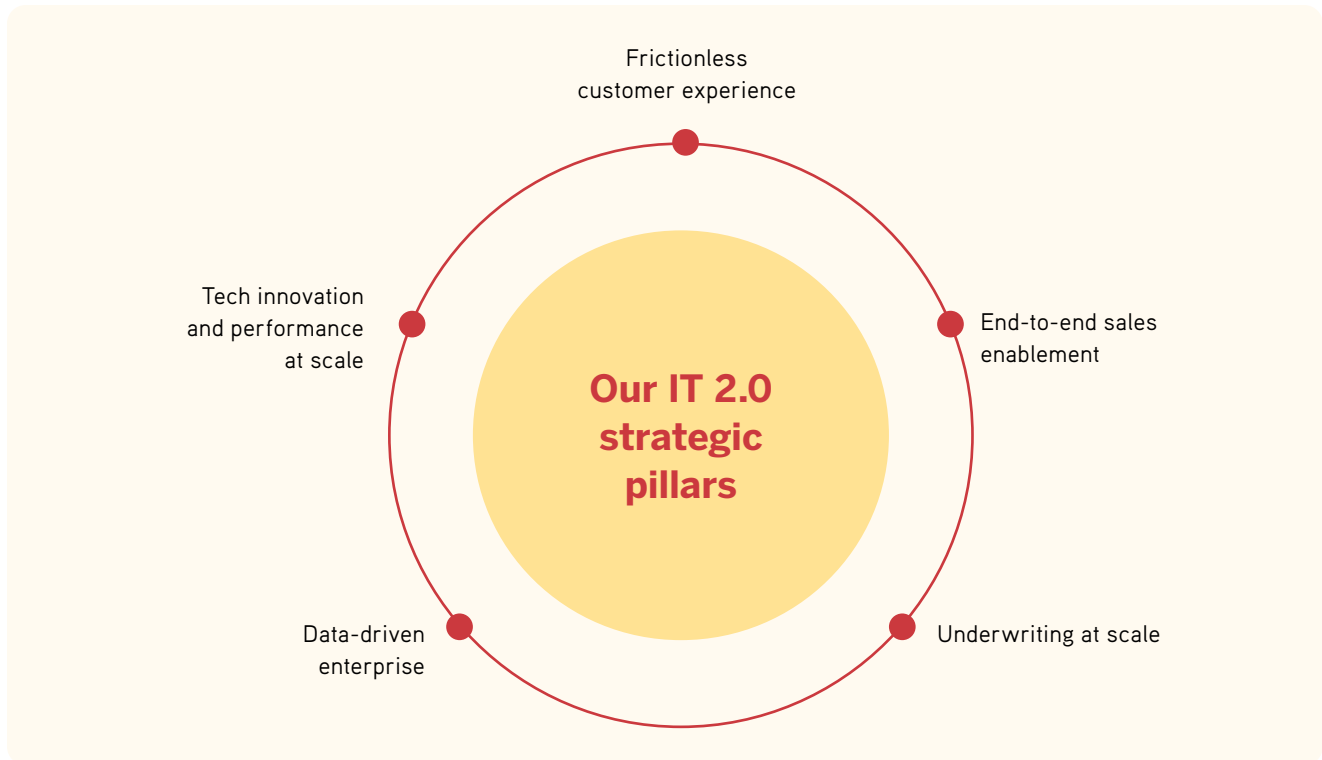
Our strategic investments emphasise leveraging generative artificial intelligence (AI) capabilities at scale, aiming for an adoption rate of 80% across key operational processes like sales and disbursement. The transition towards end-to-end digitisation processes underscores our commitment to embracing modern technologies to drive efficiency and growth. Our RO mobile app, launched last year, has helped improve lead conversion during the year.

Investments in technology and analytics



Management Discussion and Analysis

As we embark on a journey of accelerated growth, we have revamped our IT strategy with the aspiration to become a major digital player in the HFC ecosystem. By collaborating and partnering with fintech, banks, market aggregators, and others, we aim to leverage synergy and scale through platforms. Our goal is to offer personalised products and ease of service, promoting high levels of adoption.



Excelling in our customer experience journey

At PNB Housing Finance, creating a seamless customer experience is critical for our success. We continuously work on initiatives to enhance customer experience across origination, onboarding, disbursement and post-disbursement services.

Our new CRM system represents a significant leap forward in customer service excellence. Powered by Salesforce, this cutting-edge technology enables seamless and faster customer interactions while eliminating redundancies. With tools like chatbots and an upgraded VR system, we are enhancing customer engagement across all touchpoints. We have introduced generic text-to-video messaging for onboarding, creating a gamified experience with a more appealing UI to engage better and retain customers.

Our willingness and ability to retain customers is paramount, reflected in our balanced transfer rates and efforts to maintain attrition (reduced from 20% in 2022 to 17% presently, our efforts continue for further reduction).

This continuous shift to digital modes has streamlined our processes, from customer engagement to documentation delivery, ensuring a seamless and efficient experience. These initiatives exemplify our commitment to elevating

10%

Increase in service agent productivity achieved through the 360 degree view of the new CRM platform

customer interactions and maintaining enduring relationships through innovative technologies and customer-centric strategies.

For Roshni branches, we have enabled branch payments using dynamic QR codes. The project is being tested in selected branches and will soon be rolled out to other Roshni branches. eKYC approvals are swiftly confirmed with notifications sent via email and text in the morning. Any required changes can be made by updating details and uploading necessary documents. We have maintained higher customer engagement through WhatsApp, chatbot, personalised content and marketing automation. Further, our revamped website, launched during the year, has helped in better engagement with customers through improved UI/UX designs.

Financial performance

Particulars	(₹ in crore)		
	FY24	FY23	Change
Net interest income	2,516.07	2,345.55	7.3%
Fee and commission income (net of fees and commission expense)	260.55	271.74	-4.1%
Other income	7.01	2.33	-
Gross income	2,783.63	2,619.62	6.3%
Operating expenditure	658.61	519.78	26.7%
Impairment on assets held for sale	-	47.65	-
Operating profit	2,125.02	2,052.19	3.5%
Impairment of financial instruments and write-offs	171.12	691.28	-75.2%
Profit before tax	1,953.90	1,360.91	43.6%
Profit after tax	1,508.01	1,046.00	44.2%
Other comprehensive income (net of taxes)	-16.25	77.06	-
Total comprehensive income	1,491.76	1,123.06	32.8%
Basic earnings per share (₹)	58.37	53.21*	-

*adjusted for rights issue

Net interest margin: Net Interest Margin (NIM) grew by 7.3%, primarily due to loan book growth. The loan book grew by 10.3% YoY to ₹65,358 crore as of 31st March 2024.

Operating expenditure: Opex grew by 26.7% YoY to ₹659 crore driven primarily by investment in affordable business driven by expansion, strengthening employee base and technological upgradation investments. During the year, we have strengthened our presence to 300 branches/outreaches as against 189 branches/outreach as on 31st March 2023.

Impairment of financial Instruments and write-offs: In FY24, the credit cost improved to 25 bps from 107 bps in FY23. This improvement is

primarily attributed to improved collections and recovery. Collections efficiency improved to 99.4% in FY24 from 98.6% in FY23. We focused on recovery through one-time settlements, ARC sale, property sale amongst others.

Profit Before Tax (PBT) & Profit After Tax (PAT) - PBT improved by 43.6% YoY and PAT improved by 44.2% YoY on account of growth and improved credit cost.

Capital adequacy ratio: CRAR improved to 29.26% from 24.43% as on 31st March, 2023 on account of tier I capital raise. In May 2023, the Company has raised ~₹2,494 crore via Rights issue

Key financial ratios

Particulars	FY24	FY23	Change
Average yield	10.35%	10.28%	7bps
Average cost of borrowing	8.01%	7.47%	54bps
Spread	2.34%	2.81%	-47bps
NIM	3.74%	3.73%	1bps
Cost-to-income	22.83%	19.13%	370bps
Return on asset	2.20%	1.61%	59bps
Return on equity	10.90%	9.98%	92bps
Total provision/Total asset ratio	1.91%	2.42%	-51bps
Gearing (x)	3.68*	4.87	-119bps
Book value per share	577*	652	-
CRAR	29.26%	24.43%	483bps
Tier-I capital	27.90%	22.40%	550bps
Tier-II capital	1.36%	2.03%	-67bps
Risk-weighted asset (₹ in crore)	48,508	42,289	15%
Net worth (₹ in crore)	14,794*	11,014	-

*Post Rights Issue

Management Discussion and Analysis

Amplifying our visibility

Considering the dynamic landscape of the housing finance industry today, our marketing strategy has played a pivotal role in maximising growth opportunities for us. We have been at the forefront of navigating through the competitive environment and evolving consumer behavior with our creative strategy, data-driven approach and consistent messaging, unlocking new avenues throughout the year.

Grounded with a deep understanding of the customers' needs, choices and preferences, we set our marketing goal post to drive sustainable growth, deliver value to customers and become the 'lender of choice' in our respective consumer segments. We leveraged the key pillars of marketing through our brand building, corporate reputation management and digital communication strategies to strengthen our brand positioning.

Our cross-functional collaboration and support was targeted to capture consumer attention across all touchpoints, both online and offline. We leveraged the visual communication medium to launch our first-ever testimonial video series, highlighting the journeys of our customers in achieving their dreams of home ownership with us. In an industry-first development, we executed repossessed property expo in multiple cities, featuring 200+ repossessed properties. This initiative generated a positive response from consumers and led to significant increase in property sales for the organization.

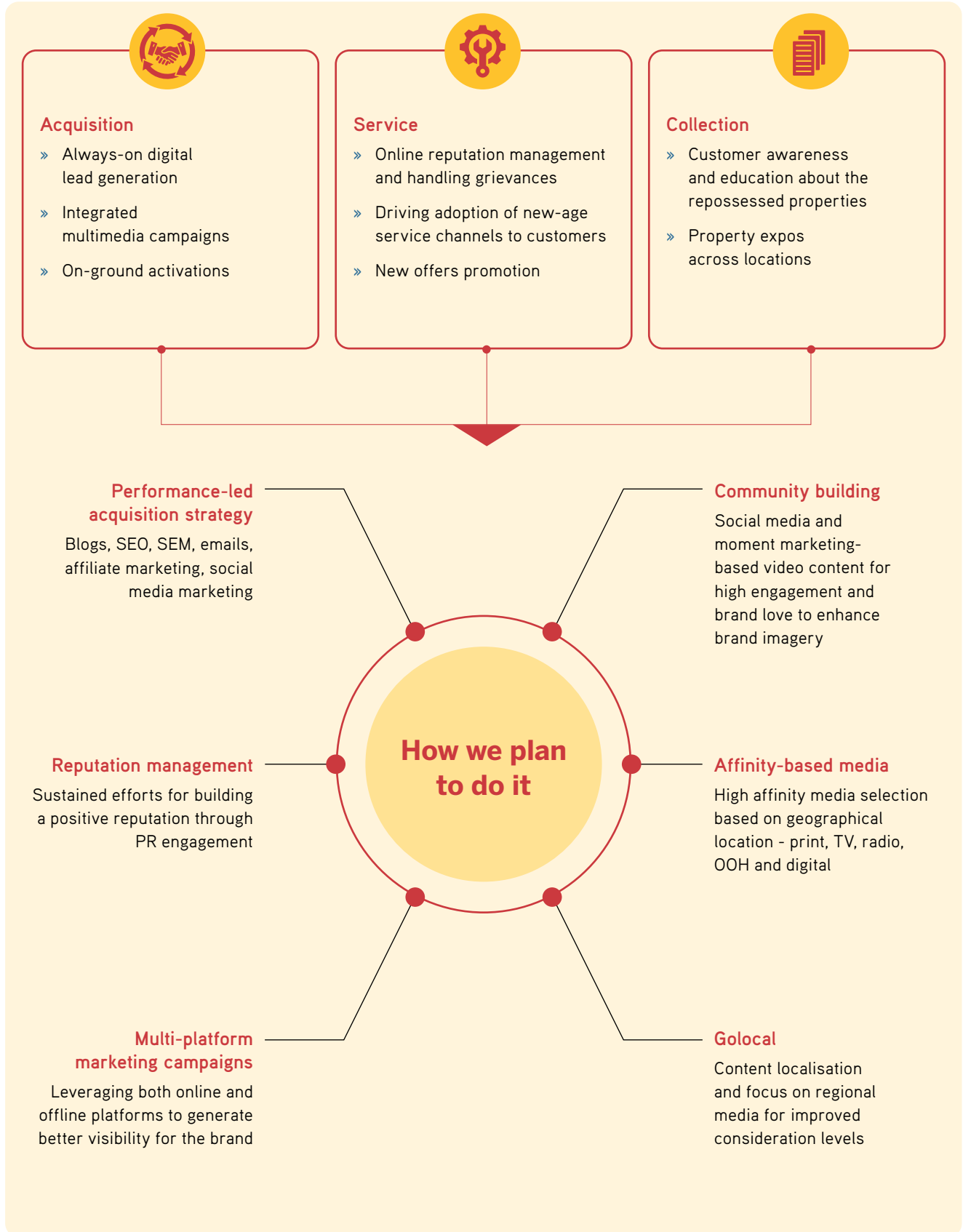
One of the key pillars this year was elevating our employee experience and strengthening the people culture through various employer branding initiatives. We harnessed the power of storytelling by introducing 'Achiev-Her' – a special series showcasing inspiring stories of our women employees who are breaking barriers, driving change and leading by example in their own right. Additionally, we launched our first-ever brand anthem, embodying our commitment to home ownership for customers and serving as a unifying force that captures our core attributes and values.

As an organisation focused on enhancing customer experience, we recognise the importance of using the right tools and platforms to cater to our evolving marketing efforts and data-driven customer outreach. We upgraded our digital stack by revamping our website, launching WhatsApp and chatbot services for customers, and introducing the sales mobile app for our employees to streamline lead generation and conversion. These efforts have unified our customer database across mediums, enabling us to strategise and execute more personalised, omnichannel marketing campaigns.

Our ISO-certified contact centre has become a crucial channel for customers to get quick service, handling everything from enquiries to complaints to fraud reporting. We have a strong team of 70+ executives that source pre-filtered leads for the in-house sales channel, generating over sixty thousand OTP-verified loan enquiries per month. Additionally, collaborate with new-age online business partners like Paisabazaar, LoanTap, NoBroker, Andromeda, Spoptree to generate new leads from their customer base.



Our impact in the home loan journey multiplier effect across Acquisition, Service and Collections



Management Discussion and Analysis



Bringing transformative change in underwriting

Our underwriting performance has been pivotal, marked by four consecutive quarters of consistent growth. We attribute this success to strategic quality initiatives and enhancements, particularly our intensified focus on the salaried segment and retail business, resulting in notable growth in volume and value alongside streamlined processing and portfolio management.

Our evolution in processing involved transitioning from a hub-and-spoke model to a hybrid decentralised approach, expanding the presence of underwriters across branches nationwide. This approach facilitated timely sales support, ensuring the acquisition of high-quality business through personalised interaction and hands-on evaluation. Our investment in this underwriting model significantly supported business volume, enabling efficient delivery without compromising quality.

The introduction of Straight Through Processing (STP) has been transformative, delivering visible benefits through enhanced system efficiency and uniformity across the

country. Equipped with intelligent rule engines, our STP system processes customer files swiftly, analysing credit history, collateral and essential checkpoints to issue rapid sanctions. Approximately 30% of salaried loans now flow through our STP system, validated by underwriters before sanction letters are issued, thereby positively impacting efficiency and customer experience without additional resource investment.

In terms of Turn-around Time (TAT), we have achieved remarkable milestones, sanctioning 80% of the cases within three working days—a 25% improvement and a cornerstone of our operational excellence.

Looking ahead to FY25, we are committed to leveraging digital tools further, anticipating substantial volume increase while maintaining service level agreements (SLAs) and sustaining a zero-tolerance approach to early delinquencies. Decentralising our underwriting team by deploying underwriters at each branch will enhance responsiveness, while plans to elevate STP capabilities reflect our dedication to continuous improvement and customer-centricity.

Our six-pronged strategy driving retail underwriting



Automated underwriting

- » Business Rule Management Engine (BRME)-aided decision making
- » Salaried Straight Through Process for automated sanctions to eligible base
- » Standardised underwriting with product templates for higher efficiencies



Digital enablers

Use of APIs to verify documents and KYC

- » Bank statement analyser
- » Alternate identity check
- » Email ID check
- » Dedupe check
- » Fraud triggers



Customer experience

- » Digital onboarding of customers
- » Faster TAT; wing to wing in <2 days for salaried and <5 days for self-employed
- » In-person discussion done by underwriting team for all self-employed customers



Widespread presence

- » Decentralised approach to cater to the business
- » SMEs in each region with better understanding of geography-specific nuances



Building a sustainable business

- » Focus on mid-ticket loans with 90%+ of sanctioned cases are up to ₹1 crore
- » Modified credit guidelines and approach to business in line with a versatile market
- » In-house developed app (u-connect) leading to better control and management



Portfolio management

- » About 85% of the fresh onboardings have bureau score of 700 and above
- » Early mortality monitoring: ₹30,444 crore disbursed in last two financial years; 90+ is 0.08%
- » Continuous training and upskilling of teams

Management Discussion and Analysis

COLLECTIONS AND RECOVERY

Retail segment

During the year, we focused on resolving the delinquent accounts and realign our collection process to reduce forward flows and improve asset quality. In order to do so, we strategically segregated our collections process in 4 verticals viz X-bucket, pre-NPA, NPA and recovery. We carved out separate teams for each vertical supported by technology and data analytics resulted in improved asset quality. With our concentrated efforts we not only reduced Gross NPA by 233 bps but also reduced forward flows from one bucket to another. Further, we registered increase in our recovery through One time Settlements with the customers and property auctions.

Throughout the year, our focus has been on addressing key challenges

- » Swift action on early delinquencies resulted in a remarkable shift, virtually eliminating early defaults. Our team's dedication led to a 99% resolution rate, effectively controlling flow rates and mitigating further damage.
- » We strategically managed vintage portfolios and maintained asset quality of disbursements of the year. By dissecting NPAs and strategically repositioning assets with legal support, we achieved record levels of property possession and auctions, tripling asset sales over the last three years. Collaborating with our marketing team, property auctions garnered substantial interest, leading to quick sales and robust recoveries, with a success rate of more than 20%.

- » Proactive measures like pre-delinquency management, leveraging digital tools, and deploying smart collection apps empowered our on-ground teams. Real-time tracking and geo-tagging of collection efforts have strengthened our ability to manage early bucket collections effectively.

Our focus areas emphasise meticulous care in managing early delinquencies, strengthening cash collections, and leveraging legal resources to address vintage customer issues decisively. Our Property Service Group is actively engaged in resolving NPA challenges, aiming for a substantial reduction in NPAs and a steep recovery trajectory. The team conducted property sale expos, which garnered attention from property buyers. During the year, the team's concerted efforts led to one of the highest property auctions in our history. These efforts are poised to drive continued success in our goal of reducing NPAs and strengthening financial stability.

99.4%

Retail collection efficiency

1.45%

Retail Gross NPA for FY24

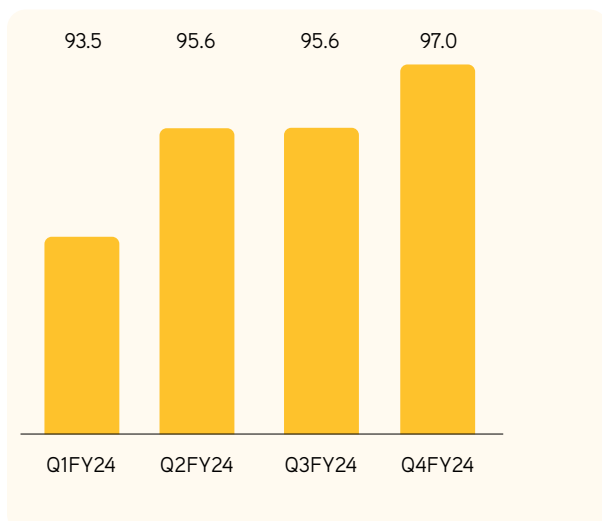
▼ 112 bps

Verticalisation of collection team to improve asset quality

X-bucket resolution

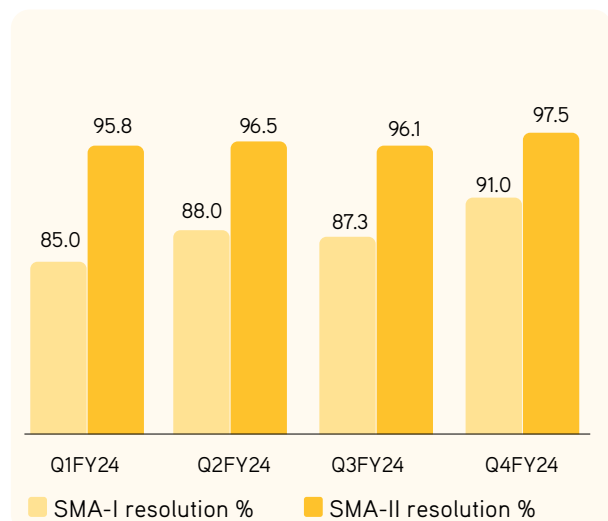
We prioritised contactless collections, emphasised tele-calling and conducted regular field visits to drive resolution.

(%)



Pre-NPA resolution

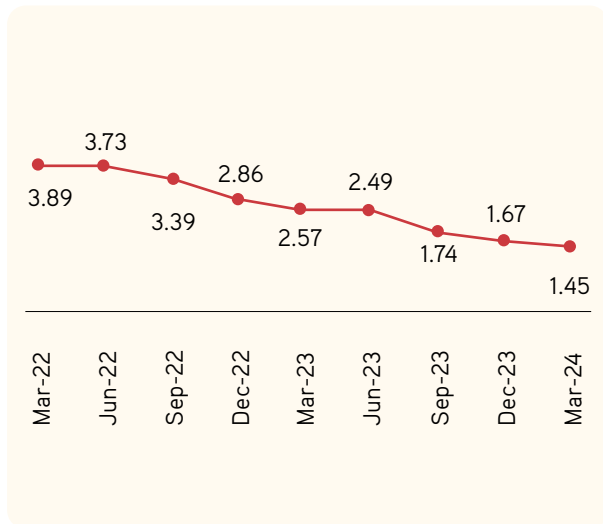
We focused on rollback and stabilisation efforts to limit forward flow, ensuring effective resolution and maintaining financial health.



Consistent NPA reduction

We reduced NPAs through focused early bucket cash collection, legal support and SARFAESI, one-time settlements, and auctioning and selling properties effectively.

(%)



Corporate segment

In the corporate segment, using various measures, we reduced gross NPA from 22.25% as of 31st March 2023 to 3.31% as of 31st March 2024. During the year, the Company resolved one large NPA account through ARC sale.

3.31%

Corporate gross NPA for FY24

▼ 1,894 bps

Credit loss provision

With the increased resolutions, the credit cost for FY24 reduced to 25 bps as compared to 107 bps in FY23. As on 31st March 2024, the Company has total provision of ₹1,250 crore accounting for 1.91% of the total assets, against ₹1,433 crore reported on 31st March 2023 (2.42% of the total assets). The provision coverage ratio for Stage 3 is 37.4% as on 31st March 2024.



Management Discussion and Analysis

BORROWING MIX

As a responsible housing finance company, we have successfully diversified our funding mix, incorporating various components to strengthen our financial stability. During the financial year, in order to restart borrowing from debt market, the Company worked with the mutual funds, insurance companies etc to get added in their credit list and start borrowing through the debt instruments viz NCD and Commercial Paper. The Company also applied for refinance facility to NHB and was able to raise ₹3,000 crore. The Company focussed on rebuilding its deposit book, which is the largest deposit book by an HFC in India. During the financial year, the borrowing mix changed with higher percent from Commercial Paper and NHB and reduction in ECB borrowing due to maturity. The borrowing mix as on 31st March 2024 includes bank borrowings accounting for 40.2%, deposits (32.3%), debt market instruments, non-convertible debentures (NCDs) (9.6%), Commercial Paper (6.0%) National Housing Bank refinance (9.2%) and external commercial borrowings (2.6%) of our total borrowing. Of the total borrowing of the Company, 71% is in the floating category, enabling us to replace and reprice as opportunities arise.

During the review period, our cost of borrowing stood at 8.01% with incremental cost at 7.91%.

We closed the year with credit rating upgrades from multiple rating agencies viz India Ratings, ICRA and CARE to AA+ with Stable outlook. The rating upgrade is on account of business growth, improvement in asset quality.

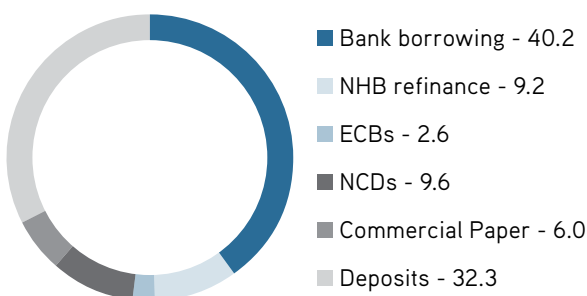
8.01%

Average cost of borrowing for FY24

262%

Liquidity coverage ratio for FY24

Borrowing mix (%)



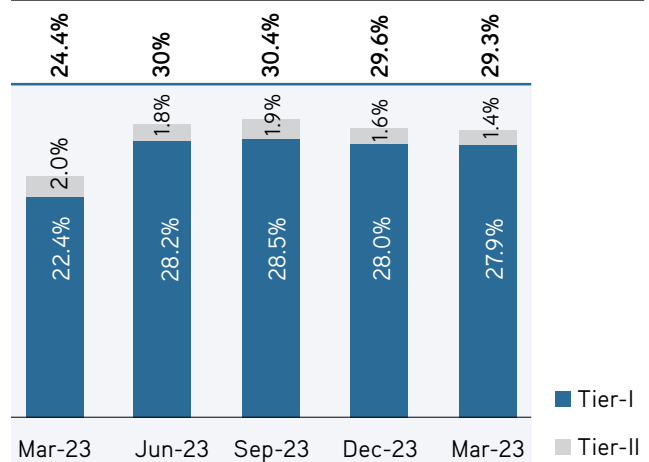
Bank borrowings

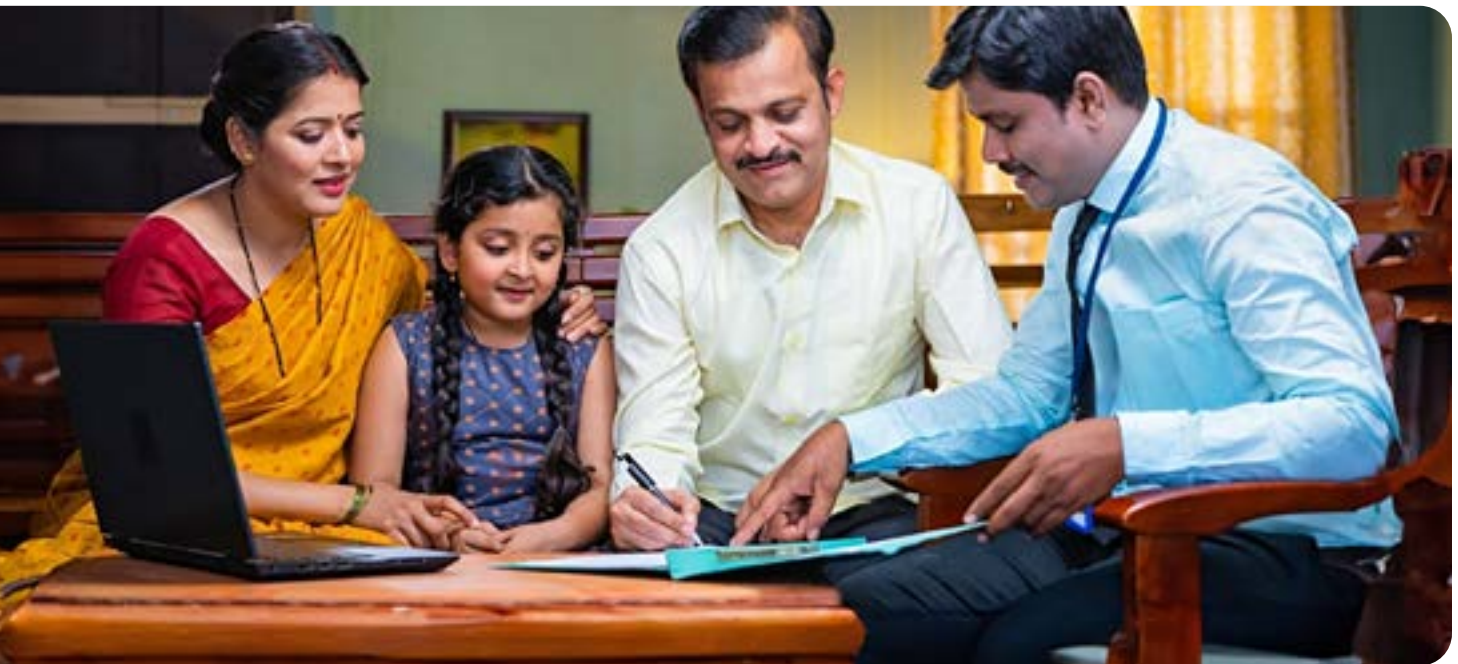
During the year under review, we borrowed ₹7,495 crore as long-term loans from private and public sector banks against ₹11,738 crore raised during the previous financial year. We onboarded four new lenders which helped in diversification of our counterparty exposure.

The fresh borrowings raised during the year were done at competitive rates. Along with repayment of ₹8,257 crore of high-cost loans during the year, we reduced the spread/rate on existing borrowings helping us optimise overall interest cost.

We have over ₹5,700 crore of sanction but undrawn lines from various banks. Our total outstanding bank loans as on 31st March 2024 stood at ₹22,131 crore, against ₹22,654 crore as on 31st March 2023.

CRAR





Deposits

Deposit was one of the focus areas for fund mobilisation during the year, as we witnessed increasing traction. We upgraded digital tools as well as focused on our broker channel to mobilise fixed deposits. With a portfolio of about ₹17,798 crore, we are the largest deposit bookholder housing finance company in the country and also provide loan against deposits. During the year, we sourced deposits to the tune of ₹6,264 crore against ₹6,068 crore raised in FY23. This continues to be an important channel to raise funds and we will continue to optimise this channel for borrowing and cost.

Non-convertible debentures

During the year, we restarted borrowing from NCD route. The Company was added in the credit list of all the major mutual funds and insurance company that helped in mobilising ₹1,451 crore against ₹150 crore in FY23 through the issuance of secured, rated and listed NCDs.

Commercial papers

With the focus on wholesale debt market and thought to reduce the cost of borrowing, the Company restarted its borrowing through Commercial paper. During the year, the Company raised gross amount of ₹10,100 crore through Commercial Paper, which helped in diversifying our borrowing profile and reducing the cost of borrowing.

NHB refinancing

After a gap of 2 years, we got a refinance sanction of ₹3,000 crore from NHB. NHB refinancing comes at a better cost and will help us further reduce our cost of borrowings. We availed the sanction amount during the year under review.

External commercial borrowings

During the year, with the elevated rates and exchange rate, the Company did not borrowed any funds through ECB. Further, ₹4,114 crore of high cost ECBs matured and as a result the ECB percent reduced to 2.6% as on 31st March 2024 from 10.2% as on 31st March 2023.

Liquidity and asset-liability management (ALM)

We used a combination of source of funds to drive our growth during the year. We explored debt market to augment our debt profile. We maintained sufficient liquidity throughout the year. As of 31st March 2024, the total liquidity buffer including LCR and SLR is ₹6,800 crore and additional sanctioned but undrawn lines of over ₹5,700 crore. We maintained ALM well below the Board-mandated tolerance levels.

During the year, the Company deployed RPA based automation tool for the preparation of various ALM reports. This helps in faster and accurate submission of reports.

Rights issue

During May 2023, we had raised ₹2,493.76 crore through Rights Issue comprising 9,06,81,828 fully paid-up equity shares of face value of ₹10 each at a price of ₹275 per equity share (at a premium of ₹265 per share). The purpose of the issue was funding business growth plans, and the same was utilised for the said purpose. The issue was subscribed 1.21 times and registered participation from all the large investors.

Management Discussion and Analysis

EFFECTIVELY BALANCING BETWEEN RISK AND OPPORTUNITIES

Our robust risk management framework is overseen by the Board, reviewed periodically by the Risk Management Committee of the Board and managed by the Executive Risk Management Committee with appropriate expertise. We take measured risks aligned with the risk appetite set by the Board. Risk limits are established and regularly assessed by these committees.

Our risk assessments are crafted to harmonise regulatory capital demands with shareholder expectations for risk-adjusted returns. They enable us to strategically manage our capital, liquidity and funding distributions to drive business transformation and growth, all while upholding stakeholder confidence. We consistently enhance our management of intricate strategic and non-financial risks that emerge as we pursue growth initiatives aimed at delivering value to all stakeholders. This proactive approach ensures that we effectively balance risk and opportunity in pursuit of sustainable business advancement and enduring stakeholder satisfaction.

PNB Housing Finance has been classified as upper layer NBFC by the Reserve Bank of India and shall be regulated by scale based regulations. Our comprehensive risk

management strategy leverages processes, information, and technology to identify, assess, monitor, and mitigate various risks proactively, including credit risk, market risk, liquidity risk, interest rate risk, technology risk, cyber security risk and operational risk.

PNB Housing Finance's risk management process integrates scale-based regulations, stringent compliance, and robust governance. The three lines of defence model ensures accountability, while data analytics enhances risk assessment. We put a strong focus on managing operational risk, underpinning the Company's resilience and stability.

We have adopted risk-based capital adequacy assessment process and holding more than adequate capital. Stress testing allows us to evaluate our resilience under realistically stressful conditions. Our risk exposures are actively tracked and reported to management levels, enabling timely risk mitigation actions. Importantly, our risk management function operates independently from the business and reports directly to the Board.

Three lines of defence model

PNB Housing uses "Three Lines of Defence model" to manage risk and internal controls internally.

First line

Business units manage risks directly. The first line of defence consists of managers and staff responsible for identifying and managing risk.



Second line

Risk management and compliance functions provide oversight and support. The second line provides the policies, frameworks, tools, and techniques to support risk and compliance management.

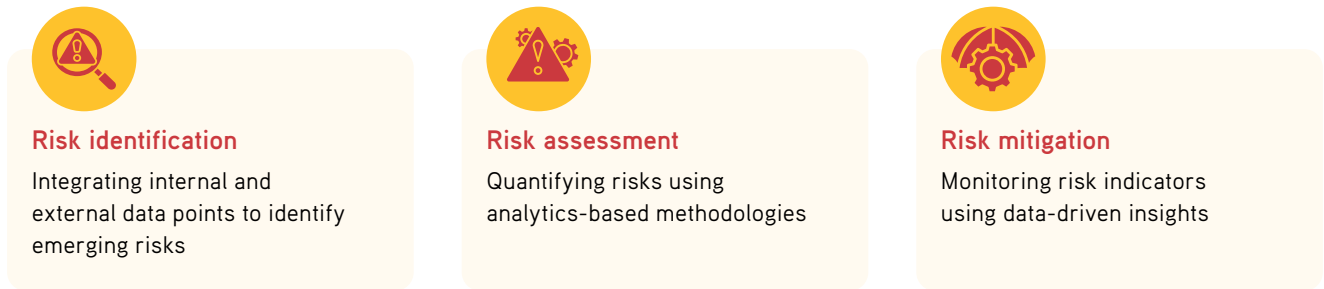


Third line

Internal audit independently assesses risk management effectiveness. The third line, provided by internal audit, ensures that the first two lines operate effectively and advises how we could improve them.

Data analytics in risk management

Data analytics is used to provide actionable insights through the application of various analytical techniques. It is used to influence/support business decisions, find trends in the data, and draw conclusions. Data analytics helps PNB Housing optimise its performance, perform more efficiently, maximise profit, or make more strategically guided decisions.



Management Discussion and Analysis

Key risks



Credit risk

Credit risk is the significant financial loss that arises when customers or counterparties fail to fully honour their obligations to the Company, including making full and timely payments of principal, interest, and other receivables.

- » We have a robust framework to identify, assess, measure, monitor, control and report credit risks in an effective manner.
- » We have made business units accountable for effective credit risk governance and customising risk measurement approaches for various portfolio segments/sub-segments to ensure the risk is appropriately assessed.
- » We have deployed tools to observe early warning signs of delinquency and taking proactive measures to maintain asset quality.
- » We are consistently reviewing Key Risk Indicators (KRIs) of concentration and delinquency to stay ahead of potential risks, and reviewing and aligning underwriting policies and processes with the dynamics of the business environment at micro levels to ensure risk mitigation strategies are up to date.
- » We are leveraging data through various pre-delinquency management models to arrest early delinquencies.
- » We have made significant advancements in Probability of Default (PD) and Loss Given Default (LGD) models On Interval basis we undertake portfolio evaluations



Interest rate risk

Interest Rate risk refers to the impact of rate change on the asset and liability of the Company. This risk emanates from the external economic scenario, RBI policies etc.

- » For effective Interest rate management, we invested in short-term Fixed Deposits (FDs), short duration Mutual Funds like Overnight Funds, Liquid Funds and high rated short term papers.
- » We implement controlling measures, utilise robust forecasting tools and establish a regular review mechanism to ensure timely adjustments and maintain financial stability.
- » We have a mix of floating and fixed rates in its borrowing that will help in reducing the impact.
- » Continuous monitoring of Board-approved ratios and stress testing keeps a track of any impact.
- » We implemented adequate systems and standards for measuring Interest Rate Risk in the Banking Book (IRRBB) to ensure effective mitigation.



Liquidity risk

Failing to meet financial obligations due to insufficient financing requires proactive risk management. Effective risk management can prevent financial disruptions and ensure ongoing operational support.

- » We maintain optimal liquidity levels to manage our business requirements and maturing debt obligations.
- » The Company has Board approved stock ratios and Early warning signals to continuously monitor the liquidity in the system.
- » Further, we have deployed digital tools to continuously manage asset liability mismatch.
- » ALCO discusses on periodical basis ongoing trends in money market, portfolio performance, competition etc. to ascertain right mix of liabilities and pricing criteria.
- » Conducting regular liquidity risk assessments and reporting to senior management and the board of directors to ensure effective oversight and governance of liquidity risk.



Technology risk

Inability to stay updated with latest technology may expose us to inefficiency, system failures and the evolving cyber threat landscape.

- » We are continuously investing in upgrading our technology.
- » We are monitoring systems constantly for uptime and health, and disaster recovery sites have been created for seamless operations in case of system failure.
- » During the year, we have invested in upgrading our CRM.

Key risks

**Reputation risk**

Reputation risk refers to the impact of actions, decisions, or events on the trust and perception of our brand. This impact can stem from various factors, such as sub-par customer service, ethical lapses, negative media attention, or association with controversial activities.

Mitigation measures

- » We have a dedicated customer relations team to handle customer complaints and resolve them in a time-bound manner.
- » Our engagement with stakeholders, including employees, customers, suppliers, and media, helps identify potential risks and implement preventive measures.
- » A mechanism for recording and reporting risks helps us track the risk exposure and develop effective mitigation strategies.

**Cybersecurity risk**

Potential adversities resulting from vulnerabilities, threats, or attacks targeting digital systems, networks, or data.

- » We use new-age Preventive, Detective and Corrective cyber security controls to ensure that our stakeholder personal information is safeguarded with utmost care.
- » We conduct vulnerability assessment and penetration testing of our infrastructure, applications and supporting network components.
- » As data protection strategy we ensure that all our customer information is encrypted and stored securely within India jurisdiction.
- » We have implemented EDR solution, ensure encryption of data and movement of data is monitored & restricted through DLP.
- » Our network access is done using Zero Trust Network Access, Next Generation network & web application firewalls, and Intrusion detection & prevention systems.
- » We have enabled 24x7 monitoring of incidents.
- » We have initiated cyber security training and awareness programmes for our employees.

**Operational risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events.

- » Implementing robust internal controls and procedures to mitigate operational risk, including segregation of duties, regular reconciliations, and transaction monitoring.
- » Conducting regular risk assessment to identify potential operational risk, assess their impact and prioritise mitigation efforts accordingly.
- » Developing and implementing a comprehensive business continuity of critical operations in the event of disruptions or disasters.
- » Establishing effective incident reporting mechanisms to promptly identify, escalate and address operational incidents or breaches.
- » Adhering to regulatory requirements and guidelines related to operational risk management, including reporting obligations and compliance with industry best practices.
- » Providing adequate training and awareness programmes for employees to enhance their understanding of operational risk and promote a strong risk culture within the organisation.
- » Engaging with third-party service providers to ensure they adhere to robust operational risk management practices and monitor their performance regularly.

Management Discussion and Analysis

Safeguarding information in the digital age

Our cybersecurity strategy prioritises customer information as the core of our ecosystem.



Core principles

- » Use of preventive, detective, and corrective controls
- » Adherence to regulatory and statutory requirements



In-depth defence

Security controls at all layers - network, endpoint, perimeter, application, data, and human



Focus areas

Information security | Cloud security | Cyber crisis | Digital personal data protection



Governance

IT Strategy Committee and Information Security Committee chaired by Independent Directors



Vulnerability management

- » Regular vulnerability assessment and penetration testing
- » Continuous improvement of cyber posture



Data protection

- » Data encryption and secure storage within India
- » Controlled data movement and monitoring
- » Data classification and rights management
- » Data obfuscation for internal stakeholders



Security

Endpoint security

- » End-Point Detection and Response (EDR)
- » Encrypted Data on Endpoints
- » Data Loss Prevention (DLP) and restricted access
- » Regular security patches and enabled endpoint firewall

Network security

- » Zero Trust Network Access (ZTNA)
- » Next-gen firewalls and intrusion detection/prevention
- » Network segmentation
- » Web application firewall and multi-factor authentication



Monitoring and incident response

- » 24x7 Security Operations Centre (SOC)
- » Monitoring social media and dark web for data leaks
- » Restricted server communication



Disaster recovery and business continuity

- » Established disaster recovery and business continuity plant
- » Regular information security training and simulation exercises

ENGAGING WITH OUR INVESTORS

At PNB Housing Finance, we prioritise continuous engagement with investors to understand and meet their needs. Our robust investor outreach programme aligns with their requirements through regular interactions, including updates, conferences, calls, meetings and roadshows. Our dedicated investor relations (IR) team actively engages with investors, meeting with numerous funds and research houses during the year through one-on-one, group meetings and conferences. We communicate our quarterly, half-yearly, and annual results through emails to stock exchanges, accompanied by detailed investor presentations and press releases. Quarterly earnings calls and investor meetings provide management updates and Q&A sessions. Visit our website's 'Investor Relations' section for a concise company overview.

INTERNAL CONTROL SYSTEM

In order to maintain growth and minimise deviation, we believe it is crucial for our internal audit function to apply a systematic, disciplined approach to evaluate the effectiveness of controls and risk management processes across our organisation. Our internal audit processes include disbursement and docket audit, which are audited by external legal firms with their findings shared monthly and audit reports issued quarterly.

We have also shifted our portal filings online in compliance with regulatory guidance, and our auditors conduct regular branch and hub audits for functions such as accounts, deposits, general administration, IT, HR, and customer service twice a year. Transaction audits are completed according to scope and in a timely manner.

In addition, functions at the Central Support Office (CSO) are audited by an external auditor on a quarterly basis, while corporate finance, compliance, CSR, COPS, CPC, central recovery, and IT are audited by our in-house internal auditors at specified intervals. We make sure to apprise our ACB of any key issues identified during audits on a quarterly basis, to ensure that we maintain the highest levels of accountability and transparency.

FOCUSED ON NURTURING OUR HUMAN CAPITAL

At PNB Housing Finance, we nurture our human capital to create a future-ready organisation, employing 5,500+ individuals as of year-end. We enhanced our onboarding process with pre-joining communication to acclimate new hires to our culture. Our "Aikyam" initiative

promotes inclusivity and diversity, boosting our gender ratio to 16.3% from 15.3% last year. We launched a Women Leader Development program to increase leadership diversity. Recognised as a 'Great Place to Work,' we foster a 'High Trust, High Performance' culture. Employee engagement initiatives include regular town halls with the Managing Director and sessions with top executives. We implemented instant recognition programs, such as the MD's Star Circle Awards, to honour top performers. Our training programs are aligned with organisational and individual goals, ensuring our human capital is future-ready. We have digitised our human resource management system, allowing employees to access critical information, stay updated on corporate communications, and participate in digital training programs. These efforts highlight our commitment to a supportive, inclusive, and high-performance work environment.

OUTLOOK FOR FY25

Considering the industry structure, opportunities and threats, risks and concerns, mitigating tools, internal control, inclusive human capital, etc. discussed in detail above, PNB Housing Finance has a huge potential for growth and poised to leap forward in FY25 in meeting the housing needs of millions of individuals. The Company will have consistent focus on ethical practices, driving quality growth, maintaining a good asset quality and liquidity, enhancing profitability and maintaining highest governance standards.

CAUTIONARY STATEMENT

This Annual Report contains forward-looking statements that relate to the implementation of strategic initiatives and provide information on our business development and commercial performance. While we believe these statements reflect our judgement and future expectations, it's important to note that a range of factors beyond our control could cause actual results to differ materially from what we anticipate. These factors include economic conditions, government regulations, natural disasters, and other important considerations. As a result, PNB Housing Finance cannot guarantee the accuracy of these forward-looking statements, and we undertake no obligation to revise them to reflect future events or circumstances.

Directors' Report

Your Directors are pleased to present the 36th Annual Report of PNB Housing Finance Limited together with the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024.

Financial Highlights (Consolidated)

	(₹ in crore)	
	March 31, 2024	March 31, 2023
Total Income	7,057.09	6,529.66
Total expenditure	5,103.19	5,168.75
Profit before tax	1,953.90	1,360.91
Less: Provision for Tax		
- Current year	422.67	87.78
- Deferred Tax	23.22	227.13
Profit After Tax	1,508.01	1,046.00
Other Comprehensive income (OCI)	(16.25)	77.06
Total Comprehensive income for the year	1,491.76	1,123.06
Transfer to Statutory / Special reserves	306.00	212.00
Balance carried to balance sheet	1,185.76	911.06

The standalone and the consolidated financial statements for the Financial Year ended March 31, 2024, forming part of this annual report, have been prepared in accordance with Ind AS notified under section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the National Housing Bank Act, 1987 as amended from time to time, the Master Directions Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 ('RBI Directions') as amended from time to time and the Master Direction – Reserve Bank of India (Non- Banking Financial Company – Scale Based Regulations) Directions, 2023 dated October 19, 2023 as amended from time to time.

The Net Interest Income for the financial year 2024 stood at ₹2,516.07 crore as compared to ₹2,345.55 crore, registering an increase of 7% year on year. The Pre Provision Operating Profit increased by 4% to ₹2,125.01 crore from ₹2,052.19 crore.

The Credit cost including write off for financial year 2024 was ₹171.11 crore registering a decrease of 75% year on year.

The Spread on loans for financial year 2024 stood at 2.34% as compared to 2.81%. Net Interest Margin for financial year 2024 stood at 3.74% as compared to 3.73%. Gross Margin, net of acquisition cost for financial year 2024, was at 4.02% as compared to 4.06%. Return on Asset for financial year 2024 was at 2.20% as compared to 1.61%. Return on Equity for financial year 2024 was at 10.90% as compared to 9.98%.

During the year, the Company has transferred a sum of ₹236.00 crore to Special Reserve and a sum of ₹70.00 crore to the Statutory Reserves.

Capital Adequacy Ratio (CRAR)

The Capital Adequacy Ratio (CRAR) as on March 31, 2024 was 29.26% (comprising Tier I capital of 27.90% and Tier II capital of 1.36%). The Reserve Bank of India (RBI) has prescribed a minimum CRAR of 15% of total risk weighted assets.

Dividend

In order to preserve capital, your Directors have not recommended any dividend for the year (Previous year Nil). The Company has a Dividend Distribution Policy in place and the same is placed on the website of the Company at <https://www.pnbhousing.com/investors/policies>

Rights Issue

The Board of Directors on March 9, 2022, had authorized the Company to raise capital by way of Rights Issue up to ₹2,500 crore. After completion of all the processes, the Board had approved, on March 28, 2023, for issue of 9,06,81,828 fully paid-up Equity Shares for amount aggregating to ₹2,493.76 crore. The Board had fixed issue price of ₹275 per fully paid-up Equity Share (including a premium of ₹265 per Equity Share) for the said Rights issue.

The Record date for Rights share eligibility was April 5, 2023. The issue opened for subscription on April 13, 2023 and closed for subscription on April 27, 2023. The Board allotted 9,06,81,828 fully paid-up Equity Shares each for an amount aggregating to ₹2,493.76 crore. Pursuant to the allotment, the paid-up equity share capital of the Company has increased from ₹168,86,18,680 comprising of 16,88,61,868 fully paid-up Equity Shares of ₹10/- each to ₹259,54,36,960 comprising of 25,95,43,696 fully paid-up Equity Shares of ₹10/- each.

The Board has expressed its gratitude to the shareholders for the overwhelming response to the Rights Issue with 1.21 times subscription.

The Company had utilised the proceeds of the Rights Issue during this financial year for the purpose for which it was raised.

Lending Operations

The Company is a Non-Banking Financial Company - Housing Finance Company (NBFC-HFC) and is engaged in financing for purchase and/ or construction of residential houses, loan against property and loan for other related purposes. All other activities revolve around the main business of the Company.

The Company had disbursed loans amounting to ₹17,583 crore during the year as compared to ₹14,965 crore in the previous year (growth of 17.5%).

The Company has accelerated growth during the year with focus on retail loans which contributed 99% of total disbursements. The Company has built a separate affordable loan vertical called 'Roshni' with dedicated sales, credit, collection, and operations team. The target ticket size of the loan is ₹15 lakhs. The affordable loan segment presence was expanded to 160 branches/outreaches. This segment will be one of the focus areas going forward together with that of 'Emerging Market' segment.

Company's digital onboarding platform ACE was enhanced for improving distribution and customer experience. The Company has robust underwriting, monitoring, collection and risk management practices.

Loan Assets

Loan Assets as on March 31, 2024, were ₹65,358 crore as compared to ₹59,273 crore as on March 31, 2023, registering an increase of 10%. With focus on retail segment, during the year, the Company has grown retail loan book by 14% from ₹55,471 crore to ₹63,306 crore whereas the corporate loan book has declined by 46% from ₹3,802 crore to ₹2,052 crore as per the conscious decision. The retail book constituted around 97% of the Loan Asset as on March 31, 2024.

The Assets Under Management (AUM) as on March 31, 2024, were ₹71,243 crore as compared to ₹66,617 crore as at March 31, 2023, resulting in an increase of 7% YoY.

For further details on lending operations please refer the Management Discussion and Analysis Report.

Asset Quality

The overall Gross Non-performing Assets (GNPAs) declined by 233 bps to 1.50% as on March 31, 2024 as compared to 3.83% as on March 31, 2023. The Retail and Corporate GNPAs declined to 1.45% and 3.31% respectively as on March 31, 2024 as compared to 2.57% and 22.25% respectively as on March 31, 2023.

The overall Net Non-performing Assets (NNPAs), declined to 0.95% as on March 31, 2024 as compared to 2.76% as on March 31, 2023. The retail and corporate NNPAs declined to 0.94% and 1.11% respectively as on March 31, 2024 as compared to 1.74% and 18.24% respectively as on March 31, 2023.

During the year, the Company had auctioned 2,074 properties under the provisions of SARFAESI Act, 2002 and sold 282 properties with loan outstanding amounts aggregating to ₹178.72 crore and the sale value were aggregating to ₹120.46 crore. None of the sister concerns of the Company participated in the auction(s). This information is pursuant to Para 37.4.4 of RBI Scale Based Regulations.

The overall ECL provision coverage as on March 31, 2024 was 1.91% (retail loans 1.32% and corporate loans 20.27%).

Distribution

During the year, the Company expanded its branch network to 300 branches/outreaches (including 160 affordable loan branches/outreaches) from 189 branches/outreaches (including 82 affordable loan branches/outreaches) as on March 31, 2023. Majority of new branches were opened in Tier II and Tier III cities to expand affordable business.

The Company has 18 underwriting hubs for credit decision making.

Borrowings

The outstanding borrowings as on March 31, 2024, were ₹55,057 crore as compared to ₹53,651 crore as on March 31, 2023. During the year, the Company has raised fresh resources of ₹34,547 crore from multiple sources excluding deposits.

Details of market borrowings are provided in the Management Discussion and Analysis Report and notes to accounts.

The Company has complied with the provisions of Chapter XI of RBI Master Directions and SEBI NCS Regulations for issue of Non-Convertible Debentures on private placement basis. The Company has been regular in payment of principal and interest on the Non-Convertible Debentures.

Deposits

The outstanding deposits (including accrued interest) as on March 31, 2024 were ₹17,802.63 crore (including non-retail deposits of ₹2081.28 crore) as against ₹17,247.90 crore (including deposits of ₹1,722.54 crore) non-retail outstanding as on March 31, 2023, registering an increase of 3%. The Company has raised ₹6,195.53 crore of total (fresh + renewal) deposits during the year.

The Company has accepted public deposits as per RBI Master Directions as amended from time to time (erstwhile National Housing Bank Directions, 2010) and as per the provisions of the Act, to the extent applicable. The Company has paid interest on all the outstanding deposits on due dates as per contract. There was no default on repayment of deposits or payment of interest thereon during the year.

The deposits of the Company have been rated AA Positive (Outlook Stable) by CRISIL and CARE AA+ (Outlook Stable) by CARE.

Investment in SLR

The Company has maintained the investments for its Statutory Liquidity Ratio (SLR) as stipulated under RBI Master Directions. The Company had total SLR investments at market value of ₹2,352.27 crore (Book value of ₹2,388.95 crore) as on March 31, 2024.

Unclaimed Deposits and NCDs

Out of the deposits, which became due for repayment up to March 31, 2024, deposits worth ₹40.25 crore, including interest accrued and due relating to 518 depositors had not been claimed or renewed by the respective depositors. The Depositors have been intimated regarding the maturity of their deposits with a request to either renew or claim the deposits and subsequent reminders have been sent by SMS, e-mails, etc. Further, in the absence of any specific maturity instruction and where the bank account particulars were correct, the maturity amounts have been remitted to the respective designated bank accounts maintained in the name of the depositor.

Deposits remaining unclaimed for a period of seven years from the date they became due for payment must be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government under section 125 of the Act. During the year, the Company has transferred an amount of ₹14.13 lakh to IEPF. The concerned depositors can claim the deposit back from the IEPF. The Company has provided the process of claiming refund from IEPF on the website of the Company.

During the year, the Company paid interest amounts from time to time and principal amounts on redemption of NCDs, on the respective due dates. There are no unclaimed/unpaid amounts pertaining to principal or interest in respect of non-convertible debentures issued by the Company. The Company is not required to maintain debenture redemption reserve on privately placed NCDs in terms of MCA Notification dated August 16, 2019.

Credit Rating

During the year, CARE Ratings had initially reaffirmed the AA rating and revised the outlook from 'Stable' to 'Positive'. Then the Rating was upgraded to AA+ and outlook was upgraded from 'Positive' to 'Stable' for Fixed Deposits, Non-Convertible Debentures and Bank Loans.

ICRA Ratings had initially reaffirmed the AA rating and revised the outlook from 'Stable' to 'Positive' for Non-Convertible Debentures. Then the Rating was upgraded to AA+ and outlook was upgraded from 'Positive' to 'Stable'.

India Ratings had initially reaffirmed the AA rating and revised the outlook from 'Stable' to 'Positive' for Non-Convertible Debentures and Bank Loans. Then the Rating was upgraded to AA+ and outlook was upgraded from 'Positive' to 'Stable'.

CRISIL Ratings had initially reaffirmed the AA rating and revised the outlook from 'Stable' to 'Positive'. Then the Rating was upgraded to AA+ and outlook was upgraded from 'Positive' to 'Stable' w.e.f. May 27, 2024 for Fixed Deposits, Non-Convertible Debentures and Bank Loans.

Rating for Commercial Papers was re-affirmed by CRISIL Ratings as A1+ and CARE Ratings as A1+, during the year.

The credit rating on deposits, term loans, NCDs and commercial paper and migration during the year is disclosed in the General Information to Shareholders forming part of Director's Report.

Management Discussion and Analysis Report, Report of the Directors on Corporate Governance and Business Responsibility & Sustainability Report

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the Reserve Bank of India, Master Directions, the Management Discussion and Analysis Report (MD&A) and the Report of Directors on Corporate Governance form part of this report. A certificate on compliance with the conditions of Corporate Governance under the Listing Regulations is placed as Annexure-8, to this Report.

In accordance with the Listing Regulations, the Business Responsibility & Sustainability Report (BRSR) also forms part of Annual report. The BRSR indicates the Company's performance against the principles of the 'National Guidelines on Responsible Business Conduct' and the BRSR related policies of the Company. This would enable the Members to have an insight into Environmental, Social and Governance initiatives of the Company. The BRSR Report is placed as Annexure-2, to this Report.

Corporate Social Responsibility (CSR)

The total amount allocated for CSR activities for financial year 2024 was ₹22.69 crore and the funds were allocated to various projects during the year. Out of this, the amount spent during the year was ₹17.80 crore on various CSR activities in lumpsum or tranches based on the progress of the project(s). A sum of ₹4.89 crore was transferred to Unspent CSR Account to carry out ongoing CSR activities as per schedule within permissible timelines.

Pehel Foundation (wholly owned subsidiary) is the implementation arm of the Company for CSR activities along with other partnering agencies.

During the year, the company focused on Strategic and Flagship Interventions. The flagship interventions were designed for the welfare of the construction workers community and strategic interventions focused upon Healthcare, Environment, Education and Women Empowerment.

Flagship Interventions

The construction worker community has been supported with better living space, scholarship support for students, cataract surgeries, mobile medical units, skill development, education support to children, etc.

Strategic Interventions

Healthcare: Strengthening of Primary Health Centers, Govt. hospital, cataract screening and surgery, support to differently abled like visually impaired, hearing impaired, etc. Support to old age home and senior citizens, transport facility for patients, home away from Home for children suffering from cancer and supported palliative care.

Education: Teaching learning material support for Gandhi Balika Vidyalaya (KGBV) and Samarth schools, renovation of school and anganwadis, transport facility for students, established e-learning infrastructure in Govt. schools, Science, technology, engineering, and mathematics (STEM) learning in Govt. schools, supported tribal school with digital learning.

Environment: Projects for water conservation, plastic waste management, solid waste management, tree plantation and awareness generation, Solar electrification in schools, old age homes and villages, etc.

Women Empowerment: Established women owned millet cookies and blended spice production units, skill development of specially abled women, empowered women in villages through facilities of pipeline water at doorstep and community level safe drinking water.

The details are captured in Annexure-1 to Directors' Report on CSR activities.

Human Resource

As on March 31, 2024, the Company had 2,003 full time employees on its rolls. There were 10 employees employed throughout the year, who were in receipt of remuneration of ₹1.02 crore or more per annum or receipt of remuneration of ₹8.5 lac or more per month. The remuneration comprises salary, allowances, perquisites/ taxable value of perquisites, excluding perquisite value of ESOPs exercised and ex-gratia amount.

In accordance with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and particulars of the top ten employees in terms of remuneration drawn and of the aforesaid employees, are set out in the annex to the Directors' Report. In terms of the provisions of Section 136(1) of the Act read with the applicable rules, the Directors' Report is being sent to all Shareholders of the Company excluding the annexure. Any Shareholder interested in obtaining a copy of the annexure may write to the Company.

Further, disclosures on managerial remuneration are provided in Annexure-3 appended to the Directors' Report. On-boarding of key positions and vacant positions at all levels across locations were made to ensure uninterrupted business operations.

The Learning and Development (L&D) team implemented a learning roadmap for employees on techno-functional and behavioural skills. The L&D team provided physical as well

as virtual learning interventions for existing employees and new joiners.

The changes, if any, in the KMPs and/or Senior Management Personnel are covered in detail in the Report of Directors on Corporate Governance.

Prevention, Prohibition and Redressal of Sexual Harassment of Women at the Workplace

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace. Members of the Internal Complaints Committee constituted by the Company are responsible for reporting and conducting inquiries pertaining to such complaints.

The Company on a regular basis sensitises its employees including employees of the subsidiaries on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness programmes. Disclosure in relation to Sexual harassment of Women at workplace (Prevention, Prohibition, and Redressal) Act, 2013:

- No. of complaints filed during the year ended March 31, 2024: 1
- No. of complaints disposed off during the year: 1
- No. of complaints pending at the end of the financial year- Nil (the complaint pending at the end of previous year also stands closed).

Particulars of Loans, Guarantees or Investments

Since the Company is a housing finance company, the disclosures regarding particulars of the loans given, guarantees given and security provided by the Company, if any, is exempt under the provisions of Section 186(11) of the Act. As regards, investments made by the Company, the details of the same are provided in notes to the financial statements of the Company as Note No.7 for the year ended March 31, 2024, forming part of this Report.

Particulars of Contracts or Arrangements with Related Parties

In accordance with the provisions of Section 188 of the Act and rules made thereunder, the transactions entered with related parties are in the ordinary course of business and on an arm's length pricing basis, the details of which are included in the notes forming part of the financial statements. The particulars of contracts or arrangements with related parties, including material transactions, as prescribed in Form No. AOC-2 of the Companies (Accounts) Rules, 2014, are annexed to this report as Annexure- 4. Details of related party transactions are given in the Notes to Accounts as Note No.36.10. The Policy on Related Party Transactions is published elsewhere in the Annual Report and is also placed on the Company's website at <https://www.pnbhousing.com/investors/policies>

Particulars regarding conservation of energy, technology absorption and foreign exchange earnings and outgo

As an institution providing financial services, our operations are not highly energy intensive. However, we have been focusing on sustainability and cultivating climate conscious culture wherein aspects like resource conservation, waste generation, energy efficiency, judicious consumption are given prime importance.

Even as digitization of products and services has been effective in reducing the requirement of paper, it remains a significant resource consumed during the company's normal course of business, and thus rationalizing printing requirements remains a priority within the business. This can eventually enable reduction in energy consumption in our day-to-day operations.

For procurement of equipment required to run our operations, such as computer hardware, air conditioners, energy efficiency standards (viz. 5-star ratings) are duly considered during purchase. Majority of the initiatives such as Sensor based programming of Lift operations, provision for Natural Sunlight for offices through windows, LEDs, energy efficient architecture, Optimized HVAC operation with load balancing etc. are present in select leased offices/ touchpoints and proper care is taken to ensure such initiatives remains a priority while onboarding a new office/ creating customer touchpoint. The typical expenditure around energy expenditure during the year was estimated around ₹10 Lakh.

There were no foreign exchange earnings, and the Company has incurred foreign exchange expenditure of ₹263.15 crore during the year primarily on account of interest on borrowings from external sources and other expenses.

Business Continuity

The Company has a Business Continuity Plan (BCP), designed to minimise operational, financial, legal, reputational, and other material consequences arising from a disaster, if any.

The Business Continuity & Disaster Recovery policy at PNB Housing is developed with intent to prevent, contain, and respond to potential disruptions that may impact the continuity of business/support processes performed by PNB Housing, along with ensuring safety of PNB Housing Finance employees.

We have implemented multi-layered controls for identification, prevention, detection, and response to various cyber security threats. We have applied safeguards for protection of customer information. We have framed Information Security Policy, Cyber Security Policy and Cloud Security Policy to Support Information Security Management System and to protect business information at network, endpoint, perimeter, application and human layer.

Maintenance of Cost Records

Being a housing finance company, the Company is not required to maintain cost records as per sub-section (1) of Section 148 of the Act.

Unclaimed Dividend

As on March 31, 2024, dividend amounting to ₹7.03 lakh pertaining to previous years have not been claimed by Shareholders of the Company. The Company has been informing these Shareholders to claim unclaimed dividend, by way of e-mails and letters.

Employees Stock Option Scheme & RSU Scheme

During the year, 21,633 and 1,39,822 Equity Shares of ₹10 each were allotted on exercise of ESOP options under ESOP Scheme 2016 and 2018, respectively. Further, 34,035 Equity Shares of ₹10 each were allotted on exercise of RSUs under RSU Scheme 2020.

Grant of fresh ESOPs & RSUs

During the year, the Nomination and Remuneration Committee had granted 3,35,510; 9,73,936 and 3,75,500 ESOPs under ESOP Scheme 2016, 2018 and 2020, respectively.

[30,000 options were granted at ₹803.40, 41,000 options at ₹688.15, 18,000 options at ₹643.40, 2,86,500 options at ₹483.15 and 60,000 options at ₹438.85].

During the year, the Nomination and Remuneration Committee has granted 67,500 RSUs under RSU Scheme 2020 at ₹10 per unit.

Further, pursuant to adjustment on account of Corporate Action of Rights Issue, 3,35,510 ESOPs were issued pursuant to ESOP Scheme 2016; 9,13,936 ESOPs were issued pursuant to ESOP Scheme 2018 and 22,146 RSUs were issued pursuant to RSU Scheme 2020 during the year.

There has been no variation in the terms of the options granted under any of these schemes and all the schemes are in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended. The certificate from the Secretarial Auditors confirming that ESOP Schemes have been implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Shareholder's resolutions has been obtained and will be available for inspection. The Nomination and Remuneration Committee monitors the compliance of these Schemes. The disclosures as required under the regulations have been placed on the website of the Company at <https://www.pnbhousing.com/investor-relations/updates-events/>.

Regulatory Compliance

Following the amendment in the Finance Act, 2019 and the subsequent notification by the Reserve Bank of India (RBI) in August 2019, Housing Finance Companies (HFCs) are being treated as one of the categories of Non-Banking Financial Companies (NBFCs) for regulatory purposes and accordingly come under RBI's direct oversight. The National

HousingBank (NHB), however, would continue to carry out supervision & refinance facilities for HFCs. In this regard Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 was notified on February 17, 2021 (updated as on March 21, 2024).

The Company has been following guidelines, circulars and directions issued by the RBI/ NHB, from time to time. The Company has complied with the Master Direction-Non Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (updated as on March 21, 2024) and other directions/guidelines prescribed by RBI regarding deposit acceptance, accounting standards, prudential norms for asset classification, income recognition, provisioning, capital adequacy, credit rating, corporate governance, information technology framework, fraud monitoring, concentration of investments, capital market exposure norms, guidelines on maintenance of Liquidity Coverage Ratio (LCR), transfer of loans and know your customer, anti-money laundering, etc.

RBI had issued a circular on “Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs” on October 22, 2021 (‘SBR Framework’). As per the framework, based on size, activity, and risk perceived, NBFCs are categorised into four layers, NBFC - Base Layer (NBFC-BL), NBFC - Middle Layer (NBFC-ML), NBFC - Upper Layer (NBFC-UL) and NBFC - Top Layer (NBFC-TL). RBI has categorised PNB Housing Finance Limited as an NBFC - Upper Layer (NBFC-UL) vide its press release dated September 30, 2022 and September 13, 2023. RBI has issued the Master Direction – Reserve Bank of India (Non-Banking Financial Company)-Scale Based Regulation) Directions, 2023 dated October 19, 2023 (updated as on March 21, 2024). The Company has put in place necessary Board approved policies like Internal Capital Adequacy Assessment Policy, Compensation Policy for Key Managerial Personnel and Senior Management, Compliance Policy, Board approved limits for Sensitive Sectors Exposure under the SBR Framework, etc.

During the year, the Company has not made any application, or no proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016). The Company has not entered into one-time settlement for any loans availed from the Banks or Financial Institutions.

As per the SEBI Master Circular No. SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated July 7, 2023, PNB Housing Finance Limited being Large Corporate (LC) during FY22, FY23 & FY24, was required to borrow at least 25% of its incremental borrowing by way of issuance of debt securities. 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. As per SEBI Circular No. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/172 dated

October 19, 2023, which is effective from April 1, 2024, the framework for funds raising by issuance of debt securities by Large Corporates has been revised from FY25 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. For more details, please refer Note No.35 of financial statements.

Policies and Codes

During the year, the Company has revised its policies as required in terms of provisions of the Act, RBI Directions, SEBI Listing Regulations, etc and placed the policies as required under the Regulations on its website at <https://www.pnbhousing.com/investor-relations/corporate-governance/>

Directors

As on March 31, 2024, the Company has twelve Directors with an optimum combination of Executive and Non- Executive Directors including one woman director. The Board comprises of eleven Non-Executive Directors, out of which six are Independent Directors.

During the financial year, there were no fresh appointment or resignation of Directors. However, Ms. Gita Nayyar whose tenure was about to end on May 28, 2024, was re-appointed as an Independent Director of the Company to hold office for a second term of five consecutive years commencing from May 29, 2024, up to May 28, 2029. She has been re-appointed by the members of the Company on recommendation of the Nomination & Remuneration Committee and the Board through Special Resolution passed by the Postal Ballot on April 26, 2024.

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) and 149 (7) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any as per the terms of appointment.

Your Board wishes to place on record its sincere appreciation for the contributions made by the directors on the Board and also on various Committees of the Board.

In accordance with the provisions of the Act and Articles of Association of the Company, Mr. Kapil Modi and Mr. D K Jain will retire by rotation at the ensuing Annual General Meeting (AGM). They are eligible for re-appointment and your Board has recommended for their re-appointment at the ensuing AGM.

Mr. Neeraj Vyas was initially appointed as an Independent Director on the Board effective from April 15, 2019, for a tenure of five years. He resigned as an Independent Director during April 2020 and was appointed as an Interim Managing Director & CEO of the Company from April 28, 2020, till August 10, 2020. On appointment of a new Managing Director, Mr Vyas was appointed as Non-Executive Director with effect from September 1, 2020, liable to retire by rotation at the Annual General Meeting of the Company. As Mr Neeraj Vyas, who is liable to retire by rotation, has been determined to be a fit and proper candidate by the Nomination & Remuneration Committee (NRC), for appointment as an Independent Director, and on the recommendations of the NRC, the Board has approved and recommended to the members for his appointment as an Independent Director at the ensuing Annual General Meeting (AGM) and a proposal is placed before the members in the Notice of the AGM seeking appointment of Mr Neeraj Vyas as an independent Director of the Company for a tenure of three years. Mr Neeraj Vyas has become eligible to be appointed as an Independent Director after April 1, 2024 (as he was a KMP, he was not eligible to be appointed as an independent director for the immediate succeeding three financial years i.e., upto March 31, 2024).

All the directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable regulations and that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Act. The Company has also received a certificate from the Practising Company Secretary confirming that none of the directors have been debarred or disqualified and the same is placed as Annexure- 5, to this Report.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience, and expertise. All the Independent Directors of the Company have registered their names with the data bank created for Independent Directors.

The details on the number of Board/ Committee Meetings held are provided in the Corporate Governance Report, which forms part of this report.

The evaluation of Board, its committees and individual Directors was carried out in terms of the provisions of the Act and Listing Regulations. (Refer Corporate Governance Report).

Changes in the Key managerial Personnel

Mr Sanjay Jain (FCS: 2642), Company Secretary and Compliance Officer of the Company was superannuated with effect from the January 31, 2024.

Further, Ms Veena G Kamath (A23788) has been appointed as the Company Secretary and Key Managerial Personnel (KMP) of the Company w.e.f. February 1, 2024.

Statutory Auditors

In terms of the Reserve Bank of India Guidelines dated April 27, 2022, on Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs).

The Shareholders at the 33rd AGM had appointed M/s. T R Chadha & Co, LLP, Chartered Accountants (ICAI Firm Registration No. 006711N/N500028) and M/s. Singhi & Co., Chartered Accountants (ICAI Firm Registration No. 302049E) as the Joint Statutory Auditors of the Company for a period of three years from the conclusion of 33rd Annual General Meeting till the conclusion of the 36th AGM of the Company. The term of above Joint Statutory Auditors will come to an end on the conclusion of the ensuing AGM.

The Board of Directors of the Company, on recommendation of the Audit Committee, has considered and recommended to the shareholders for appointment of M/s. CNK & Associates LLP (Firm Registration No.101961 W/W-100036) and M/s M. M. Nissim & Co LLP (Firm Registration No. 107122 W/W-100672) as joint Statutory Auditors of the Company for a period of 3 (three) years from the conclusion of 36th AGM up to the conclusion of 39th AGM of the Company. Agenda on the approval of appointment of joint Statutory Auditors of the Company is being placed to the Members in the ensuing AGM.

During the year, the Statutory Auditors were paid a remuneration of ₹1.08 crore (the Statutory Auditor of the subsidiary companies were paid remuneration of ₹0.10 crore). The remuneration pertains to fees for audit, internal financial control reporting, limited reviews, tax audits and taxation services, certifications and other matters and reimbursement of expenses.

During the year under review, the Statutory Auditors did not have any matter requiring reporting under Section 143 (12) of the Act. Therefore, there is no reporting disclosure required under Section 134 (3) (ca) of the Act.

The Statutory Auditors have confirmed that they continue to satisfy the eligibility norms and independence criteria as prescribed by RBI guidelines and the Companies Act, 2013.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act, the Board has appointed M/s Vinod Kothari & Company, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2023-24.

The Secretarial Audit Report for the financial year ended March 31, 2024, as required under Section 204 of the Act and Regulation 24A of the SEBI Listing Regulations, is annexed to this Report as Annexure- 6. Your Company is in compliance with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by

the Central Government under Section 118(10) of the Act for FY 2023-24. The Secretarial Auditor's Report does not contain any qualifications, observations or adverse comments.

In terms of the SEBI Circular dated February 8, 2019 and as per Reg.24A of SEBI LODR Regulations, 2015, your Company has submitted the Annual Secretarial Compliance Report for FY 2023-24 issued by M/s Vinod Kothari & Company, to the Stock Exchanges within the prescribed time and the same is available on website of the Company and Stock Exchanges. The same is placed as Annexure-7, to this Report.

Vigil Mechanism

The Company has a Whistle Blower Policy and has established necessary vigil mechanism for directors and employees in conformation with Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulations, to report concerns about unethical behaviour, if any. This Policy is available on the Company's website at <https://www.pnbhousing.com/investors/policies>

Directors' Responsibility Statement

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

- a) In the preparation of annual accounts, the applicable accounting standards have been followed;
- b) Accounting policies selected have been applied consistently. Reasonable and prudent judgements and estimates have been made so as to give a true and fair view of the state of affairs of the Company as on March 31, 2024 and of the profit of the Company for the year ended on that date;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- d) The annual accounts of the Company have been prepared on a going concern basis;
- e) Internal financial controls have been laid down to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- f) Systems to ensure compliance with the provisions of all applicable laws are in place and were adequate and operating effectively.

Internal Financial Control

The Company has put in place adequate policies and procedures to ensure that the system of internal financial control commensurate with the size and nature of the Company's business.

These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and ensuring compliance with Company's policies.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2024.

Internal audit

The Company has an Internal Audit system in place for ensuring that the Company's operations are conducted in a manner that promotes effectiveness, efficiency, and reliable financial reporting while also ensuring compliance with relevant laws, regulations and policies. The Company has appointed an Internal Auditor in terms of the RBI guidelines.

Extracts of Annual Return

The Annual Return in Form MGT-7, provisional, as on March 31, 2024 is available on the website of the Company at <https://www.pnbhousing.com/investor-relations/annual-reports/>.

Significant and Material Orders Passed by Regulators

During the year, there were no significant or material orders passed by the regulators or courts or tribunals that would impact the going concern status or operations of the Company in the future. The Details on penalties, fines, strictures levied during the last three Financial years are provided in the Corporate Governance Report.

Particulars of contract or arrangements entered Material changes, details of subsidiaries and litigations

There were no material contracts or arrangements and there has been no material change and commitment, affecting the financial position of the Company, which has occurred between the close of the Financial Year ended 2023-24 and the date of this Report.

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

Subsidiaries

PHFL Home Loans and Services Limited

PHFL is a wholly owned subsidiary and is the distribution arm for PNB Housing, offering doorstep services to the prospective customers. The subsidiary has trained workforce to source business for the loans and deposits offered by PNB Housing.

During the year, the PHFL has sourced loan applications in respect of 74% of total loans disbursed by PNB Housing Finance. The annual accounts of PHFL are enclosed along with the Annual Accounts of PNB Housing.

A report on the performance and financials of PHFL, as per Act and rules made thereunder is provided in Form AOC-1 attached to the Consolidated Financial Statements forming an integral part of the Annual Report.

Pehel Foundation

PEHEL Foundation is a wholly owned non-profit subsidiary Company incorporated under Section 8 of the Act. It is an implementation arm to carry out various CSR activities of PNB Housing Finance and PHFL.

During the year, under review, there was no material change in the nature of the business of the subsidiaries. There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the Company's website at <https://www.pnbhousing.com/investors/annual-reports>.

Other Disclosures

Your Directors hereby clarify that the following disclosures are not applicable, considering that there were no such transactions in the year under review:

1. There has been no issue of Equity Shares with differential rights as to dividend, voting or otherwise.
2. Your Company has not resorted to any buy back of its Equity Shares during the year under review.
3. The Managing Director & CEO of your Company did not receive any remuneration or commission during the year from the subsidiary of the Company.

Acknowledgements

The Directors place on record their gratitude for the support of various regulatory authorities including Reserve Bank of India, National Housing Bank, Securities and Exchange Board of India, Ministry of Housing and Urban Affairs, Ministry of Corporate Affairs, Registrar of Companies, Financial Intelligence Unit (India), Insurance Regulatory and Development Authority of India, the Stock Exchanges and the Depositories.

The Company acknowledges the role of all its key stakeholders- shareholders, borrowers, channel partners, depositors, deposit agents, lenders, auditors, consultants, Registrar & Transfer agents, trustees for their continued support.

The Directors express their appreciation for the dedication and commitment with which the employees of the Company at all levels have worked during the period.

For and on behalf of the Board

Girish Kousgi
MD & CEO

Atul Kumar Goel
Non-Executive Director

Place: New Delhi
Date: June 18, 2024

Annexure – 1

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on the CSR Policy of the Company

The CSR Policy of the Company is designed to be responsive and sensitive to the social needs of vulnerable and marginalised sections of society. PNBHFL is committed to contribute to social, economic, environmental, educational, healthcare, etc. The Company's focus will be to contribute towards sustainable development goals and to make our society a better place for future generations. Company's policies on CSR are oriented towards stakeholder-participation approach, where the target groups are seen as stakeholders in the community whose well-being is integral to the long-term success of the company and not a charity-oriented approach. The Company through its CSR initiatives enables the marginalized community to be empowered and become self-reliant. We are aiming to improve the lives of under privileged and reinforce our humble collective efforts towards nation building.

The Company has adopted CSR Policy approved by CSR Committee and the Board of Directors, in accordance with the provisions of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013 ("the Act").

The CSR Policy of the Company is based on following guiding principles:

- Sustainability
- Transparency
- Accountability
- Employee Engagement
- ESG Framework
- Non-discriminatory

The broad framework for CSR initiatives to be undertaken by the Company would be as per section 135 and schedule VII of Companies Act, 2013 as amended. The focus areas for CSR initiatives are:

- Hunger, Malnutrition and Health
- Education
- Gender Equality, Women Empowerment and Care for Senior Citizens
- Environmental Sustainability
- Others - or any other areas/fund/project as may be considered and approved by CSR Committee/Board.

2. Composition of CSR Committee

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. Tejendra Mohan Bhasin	Chairman Independent Director	3	3
2.	Mr. Ramakrishnan Chandrasekaran	Member Independent Director	3	3
3.	Mr. Sudarshan Sen	Member Independent Director	3	2
4.	Mr. Girish Kousgi	Member Managing Director & CEO	3	3

3. Web-link where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.

Web-link of CSR Committee composition	https://www.pnbhousing.com/about-us/csr-committee#pnbTabss
Weblink of CSR Policy	https://www.pnbhousing.com/about-us/csr-policy#pnbTabs
Weblink of CSR projects approved by the Board	https://www.pnbhousing.com/documents/d/guest/List%20of%20Projects%20for%20FY%2023-24

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

<https://www.pnbhousing.com/documents/d/guest/Impact%20Assessment-%20FY%2023-24>

5. (a) Average Net Profit of the Company as per Section 135(5)

The average Net Profit (of preceding three financial years) of the Company as per Section 135(5) for the purpose of CSR Budget in FY 2023-24 is ₹11,34,60,09,065

- (b) Two percent of average Net Profit of the Company as per section 135(5).

₹22,69,25,000 is the two percent of the average Net Profit.

- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

There was no surplus amount arising from the CSR projects or programmes or activities that were carried out in the previous financial year.

- (d) Amount required to be set-off for the financial year, if any.

There was no amount set off for the financial year.

- (e) Total CSR obligation for the financial year (5b+5c-5d).

The total CSR obligation for the financial year 2023-24 is ₹22,69,25,000.

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):

The total amount spent on CSR projects (both ongoing and other than ongoing project) in financial year 2023-24 is ₹16,70,11,081.

- (b) Amount spent in Administrative Overheads:

₹89,02,467 was spent in Administrative Overheads during the financial year 2023-24.

- (c) Amount spent on Impact Assessment, if applicable:

₹21,35,800 was spent on Impact Assessment during the financial year 2023-24.

- (d) Total amount spent for the Financial Year (6a+6b+6c):

Total amount spent in financial year 2023-24 is ₹17,80,49,348.

- (e) CSR amount spent or unspent for the Financial Year:

Total Amount spent for the Financial Year. (In ₹)	Total amount transferred to unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per proviso to section 135(5)		Amount Unspent (In ₹)
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
₹17,80,49,348	₹4,88,75,652	April 29, 2024	-	-	-

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

Sl. No	Particulars	Amount
(i)	Two percent of average net profit of the Company as per section 135(5)	22,69,25,000
(ii)	Total amount spent for the Financial Year	17,80,49,348
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: in crore

S. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if Any
					Amount (in ₹)	Date of transfer		
1	FY-1 (March 31, 2023)	6,40,64,581	41,63,138	5,99,01,443	-	-	41,63,138	-
2	FY-2 (March 31, 2022)	-	-	-	-	-	-	-
3	FY-3 (March 31, 2021)	-	-	-	-	-	-	-

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

PNB Housing Finance Limited has not created or acquired any capital assets directly from CSR amount spent in FY 23-24. However, we are listing the project level information where the assets have been created by the partners/vendors of the implementing agency Pehel Foundation.

(b) If Yes, enter the number of Capital assets created/ acquired: NA**(c) Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

S. No.	Short particulars of the property or asset(s) (including complete address and location of the property)	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (in ₹)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	Support to PHC with Medical Equipment like Oxygen Concentrator, BP operator, ECG Machine, Aluminum auto-clave electric cooker, etc. Non medical equipment's like, Solar System, Computer and printer, RO water purifier, CCTV, Fridge, etc. Furniture's like Stainless steel three-seated chairs, Bedside lockers, Hospital mattress cot, etc. Address- Primary Health Care center, K Mallasandra, Hoskote Taluk, Bangalore rural district.	560067	March 9, 2024	10,36,740	NA	Primary Health Care center	K Mallasandra, Hoskote Taluk, Bangalore rural district, Karnataka
2	Support to PHC with Medical equipment like Suction apparatus, Oxygen concentrator, Otoscope, Examination table, Instruments trolley, Delivery instrument kit, Baby cradle, Stethoscope lens, Phototherapy Unit, etc. Non medical equipments like Solar Panel & battery, Fridge, Solar Water heater & Softener System, etc. Address - Primary Health Care center, Sulibele, Hoskote Taluk, Bangalore rural district.	562129	March 9, 2024	21,77,730	NA	Primary Health Care center	Sulibele, Hoskote Taluk, Bangalore rural district, Karnataka
3	Vehicle Support for Alzheimer Patients Transportation Address- Hope Ek Asha, D 52, Greater Kailash Enclave II, New Delhi	110048	April 1, 2024	7,95,714	CSR00008744	Hope Ek Asha	D - 52, Greater Kailash Enclave-II, New Delhi - 110048
4	Millet Cookies Production Unit - Equipment support like Industrial Oven, Rusk Moulds, Bread Moulds, Cake Mixture Machine, Mixer Grinder Machine, Flow Wrapping Machine, Laptop, CCTV, RO purifier, table, etc. Address- Chinta Haran Bajrang Ke Pass Fulera Road, Jobner, Rajasthan	302019	March 20, 2024	16,57,513	NA	Saheli Millets Cookies Unit	Chinta Haran Bajrang Ke Pass Fulera Road, Jobner, Rajasthan 303328

S. No.	Short particulars of the property or asset(s) (including complete address and location of the property)	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (in ₹)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
5	Blended Spice Production Unit - Equipment support like Ribbon Blander Machine, Pulveriser, Tray Dryer, Mixture Machine, Laptop, CCTV, RO purifier, chair, table, utensils, etc. Address- Athuna Mohalla, Gram-Tabiji, Ajmer, Rajasthan	305206	March 21, 2024	13,69,662	NA	Saheli Masala Udhog	Athuna Mohalla, Gram- Tabiji, Ajmer, Rajasthan -305206
6	Medical Equipment Support - Wipro GE Sonography Machine and Lenovo PC, 1Kva Ups, Epson Printer and Projector. CRMM Mammo Cassette 18X24 Address- Navsari Cancer Care Foundation Public Charitable Trust,(NCCF) C/O "BA" Smt. L.C.P.C.C M.G.G. Civil Hospital Campus, Station Road, Navsari, Gujarat 396445	396445	March 26, 2024	31,57,605	CSR00001766	Navsari Cancer Care Foundation Public Charitable Trust,(NCCF)	5 th Floor Aditya Complex Near Fuvara Telephone Exchange Navsari, Gujarat- 396 445
7	Medical Equipment support like Open care system, Multi para monitor, Mobile X Ray System, Laminar flow cabinet, LED Phototherapy unit, etc. for SNCU at Post Graduate Institute of Child Health (PGICH) Address- Sector 30, Noida, Distt Gautam Budh Nagar, UP	201303	March 30, 2024	40,39,333	NA	Post Graduate Institute of Child Health (PGICH)	Sector -30, Noida, Distt Gautam Budh Nagar, UP 201303
8	Bus support for transportation services to eye surgery patients Address: 241, Uma Plaza, West Marredpally, Secunderabad, Telangana - 500026	500026	May 17, 2023	35,35,000	CSR00000138	Pushpagiri Vitreo Retina Institute	10-3-32/9/21, Nehru Nagar East Marredpally Secunderabad - 500 026
9	School bus support for transportation of students Address- Purkal Youth Development Society, Village Purkal, P O Bhagwantpur, Dehradun, Uttarakhand- 248009	248009	March 15, 2024	29,67,800	CSR00001936	Purkal Youth Development Society	Purkal Youth Development Society, Village Purkal, P O Bhagwantpur, Dehradun, Uttarakhand- 248009
10	40 KW Solar Power Plant Support Address - Rajasthan Mahila Gelda Senior Secondary School, Amal Ka Kanta, Gyan Marg, Near Gulab Bag, Udaipur (Rajasthan) - 313001	313001	March 1, 2024	15,85,000	CSR00063070	Rajasthan Mahila Vidyalaya	Amal Ka Kanta, Gyan Marg, Near Gulab Bag, Udaipur (Rajasthan) 313001
11	STEM on Wheels Vehicle, Laptop, Printer and Pocket Projector support Address- Swati Trinity, Applewoods township, Shela, Ahmedabad Gujarat	380058	March 1, 2024	31,82,900	CSR00004675	Shri Mahakal Education and Charitable Trust Rajkot	404-405, Swati Trinity, Applewoods township, Shela, Ahmedabad 380054 Gujarat
12	Medical Equipment's Support- 100 Medical Bed, 80 Wheelchair, 100 Walker, Stretcher and Medical Aid at old age home Address - Mandawar Village, Palli Sohna Highway Road, District Gurgaon, Haryana	122001	March 23, 2024	26,68,000	CSR00002026	The Earth Saviours Foundation	B9, Taj Apt, Near Safdarjung Hospital Delhi.
13	Support for 2 Solar Power Plant of 20 KVA and 2 Solar Power Plant of 10 KVA at old age home Address - Mandawar Village, Palli Sohna Highway Road, District Gurgaon, Haryana	122001	March 30, 2024	38,00,000	CSR00002026	The Earth Saviours Foundation	B9, Taj Apt, Near Safdarjung Hospital Delhi.
14	Water RO Plant - 1000 ltr and Solar pump 10.5HP Address- Village Rajpura, Panchayat Nandwel, District Udaipur Rajasthan	313022	March 30, 2024	10,08,000	NA	Pani Panchayat, Rajpura	Village Rajpura, Panchyat- Nandwel, Dist. Udaipur Rajasthan
15	Water RO Plant 500 ltr and Solar Pump 3HP Address - Village Nandwel, Panchayat- Nandwel, District Udaipur Rajasthan	313022	March 30, 2024	5,16,000	NA	Pani Panchayat, Nandwel	Village Nandwel, Panchyat- Nandwel, Dist. Udaipur Rajasthan

S. No.	Short particulars of the property or asset(s) (including complete address and location of the property)	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (in ₹)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
16	Water RO Plant 500 lts and Solar Pump 10HP Address - Village Chhapra, Panchayat- Nandwel, District Udaipur Rajasthan	313022	March 30, 2024	7,41,000	NA	Ashapura Pani Panchayat, Chhapra	Village Chhapra, Panchyat-Nandwel, Dist. Udaipur Rajasthan
17	Supported 2 Outpatient Clinics and 1 Mobile Clinic for cancer patients with basic equipment's and furniture. Address- A-5B/A-5C/109B, first floor, Janakpuri, New Delhi & Property No. A-1, Main Road, Johripur, R.S.T Enclave, Delhi	110058 110094	August 3, 2023	1,89,894	CSR00000673	CanSupport	A-1 Main Road Johripur RST Enclave Delhi 110094
18	Bombay Foundation of Deaf Women Supported with Training Materials- Led Repair Tools, Mobile Repair Tools, Beautician Equipment's, Computers, Bakery Tools, Tailoring Kits Address- R. Kamani Road, Adi Marzban Path, Beside, Ballard House, Opposite Bank Of Baroda Mumbai-400001	400001	April 12, 2024	1,80,300	CSR00009028	All India Foundation of Deaf Women	1 st Floor DDA Community Hall Gali Chadiwali Paharganj, New Delhi-110055
19	Hyderabad Foundation of Deaf Women Supported with Training Materials- Beautician Equipment, Computers, Bakery Tools, Tailoring Kits Address- 3 rd Floor, Pancom Business Centre, Ameerpet, Hyderabad-500016	500016	January 17, 2024	50,000	CSR00009028	All India Foundation of Deaf Women	1 st Floor DDA Community Hall Gali Chadiwali Paharganj, New Delhi-110055
20	Deaf Women Welfare Foundation UP Supported with Training Materials-Beautician Equipment, Computers, Bakery Tools, Tailoring Kits Address - Halwasia Market, 24 Mg Marg Hazratganj Lucknow: 226001	226001	January 27, 2024	50,000	CSR00009028	All India Foundation of Deaf Women	1 st Floor DDA Community Hall Gali Chadiwali Paharganj, New Delhi-110055
21	Karnataka Foundation of Deaf Women- Tailoring Machine & Bakery Tools Address - 204, 1 ^A Cross, BDA Layout, Byrasandra, 1 st Block, Jayanagar, Bangalore-560001	560001	May 18, 2023	20,000	CSR00009028	All India Foundation of Deaf Women	1 st Floor DDA Community Hall Gali Chadiwali Paharganj, New Delhi-110055
22	Mook Badhir Sangathan supported With Training Materials-Beautician Equipment, Computers, Bakery Tools, Tailoring Kits Address- Scheme No. 71-B, Behind Ranjeet Hanuman Temple, Indore-452009 (M.P)	452009	March 30, 2024	50,000	CSR00009028	All India Foundation of Deaf Women	1 st Floor DDA Community Hall Gali Chadiwali Paharganj, New Delhi-110055
23	Supported "Panah-A Daycare centre"-Creche for kids of women workers in the hospital with basic furniture/fittings and toys/activity kits for kids Address - L V Prasad Eye Institute, MTC Campus, Bhubaneswar, Odisha 751024	751024	March 28, 2024	19,42,600	NA	L V Prasad Eye Institute	Mithu Tulsi Chanrai Campus, Patia road, Bhubaneswar. Odisha 751041
24	Upgraded 5 anganwadi into PEHEL Smart Anganwadis with Furnitures, Toys, LED TV, Nutrition assessment kit, etc. - namely- Anganwadi Vanshrajnagar, Anganwadi Santoshnagar(Banhinagar), Anganwadi Munjka -1, Anganwadi Munjka -2 and Anganwadi Munjka -3 Near Ranuja Mandir, Kothariya, Rajkot and Munjka, Near University, Rajkot, Gujarat	360002 360005	October 26, 2023	20,43,247	NA	Anganwadi Vanshrajnagar, Anganwadi Santoshnagar(Banhinagar), Anganwadi Munjka -1, Anganwadi Munjka -2 and Anganwadi Munjka -3	Near Ranuja Mandir, Kothariya, Rajkot and Munjka, Near University, Rajkot, Gujarat

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25	Skill Development of dependents of construction workers with training materials and furniture such as JUKI UBT, Trainee Stools, Fans, Acs etc. Address - First floor, New Building, Plot no 65-66 Nearby Bikaner Chowk, Khandsa, Sec -37, Gurgaon	122001	October 6, 2023	18,02,000	CSR00001692	Charities Aid Foundation India	OneStage (Registered as Charities Aid Foundation India, Plot/Site-2, First Floor, Sector -C (OFC Pocket), Nelson Mandela Marg, Vasant Kunj, New Delhi - 110070
26	Plastic bottle crushing machine Address -Metro Andheri- Ghatkopar Link Road Andheri E, Junction, near Saki Naka, Mumbai, Maharashtra 400072	400072	June 5, 2023	6,12,125	CSR00002684	Khushiyaan Foundation	Vibha Bunglow, Shree Nagar, Thane west - 400604
27	Plastic bottle crushing machine Address - Metro Andheri - Kurla Rd, near Hotel Kohinoor Continental, J B Nagar, Andheri E, Mumbai, Maharashtra 400059	400059	June 5, 2023	6,12,125	CSR00002684	Khushiyaan Foundation	Vibha Bunglow, Shree Nagar, Thane west - 400604
28	Plastic bottle crushing machine Address - Sahayog Nagar, Bhudargarh Colony, Andheri West, Mumbai, Maharashtra 400053	400053	June 5, 2023	6,12,125	CSR00002684	Khushiyaan Foundation	Vibha Bunglow, Shree Nagar, Thane west - 400604
29	Plastic bottle crushing machine Address -Versova Marg, Azad Nagar, Andheri West, Mumbai, Maharashtra 400058	400058	June 5, 2023	6,12,125	CSR00002684	Khushiyaan Foundation	Vibha Bunglow, Shree Nagar, Thane west - 400604
30	Two Plastic bottle crushing machines Address - Andheri Metro Station, Andheri East, Mumbai, Maharashtra 400069	400069	June 5, 2023	12,24,250	CSR00002684	Khushiyaan Foundation	Vibha Bunglow, Shree Nagar, Thane west - 400604
31	Plastic bottle crushing machine Address - Metro Station Versova, Versova Marg, Gharkul Society, Sahayog Nagar, Mudran Press Colony, Andheri West, Mumbai, Maharashtra 400047	400047	October 10, 2023	6,12,125	CSR00002684	Khushiyaan Foundation	Vibha Bunglow, Shree Nagar, Thane west - 400604
32	Plastic bottle crushing machine Address - Below Metro Station, Vijay Nagar Colony West, Marol, Andheri East, Mumbai, Maharashtra 400053	400053	October 10, 2023	6,12,125	CSR00002684	Khushiyaan Foundation	Vibha Bunglow, Shree Nagar, Thane west - 400604
33	3 Plastic bottle crushing machine Veer mata Jijabai Bhosale Botanical Udyan and Zoo Address - Railway Station, 91A, Lalbaug Flyover, near Byculla, Byculla East, Byculla, Mumbai, Maharashtra 400027	400027	October 10, 2023	18,36,375	CSR00002684	Khushiyaan Foundation	Vibha Bunglow, Shree Nagar, Thane west - 400604
34	Plastic bottle crushing machine Prabodhankar Thackeray Natya Mandir Auditorium Address - Sodawala Ln, Krishna Nagar, Shanti Nagar, Borivali West, Mumbai, Maharashtra 400091	400091	October 10, 2023	6,12,125	CSR00002684	Khushiyaan Foundation	Vibha Bunglow, Shree Nagar, Thane west - 400604
35	Plastic bottle crushing machine Address - Master Deenanath Mangeshkar Natyagriha, Natvarya Datta Bhat Rd, Agarwal Market, Vile Parle East, Vile Parle, Mumbai, Maharashtra 400057	400057	October 10, 2023	6,12,125	CSR00002684	Khushiyaan Foundation	Vibha Bunglow, Shree Nagar, Thane west - 400604
36	Plastic bottle crushing machine Address - General Arun Kumar Vaidya Swimming Pool, Rd No. 1, Chembur Gaothan, Chembur, Mumbai, Maharashtra 400071	400071	October 10, 2023	6,12,125	CSR00002684	Khushiyaan Foundation	Vibha Bunglow, Shree Nagar, Thane west - 400604
37	Plastic bottle crushing machine Address - Amber International School near highland park, near TMC tank West, Dhokali, Thane West, Kolshet Road, Thane, Maharashtra 400607	400607	October 10, 2023	6,12,125	CSR00002684	Khushiyaan Foundation	Vibha Bunglow, Shree Nagar, Thane west - 400604

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38	Plastic bottle crushing machine Address - Hiranandani Foundation School, Thane Wood Street, Patlipada, Off, Ghodbunder Rd, Hiranandani Estate, Thane West, Thane, Maharashtra 400607	400607	October 10, 2023	6,12,125	CSR00002684	Khushiyaan Foundation	Vibha Bunglow, Shree Nagar, Thane west - 400604
39	Digital infrastructure provided under Digital Shaala with 2TCL Tv 50 inches, 2 dongles & 2 pen drive Address - Govt. MS Ahirkhedi, Jawahar Tekri in front Kalak Mandir	452009	January 16, 2024	42,618	N/A	Govt. MS Ahirkhedi, Jawahar Tekri	Govt. MS Ahirkhedi, Jawahar Tekri in front Kalak Mandir, Indore, Pincode: 452009, Madhya Pradesh
40	Digital infrastructure provided under Digital Shaala with 2TCL Tv 50 inches, 2 dongles & 2 pen drive Address - Govt. MS Bank, Green park colony ST residential Hostel Jawahar Tekri	452002	January 11, 2024	42,618	N/A	Govt. MS Bank, Jawahar Tekri	Govt. MS Bank, Green park colony ST residential Hostel Jawahar Tekri, Indore, Pincode: 452002, Madhya Pradesh
41	Digital infrastructure provided under Digital Shaala with 2TCL Tv 50 inches, 2 dongles & 2 pen drive Address- Govt. MS Begamkhedi, Kanadiya Road Indore	452016	February 6, 2024	42,618	N/A	Govt. MS Begamkhedi, Kanadiya	Govt. MS Begamkhedi, Kanadiya Road, Indore, Pincode: 452016, Madhya Pradesh
42	Digital infrastructure provided under Digital Shaala with 2TCL Tv 50 inches, 2 dongles & 2 pen drive Address - Govt. NMS Nayabasera School, near Gandhi Nagar	453112	January 11, 2024	42,618	N/A	Govt. NMS Nayabasera School	Govt. NMS Nayabasera School, near Gandhi Nagar, Indore, Pincode: 453112, Madhya Pradesh
43	Digital infrastructure provided under Digital Shaala with 2TCL Tv 50 inches, 2 dongles & 2 pen drive Address - Govt. MS Mirjapur, Ralamandal post kasturba gram	452020	January 9, 2024	42,618	N/A	Govt. MS Mirjapur, Ralamandal	Govt. MS Mirjapur, Ralamandal post kasturba gram, Indore, Pincode: 452020, Madhya Pradesh
44	Digital infrastructure provided under Digital Shaala with 2TCL Tv 50 inches, 2 dongles & 2 pen drive Address - Govt. Higher Secondary School, Ralamandal, kasturbagram Road	452018	January 9, 2024	42,618	N/A	Govt. Higher Secondary School, Ralamandal	Govt. Higher Secondary School, Ralamandal, kasturbagram Road, Indore, Pincode: 452018, Madhya Pradesh
45	Digital infrastructure provided under Digital Shaala with 2TCL Tv 50 inches, 2 dongles & 2 pen drive Address - Govt. MS Shramik, Colony Rau	452012	January 24, 2024	42,618	N/A	Govt. MS Shramik, Colony Rau	Govt. MS Shramik, Colony Rau, Indore, Pincode: 452012, Madhya Pradesh
46	Digital infrastructure provided under Digital Shaala with 2TCL Tv 50 inches, 2 dongles & 2 pen drive Address - Govt. Middle School No. 19 Nayabasera Gandhi Nagar	453112	January 11, 2024	42,618	N/A	Govt. Middle School No. 19 Nayabasera Gandhi Nagar	Govt. Middle School No. 19 Nayabasera Gandhi Nagar, Indore, Pincode: 453122, Madhya Pradesh
47	Digital infrastructure provided under Digital Shaala with 2TCL Tv 50 inches, 2 dongles & 2 pen drive Address - Govt. Middle School Devdharam, Fiilter station Gandhi Nagar	453112	January 11, 2024	42,618	N/A	Govt. Middle School Devdharam, Fiilter station Gandhi Nagar	Govt. Middle School Devdharam, Fiilter station Gandhi Nagar, Indore, Pincode: 453122, Madhya Pradesh
48	Digital infrastructure provided under Digital Shaala with 2TCL Tv 50 inches, 2 dongles & 2 pen drive Address - Vijay Nagar Main road, Near Sica school, Atharv Medical	452001	January 16, 2024	42,618	N/A	Government Middle School, Vijay Nagar (Model School of Muskaan)	Vijay Nagar Main road, Near Sica school, Atharv Medical, Indore, Pincode: 452001, Madhya Pradesh
49	Digital infrastructure provided under Digital Shaala with 2TCL Tv 50 inches, 2 dongles & 2 pen drive in Govt. Higher Secondary school Bagroda	462047	October 31, 2023	42,618.00	N/A	Govt. Higher Secondary school Bagroda	Govt higher secondary school, near katara hills, Sage university Pincode: 462047 Bhopal, Madhya Pradesh

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50	Digital infrastructure provided under Digital Shaala with 2TCL Tv 50 inches, 2 dongles & 2 pen drive in Govt. Higher Secondary school Ratibad	462044	October 27, 2023	42,618.00	N/A	Govt. Higher Secondary school Ratibad	Near Patel college Pincode: 462044 Bhopal, Madhya Pradesh
51	Digital infrastructure provided under Digital Shaala with 2TCL Tv 50 inches, 2 dongles & 2 pen drive in Govt higher secondary school Teelakhedi	462030	October 27, 2023	42,618.00	N/A	Govt higher secondary school Teelakhedi	Govt. Pt. Deendayal Upadhy School Teelakhedi, Ratibad Pincode: 462030 Bhopal, Madhya Pradesh
52	Digital infrastructure provided under Digital Shaala with 2TCL Tv 50 inches, 2 dongles & 2 pen drive in Govt. Higher Secondary school Mugaliya Chaap	462044	October 2, 2023	42,618.00	N/A	Govt. Higher Secondary school Mugaliya Chaap	Govt HSS school Mugaliya Chaap. Pincode: 462044 Bhopal, Madhya Pradesh
53	Digital infrastructure provided under Digital Shaala with 2TCL Tv 50 inches, 2 dongles & 2 pen drive in Govt. High school Barkheda Salam	462030	October 27, 2023	42,618.00	N/A	Govt. High school Barkheda Salam	Govt. Bhagat singh High school Barkheda Salam Pincode: 462030 Bhopal, Madhya Pradesh
54	Digital infrastructure provided under Digital Shaala with 2TCL Tv 50 inches, 2 dongles & 2 pen drive in Govt. HS Amrawad Kalan	462030	October 31, 2023	42,618.00	N/A	Govt. HS Amrawad Kalan	GHS Amrawad Kalan, Kolar Road, Akritii Eco city near Misrod Under Bridge Bhopal, Madhya Pradesh
55	Digital infrastructure provided under Digital Shaala with 2TCL Tv 50 inches, 2 dongles & 2 pen drive in Govt. Higher Secondary school Bhauri	462030	October 27, 2023	42,618.00	N/A	Govt. Higher Secondary school Bhauri	Govt. Sardar Vallabh bhai Patel school Bhauri, Bhopal Pincode: 462030 Bhopal, Madhya Pradesh
56	Digital infrastructure provided under Digital Shaala with 2TCL Tv 50 inches, 2 dongles & 2 pen drive in Govt. High school Bangrasiya	462045	October 31, 2023	42,618.00	N/A	Govt. High school Bangrasiya	GHS Bangrasiya, Bhojpur Road Pincode: 462045 Bhopal, Madhya Pradesh
57	Digital infrastructure provided under Digital Shaala with 2TCL Tv 50 inches, 2 dongles & 2 pen drive in Govt HS Bairagarh Chhichli	462042	October 27, 2023	42,618.00	N/A	Govt HS Bairagarh Chhichli	Bairagarh chhichli Polar Road near Dmart, Pincode 462042 Bhopal, Madhya Pradesh
58	Digital infrastructure provided under Digital Shaala with 2TCL Tv 50 inches, 2 dongles & 2 pen drive in Govt. HS Ratua	462101	October 27, 2023	42,618.00	N/A	Govt. HS Ratua	GHS Ratua, Block: Bairasiya Pincode: 462101 Bhopal, Madhya Pradesh
59	School Bus for transportation support Sri Sri Vidya Mandir, Hendaljuri Village, Hendaljuri Panchayat, Ghatsila Block, East Singhbhum District, Jharkhand	832304	August 16, 2023	22,78,100	CSR00005737	Vyakti Vikas Kendra India	272 Sri Sri Gyan Mandir, Opp Mayur Pankh Society, Satellite Road, Ahmedabad - 380 015
60	Solar System support of 20.52 Kw and 7.56 KW in Sri Sri Vidya Mandir, Hendaljuri Village, Hendaljuri Panchayat, Ghatsila Block, East Singhbhum District, Jharkhand and Sri Sri Vidya Mandir, Kalchiti Village, Edalbera Panchayat, Ghatsila Block, East Singhbhum District, Jharkhand	832304 832303	August 2, 2023	20,22,099	CSR00005737	Vyakti Vikas Kendra India	272 Sri Sri Gyan Mandir, Opp Mayur Pankh Society, Satellite Road, Ahmedabad - 380 015
61	25 Computers & 1 Printer support at Sri Sri Vidya Mandir Hendaljuri Village, Hendaljuri Panchayat, Ghatsila Block, East Singhbhum District, Jharkhand and 3 Computers & 1 Printer at Sri Sri Vidya Mandir, Kalchiti Village, Edalbera Panchayat, Ghatsila Block, East Singhbhum District, Jharkhand. 10 Computers & 2 Printers support at Sri Sri Vidya Mandir, Kudri Village, Karra Block, Khunti District, Jharkhand.	832304 835210	August 16, 2023	18,24,000	CSR00005737	Vyakti Vikas Kendra India	272 Sri Sri Gyan Mandir, Opp Mayur Pankh Society, Satellite Road, Ahmedabad - 380 015
62	Solar Powered Digital Education in Govt School Address- Elaneer, Belthangady, Dakshina Kannada, Karnataka	574214	December 13, 2023	1,75,000	NA	Gram Panchayat Elaneer	Elaneer, Belthangady, Dakshina Kannada, Karnataka

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63	Solar Powered Smart Anganwadi Address- Elaneer, Belthangady, Dakshina Kannada, Karnataka	574214	December 13, 2023	1,25,000	NA	Gram Panchayat Elaneer	Elaneer, Belthangady, Dakshina Kannada, Karnataka
64	Solar Powered Street Lights, 15 Nos Address- Elaneer, Belthangady, Dakshina Kannada, Karnataka	574214	December 13, 2023	3,60,000	NA	Gram Panchayat Elaneer	Elaneer, Belthangady, Dakshina Kannada, Karnataka
65	Solar Powered Inverters in Rural Health Centers Address- Elaneer, Belthangady, Dakshina Kannada, Karnataka	574214	December 13, 2023	5,15,000	NA	Gram Panchayat Elaneer	Elaneer, Belthangady, Dakshina Kannada, Karnataka
66	Solar Powered Digital Education in Govt School Address - B Matagere, Heggadadevanakote, Mysuru, Karnataka	571121	December 12, 2023	1,75,000	NA	Gram Panchayat B Matagere	B Matagere, Heggadadevanakote, Mysuru, Karnataka
67	Solar Powered Smart Anganwadi Address - B Matagere, Heggadadevanakote, Mysuru, Karnataka	571121	December 12, 2023	1,25,000	NA	Gram Panchayat B Matagere	B Matagere, Heggadadevanakote, Mysuru, Karnataka
68	Solar Powered Street Lights, 20 Nos Address - B Matagere, Heggadadevanakote, Mysuru, Karnataka	571121	December 12, 2023	4,80,000	NA	Gram Panchayat B Matagere	B Matagere, Heggadadevanakote, Mysuru, Karnataka
69	Solar Powered High Mast Light Address - B Matagere, Heggadadevanakote, Mysuru, Karnataka	571121	December 12, 2023	1,15,000	NA	Gram Panchayat B Matagere	B Matagere, Heggadadevanakote, Mysuru, Karnataka
70	Solar Powered Inverters in Rural Health Center Address - B Matagere, Heggadadevanakote, Mysuru, Karnataka	571121	December 12, 2023	1,60,000	NA	Gram Panchayat B Matagere	B Matagere, Heggadadevanakote, Mysuru, Karnataka
71	Solar Powered Digital Education in govt. school Address - Agamalai, Bodinayakanur, Theni, Tamil Nadu	625605	December 20, 2023	1,75,000	NA	Gram Panchayat Agamalai	Agamalai, Bodinayakanur, Theni, Tamil Nadu
72	Solar Powered Smart Anganwadi Address - Agamalai, Bodinayakanur, Theni, Tamil Nadu	625605	December 20, 2023	1,25,000	NA	Gram Panchayat Agamalai	Agamalai, Bodinayakanur, Theni, Tamil Nadu
73	Solar Powered Street Lights, 15 Nos Address - Agamalai, Bodinayakanur, Theni, Tamil Nadu	625605	December 20, 2023	3,60,000	NA	Gram Panchayat Agamalai	Agamalai, Bodinayakanur, Theni, Tamil Nadu
74	Solar Powered Inverters in Rural Health Center Address - Agamalai, Bodinayakanur, Theni, Tamil Nadu	625605	December 20, 2023	3,95,000	NA	Gram Panchayat Agamalai	Agamalai, Bodinayakanur, Theni, Tamil Nadu
75	Solar Powered Digital Education in govt school Address - Thalakadai, Sirumalai, Dindigul, Tamil Nadu	624003	December 20, 2023	1,75,000	NA	Gram Panchayat Thalakadai	Thalakadai, Sirumalai, Dindigul, Tamil Nadu
76	Solar Powered Smart Anganwadi Address - Thalakadai, Sirumalai, Dindigul, Tamil Nadu	624003	December 20, 2023	1,25,000	NA	Gram Panchayat Thalakadai	Thalakadai, Sirumalai, Dindigul, Tamil Nadu
77	Solar Powered Street Lights, 15 Nos Address - Thalakadai, Sirumalai, Dindigul, Tamil Nadu	624003	December 20, 2023	3,60,000	NA	Gram Panchayat Thalakadai	Thalakadai, Sirumalai, Dindigul, Tamil Nadu
78	Solar Powered Inverters in Rural Health Center Address - Thalakadai, Sirumalai, Dindigul, Tamil Nadu	624003	December 20, 2023	3,95,000	NA	Gram Panchayat Thalakadai	Thalakadai, Sirumalai, Dindigul, Tamil Nadu
79	4,000 sq. extended shed area at the Material Recovery Facility. Address: Harrayala, near Lakshmansidh Mandir, Dehradun, Uttarakhand 248005	248005	March 18, 2024	5,80,000	-	Material Recovery Facility owned by Nagar Nigam, Dehradun and Uttarakhand Pollution Control Board (UKPCB) and operated by Waste Warriors Society	Waste Warriors Society, 136/2/2 Shivam Vihar, Rajpur Road, Jakhan, Dehradun, UK - 248001

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80	Wheel chairs	380061	February 9, 2024	13,010	NA	2 nd Inning Vrudhaashram	Shakti Soc., Nr Chanakyapuri Railway Crossing, Nr. Hetvi Hospital, opposite Shiv nagar society Ghatalia, Ahmedabad, Gujrat
81	Wheel chairs	380009	February 9, 2024	26,020	NA	Bhagvati Vrudhaashram	Right Near Old High Court Metro station, Near Income Tax Bridge in Navrangpura Ahemdabad
82	Wheel chairs	382481	February 9, 2024	45,535	NA	Jan sadhna Vrudhaashram	Opp Greenwood Resorts, Vaishno Devi Circle, Road, Road, Ognaj, Ahmedabad, Gujarat
83	Wheel chairs	380013	February 9, 2024	32,525	NA	Jivan sandhya Old Age Home	132 feet Ring Road, Gharda Ghar Rd, near Ankur Bus Stop, Near Kalptaru Part 1 & 2, Naranpura, Ahmedabad, Gujarat
84	Wheel chairs	380009	February 9, 2024	52,040	NA	Jivandhara Vruddhashram	admavati Nagar, Taluka, opp. Jain Derasar, Indira Nagar, Lambha, Ahmedabad, Gujarat
85	Wheel chairs	382610	February 9, 2024	13,010	NA	Kailashdham Vrudhaashram	Mahudi Road, Pethapur, Gandhinagar-gujarat
86	Wheel chairs	382355	February 9, 2024	19,515	NA	Rahela Vrudhaashram	Near mamiya Temple, Magodi, Gadhinaragar, Gujarat
87	Wheel chairs	382150	February 9, 2024	13,010	NA	Shri Hari Public Charitable Trust	Nana Haripura Opp. Nirma laboratory, Viramgam, Ahmedabad, Gujarat
88	Wheel chairs	382440	February 9, 2024	13,010	NA	Shri Shantidham Tirth	Jain Tirth marg, Opp. Vatva Police Station, Vatva, Ahmedabad, Gujarat
89	Wheel chairs	380009	February 9, 2024	32,525	NA	Shri Laxminarayan Foundation	B 10/1, Kabir Bunglow, Vibhusha Bunglow Road, Bopal, Ahmedabad - 380058 (Near Aradhna Society & Mansi Prime, Opposite Anuradha Society, Ghuma)
90	Wheel chairs	390007	February 9, 2024	19,515	NA	Aashray Old Age Home	7, Shriram Society No. 2, Near Natubhai Circle, Road, Gotri, Vadodara, Gujarat
91	Wheel chairs	390004	February 9, 2024	39,030	NA	Ekta Care Home	Petrol Pump, 1008/1009/1010, Akshar City Opposite Ratanpur, Dabhoi Rd, Vadodara, Gujarat
92	Wheel chairs	390021	February 9, 2024	26,020	NA	sevashray Care Center	01, Radhamadhav Flat In Vaikunth Gotri Road, Gotri, Vadodara, Gujarat
93	Wheel chairs	391740	February 9, 2024	19,515	NA	Shalom Care Taker	2, AnjaniKrupa Soc, Ding Dong Char Rasta, TP-13, Vadodara, Gujarat
94	Wheel chairs	390021	February 9, 2024	19,515	NA	Surya Old Age Home	Prabhu Heights, Flat No. - 202, 2 nd Floor, Kunal Cross Road, Gotri Road, Vadodara
95	Wheel chairs	390019	February 9, 2024	39,030	NA	Swami Premdas Elders Home	Premdas Jalaram Hospital, Premdas Nagar, Harni Warasia Ring Road, Baroda
96	Wheel chairs	391101	February 9, 2024	45,535	NA	Swarg Community Care	SWARG, Gotri - Sevasi Rd, behind Priya Cinema, Vadodara, Gujarat
97	Wheel chairs	390001	February 9, 2024	19,515	NA	Vadil Sanman Kutir	Humi Hospital, Police Station, Hujarat Paga Rd, opp. Karelibaug, Bhutdi Zampa, Vadodara, Gujarat
98	Wheel chairs	390012	February 9, 2024	32,525	NA	Welcare Vatsalya	At Squirrel Circle, Ring Rd, above Welcare Hospital, Vadsar, Atladara, Vadodara, Gujarat
99	Wheel chairs	462026	February 9, 2024	32,525	NA	Apna Ghar Old Age Home	103, Rohit Nagar Rd, Aakriti Ecocity, Salaiya, Bhopal, Madhya Pradesh
100	Wheel chairs	462026	February 9, 2024	32,525	NA	Apna Ghar Ashram Old Age Home	103, Rohit Nagar Rd, Aakriti Ecocity, Salaiya, Bhopal, Madhya Pradesh
101	Wheel chairs	462016	February 9, 2024	13,010	NA	Elder First Aikay Old Age Home	Mahakali Society, A 163, Trilanga, Bhopal, Madhya Pradesh

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102	Wheel chairs	462047	February 9, 2024	13,010	NA	Grace Senior Citizen welfare society	Plot No. 15, Sector-A, Natraj Housing Co-operative Society, Gram, Ratanpur Sadak, Sada, Madhya Pradesh
103	Wheel chairs	462042	February 9, 2024	13,010	NA	Kamal Basant Vriddhjan Ashram	House No 175 Danish Hills View Township, Kolar Road, Bhopal
104	Wheel chairs	462016	February 9, 2024	45,535	NA	Lions Senior Citizen Home	6, Chunabhathi Main Rd, Janki Nagar, Chuna Bhatti, Bhopal, Madhya Pradesh
105	Wheel chairs	462016	February 9, 2024	39,030	NA	Seva Bharti Anand Dham	Old age home, anand dham, Bhopal, Madhya Pradesh
106	Wheel chairs	462010	February 9, 2024	71,555	NA	Pawar Charity Foundation Old Age Home	Near By Geeta Bawri Tmple, Bajrang Nagar, Indore, Madhya Pradesh
107	Wheel chairs	490001	February 9, 2024	26,020	NA	Astha Old Age Home	23A, Aevanue -C, Sector -02, Bhillai Nagar, Chhattisgarh
108	Wheel chairs	490001	February 9, 2024	32,525	NA	Astha Old Age Home	23A, Aevanue -C, Sector -02, Bhillai Nagar, Chhattisgarh
109	Wheel chairs	492009	February 9, 2024	26,020	NA	Bathe Kadam Sanjivani Ashram	Kota Road, Guthiyari Raipur, Chattishgath
110	Wheel chairs	492001	February 9, 2024	26,020	NA	Bathe Kadam Ananad Ashram	Bajrang chowk, Suraj Nagar, Avanti Vihar Raipur, Chattishgath
111	Wheel chairs	493890	February 9, 2024	26,020	NA	Chintan Vriddhashram	Near Hardevlala Tample, Tikrapara, Raipur, Chhattisgarh
112	Wheel chairs	492015	February 9, 2024	19,515	NA	Late Kuldip Nigam Vruddhashram	Mana Camp, raipur, Chhattisgarh
113	Wheel chairs	492013	February 9, 2024	26,020	NA	Prashmal Dekh -Rekh Grih	469 Sundar bagar Raipur, Chhattisgarh
114	Wheel chairs	490020	February 9, 2024	19,515	NA	Seva (Nursing) sasthan & Old Age Home	H.no 49, Old Nehru Nagar, hilai, Chhattisgarh
115	Wheel chairs	492001	February 9, 2024	32,525	NA	Shanti Bhavan (Mother Teresa) Ashram	Opp. Supar Sweet, ashwini Nagar, Raipur, Chattishgath
116	Wheel chairs	492001	February 9, 2024	26,020	NA	Shanti Bhavan (Mother Teresa) Ashram	Old Rajendra Nagar, Near Ring road, p.o, Ravigram, Raipur, Chhattisgarh
117	Wheel chairs	521108	February 9, 2024	13,010	NA	Ashritha Old Age Home	Flat No. 105, Anirudh Enclave, Rajula Bazar, Ramavarappadu, Vijayawada, Andhra Pradesh
118	Wheel chairs	520015	February 9, 2024	32,525	NA	Amma Prema Adarna Seva Samstha	Ajit Singh Nagar, Vambay Colony, Vijayawada, Andhra Pradesh
119	Wheel chairs	520007	February 9, 2024	32,525	NA	Aasa Old Age Home	Dr. No:70-2-29, Thotavari Street, Patamata, Vijayawada
120	Wheel chairs	520007	February 9, 2024	13,010	NA	Madhura Logili Old Age Home	D. No: 5, 90/1, 2 nd Street, opposite Rajkamal model house, Kanuru, Vijayawada, Andhra Pradesh
121	Wheel chairs	522501	February 9, 2024	78,060	NA	Palleturu Charitable Trust	3-544, Undavalli Centre, Tadepalli (M), Guntur, Andhra Pradesh
122	Wheel chairs	520015	February 9, 2024	32,525	NA	Sahaya Foundation Old Age home	20-4/1-216/A subbarajunagar new, Rajarajeshwari Peta Rd, Vijayawada, Andhra Pradesh
123	Wheel chairs	520012	February 9, 2024	58,545	NA	Tanmayee Old Age Home	SH 236, Vijayawada, Andhra Pradesh
124	Safe Accommodation for Construction Workers JMC Site- Kalpataru Projects International Limited, Bagamane Cosmos 5 th Main Rd, Malleshpalya, Kaggadasapura, Bengaluru, Karnataka- India	560075	October 16, 2023	99,41,472	N/A	Kalpataru Projects International Limited (JMC)	2 nd Floor, 206, Gold Tower-50, Residency Road, Near Konark Hotel, Bangalore, Karnataka - 560025

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

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5)

Pehel Foundation a section 8 company incorporated by PNB Housing Finance Limited, executed the CSR interventions as ongoing programs and the spending plan is done as per the requirement of the program. The unspent CSR amount of FY 23-24, as mentioned under point 6 is a part of the spending plan and is transferred to a separate unspent CSR account pursuant to the provisions of section 135 of the act.

Date: May 29, 2024

Place: New Delhi

Mr. Girish Kousgi

Managing Director & CEO

Dr Tejendra Mohan Bhasin

Chairman CSR Committee

Impact Assessment Study- Summary

Total 03 projects of FY 21-22 have undergone the Impact Assessment study through an independent agency "SoulAce".

List of projects of value more than ₹1 Cr

S. No.	Project Name	Location	Implementing Partner	Project Budget
1	To support Construction of Skill Development Building for Underprivileged Children in Dhunela, Gurugram	Gurugram	Pehel Foundation and Lotus Petal Charitable Foundation	1,50,00,000
2	To strengthen infrastructure at 5 Primary Healthcare Centres (PHCs), Community Health Centres (CHCs)	Chennai, Udaipur, Hyderabad, Ahmedabad, and Noida	Pehel Foundation and SMEC Trust	2,58,78,634
3	To install Community Drinking Water Plants at 5 locations	Udaipur (1), Rewari (2) and Ahmedabad (2)	Pehel Foundation and SMEC Trust	1,46,79,000

I. Project Name: To support Construction of Skill Development Building for Underprivileged Children in Dhunela – Gurugram

Implementing Partner - Lotus Petal Charitable Foundation

Location - Dhunela – Gurugram Haryana

Project Cost - ₹1,50,00,000

Project Background

PEHEL, a PNB Housing Finance Limited subsidiary, supported the project in collaboration with the Lotus Petal Charitable Foundation to address the pressing need for education and skill development among underprivileged people. Based in Haryana, the project aims to construct a multipurpose building on the Dhunela campus to provide vocational training and educational opportunities to marginalised communities.

Need

- Underprivileged communities lack access to skill development and education.
- Many adolescents are leaving formal education for unskilled labor, particularly in peri-urban areas and slums.
- Intervention is crucial to provide opportunities for growth and empowerment, tackling this troubling trend.

Key Findings & Impacts

- 250 students are trained and 100% are employed.
- Monthly Earnings: 64% started Earning ₹10,000-20,000, 2% are earning more than ₹20,000 and remaining are earning less than ₹10,000.
- Contribution to Family Income: 98% Contributing ₹5,000-7,000.
- Personal Savings: 86% have savings out of which 76% have started Investing.
- 96% of beneficiaries benefitted from improved infrastructure, including access to separate toilets for boys and girls.
- 100% of respondents stated they had access to adequate drinking water facilities.
- 94% were satisfied with the availability of light and sanitary fittings in toilets, ensuring that basic needs are met.
- 70% of respondents mentioned that they would recommend these centres to others.
- 100% of respondents attended industry-led classes, demonstrating a strong commitment to ongoing skill development and professional growth.
- 100% access to recreational rooms and reading materials improves overall quality of life.
- 94% show Interest in Computer Hardware and Networking or BFSI.

II. Project Name: To strengthen infrastructure at 5 Primary Healthcare Centres (PHCs), Community Health Centres (CHCs)

Implementing Partner - SMEC Trust

Location - Udaipur, Ahmedabad, Hyderabad, Kanchipuram and Noida.

Project Cost - ₹2,58,78,634

Project Background-

The project “Enhancing Healthcare Services through Infrastructure Upgrades and Medical Equipment Provision” aims to address critical gaps in healthcare delivery, particularly in underserved communities. The initiative’s focus on strengthening community health centres (CHCs) and primary health centres (PHCs) aims to improve grassroots access to quality healthcare services.

Need

Maternal complications, insufficient vaccination coverage, and a lack of essential medical equipment are prevalent issues at village level.

Key Findings & Impacts

- 99.0% increase in Hospital Visits.
- 94.4% of respondents are Highly to Moderately Satisfied for Timely diagnosis.
- 93.3% of respondents are Highly to Moderately Satisfied with Shorter wait times.
- 95.2% of respondents are Highly to Moderately Satisfied with Diagnosis accuracy.
- 91% of respondents are Highly to Moderately Satisfied with Treatment options.
- 94.4% of respondents are Highly to Moderately Satisfied- Accessibility to hospital.
- 90.6% of respondents are Highly to Moderately Satisfied with Infrastructural facilities.
- 97.2% are satisfied with changes in painting of wall, 95.6% satisfied with Infrastructure.
- 91.8% express satisfaction with the current state of the toilets.
- 85.4% believe that the sufficiency of medical equipment and 91% stated that medical care quality has significantly improved.

III. Project Name: To install Community Drinking Water Plants at 5 locations.

Implementing Partner - SMEC Trust

Location - 5 Villages of Viramgam Block - Ahmedabad, Rewari Block – Haryana and Girwa Block - Udaipur.

Project Cost - ₹1,46,79,000

Project Background-

Meeting the drinking water needs of such a large population remains a formidable task due to non-uniformity in awareness, socio-economic development, education, poverty, practices, rituals, and water availability. Recognising these challenges, the intervention and the initiation of the Community Drinking Water Filtration Project became crucial. The initiative aimed to address and provide long- term solutions and ensure access to safe drinking water for communities in need.

Need

- Many rural households face inconsistent access to drinking water.
- Contaminated water sources are common, leading to health risks.
- Households often need to purchase drinking water, adding financial strain.

Key Findings & Impacts

- The Project is taking care of operational and maintenance from the funds generated by water RO plant. This RO plant has a dedicated Human resource who takes care of the plant, and the project model is self-sustainable.
- After the intervention 94.5% had access to Water within 1km, compared to 49.0% before.
- After intervention, 0.4% of people sought medical attention, compared to 47.2% before.
- The Water Quality Issue was 83% during Pre-intervention and now it is 0% post-intervention.
- 100% reported that the quality of water is good.
- 91.7% of the respondents reported a reduction in water-collection time.
- 98.1% of the respondents had consistent access to clean and safe drinking water.
- 86% of respondents reported reduced healthcare expenses.

Annexure – 2

Business Responsibility and Sustainability Report (BRSR)

Index

Section A	General Disclosures	
Section B	Management and Process Disclosures	
Section C	Principle wise Performance Disclosures	
	Principle 1	Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable
	Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe
	Principle 3	Businesses should respect and promote the well-being of all employees, including those in their value chains
	Principle 4	Businesses should respect the interests of and be responsive to all its stakeholders
	Principle 5	Businesses should respect and promote human rights
	Principle 6	Businesses should respect and make efforts to protect and restore the environment
	Principle 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
	Principle 8	Businesses should promote inclusive growth and equitable development
	Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner

Section A: General Disclosures

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Company	L65922DL1988PLC033856
2.	Name of the Company	PNB Housing Finance Limited
3.	Year of Incorporation	1988
4.	Registered office address	9 th Floor, Antriksh Bhawan, 22, KG Marg, New Delhi-110001
5.	Corporate office address	9 th Floor, Antriksh Bhawan, 22, KG Marg, New Delhi-110001
6.	E-mail	investor.services@pnbhousing.com
7.	Telephone	011-23445200
8.	Website	www.pnbhousing.com
9.	Financial year for which reporting is being done	FY24 (1 st April 2023 to 31 st March 2024)
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE) and BSE Limited
11.	Paid-up Capital	₹259.72 crore
12.	Name and contact details (telephone, email address) of the person for BRSR Reporting	Ms. Veena G Kamath Company Secretary Email Id: veena.kamath@pnbhousing.com Telephone Number: 011-23445200
13.	Reporting boundary	The disclosures made are on the standalone basis for PNB Housing Finance Limited only consisting of all the locations including the corporate office.
14.	Name of assurance provider	Not applicable
15.	Type of assurance obtained	Not applicable

II. Products/Services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of turnover of the entity
1	Financial and Insurance Service	PNB Housing Finance Limited ('PNBHFL', 'the Company') was incorporated on 11 th November 1988. The Company is primarily engaged in the business of providing loans to individuals and corporate bodies for purchase, construction, repair and upgradation 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.	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

We are engaged in financing the purchase and construction of residential houses, non residential loans, loan against property and loan for other related purposes. We understand that owning a property is a significant milestone in one's life, and we strive to make this process as smooth and hassle-free as possible. We believe in providing flexible and customized loan options that suit the unique requirements of our customers, along with competitive interest rates and easy repayment options.

S. No.	Product/Services	NIC Code	% of total turnover contributed
1	Providing loans to individuals and corporate bodies for purchase, construction, repair and upgradation of houses. All the other activities revolve around the main business.	64192	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

S. No.	Location	Number of plants	Number of offices	Total
1.	National	Not Applicable*	334	334
2.	International		NA	NA

* We are a Non-Banking Financial Company - Housing Finance Company (NBFC-HFC) and hence do not undertake any manufacturing activity.

289 Branches (Prime, Roshni & Deposits combined) & 45 Offices (CSO, HUB, Outreach, DST Office) adds to 334.

19. Markets served by the entity

We believe in staying closer to our customers and meeting their needs so that we can build a strong long-lasting relationship with them. We have focused on building our strategic physical presence across the country to address their growing needs.

a. Number of locations

S. No.	Locations	Number
1.	National (Number of states)	20
2.	International (Number of countries)	NA. We do not have offices/business in international locations.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Not applicable.

c. A brief on types of customers

Our company serves customers of all income levels. We are making significant efforts to provide affordable loans and are concentrating on markets where there is a high demand for affordable housing loans.

Category	Household Income/ annum	Individual Housing Loan disbursed in FY24	
		% in Number Terms	% in Value Terms
Economically Weaker Section	Up to ₹3 lakh	7.17%	2.36%
Low Income Group	Above ₹3 lakh up to ₹6 lakh	31.18%	18.32%
Middle Income Group	Above ₹6 lakh up to ₹18 lakh	47.96%	48.92%
High Income Group	Above ₹18 lakh	13.69%	30.40%
Total		100%	100%
Total			₹12,974 crore

Based on individual loans disbursed during the year, the key characteristics of individual loans were:

- 69% were salaried customers, while 31% were self-employed (including professionals).
- The average size of individual loans stood at ₹31 lakh.
- The average loan to value ratio at origination was 65%.
- The average age of the customer was 39 years.

Deposits:

As on 31st March 2024, total outstanding deposits stood at ₹17,798 crore.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	2003	1679	83.82%	324	16.17%
2.	Other than permanent (E)	NA	NA	NA	NA	NA
3.	Total employees (D+E)	2003	1679	83.82%	324	16.17%
Workers						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than permanent (G)	621	574	92.43%	47	7.56%
6.	Total workers (F+G)	621	574	92.43%	47	7.56%

Other than permanent workers include *Security, housekeeping & facility management staff on third party contract.

b. Differently abled employees and workers:

S. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
Differently abled employees						
1.	Permanent (D)	1	1	100%	0	0%
2.	Other than permanent (E)	NA	NA	NA	NA	NA
3.	Total differently abled employees (D+E)	1	1	100%	0	0%
Differently abled workers						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than permanent (G)	NA	NA	NA	NA	NA
6.	Total differently abled workers (F+G)	NA	NA	NA	NA	NA

21. Participation/Inclusion/Representation of women

	Total	No. and percentage of Females	
	No. (A)	No. (B)	% (B/A)
Board of Directors	12	1	8.33%
Key Management Personnel	3	1	33.33%

22. Turnover rate for permanent employees and workers

Category	FY24			FY23			FY 2022		
	Male (%)	Female (%)	Total (%)	Male (%)	Female (%)	Total (%)	Male (%)	Female (%)	Total (%)
Permanent employees*	17.63%	15.43%	17.27%	24.30%	26.60%	24.70%	30.96%	34.76%	31.58%
Permanent workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

*Voluntary Turnover

V. Holding, Subsidiary and Associate Companies (including Joint ventures)**23. Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	PHFL Home Loans and Services Limited	Subsidiary	100%	PHFL Home Loans and Services Limited works in line with the ethos of PNBHFL Business Responsibility initiatives
2.	Pehel Foundation	Subsidiary	100%	PEHEL Foundation is a non-profit subsidiary which carries out various CSR activities of PNB Housing Finance Limited and PHFL Home Loans and Services Limited.

VI. CSR details**24. i. Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)**

Yes. CSR is applicable as per section 135 of Companies Act, 2013.

ii. **If yes, Turnover** – ₹7,057.9 croreiii. **Net worth** - ₹14,932.37 crore

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC):

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY24			FY23		
	(If yes, then provide web-link for grievance redressal policy)	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	No	Nil	Nil	NA	Nil	Nil	NA
Investors (other than shareholders)	Yes	Nil	Nil	NA	Nil	Nil	NA
Shareholders	Yes	502	Nil	NA	Nil	Nil	NA
Employees and workers	Yes	01	Nil	NA	01	Nil	NA
Customers	Yes	1618	Nil	NA	1794	Nil	NA
Value Chain Partners	No	Nil	Nil	NA	Nil	Nil	NA
Other (please specify)	NA	Nil	Nil	NA	Nil	Nil	NA

The grievance redressal mechanism is available at :-<https://www.pnbhousing.com/documents/d/guest/corporate%20grievance-redressal-mechanism>

26. Overview of the entity's material responsible business conduct issues

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Corporate Social Responsibility	Opportunity	Our CSR initiatives are primarily focused on empowering women, supporting education, improving healthcare, and efforts on environment sustainability. Through our CSR initiatives we endeavor to elevate lives by empowering socially, financially, and physically excluded, disadvantaged and challenged communities and thereby help them become self-reliant and support sustainable inclusive development.	N/A	Positive
2	Diversity & Inclusion	Opportunity	We demonstrate progress in the diverse representation of our workforce (female, geographic and academic). We can further harness the power of diverse perspectives to make informed decisions, gain deeper insights into our customers' needs, attract and retain exceptional talent, foster a culture of innovation, enhance reputation and brand image, effectively manage risks, and expand our presence across geographies.	N/A	Positive
3	Climate Risk	Risk	Climate change is being recognized globally as a source of financial risk for financial institutions. The non-linear & uncertain nature of climate risk (both physical & transition) threatens the resilience of BFSI sector. We are also taking cognizance of the study released by Reserve Bank of India on the implications of climate change on REs titled 'The Climate Strikes Back' available on https://www.rbi.org.in/scripts/PublicationsView.aspx?id=21767	It is important for us to understand the impact of climate risk and take prudent measures. In view of this, PNB HFL has onboarded a team to steer climate literacy, sensitize and create awareness among employees about ESG and is further considering to explore sustainable & green finance.	Negative

Materiality assessment is a strategic exercise that allows companies to understand and prioritize their sustainability issues better, incorporating stakeholder views on Environmental, Social and Governance (ESG) issues and is substantial for long-term value creation.

We developed our materiality to figure out ESG material issues that affect our business, to proactively address, share our progress and recalibrate our strategies. We collated and reviewed major relevant issues based on media reports, peer benchmarking, global metrics like Dow Jones Sustainability Index (DJSI), Carbon Disclosure Project (CDP) and regulatory aspects on ESG & climate. Based on a comprehensive analysis of the level of potential impact on our stakeholders and business from economic, social, and environmental perspectives, we identified and prioritized the most relevant material issues. We followed a structured process as depicted below –

1. Collating & shortlisting the ESG material issues:

- a. We zeroed on issues relevant to our nature of business based on media reports, peer benchmarks (banks both Indian and global, non-banking financial institutions, companies engaged in financing home loans), and global standards and initiatives (UN SDGs, TCFD, GRI, WEF metrics). Then, a laundry list of material issues was created. To refine the laundry list, a survey was conducted with a select group and their insights were factored in to identify 15 ESG material issues.

2. Assigning significant priority:

- a. Importance to stakeholder - The assessment process gathered inputs from all the stakeholders through focused discussion and questionnaires. These ESG issues were evaluated on a criticality scale and the results were collated to arrive at a composite score for each aspect, thereby identifying & prioritizing the key material aspects.
- b. Importance to PNB HFL - The inputs from Board and senior leadership formed the relevance to business.

3. Arriving at strategic and tactical material issues

- a. We categorized the ESG issues into low, moderate & high priority on the basis of their impact on business. Moderate & High priority issues were further clubbed into strategic issues. Strategic issues are further consolidated to construct an overarching ESG framework under E, S & G. Low priority (Tactical) issues would certainly be in our line of sight and has the potential to shift to strategic.

The procedure followed during the materiality assessment is largely in line with GRI guidelines for materiality assessment. We are further studying the updated GRI 2021 standards on updated impact materiality to further strengthen our matrix and implications of ESG issues.

ESG Framework

 <p>CLIMATE TRANSITION</p> <ol style="list-style-type: none"> 1. Climate Risk 2. Energy & Emissions 3. Water 4. Material Consumption & Waste Management 	 <p>INCLUSIVE GROWTH</p> <ol style="list-style-type: none"> 1. Diversity, Equity & Inclusion 2. Upskilling & Development 3. Well-being & Safety 4. Corporate Social Responsibility 	 <p>RESPONSIBLE BUSINESS</p> <ol style="list-style-type: none"> 1. Ethical Conduct & Compliance 2. Cyber-Resilience 3. Financial Performance 4. Sustainable Business Growth
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STAKEHOLDER ENGAGEMENT AND INSIGHTS

PNB HFL reserves the right to update/modify the ESG framework in accordance with evolving business requirements and regulatory landscape.

Section B: Management and process disclosures

This section is aimed at helping businesses demonstrate the structures, policies, and processes put in place towards adopting the NGRBC Principles and Core Elements.

S. No.	Principle Description	Reference of Company's Policies
P1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable	Anti Bribery & Anti- Corruption Policy Fair Practice Code Whistle Blower Policy Code of Conduct
P2	Businesses should provide goods and services in a manner that is sustainable and safe	This is included in our ESG policy available internally. Fair Practice Code.
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains	This is included in our HR Policy available in company's intranet. Prevention of Sexual Harassment (POSH) Policy
P4	Businesses should respect the interests of and be responsive to all its stakeholders	Grievance Redressal Mechanism Fair Practice Code
P5	Businesses should respect and promote human rights	This is included in our HR Policy available in company's intranet.
P6	Businesses should respect and make efforts to protect and restore the environment	This is included in our ESG policy which is available internally.
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	Responsible Advocacy is covered in our Internal Guidelines on Corporate Governance
P8	Businesses should promote inclusive growth and equitable development	CSR Policy
P9	Businesses should engage with and provide value to their consumers in a responsible manner	This is included in our policies/guidelines on emerging markets and other business verticals. Digital Data Protection Policy

Policy and Management processes

Points	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. (a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1. (b) Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1 (c) Web Link of the Policies, if available	https://www.pnbhousing.com/investors/policies https://www.pnbhousing.com/documents/d/guest/1_digital-data-protection-policy								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	We are an ISO 9001:2015 (Quality Management System) certified organization and ISO 27001 (Information security management system) certified.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>We are working towards developing capability around Climate Change Risks – Both Physical & Transition risks and understanding their implications as Systemic threats to business. We are also exploring Taskforce for Climate Related Financial Disclosures (TCFD) recommendations (framework on Climate-related Financial Risks aligned with regulatory guidelines) to disclose our stance/take on addressing climate risks in subsequent years.</p> <p>Setting targets is an intrinsic element of our ESG journey. The target-setting exercise is an intensive one and requires multi-stakeholder deliberations, consultations with experts, consideration of the trajectory where the sector is moving, contextual perspectives (including regional and global aspects, regulatory alignment, and business requirements), and the right platforms for ESG data consolidation. PNB HFL is also working towards its 'material issues' to chart a course and arrive at a conclusive state with all relevant departments to come up with ESG aspirations in subsequent years.</p>								

Points	P1	P2	P3	P4	P5	P6	P7	P8	P9
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	As we have initiated our journey and are further strengthening our ESG infrastructure, disclosures on performance will be made in subsequent times.								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)	We are in the decisive decade. Being one of the top 500 listed entities and as a responsible citizen, we understand that sustainability engenders taking into account various intangible risks. The financial landscape is exposed to visible climate risks that can have a severe effect and, in time, turn into a systemic threat to the business. PNB HFL has taken steps towards sustainability through various business initiatives, supporting the low and middle-income group through 'Roshni' loans under affordable segment, commencing climate literacy, sharper focus on diversity, equity and inclusion, responsible corporate citizenship, robust governance measures, cybersecurity protocols and community engagement programs under the CSR gamut. Our stakeholders are our inspiration and source of value creation for us. We pursue all our endeavors keeping stakeholders' interest intact & with a sustainability and long term mindset. BRSR Disclosure is an enabler for us as a compliance and strategic compass to map and disclose our sustainability performance.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Amit Singh Chief People Officer amit.singh@pnbhousing.com Telephone Number: 011-23445200								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Board of Directors (BoDs) of PNB Housing Finance Limited is responsible for determining the strategic direction and safeguarding the interest of all our stakeholders. ESG, Sustainability and Climate aspects are viewed as one of the strategic priorities of the BoDs and the CSR Board Committee. ESG aspects are further taken upon by the Core ESG Team and various functional teams, who meet at regular intervals to review the process, systems and implementation required for decision making.								

10. Details of Review of NGRBCs by the Company

Subject for Review	a. Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. Performance against above policies and follow up action	We have embarked on our sustainability journey, formulated the ESG policy which encompasses all the principles of BRSR and built a dedicated ESG team to drive this agenda within the organization. Further, the board will monitor progress on ESG through various reviews with the Leadership and ESG Team.								
2. Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances									
Subject for Review	b. Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. Performance against above policies and follow up action	Every policy gets reviewed annually by the respective functions and Risk/Compliance team and then by the respective Board Committees and the changes, if any, are approved by the Board. Implementation review is done by the Audit team on a periodical basis.								
2. Compliance with statutory requirements of relevance to the principles, and the rectification of any non-compliances									
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	As good governance practice, the policies in conformance with the principles are reviewed by the senior management and the Board Committees and approved by the Board.								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA*	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

*NA - Not Applicable

Section C: Principle-wise performance disclosure

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

Principle 1: Business should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.



ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the principles during the FY24

Segment	Total number of training & awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	6	HR, Technology, Internal Controls, Risk Management, Corporate Governance	100%
Key Managerial Personnel	7	Anti-Bribery & Anti-Corruption Policy	100%
Employees other than BoD and KMPs	7	Anti Money Laundering & KYC Code of Conduct Policy Information Security Awareness Prevention of Sexual Harassment Prohibition of Insider Trading Policy Whistle Blower Policy	100%

2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by its directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions in FY24

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ Judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/ No)
Penalty/Fine	Nil	NA	NA	NA	NA
Settlement	Nil	NA	NA	NA	NA
Compounding fee	Nil	NA	NA	NA	NA
Non - Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ Judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/ No)
Imprisonment	Nil	NA	NA	NA	NA
Punishment	Nil	NA	NA	NA	NA

3. Of the instances disclosed in Question 2 above, details of the appeal / revision preferred in cases where monetary or nonmonetary action has been appealed

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	Not Applicable

4. Does the entity have an anti-corruption policy or antibribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the policy is available at: <https://www.pnbhousing.com/documents/d/guest/Anti-Bribery%20and%20Anti-Corruption%20Policy>.

We are committed to conducting business with the highest legal and ethical standards and expect all employees and other persons acting on our behalf to uphold this commitment. In accordance with this commitment, we have adopted Anti-Bribery and Anti-Corruption Compliance Policy, which is applicable to all directors, officers, employees, agents, representatives and other associated persons of the Company. In brief, the Company does not tolerate bribery, kickbacks, or corruption of any kind, directly or through third parties, whether or not explicitly prohibited by this policy or by law.

5. Number of Directors/KMPs/Employees/Workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption

Segment		FY24	FY23
1	Directors	NIL	NIL
2	Key Managerial Personnel	NIL	NIL
3	Employees	NIL	NIL
4	Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest

Segment		FY24		FY23	
		Number	Remarks	Number	Remarks
1	Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
2	Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.

During the year, there were no cases of corruption and conflicts of interest.

8. Number of days of accounts payables ((Accounts payable *365) / cost of goods/services procured) in the following format:

	FY24	FY23
Number of days of accounts payables	18	17

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY24	FY23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	NA	NA
	b. Number of dealers / distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	NA	NA
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)*	5.68%	6.94%
	b. Sales (Sales to related parties / Total Sales)*	2.56%	2.08%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	NA	NA
	d. Investments (Investments in related parties / Total Investments made)	NA	NA

* Financial services incidental to the main business of the Company

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

We extend our support to VCPs with our expertise in fire and other safety related capability building through mock drills. We are consistently working with our partners to ensure the availability and use of safety systems, including standards, processes, equipment and necessary training. We ensure that such programs are delivered in the local languages of the relevant region and through 'in person field training' under the supervision of capable personnel.

Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
We conduct fire & safety drills	Safety Aspects	100%*

*We have considered our 3rd party (other than permanent) staff working within our premises in the response provided.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If yes, provide details of the same.

Yes, our Company's code of conduct covers the aspects related to conflict of interest on the Board of Directors and specifies that all members of the board should attempt to avoid circumstances where they have a conflict of interest. All members concerned in a conflict scenario must withdraw from any conversations or decisions on the subject. We have developed appropriate processes and mechanisms to avoid or manage disputes among members. The Directors provides disclosure of interest at the beginning of the year to the Board and further disclosure of change, if any, during the year.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.



ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Segment	FY24	FY23	Details of improvements in environmental and social impacts
R&D	0.2% of total revenue.	0.21% of total revenue.	Greater adoption of digital platforms not only brings in increased efficiencies of operations, but also ensures conservation of resources.
Capex			

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

As an institution providing financial services, our operations are not material resource intensive. However, as a responsible corporate, we have been focusing on aspects like optimization in resource consumption, waste reduction, optimal productivity. Even as digitization of products and services has been reducing the requirement of paper, it remains a significant resource consumed during our normal course of business, and thus rationalizing printing requirements remains a priority. For procurement of equipment required to run our operations, such as lighting devices, air conditioners, energy efficiency standards (viz. 3 and above star ratings) are duly considered during purchase. Energy efficient architecture and design is considered while developing office/ touchpoints from reputed architects.

b. If yes, what percentage of inputs were sourced sustainably?

The percentage of inputs sourced sustainably could not be ascertained due to insufficient data availability on categorizing materials/inputs being sustainably sourced. We are further exploring ways for comprehensive reporting in subsequent years.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste

Given the nature of our business activities, as the products and services are intangible in nature, there is limited scope for using recycled material as processed inputs. However, we have deployed necessary systems and processes to effectively manage battery waste. In addition, the digitization efforts across our offices and branch locations are also helping rationalize paper requirements. In addition to this, we have engaged with authorized vendors/ recyclers empaneled with the relevant regulator for disposal of waste in compliance with applicable regulations.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Considering the nature of operations is service-oriented and not material resource intensive, EPR is not applicable and is not a significant material issue for us in general.

LEADERSHIP INDICATORS

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

An LCA study involves a thorough inventory of the energy and materials required across the value chain of a product, process or service, and calculates the corresponding emissions (e.g GHG) to the environment. LCA assesses cumulative potential environmental impacts with an aim to document and improve the overall environmental profile of the product by providing a logical baseline upon which carbon footprints can be accurately compared and low carbon embedded products can be developed. As a financial institution, we are building capability around GHG emissions and climate literacy to factor in carbon/ GHG aspects in our business and explore the usage of conducting LCA studies (cradle to gate, cradle to cradle etc. boundary approach) accordingly.

NIC Code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
NA	NA	NA	NA	NA	NA

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Given the nature of services being intangible, we do not envisage any serious concerns. However, we are building capability around GHG emissions and climate literacy to factor in carbon/ GHG aspects in our business as appropriate.

Name of Product / Service	Description of the risk / concern	Action Taken
NA	NA	NA

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY24	FY23
NA	NA	NA

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

As we are a financial services industry, we do not have physical products and we rely on physical items to provide services which are manufactured by OEMs (Original Equipment Manufacturers). Hence this is not applicable to us.

	FY24			FY23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other Waste	NA	NA	NA	NA	NA	NA

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	NA

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.



ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	1679	1679	100%	1679	100%	NA	NA	1679	100%	NA	NA
Female	324	324	100%	324	100%	324	100%	NA	NA	324	100%
Total	2003	2003	100%	2003	100%	324	16.17%	1679	83.82%	324	16.17%
Other than Permanent Employees											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent workers*											
Male	574	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	47	NA	NA	NA	NA	47	100%	NA	NA	NA	NA
Total	621	NA	NA	NA	NA	47	7.6%	NA	NA	NA	NA

*Other than Permanent Workers are covered under ESI & applicable employee benefit regulations as per the law of the land.

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY24	FY23
Cost incurred on well-being measures as a % of total revenue of the company	0.07%	0.06%

*well-being measures include expenditure on Health Insurance, Personal Accident Insurance, Term Life Insurance, Doctor Consultation for Employees & Annual Health Check-ups

2. Details of retirement benefits for Current and Previous Financial Years

S. no.	Benefits	FY24			FY23		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	100%	NA	Y	100%	NA	Y
2	Gratuity	100%	NA	Y	100%	NA	Y
3	ESI	NA	NA	NA	NA	NA	Y
4	Others – please specify	NA	NA	NA	NA	NA	NA

We ensure that the PF, ESI & Gratuity contribution as applicable, is being made by our contractors.

3. Accessibility of workplaces - Are the premises / offices of the entity accessible to differently abled employees, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Our efforts are aligned with the requirements of the Rights of Persons with Disabilities Act, 2016. Most of our offices are located in commercial establishments, including the Corporate Office, that are equipped with ramps and elevators for easy accessibility of specially abled persons.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Aspects of equal employment opportunity are embedded within the Human Resources Policy (HR Policy available in our intranet) that directs and strengthens our efforts to establish and maintain an inclusive, non-discriminatory, and equal opportunity workplace while emphasizing merit as the primary criterion for employment and development. Our company has incorporated equal opportunity philosophy in all its actions and motives through its Equal Opportunity Policy in accordance with Rights of Persons with Disabilities Act, 2016. We strongly believe in encouraging diversity and creating an inclusive workplace for specially abled persons.

5. Return to work and Retention rates of permanent employees and workers that took parental leave

Gender	Permanent Employees		Permanent Workers	
	Return to work Rate (%)	Retention Rate (%)	Return to work Rate (%)	Retention Rate (%)
Male	100%	92.15%	NA	NA
Female	64.70%	58.80%	NA	NA
Total	91.17%	83.82%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
1 Permanent workers	Yes. We have a grievance redressal procedure in place that ensures all complaints are properly documented and consistently handled in an unbiased, discrete, and transparent manner. We have an internal complaints committee that deals with sexual harassment cases in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 of India (POSH Act). The HR Policy outlines the structured mechanism for grievances redressal for our employees.
2 Other than Permanent Workers	
3 Permanent Employees	
4 Other than Permanent Employees	

7. Membership of employees and workers in association(s) or unions recognised by the listed entity

Our employees & workers are not associated with any association or unions during the current FY.

Category	FY24			FY23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / Workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	2003	NA	NA	1690	NA	NA
Male	1679	NA	NA	1432	NA	NA
Female	324	NA	NA	258	NA	NA
Total Permanent Workers	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA

8. Details of training given to employees and workers

Category	FY24					FY23				
	Total (A)	On Health and safety measures*		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation**	
		No (B)	% (B/A)	No (C)	% (C/A)		No (E)	% (E/D)	No (F)	% (F/D)
Employees										
Male	1679	1666	99.22%	1512	90.05%	1429	NA	NA	1008	70.54%
Female	324	310	95.67%	307	94.75%	258	NA	NA	197	76.36%
Total	2003	1976	98.65%	1819	90.81%	1687	NA	NA	1205	71.43%
Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

*Coverage shared above includes employees with Date of Joining till 19th March 2024 who have been covered under Prevention of Sexual Harassment Trainings Pan India & Fire safety trainings conducted at Zonal offices. It excludes employees on Maternity leaves & long Medical Leaves. Employees who joined post 20th March 2024 shall be covered within 60 days from Date of Joining in the next FY. That is why there is marginal deviation from 100%.

**Restatement - The discrepancy in the male employee training on skill upgradation rectified for the FY23 by changing the figure from 1009 to 1008.

9. Details of performance and career development reviews of employees and workers:

All employees undergo an annual performance appraisal process set up by PNB HFL based on which their increments, bonuses and long-term incentives are decided. The Performance Management Policy defines the way evaluation process is implemented across the Company to promote a performance driven culture.

Category	FY24			FY23		
	Total (A)	No (B)	% (B/A)	Total (C)	No (D)	% (D/C)
Employees						
Male	1679	1679	100%	1432	1432	100%
Female	324	324	100%	258	258	100%
Total	2003	2003	100%	1690	1690	100%
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

10. Health and Safety Management System

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes / No). If yes, the coverage such system?

We are committed to devoting resources towards strengthening systems and processes to ensure the safety and well-being of our employees. We provide a bouquet of physical and mental wellness benefits to our employees. Further, all our office premises are in commercial buildings that maintain compliance with all applicable health and safety aspects. Periodic inspections and mock drills are undertaken by able personnel to review the health and safety readiness check of systems which include aspects like fire mock drills, inspection of fire extinguishers and alarms, review of floor evacuation plans, etc.

b. What are the processes used to identify work related hazards and assess risks on a routine and non-routine basis by the entity?

We proactively conduct routine inspections to identify potential hazards and ensure the proper functioning of fire extinguishers in all our offices as well as elevators and provide training to our employees for the proper usage of these safety mechanisms so that they can take prompt action in case of an emergency. This proactive approach to safety not only helps us to prevent accidents and mitigate risk but also fosters the culture of safety and preparedness amongst our employees.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, there is a mechanism in place. To ensure a safe and healthy work environment, employees are encouraged to promptly notify their respective HR/Admin representatives of any workplace hazards, incidents, or potential health and safety risks. This proactive reporting allows us to take swift action to address any issues and implement necessary safety measures to prevent future incidents. The HR/Admin department plays a critical role in managing workplace safety and ensuring compliance with relevant laws and regulations. Further, employees are periodically given awareness sessions on fire and workplace safety and on ways to identify and report potential hazards.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes / No)

All employees are insured through group mediclaim, group term life insurance, and group personal accident policies to reduce financial risk in the event of any medical occurrences. Additionally, we provide our employees with health and wellness benefits including routine checkups, doctor visits, and diagnostic testing.

11. Details of Safety related incidents

S. no.	Safety Incident/Number	Category	FY24	FY23
1	Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NA	NA
		Workers	NA	NA
2	Total recordable work-related injuries	Employees	NA	NA
		Workers	NA	NA
3	No. of fatalities	Employees	NA	NA
		Workers	NA	NA
4	High consequence work-related injury or ill-health (excluding fatalities)	Employees	NA	NA
		Workers	NA	NA

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

We emphasize on the importance of maintaining a safe and healthy workplace and we have taken measures for workplace safety by providing all offices and premises with fire extinguishers and conducting regular drills and awareness sessions to ensure that employees are well-informed about fire hazards and equipped with the necessary knowledge to respond in case of an emergency. We prioritize the health & security of all employees, implementing measures such as visit of doctors to offices periodically, access controls, CCTV monitoring, and security personnel to ensure a safe working environment. All our offices are maintained as per local laws and regulations on safety and public health hazards guidelines.

13. Number of complaints on the following made by employees and workers:

	FY24			FY23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	NA	NA	Nil	NA	NA
Health & Safety	Nil	NA	NA	Nil	NA	NA

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%*
Working Conditions	100%*

*Undertaken by third parties as a part of office premise maintenance.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

There is no identified risk related to the health and safety practices and working conditions for the employees. However, we continue to assess the risk related to any health, safety practices and working conditions and take corrective action to mitigate that risk.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?

Yes. We have a health/ accidental/ term insurance policy that provides insurance coverage for all permanent employees, and adequate safeguards to families of deceased employees. Further, all benefits like PF, F&F settlements, gratuity are processed on priority to provide necessary support to the family of the employees.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

We ensure that taxes applicable to the transactions within the remit of the Company are deducted and deposited in accordance with the regulations. We expect value chain partners to uphold business responsibility principles and values of transparency and accountability.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY24	FY23	FY24	FY23
Employees	Nil	Nil	NA	NA
Workers	Nil	Nil	NA	NA

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

The employees get relevant experience on financial aspects during their tenure, in addition to various other technical & functional trainings. These initiatives facilitate employees to maintain gainful engagement post-retirement and/or end of service.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	NA
Working Conditions	NA

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

NA

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.



ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

We have a structured system in place for identifying stakeholders who are impacted by our activities and who have an impact on the business. Stakeholder identification is carried out considering various factors – the dependency of business, regulatory guardrails, investors, value chain partners supporting in key areas like IT and other allied services, communities where we operate, media platforms where we do our advertising/ communication to public and customers.

It is the diverse business segments/ products/ services that we have ventured into which help us engage with more relevant and diverse range of stakeholders. Each business segment/ department has identified key stakeholders with whom they have established reliable and transparent communication channels to address their grievances, concerns, suggestions etc. Customers, investors/ shareholders, regulatory authorities and government, employees, partners, vendors and associates including direct selling agent & insurance partners, and society, are being recognized as key stakeholder groups.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Email, SMS, website, communication letters, advertising, grievance and feedback channels	Continuous engagement	<ul style="list-style-type: none"> Access to safe, non-discriminatory, and responsible services with transparent pricing Products and services that meet customer needs Seamless transactions across digital platforms
Investors and Shareholders	No	<ul style="list-style-type: none"> Quarterly financial updates for investors Investor meetings, presentation and investors call transcripts Public disclosures Shareholders Meetings Analyst Meets Annual Report for shareholders 	Regular engagement	Sharing the company's performance, investor concerns, and new initiatives as well as keeping them abreast of developments in the Company.
Employees	No	<ul style="list-style-type: none"> Townhalls Performance discussions and periodic reviews Training and development workshops Employees connect initiatives like "Sampark" Emails, feedback, and surveys 	Continuous engagement	<ul style="list-style-type: none"> Employee health, safety, and well-being Discussions on promoting ethical practices, meritocracy, and rewarding high performance Professional development of our employees through nurturing and providing growth opportunities Diverse and inclusive workplace
Partners, vendors and associates (including Insurance Partners & Direct Selling Agents)	No	<ul style="list-style-type: none"> Regular online and offline meetings Telephonic Interactions 	Need based engagement	<ul style="list-style-type: none"> Ensure effective communication for quality and efficient service High governance standards with policies around corruption, child labor, human rights Maintain transparency in all the disclosures and interactions Resolution mechanisms and frameworks for handling of differences and disputes.
Society	Yes (in case of CSR interventions)	<ul style="list-style-type: none"> CSR initiatives at multiple locations Social activities through Peהל Foundation Print Media and Social media communication Regular meetings and interventions Community Engagement Programme Project monitoring and reviews 	Regular engagement	<ul style="list-style-type: none"> Contribution towards various causes/programmes for environment, basic amenities, specific requirements, recycling projects Proactive involvement in community development and upliftment of basic infrastructure
Regulatory, Authorities and Government	No	<ul style="list-style-type: none"> Regular meetings – onsite and offsites Policy updates, circulars, guidelines, and directives Mandatory filings of information – regulatory and need based Various Government schemes and policies 	Regular engagement	<ul style="list-style-type: none"> Implementation of various housing schemes Compliance with all relevant laws and regulations Responsiveness towards regulatory changes Customer privacy and data security Contribution to national priorities
Rating Agencies	No	Email, meetings, concalls	Need based engagement	Updates on the Company, expansion, progress, reviews and compliance procedures.

LEADERSHIP INDICATORS

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

We communicate with our stakeholders through the communication channels referred in the Principle 4 Question 2 on a continuous basis and the feedback received through those communication is apprised to the Board and its Committees through structured process.

Feedback received from customers is directed to the Head of Operations & Customer Service for appropriate consideration and action. Investors and shareholders' feedback is channeled to the Stakeholders Relationship Committee to ensure their concerns and interests are addressed. The Audit Committee handles regulatory directions and advice to ensure compliance and effective governance. Matters related to employees are directed to the Nomination and Remuneration Committee, which focuses on employee-related issues and policies. Further, feedback and matters related to society are directed to the Corporate Social Responsibility Committee, which oversees initiatives and actions in promoting social welfare and community development. By assigning these responsibilities to specialized committees and thereafter review of important issues by the Board, it is ensured that attention and appropriate handling of feedback of stakeholders across different areas of concern is taken care.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, we use stakeholders' inputs to support the identification and management of environmental and social topics. We recognize the importance of engaging stakeholders to gather insights, perspectives, and feedback on these matters. In the materiality assessment process, stakeholders inputs played a crucial role. We identified and prioritized the most meaningful and relevant material issues by considering various sources such as media reports, peer benchmarks, global standards, and initiatives. This involved analyzing the practices of other institutions, non-banking financial institutions, HFCs, as well as global frameworks like UN SDGs, TCFD, GRI, and S&P CSA metrics. To further refine the identified material issues, a survey was conducted with a select group of stakeholders. Their valuable insights were incorporated, resulting in a final list of probable material issues. By involving stakeholders in the process, we ensured a comprehensive and inclusive approach to identifying and addressing key concerns. Our CSR projects are also designed on the basis of stakeholder consultations, baseline assessment with a proper rationale of deploying projects best suited to specific environment/social concerns. Further to strengthen CSR interventions, impact assessments are also carried out proactively to gauge visible results and capture further opportunities for improvement.

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

Engagement with and addressing the concerns of vulnerable/marginalized stakeholder groups is a crucial aspect of our day-to-day business.

Through our CSR arm, we have structured community outreach initiatives wherein we engage with various sections of the society (including economically weaker, vulnerable, marginalized sections) to navigate & understand their needs and concerns and sort out probable solutions/ propositions of marginalized communities. Engagement modes include - meetings with focus groups, partnering with local NGOs, community/panchayats meet, school management committee, different volunteer groups to name a few.

We also support low and middle-income communities' financial requirements, enable them to take sound financial decisions and assist them in becoming homeowners through structured mechanism.

Principle 5: Businesses should respect and promote human rights.



ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity.

Adherence to Human Rights is an intrinsic element of our philosophy & in our DNA. There are regular training programs conducted for our employees on Code of Conduct, Prevention of Sexual Harassment and these programs covers the elements of human rights.

Category	FY24			FY23		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	2003	2003	100%	1687	1613	95.61%
Other than permanent	NA	NA	NA	NA	NA	NA
Total employees	2003	2003	100%	1687	1613	95.61%
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	All the training related requirements for other than permanent workers are in service provider scope and are adhered in timely fashion.					
Total workers	NA	NA	NA	NA	NA	NA

2. Details of minimum wages paid to employees and workers.

Category	FY24					FY23				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No (B)	% (B/A)	No (C)	% (C/A)		No (E)	% (E/D)	No (F)	% (F/D)
Employees										
Permanent	2003	NA	NA	2003	100%	1690	NA	NA	1690	100%
Male	1679	NA	NA	1679	100%	1432	NA	NA	1432	100%
Female	324	NA	NA	324	100%	258	NA	NA	258	100%
Other than permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Workers										
Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent										
Male	It is ensured that our service providers conform to all applicable laws and government regulations.									
Female										

3. Details of remuneration/salary/wages

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	Please refer to Director's Report Annexure 3			
Key Managerial Personnel	2	₹11,873,600	1	₹11,873,600
Employees other than BoD and KMP	1677	₹800,000	323	₹632,838
Workers*	NA	NA	NA	NA

*As the wages for other than permanent workers are being paid by third party, hence median wages for this is not applicable to us.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY24	FY23
Gross wages paid to females as % of total wages	14.3%	13.4%

4. Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

We have a structured HR Policy to provide necessary support to employees in case of any human rights issues in the workplace. We recognize and uphold all human rights regulations created in accordance with the Indian Constitution as well as other laws that support principles of human rights, including the prevention of child labor, forced labor, and the empowerment of women. Further, we have not envisaged human rights issues caused by our business. Key representations from HR Department are assigned for the purpose of receiving all complaints and ensuring appropriate action.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We have an internal complaints committee that deals with sexual harassment cases in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 of India (POSH Act). We provide reasonable safeguards to our employees to raise and obtain resolution for all grievances in a safe and secure environment.

6. Number of Complaints on the following made by employees and workers:

	FY24			FY23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	0	NA	1	0	NA
Discrimination at workplace	NA	NA	NA	NA	NA	NA
Child Labour	NA	NA	NA	NA	NA	NA
Forced Labour/ Involuntary Labour	NA	NA	NA	NA	NA	NA
Wages	NA	NA	NA	NA	NA	NA
Other human rights related issues	NA	NA	NA	NA	NA	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

	FY24	FY23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	1
Complaints on POSH as a % of female employees / workers	0.3%	0.4%
Complaints on POSH upheld	1	1

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

People First, one of our core values, ensures that we stay committed to enabling equal opportunity and inclusive growth. We have zero tolerance towards harassment and / or discrimination based on gender, age, race, religion, sex, nationality, origin, disability, sexual orientation, political opinion, medical condition. Whistle Blower Policy, Code of Conduct & POSH Policy provide the necessary framework for employees to raise concerns in an environment free of discrimination and harassment.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. The service agreements between PNB Housing Finance Limited and the service provider have clauses that mandates the service provider to abide and comply with all the applicable laws of the land. This also ensures that the service providers act in accordance with the laid down regulations for human rights requirements.

10. Assessments for the year

Section	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	
Forced Labour/ Involuntary Labour	
Sexual Harassment	100%.
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above

There are no such incidents recorded till date. We continue to ensure that such risks do not arise through regular capability building and sensitization of the employees.

LEADERSHIP INDICATORS**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

We progressively work on improving our systems based on the regular feedback from our key stakeholders, following an approach to continual improvement.

2. Details of the scope and coverage of any Human rights due diligence conducted.

There is no such assessment which is conducted. However, adherence to human rights aspects has been integral to our operations and business practices.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, all our branches and offices are in leased spaces which have adequate infrastructure for accommodating specially-abled persons.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	
Discrimination at workplace	Not undertaken as a separate exercise. As a part of regular onboarding practice, hygiene checks including human rights adherence are a part of onboarding agreements/ contracts. We expects our value chain partners to adhere to the same values, principle and business ethics upheld by the Company in dealings as outlined in our code of conduct.
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	NA

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

There are no such risks envisaged as such and hence no corrective actions were necessitated for the mentioned period.

Principle 6: Businesses should respect and make efforts to protect and restore the environment.



ESSENTIAL INDICATORS

1. Details of total energy consumption (in GJ) and energy intensity

Parameter	FY24	FY23
From renewable sources		
Total electricity consumption (A) (GJ)	0	0
Total fuel consumption (B) (GJ)	0	0
Energy consumption through other sources (C) (GJ)	0	0
Total energy consumed from renewable sources (A+B+C) (GJ)	0	0
From non-renewable sources		
Total electricity consumption (D)	12713.24	10,031.60
Total fuel consumption (E)	715.33	512.11
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	13,428.57	10,543.71
Total energy consumed (A+B+C+D+E+F)	13,428.57	10,543.71
Energy intensity per rupee of turnover (Total energy consumed/ Revenue from operations)	1.90 GJ/Turnover in crore	1.61 GJ/Turnover in crore
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	43.54 GJ/Turnover crore adjusted for PPP	37.16 GJ/Turnover crore adjusted for PPP
Energy intensity in terms of physical output	NA	NA
Energy intensity (optional) – the relevant metric may be selected by the entity – FTE*	6.70GJ/FTE	6.24GJ/FTE

*FTE – Full Time Employee.

The Calculation of HSD (High Speed Diesel fuel) has been linearly extrapolated considering the increase in physical locations from last FY assuming the same consumption pattern. We are further strengthening our climate data monitoring systems to enhance our disclosures.

PPP Value is considered as 22.882. <https://data.oecd.org/conversion/purchasing-power-parities-ppp.htm#indicator-chart>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/ assurance has been carried out by any external agency during the year.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

PAT schemes are primarily applicable to hard to abate sectors. As a financial services industry, same is not applicable to us.

3. Provide details of the following disclosures related to water

Our Company's usage of water is only for human consumption. We along with our CSR arm, Peהל Foundation, have collaborated on several water conservation initiatives. The project's purpose is to increase the location's capacity for groundwater recharge and to boost local administration's capability to improve the delivery of essential basic services. At the same time, we are strengthening our climate data infrastructure to capture environment variables like energy, water and waste to map trends and identify opportunities for improvement.

Parameter	FY24	FY23
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water *	37594.50 KL	30322.68 KL
(iv) Seawater / desalinated water	0	0

Parameter	FY24	FY23
(v) Others	0	0
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	37594.50 KL	30322.68 KL
Total volume of water consumption (in kiloliters)	37594.50 KL	30322.68 KL
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	5.34 KL/Turnover crore	4.67 KL/Turnover crore
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operations adjusted for PPP)	121.88 KL/Turnover crore adjusted for PPP	106.87 KL/Turnover crore adjusted for PPP
Water intensity in terms of physical output	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	18.77 KL/FTE/Year	17.94 KL/FTE/Year

* We are procuring potable drinking mineral water from 3rd party on regular basis. We have calculated an estimated consumption on the basis of number of working days for all locations on annual basis. Flushing/lavatories consumption are also clubbed in third party water and their values have been derived from IS 1172 (1993, Reaffirmed 2007): Code of Basic Requirements for Water Supply, Drainage and Sanitation (Fourth Revision). <https://civilplanets.com/wp-content/uploads/2020/04/1172.pdf>

FTE – Full time Employee

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/ assurance has been carried out by any external agency during the year.

4. Provide the following details related to water discharged

Parameter	FY24	FY23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/ assurance has been carried out by any external agency during the year.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Considering all our offices are leased premises, the regulatory requirement of Zero Liquid Discharge (ZLD) is fulfilled by the owner of the premises if applicable as a part of obligatory compliance. As far as we are concerned, we do not have any ZLD.

6. Provide details of air emissions (other than GHG emissions) by the entity

We are strengthening our climate data infrastructure to capture environment variables like energy, water, and waste to map trends and identify OFIs (Opportunities for Improvement). Considering the nature of the business, we do not have any stack/ chimneys and hence have no significant other air emissions.

Parameter	Please specify unit	FY24	FY23
NOx	NA	NA	NA
SOx	NA	NA	NA
Particulate matter (PM)	NA	NA	NA
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/ assurance has been carried out by any external agency during the year.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity

Parameter	Unit	FY24	FY23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	53.02	37.96
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	2528.52	1995.17
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)	Metric TonnesCO ₂ / Turnover crore	0.393 Tonnes CO ₂ e/Turnover crore	0.333 Tonnes CO ₂ e/Turnover crore
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		8.99 Tonnes CO ₂ e/Turnover crore adjusted for PPP	7.65 Tonnes CO ₂ e/Turnover crore adjusted for PPP
Total Scope 1 and Scope 2 emission intensity in terms of physical output		NA	NA
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		1.38 Tonnes/FTE	1.28 Tonnes/FTE

Scope 1 calculation is done with diesel consumption only.

FTE – Full Time Employee

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No independent assessment/ evaluation/ assurance has been carried out by any external agency during the year.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Aligned with UN Sustainable Development Goals (SDGs) and our national commitment to achieve net-zero emissions by 2070, our company has commenced taking concrete steps to minimize its carbon footprint. This includes steering climate literacy, awareness on energy intensive lifestyles, carbon conscious culture, widespread adoption of digital channels, implementing energy-efficient measures, cloud computing technology and promoting paper conservation. These initiatives serve as a testament of our unwavering dedication to addressing the impacts of climate change and managing environmental footprint.

9. Provide details related to waste management by the entity.

Parameter	FY24	FY23
	Total Waste generated (in MT)	
Plastic waste (A)	NA	NA
E-waste (B)	NA	NA
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	31.96 Tonnes	22.89 Tonnes
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	NA	NA
Other Non-hazardous waste generated (H). Please specify, if any.	NA	NA
Total (A+B + C + D + E + F + G + H)	31.96 Tonnes	22.89 Tonnes

Parameter	FY24	FY23
	Total Waste generated (in MT)	
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.00452 Tonnes/ turnover crore	0.00353 Tonnes/ turnover crore
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.1036 Tonnes/ turnover crore adjusted for PPP	0.0807 Tonnes/ turnover crore adjusted for PPP
Waste intensity in terms of physical output		
Waste intensity (optional) – the relevant metric may be selected by the entity	15.96 KG/FTE	13.54 KG/FTE

We are further strengthening our monitoring systems to enhance our disclosures in e-waste and other waste as applicable.

FTE – Full Time Employee

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	FY24	FY23
	Total waste generated (in MT)	
(i) Recycled	31.96	22.89
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
Total	NA	NA

Battery waste are disposed/recycled through authorized waste vendors.

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	FY24	FY23
	Total Waste generated (in MT)	
(i) Incineration	NA	NA
(ii) Landfilling	NA	NA
(iii) Other disposal operations	NA	NA
Total	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

No independent assessment/ evaluation/ assurance has been carried out by any external agency during the year.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

There is limited scope for scrap build up and disposal as we are in the financial services space. Further, in respect of battery waste, the same is disposed through authorized vendors on a periodic basis. There are no hazardous or toxic chemicals being generated nor used.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details: Not Applicable

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N). If no, the reasons thereof and corrective action taken, if any.
NA	NA	NA	NA

12. Details environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

EIA is a process through which the environmental impact of a proposed development is evaluated. While undertaking Environmental Impact Assessment (EIA), the inter-related socio-economic, cultural, and human-health impacts are considered. As we operate from leased offices and premises, any such regulatory requirement is not applicable to us.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA	NA	NA	NA	NA	NA

13. Is the entity compliant with the applicable environmental law / regulations / guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act, and rules thereunder (Y/N). If not, provide details of all such non-compliances:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	We are compliant with all applicable environmental laws, regulations and guidelines in India.			

LEADERSHIP INDICATORS

1. Water withdrawal, consumption, and discharge in areas of water stress (in kiloliters):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area: NA
- (ii) Nature of operations: NA
- (iii) Water withdrawal, consumption, and discharge: NA

Parameter	FY24	FY23
Water withdrawal by source (in kiloliters)		
(i) To Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kiloliters)	NA	NA
Total volume of water consumption (in kiloliters)	NA	NA
Water intensity per rupee of turnover (Water consumed / turnover)	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kiloliters)		
(i) Into Surface water		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii) Into Groundwater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) Into Seawater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv) Sent to third parties		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
Total water discharged (in kiloliters)	NA	NA

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.**

No independent assessment/ evaluation/ assurance has been carried out by any external agency during the year.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY24	FY23
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	Processes to work out scope 3 emissions including financed emissions and their relationship with financial parameters, are in nascent stage and are being extensively explored.	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.**

No independent assessment/ evaluation/ assurance has been carried out by any external agency during the year.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

There is no impact on biodiversity as envisaged by us, and we do not have touchpoints/ footprints in ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Deployment of LEDs at offices	Not Available	Energy savings, Reduction in carbon emissions
2	Low VOC paints on walls	Not Available	Cleaner office ambience without any air hazards.
3	Energy efficient architecture of offices	Not Available	Reduced energy consumption
4	3 star & above rating appliances	Not Available	Energy and carbon emission reduction
5	Optimized design & layout of HVAC (Air conditioning)	Not Available	Pleasant workplaces and enhanced productivity of employees
6	Provision for natural sunlight for offices through glass windows	Not Available	Maintained optimum luminous flux and reduction in lighting load
7	Sensor based programming of lift operations	Not Available	Reduced energy consumption as the algorithms instructs the nearest lift to come to target location/ floor
8	Clay based cutlery for lunch and glass water bottles	Not Available	Contributing in plastic free premises
9	Digital Channels/ Platforms/ App for customers	Not Available	Reduction in customer commute to offices and paper savings
10	Low volume taps in lavatories	Not Available	Reduction in water consumption

The majority of the above initiatives are present in all our leased offices/touchpoints and proper care is taken to ensure such initiatives remains a priority while onboarding a new office/creating customer touchpoints.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes. The Company has Board approved Risk Management Policy wherein risks faced by the Company are identified, assessed and a business continuity plan is in place to ensure the continuity of its services to its large customers base including a cyber crisis management plan & information and cyber security policies.

Our Business Continuity Policy, Disaster Recovery site in tandem with backup controls ensure continued availability of information. Implementation of Next Generation Firewall along with 24x7 Security Operations Centre (SOC) and End Point Protection (EPP) software help us protect our externally facing and internal IT environment from various threats. We also continuously monitor our brand and data for any leakage over social media and dark web with help from service provider in addition to restricting internal server to server communication only on authorized ports and services. Considering the criticality of data we process, we have also deployed Data Loss Prevention (DLP) solution.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

We envisage no such adverse impact.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

No value chain partners have been assessed for environmental impacts during the year.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.



ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers / associations:

We have affiliations with two trade and industry associations as mentioned in the response below in part (b).

- b. List the top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of / affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	Delhi Chamber of Commerce	State
2	The Associated Chambers of Commerce and Industry	National

The company sends its representative to seminars related to housing industry, arranged by Confederation of Real Estate Developers' Associations of India (CREDAI) and National Real Estate Development Council (NAREDCO) on a periodic basis.

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

No corrective action was taken or underway on any issues related to anti-competitive conduct by our company, based on adverse orders from regulatory authorities as there were no cases reported on the same.

Name of Authority	Brief of the case	Corrective action taken
NA	NA	NA

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:

PNB Housing Finance being one of the largest housing finance companies is invited by various governing bodies for views while formulating strategies and policies related to housing finance sector. We do not participate in any form of lobbying.

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
NA	NA	NA	NA	NA	NA

Principle 8: Businesses should promote inclusive growth and equitable development.



ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in FY 24

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable (NA)					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity

S. No	Name of project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY 24 (in ₹)
Not Applicable (NA)						

3. Describe the mechanisms to receive and redress grievances of the community

Customers (are part of community) – We have established effective mechanisms to receive and address community grievances. Grievances may be submitted to our registered office or through e mail on the designated e-mail ID (customercare@pnbhousing.com). Additionally, alternate modes of communication such as phone (Toll free- 1800 120 8800), WhatsApp - +918448198457, and mobile applications are also permitted for registering grievances. Further, grievances can be submitted to in person, through letter or through e-mail. Weblink - <https://www.pnbhousing.com/contact-us>.

Community (CSR interventions) – We value the feedback and concerns of community, and through transparent processes, strives to address them in a fair and equitable manner. All the associated stakeholders of our community projects have the contact details of our CSR team members, can reach and raise their concerns in a structured manner. We also have regional single point of contacts (SPOCs) with whom the community can engage on a continual basis and to get their concerns addressed.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

We are seeking guidance and exploring ways to categorize sourcing based on the geographic locations and supplier size/ revenue.

	FY24	FY23
Directly sourced from MSMEs/ small producers	NA	NA
Directly from within India	100%	100%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in following locations, as % of total wage cost

Location	FY24	FY23
Rural	0.3%	0.2%
Semi-urban	0.1%	0.1%
Urban	4.8%	4.8%
Metropolitan	94.8%	94.9%

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable (NA)	
This section pertains to Social Impact Assessment in compliance with Right to Fair Compensation & Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013. Considering the nature of the business of the Company, this is not applicable.	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. no	State	Aspirational District	Amount Spent (in ₹)
1.	Jharkhand	West Singhbhum and Khunti	₹58,76,189
2.	Haryana	Nuh	₹15,00,000

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

We do not have any preferential procurement policy giving preference to suppliers from marginalized/ vulnerable groups, however we are actively seeking ways to engage and provide the right opportunities/ apt financial solutions to them.

b. From which marginalized /vulnerable groups do you procure?

NA

c. What percentage of total procurement (by value) does it constitute?

NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:





S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
	We do not have intellectual properties owned or acquired based on traditional knowledge.			

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

There are no such corrective actions.

Name of authority	Brief of the Case	Corrective action taken
NA	NA	NA

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
Healthcare			
	 		
1	Strengthening of Public Health centres (PHCs) in Hoskote, Karnataka	47,862	100%
2	Setting up 3 community based sustainable drinking water system in Gurugram, Haryana	50,000	100%
3	Supporting government hospital for sick newborn care unit in Noida, Uttar Pradesh	1,800	100%
4	Making eye care services more accessible by providing Eye Mitra (Bus) free transportation in Telangana	47,061	100%
5	Providing cochlear implant surgeries and sound processors to deaf children in Hyderabad, Telangana	90	100%
6	Supporting 2 outpatient clinics and one mobile clinic for cancer patients in Delhi	24,456	100%
7	Cataract surgery support in Bangalore, Karnataka	7,500	100%
8	Wheelchair support to senior citizens at old age homes in 5 locations	200	100%
9	Medical support for elderly at old age home in Gurugram, Haryana	650	100%
10	AI based smart vision glasses for the visually impaired in Chennai, Tamil Nadu	165	100%
Education			
	 		
1	Supporting 20 government schools with Science, Technology, Engineering, Mathematics (STEM) education via 2 mobile vans	11,394	100%
2	Upgrading 5 Anganwadis to Pehel Smart Anganwadis at Rajkot, Gujarat	421	100%
3	Supporting teaching learning materials at (Kasturba Gandhi Baalika Vidyalaya) KGBV and Samarth Schools in Jharkhand	40,000	100%
4	4 no. Anganwadi renovation at Gurugram, Haryana	837	100%
5	Supporting fencing and gates around childcare homes, Bhimtal, Uttarakhand	120	100%
6	Supporting tribal schools in East Singhbhum and Khunti in Jharkhand	3,240	100%
7	Digital learning at 20 govt schools in Indore and Bhopal, Madhya Pradesh	9,145	100%
8	School renovation project in Mumbai, Maharashtra	3,240	100%
9	Anganwadi renovation in Bangalore, Karnataka	904	100%
10	Specially abled school roof repair in Faridabad, Haryana	200	100%
11	Transportation support to school in Dehradun, Uttarakhand	600	100%

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
Environment			
 			
1	Plastic waste management project in Mumbai, Maharashtra	1,00,000	100%
2	PNB Housing ki Paathshaala: 21KW Solar electrification of three schools in Nuh, Haryana and Alwar, Rajasthan	1,470	100%
3	Community level solar electrification in 4 villages of Tamil Nadu and Karnataka – 11.21 MWh generated annually	12,000	100%
4	Waste Management project YUWA in Dehradun, Uttarakhand	11,289	100%
5	60 KW Solar Electrification at old age shelter home, Gurugram, Haryana	700	100%
6	Water conservation through borewell recharge in Nashik, Maharashtra	300	100%
7	3000 trees planted in Hyderabad, Telangana	Local Population	100%
8	3000 trees plantation in Chennai, Tamil Nadu	Local Population	100%
9	40KW Solar power plant installation in Rajasthan Mahila Vidyalaya, Udaipur, Rajasthan	2,000	100%
Women Empowerment			
 			
1	New creche created - Panah a day care centre (within the existing hospital setup), Bhubaneswar, Odisha	39	100%
2	Supporting specially abled women with skill development at Mumbai, Hyderabad, Lucknow and Indore	1,269	100%
3	Establishing blended spice production unit, Ajmer, Rajasthan	250	100%
4	Establishing millet cookies production unit, Jaipur, Rajasthan	250	100%
5	Drinking water facility in 3 villages of Udaipur, Rajasthan	3,174	100%
Flagship			
 			
1	Safe accommodation facility for construction workers in Bangalore, Karnataka	100	100%
2	Providing scholarship support to the students of construction workers community	421	100%
3	Supporting 4 mobile medical clinics in Delhi, Mumbai, Chennai and Kolkata	1,57,497	100%
4	Supporting eye screenings and cataract surgeries of construction and migrant workers, Hyderabad	6,042	100%
5	Skill development of dependent women of construction worker community	750	100%
6	Supporting 8 mobile medical clinics in 8 locations	47,010	100%
7	Healthcare support to construction worker community in Bangalore	933	100%
8	Education support for children of construction workers in Gurgaon	144	100%

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.



ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback

We have established effective mechanisms to receive and address community grievances. Grievances may be submitted to us at the registered office or through e mail on the designated e-mail ID (customer@pnbhousing.com). Additionally, alternate modes of communication such as phone (Toll free- 1800 120 8800), WhatsApp - +918448198457, and mobile applications are also permitted for registering grievances. These measures ensure that grievances are received securely and promptly, allowing for appropriate timely redressal.

Web link - <https://www.pnbhousing.com/contact-us>.

The detailed grievance redressal mechanism is prescribed on the website: <https://www.pnbhousing.com/documents/d/guest/corporate%20grievance-redressal-mechanism>

2. Turnover of products / services as a percentage of turnover from all products/ service that carry information about

State	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

3. Number of consumer complaints in respect of the following:

Year	FY24			FY23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	5		0	2	
Restrictive trade practices	0	0		0	0	
Unfair trade practices	0	0		0	0	
Others	1618	22		1794	8	

4. Details of instances of product recalls on accounts of safety issues

	Number	Reasons for recall
Voluntary recalls	N/A	N/A
Forced recalls	N/A	N/A

5. Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, we have separate policies for Cyber Security and Digital Personal Data Protection Policy which are both approved by the Board. Digital Personal Data Protection policy is also uploaded on our corporate website at Web Link: https://www.pnbhousing.com/documents/d/guest/1_digital-data-protection-policy & <https://www.pnbhousing.com/privacy/>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

There were no cases relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls and hence no corrective actions taken or underway by regulatory authorities on safety of products/ services.

7. Provide the following information relating to data breaches:**a. Number of instances of data breaches**

There were no instances of data breach during the year.

b. Percentage of data breaches involving personally identifiable information of customers

There were no instances of data breach during the year.

c. Impact, if any, of the data breaches

There were no instances of data breach during the year.

LEADERSHIP INDICATORS**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Information about our products and services can be accessed on our official website www.pnbhousing.com. We also keep informing our customers and other stakeholders through various e-mails about our products and services.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

We are spreading awareness to customers about safe and responsible usage and also safeguard them from potential risks and consequences of frauds.

The customers are informed through:

- SMS to not to divulge sensitive information to anyone including officials and that PNB HFL does not request for such information,
- E-mail tips for safe online transactions, phishing, vishing alerts & related education.
- Knowledge Centre on website - at <https://www.pnbhousing.com/faqs>

3. Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services.

We notify our customers through emails and SMS of any possibility of disruption/discontinuation of vital services. The restoration of services are also communicated to customers via SMS. We ensure our customers to be aware of the services we provide so that they may take suitable decisions.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/ No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, we display product information over and above what is mandated as per local laws. Before financing, the features of home loan schemes are communicated to the applicant. We also display product information at each of our branch offices throughout India. Details of product attributes, relevant information on the products and services offered, fees and charges, benchmark interest rates, and other important notifications such as 'Most Important Terms and Conditions', grievance redressal mechanism are available in all offices and on our company's website.

Annexure – 3

DISCLOSURES ON MANAGERIAL REMUNERATION

Details of remuneration required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided below:

- The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2023-24:

Ratio of remuneration of each Director to the median employees' remuneration for FY 2023-24:

Name	Designation	Ratio of remuneration to the median employees' remuneration
Mr. Atul Kumar Goel	Non-Executive Nominee Director	-
Mr. Sunil Kaul	Non-Executive Nominee Director	-
Mr. Ramakrishnan Chandrasekaran	Independent Director	-
Mr. Nilesh S Vikamsey	Independent Director	-
Dr Tejendra Mohan Bhasin	Independent Director	-
Mr. Sudarshan Sen	Independent Director	-
Mr. Kapil Modi	Non-Executive Nominee Director	-
Ms. Gita Nayyar	Independent Director	-
Mr. Neeraj Madan Vyas	Non-Executive Director	-
Mr. Girish Kousgi	Managing Director & CEO	31.6:1
Mr. Pavan Kaushal	Independent Director	-
Mr. Dilip Kumar Jain	Non-Executive Nominee Director	-

- Percentage increase in the remuneration of the Managing Director & CEO, Chief Financial Officer and Company Secretary, if any, in the financial year 2023-24: During the year, there was 20% increase in remuneration of Managing Director & CEO, 6.8% increase in remuneration of Chief Financial Officer and 8.8% increase in the remuneration of Company Secretary (Mr Sanjay Jain retired on January 31, 2024).
- The performance linked bonus paid in FY 2023-24 to Managing Director & CEO was ₹44.38 lakhs, to Chief Financial Officer the amount paid was ₹9.94 lakhs and to Company Secretary the amount paid was ₹17.72 lakhs

Note: Mr. Hardayal Prasad, earlier MD, was paid ₹2.50 crore as ex-gratia amount in lieu of performance bonus for the financial year FY 2021-22, pro-rata performance bonus for the services rendered till the exit date during the financial year 2022-23, salary in lieu of 90 days' notice period as ex-gratia and goodwill payment as additional ex-gratia.

- First tranche: ₹1.25 crore was paid in FY 2023.
 - Second tranche: ₹1.25 crore was paid in FY 2024.
- The percentage increase in the median remuneration of above employees in the financial year 2023-24 stood at 14.2%.
 - The Company has 2003 permanent employees as on March 31, 2024.

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

The average increase in the remuneration of managerial personnel stood at 14.2% and non-managerial personnel was 11.8%.

The average increase in the remuneration of both the managerial and non-managerial personnel is determined based on the overall performance of the Company and as per the remuneration policy. Further, the criteria for increasing salary of non-managerial personnel is based on an internal evaluation of Key Performance Indicators (KPIs), while for managerial personnel it is based on the remuneration policy as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

The remuneration of key managerial personnel is based on the overall performance of the Company. The Company further reiterates that there were no exceptional circumstances which warranted an increase in managerial remuneration which was not justified by the overall performance of the Company.

For and on behalf of the Board of Directors

Date: June 18, 2024
Place: New Delhi

Amit Singh
Chief People Officer

Girish Kousgi
Managing Director & CEO

Annexure – 4

FORM AOC- 2

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

Form for Disclosure of particulars of contracts/arrangements entered by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

1. Details of contracts or arrangements not at Arm's length basis: NIL
2. Details of material contracts or arrangements or transactions at Arm's length basis are as under*:

Sl. No.	Name of the Party with which the contract is entered into	Nature of Contract/ Transaction	Duration of Contract	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval at the meeting of the Board	Amount paid as advances, if any,
1.	Punjab National Bank (Promoter)	(i) Banking Transactions/ loan transactions/ credit facility/term deposit/investment in securities issued by the Company (ii) Acceptance/Placing of Fixed Deposits (iii) Payment of Royalty fee (iv) Repayment of principal and interest on assignment of loan (v) Any other related transactions for the relevant period on an ongoing basis. (The value of transactions is disclosed in Notes to accounts)	On-going basis	All the transactions were in the ordinary course of business and at arms' length and were duly approved by the Audit Committee of Board and Members of the Company. The transactions with Punjab National Bank are banking transactions with a large public sector bank.	The Company has taken omnibus approval of the Audit Committee.	Nil
2.	PNB Gilts Limited (Subsidiary of Promoter)	(i) Sale/purchase of securities (ii) Maintenance of SGL Account (iii) Any other related transactions for the relevant period on an ongoing basis. (The value of transactions is disclosed in Notes to accounts)	On-going basis	All the transactions are in ordinary course of business and at arms' length and were duly approved by the Audit Committee of Board and Members of the Company. The transactions with PNB Gilts Limited (Subsidiary of PNB) are in the nature of sale and purchase of securities.	The Company has taken omnibus approval of the Audit Committee.	Nil

*All related party transactions are benchmarked for arm's length, approved by Audit Committee and reviewed by Statutory Auditors. The above disclosures on material transactions are based on threshold of 10 percent of consolidated turnover for the purpose of Section 188(1) of the Act.

For and on behalf of the Board

Date: June 18, 2024
Place: New Delhi

Girish Kousgi
Managing Director & CEO

Atul Kumar Goel
Non-Executive Director

Annexure – 5

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members
PNB Housing Finance Limited
9th Floor, Antriksh Bhawan,
22 K G Marg, New Delhi-110001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **PNB Housing Finance Limited** having CIN L65922DL1988PLC033856 and having registered office at Office no. 9th Floor, Antriksh Bhawan, 22 KG Marg, New Delhi- 110001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company, as stated below, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs, or any such other Statutory Authority, for the Financial Year ended on March 31, 2024.

Sl. No.	Name of Director(s)	Category/Designation	DIN	Date of appointment	Date of cessation, if any
1.	Mr. Atul Kumar Goel	Non-Executive - Nominee Director	07266897	April 28, 2022	-
2.	Mr. Sunil Kaul	Non-Executive - Nominee Director	05102910	March 5, 2015	-
3.	Mr. Chandrasekaran Ramakrishnan	Non-Executive - Independent Director	00580842	October 7, 2015	-
4.	Mr. Nilesh S Vikamsey	Non-Executive - Independent Director	00031213	April 22, 2016	-
5.	Dr. Tejendra Mohan Bhasin	Non-Executive - Independent Director	03091429	April 2, 2020	-
6.	Mr. Neeraj Madan Vyas	Non-Executive - Non Independent Director	07053788	September 1, 2020	-
7.	Mr. Sudarshan Sen	Non-Executive- Independent Director	03570051	October 1, 2020	-
8.	Mr. Kapil Modi	Non-Executive - Nominee Director	07055408	October 1, 2020	-
9.	Ms. Gita Nayyar	Non-Executive - Independent Director	07128438	May 29, 2021	-
10.	Mr. Girish Kousgi	Managing Director and CEO	08524205	October 21, 2022	-
11.	Mr. Pavan Pal Kaushal	Non-Executive - Independent Director	07117387	October 27, 2022	-
12.	Mr. Dilip Kumar Jain	Non-Executive - Nominee Director	06822012	November 4, 2022	-

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

For **VLA & Associates**
Company Secretaries

Vishal Lochan Aggarwal
(Proprietor)
Membership No.: F7241
C. P. No.: 7622
UDIN: F007241F000349737

Date: May 10, 2024
Place: New Delhi

Annexure – 6

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
PNB Housing Finance Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PNB Housing Finance Limited (hereinafter called “Company” or “PNBHFL”) for the financial year ended March 31, 2024 (“Audit Period”) in terms of the engagement letter dated November 1, 2023. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the Audit Period, according to the provisions of applicable law provided hereunder:

- | | |
|---|---|
| <ul style="list-style-type: none">a) The Companies Act, 2013 and the rules made thereunder including any re-enactment thereof (“Act”);b) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;c) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder circulars, guidelines issued thereunder by the Securities and Exchange Board of India;d) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”); | <ul style="list-style-type: none">f) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;g) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;h) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;j) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;k) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;l) The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company);m) Any other Act, Regulations, rules, circulars, guidelines, as amended from time to time, issued thereunder by the Securities and Exchange Board of India applicable to the Company, if any;n) National Housing Bank Act, 1987 and the Guidelines and Circulars issued thereunder from time to time;o) Guidelines/Circulars/Regulations/Clarifications issued by RBI for Housing Finance Companies from time to time.p) Reserve Bank of India Act, 1934 and rules, regulations & directions issued from time to time.q) Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021;r) Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs read with other applicable circular issued thereunder. |
|---|---|

- s) The following circulars/notifications issued by the RBI, along with the amendments introduced thereto from time to time:
- i) Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021;
 - ii) Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications dated November 12, 2021;
 - iii) Other specific circulars or notifications issued by RBI from time to time and applicable on the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards for Board Meetings (SS-1) and for General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

We report that during the Audit Period, the Company has confirmed compliance with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc.

We further report that:

The Board of Directors of the Company is duly constituted with a proper balance of executive directors, non-executive directors and independent directors including women director. The changes in the composition of the Board of Directors that took place during the Audit Period, were carried out in compliance with the provisions of the Act and other applicable laws.

Adequate notice is given to all directors to schedule the Board meetings and Committee meetings and agenda with detailed notes were sent at least seven days in advance with due compliance of the Act and SS-1 except in cases where the meetings were called on a shorter notice. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes, all the decisions were unanimous and there was no instance of dissent in the Board or Committee meetings.

We further report that there are adequate systems and processes in the Company, which commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We have separately given our recommendations to the Company towards better processes.

We further report that during the Audit Period, the Company has undertaken the below mentioned specific events/ actions that can have a major bearing on the Company's compliance responsibility in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc:

a. Issuance and allotment of shares to the existing equity shareholders of the Company on rights basis

During the period under review, the Company has issued 9,06,81,828 equity shares of face value of ₹10/- each, at ₹275/- per equity share aggregating to ₹2493.76 crore on rights basis to the existing equity shareholders of the Company in proportion to their existing paid-up share capital.

b. Issuance of Non-Convertible Debentures ("NCDs")

During the period under review, the Company has issued listed NCDs, on private placement basis, aggregating to ₹1456 crore.

For **Vinod Kothari & Company**
Practising Company Secretaries
Unique Code: P1996WB042300

Nitu Poddar

Partner

Membership No.: A37398

CP No.: 15113

Place: New Delhi

UDIN: A037398F000407031

Date: May 20, 2024

Peer Review Certificate No.: 4123/2023

The report is to be read with our letter of even date which is annexed as Annexure 'I' and forms an integral part of this report.

Annexure I

Auditor and Management Responsibility

Annexure to Secretarial Audit Report

To,
The Members,
PNB Housing Finance Limited,

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in Annexure II;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same;
4. Wherever our Audit has required our examination of books and records maintained by the Company, we have relied upon electronic versions of such books and records, as provided to us through online communication. Considering the effectiveness of information technology tools in the audit processes, we have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the Institute. We have conducted online verification & examination of records, as facilitated by the Company;
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as the correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns;
6. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc;
7. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedure on test basis;
8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices;
9. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company;
10. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Annexure II

List of Documents

1. Minutes for the meetings of the following held during the Audit Period:
 - a. Board of Directors;
 - b. Audit Committee;
 - c. Nomination and Remuneration Committee;
 - d. Stakeholders Relationship Committee;
 - e. Corporate Social Responsibility Committee;
 - f. Risk Management Committee;
 - g. Credit Committee;
 - h. IT strategy Committee;
 - i. Asset Liability Committee
 - j. Annual General Meeting.
2. Proof of circulation of draft and signed minutes of the Board and Committee meetings on a sample basis;
3. Resolutions passed by circulation;
4. Agendas of various Committees and Board meetings on a sample basis;
5. Annual Report for Financial Year 2022-23;
6. Financial Statements and Auditor's Report for Financial Year 2022-23;
7. Draft financial statements for Financial Year 2023-24;
8. Directors' disclosures under the Act and rules made thereunder;
9. Statutory Registers maintained under the Act;
10. Forms filed with the Registrar;
11. Policies framed under the Act, Listing Regulations and the RBI Directions;
12. Terms of Reference of the statutory and non-statutory Committees (listed above) of the Company;
13. Memorandum of Association and Articles of Association of the Company.

Annexure – 7

SECRETARIAL COMPLIANCE REPORT OF PNB HOUSING FINANCE LIMITED

for the financial year ended March 31, 2024

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **PNB Housing Finance Limited** (hereinafter referred to as '**Listed Entity**') having its registered office at 9th Floor, Antriksh Bhawan 22 K G Marg, New Delhi - 110001. Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our observations thereon.

Based on our verification of the Listed Entity's books, papers, minutes books, forms and returns filed and other records maintained by the Listed Entity and also information provided by the Listed Entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the Listed Entity has, during the review period covering the financial year ended on March 31, 2024 ('**Review Period**'), complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter:

We have examined:

- (a) all the documents and records made available to us and explanation provided by the Listed Entity,
- (b) the filings/ submissions made by the Listed Entity to the stock exchanges,
- (c) website of the Listed Entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this Report.

for the Review Period in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ('**SCRA**'), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ('**SEBI**');

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**');
- (b) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
- (g) The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;
- (h) Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018;

and circulars/ guidelines issued thereunder;

and based on the above examination, we hereby report that, during the Review Period:

I. (a) The Listed Entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	
Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	
Regulation/ circular no.	
Deviations	
Action taken by	
Type of action	NIL
Details of violation	
Fine amount	
Observations/ remark of the PCS	
Management response	
Remarks	

(b) The Listed Entity has taken the following actions to comply with the observations made in previous reports (only such non-compliance from the previous reports have been listed below where action was pending from the Listed Entity's end as on the date of previous report.):

Sr. No.	1
Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	SEBI (LODR) Regulations, 2015
Regulation/ circular no. relating to Listing Regulations	Regulation 17
Deviations	The composition of the Board of Directors of the Company was not as per the Regulation 17 of the SEBI (LODR) Regulations, 2015.
Action taken by	BSE and NSE
Type of action	Imposition of Fine
Details of violation	The Board of Directors of the Company did not have the requisite number of directors upon cessation of Mr. Ashwani Kumar Gupta as the Independent Director ("ID") of the Company on May 11, 2022. The vacancy caused was not filled by the Board within 3 months from the date of such vacancy.
Fine amount	BSE and NSE each had imposed a fine of ₹4,24,800/- for not having the requisite number of IDs on its Board as on September 30, 2022 and for the period commencing from October 1, 2022 till October 21, 2022.
Observations/ remark of the PCS	Consequent upon cessation of Mr. Ashwani Kumar Gupta as the Independent Director of the Company on May 11, 2022, the Company had a shortfall of one Independent Director on its Board till October 20, 2022.
Management response	The composition of the Board was in order with effect from October 21, 2022. The delay in appointment happened due to finding a suitable person as an Independent Director.
Remarks	The composition of the Board of Directors was made good, as recorded in the report for FY 2022-23. Also, the Company had paid the fine imposed by the exchanges.
Sr. No.	2
Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	SEBI (LODR) Regulations, 2015
Regulation/ circular no. relating to Listing Regulations	Regulation 60
Deviations	Delay in submission of intimation on or before March 25, 2022 of record date for the maturity of Non-Convertible Debentures
Action taken by	NSE
Type of action	Imposition of Fine
Details of violation	Delay in submission of intimation of record date for the maturity of Non-Convertible Debentures.
Fine amount	11,800 (inclusive of GST)
Observations/ remark of the PCS	An intimation to be made on or before March 25, 2022 was delayed for the submission of record date for the maturity of NCDs.
Management response	The Company had made a representation for waiver in this regard. The same was accepted by the NSE.
Remarks	NSE vide its letter dated September 29, 2022 had levied fine on the Company for the said non-compliance. The fine was eventually waived by NSE vide its letter dated June 16, 2023.

Sr. No.	3
Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	SEBI (LODR) Regulations, 2015
Regulation/ circular no. relating to Listing Regulations	Regulation 17
Deviations	There was an intermittent vacancy of Independent Woman Director on the Board of Directors of the Company due to resignation of Ms. Shubhalakshmi Panse w.e.f. January 5, 2021 and there was no woman director on the board of the Company as on till May 28, 2021.
Action taken by	BSE and NSE
Type of action	Imposition of fine
Details of violation	Non - Compliance with Section 149(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulation 17(1)(a) of the Listing Regulations
Fine amount	₹318,600 (including GST)
Observations/ remark of the PCS	There was no woman Director in the Company w.e.f. January 5, 2021 and as on March 31, 2021
Management response	Ms Gita Nayyar was appointed on the Board w.e.f May 29, 2021. The delay in appointment happened due to finding a suitable person as an independent director.
Remarks	The composition of the Board of Directors was made good, as recorded in the report for FY 2022-23. Also, the Company had paid the fine imposed by the exchanges.
Sr. No.	4
Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	SEBI (LODR) Regulations, 2015
Regulation/ circular no. relating to Listing Regulations	Regulation 57(4)
Deviations	Delay in disclosures for quarter ended December 2021.
Action taken by	-
Type of action	-
Details of violation	Delay in disclosure for quarter ended December 2021
Fine amount	-
Observations/ remark of the PCS	The Company had made delayed intimation in submission of the disclosures in terms of Regulation 57(4) of SEBI (LODR) Regulations, 2015 for the quarter ended December 2021.
Management response	It escaped the attention of the Management and adequate safeguards have been developed for future.
Remarks	The provision u/r 57(4) was eventually omitted w.e.f June 15, 2023 vide SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023)
Sr. No.	5
Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	SEBI Circular
Regulation/ circular no. relating to Listing Regulations	SEBI Circular No. SEBI/HO/DDHS/CIR/P/2019/115 dated October 22, 2019 and FAQs for listing of Commercial Papers
Deviations	Delay in filing disclosure required under SEBI Circular No. SEBI/HO/DDHS/CIR/P/2019/115 dated October 22, 2019 and FAQs for listing of Commercial Papers.
Action taken by	-
Type of action	-
Details of violation	Delay in filing disclosure
Fine amount	-
Observations/ remark of the PCS	The Company had made intimation beyond the prescribed timeline stated under SEBI Circular No. SEBI/HO/DDHS/CIR/P/2019/115 dated October 22, 2019 read with FAQs issued by SEBI for listing of Commercial Papers.
Management response	It escaped the attention of the Management and adequate safeguards have been developed for future
Remarks	NSE vide its letter dated September 29, 2022 had levied fine on the Company for the said non-compliance. The fine was eventually waived by NSE vide its letter dated June 16, 2023.

II. Compliances related to resignation of statutory auditors from Listed Entities and its material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated October 18, 2019:

Sr. no.	Particulars	Compliance Status (Yes/ No/NA)	Observations/ Remarks by PCS
1	Compliances with the following conditions while appointing/re-appointing an auditor		
	<p>i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or</p> <p>ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or</p> <p>iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.</p>	NA	No appointment/ reappointment of statutory auditor has taken place during the Review Period. There was no instance of resignation during the Review Period.
2	Other conditions relating to resignation of statutory auditor		
	<p>i. Reporting of any concerns by Auditor with respect to the Listed Entity/ its material subsidiary to the Audit Committee:</p> <p>a. In case of any concern with the management of the Listed Entity/ material subsidiary such as non-availability of information/ non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the Listed Entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</p> <p>b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents, have been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information/ explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.</p> <p>c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</p> <p>ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the Listed Entity/ its material subsidiary has not provided information as required by the auditor.</p>	NA	Same as above
3	The Listed Entity/ its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI circular CIR/CFD/CMD1/114/2019 dated October 18, 2019.	NA	There was no instance of resignation during the Review Period.

III. We hereby report that, during the Review Period the compliance status of the Listed Entity is appended as below:

Sr. no.	Particulars	Compliance Status (Yes/ No/NA)	Observations/ Remarks by PCS
1	Secretarial Standards: The compliances of the Listed Entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India.	Yes	
2	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of the Board of Directors of the Listed Entity. All the policies are in conformity with SEBI Regulations and have been reviewed & updated as per the regulations /circulars /guidelines issued by SEBI. 	Yes	
3	Maintenance and disclosure on website: <ul style="list-style-type: none"> The Listed Entity is maintaining a functional website. Timely dissemination of the documents/ information under a separate section on the website. Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirect to the relevant document(s)/ section of the website. 	Yes	
4	Disqualification of Directors: None of the Directors of the Company are disqualified under section 164 of the Companies Act, 2013, as confirmed by the Listed Entity.	Yes	We have relied on the certificate of non-disqualification of directors, dated May 10, 2024, obtained by the Listed Entity.
5	Details related to subsidiaries of the Listed Entity have been examined w.r.t: a. Identification of material subsidiary companies b. Disclosure requirement of material as well as other subsidiaries.	Yes	The Listed Entity does not have any material subsidiary during the Review Period.
6	Preservation of Documents: The Listed Entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under the Listing Regulations.	Yes	We have verified the same basis the checking carried out on a sample basis.
7	Performance Evaluation: The Listed Entity has conducted performance evaluation of the Board, independent directors and the committees at the start of every financial year/ during the financial year as prescribed in SEBI Regulations	Yes	Noted in Board Meeting dated June 22, 2023.
8	Related Party Transactions ('RPTs'): a. The Listed Entity has obtained prior approval of Audit Committee for all RPTs; or b. The Listed Entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit Committee, in case no prior approval has been obtained.	Yes	
9	Disclosure of events or information: The Listed Entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of Listing Regulations within the time limits prescribed thereunder.	Yes	
10	Prohibition of Insider Trading: The Listed Entity is in compliance with the Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	
11	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the Listed Entity/ its promoters/ directors/ subsidiaries either by SEBI or by the Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein.	NA	No action has been taken against the Listed Entity / its Promoters / Directors / subsidiaries either by SEBI or by the stock exchanges under SEBI Regulations and circulars/ guidelines issued thereunder.
12	Additional non-compliances, if any: No additional non-compliance observed for any SEBI regulation/ circular/guidance note etc.	NA	We did not come across any such case.

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the Management of the Listed Entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Listed Entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the Listing Regulations and is neither an assurance as to the future viability of the Listed Entity nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Listed Entity.

For **Vinod Kothari & Company**
Practising Company Secretaries
Unique Code: P1996WB042300

Nitu Poddar

Partner

Membership No.: A37398

CP No.: 15113

UDIN: A037398F000407075

Peer Review Certificate No.: 4123/2023

Place: New Delhi

Date: May 20, 2024

Annexure – 8

CERTIFICATE ON CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Members

PNB Housing Finance Limited

CIN: L65922DL1988PLC033856

Address: 9th Floor Antriksh Bhawan
22 K G Marg, New Delhi, India, 110001

We have examined the compliance of regulations of Corporate Governance by M/s PNB Housing Finance Limited (“the Company”) for the year ended March 31, 2024, as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of regulations of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the regulations of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2024.

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

For **VLA & Associates**
Company Secretaries

Vishal Lochan Aggarwal
(Proprietor)

Membership No.: F7241

C. P. No.: 7622

UDIN: F007241F000456074

Date: May 27, 2024

Place: New Delhi

Report of Directors on Corporate Governance

Company's Philosophy on Corporate Governance

The spirit of Corporate Governance is about maintaining the right balance between economic, social, individual and community goals. Good corporate governance is the foundation of a company's long-term success. At PNB Housing, good corporate governance is a way of life and the way we do our business, encompassing every day's activities and is enshrined as a part of our way of working. It ensures that the interests of all stakeholders like shareholders, employees, customers, suppliers, and the community are protected and balanced. For a company listed with the Securities and Exchange Board of India (SEBI), adherence to the highest standards of corporate governance is not only a regulatory requirement but also a strategic necessity. Our actions are governed by our values and principles, which are reinforced at all levels of the organisation. As a Company with a strong sense of values and commitment, PNB Housing believes that profitability must go hand in hand with a sense of responsibility towards all stakeholders.

The core principles of good corporate governance include:

1. **Transparency:** Ensuring that the company's actions and decisions are clear and this involves accurate and timely disclosure of all material information related to the company's financial performance, operations, and ownership.
2. **Accountability:** Establishing a framework where the company's management is accountable to the Board of Directors, and the Board is accountable to the shareholders. Clear delineation of responsibilities and regular performance reviews are key components.
3. **Fairness:** Treating all stakeholders equitably and justly. This principle ensures that the rights of minority shareholders are protected and that all investors have access to the same information.
4. **Responsibility:** Ensuring that the company adheres to ethical standards and complies with all relevant laws and regulations. The Board oversees the company's strategic direction, risk management policies, and ethical conduct.

The Company practices ethical standards in all its dealings. The Company continues to maintain healthy relationship with its depositors, loan customers, business partners, its various other stakeholders and financiers. The Company transparently discloses information through its public documents, annual reports, financial results, etc.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ("RBI Directions") and Master Direction RBI (Non- Banking Financial Company

-Scale Based Regulation), 2023 various circulars issued under Scale Based Regulation and other circulars and notifications issued by RBI, NHB, SEBI, MCA, IRDAI and other statutory bodies, as amended from time to time.

As permitted by MCA, the Board and its Committees have been functioning largely using virtual mode for its meetings. The Company has ensured adequate precautions while conducting audio video meetings. The technology interventions ensured that all the business activities were completed in time and the Board & Committee meetings were held in time. Dissemination of adequate and correct public information was ensured.

Board of Directors

The Board of Directors is integral to the governance framework of the company. The Board plays a crucial role in maintaining and enhancing corporate governance. The Board is responsible to oversee the Company's management and to protect the long-term interest of the stakeholders.

Skills / Expertise / Competencies of the Board of Directors

The Board should provide valuable leadership and guidance to the company. Their responsibilities encompass strategic oversight, risk management, financial integrity, ethical conduct and stakeholder engagement. By fulfilling these duties diligently, the Board ensures the company operates transparently, ethically and in the best interest of all stakeholders, thereby maintaining strong corporate governance.

The Company deals with mortgages and operates in the financial sector. The Board should possess the wisdom of various lifecycles of the financial sector, the key challenges being faced, the competition, it should have the required experience with credit cycles, workouts and remedial management. The Board with its collective wisdom should provide oversight to the company during challenging times.

The Company's Board members are with extensive experience in the financial sector, economics, mortgages, banking, non-banking financial companies, international operations, fintech regulation, currency management, risk management, credit and information technology, etc. The Directors are vastly qualified and have held leadership positions in high performing institutions. They are fully equipped to provide leadership and guidance to the Company in its quest to achieve growth and quality of business and attain leadership position in the secured loan industry. The brief profiles of Directors are given in the Annual Report.

Composition

As on March 31, 2024, the Company had twelve Members on the Board comprising six Independent Directors, five Non-Executive Directors and one Managing Director & CEO.

Appointment/Re-appointment/Resignation(s):

- The Shareholders have re-appointed Mr. Atul Kumar Goel, who retired by rotation and being eligible, had offered himself for re-appointment as a Non- Executive Nominee Director, at the Annual General Meeting of the Company held on August 10, 2023.
- The Shareholders have re-appointed Mr. Sunil Kaul, who retired by rotation and being eligible, had offered himself for re-appointment as a Non- Executive Nominee Director, at the Annual General Meeting of the Company held on August 10, 2023.
- Ms. Gita Nayyar has been re-appointed by the shareholders as an Independent Director on the Board of Company, through Postal Ballot, for the second tenure of five (5) consecutive years effective from May 29, 2024 to May 28, 2029.
- In accordance with the provisions of the Act and Articles of Association of the Company, Mr. Kapil Modi and Mr. D K Jain will retire by rotation at the ensuing Annual General Meeting (AGM). They are eligible for

re-appointment and your Board has recommended for their re-appointment at the ensuing AGM.

- Mr. Neeraj Vyas , who is liable to retire by rotation, has been determined to be a fit and proper candidate by the Nomination & Remuneration Committee (NRC), for appointment as an Independent Director, and on the recommendations of the NRC, the Board has recommended to the members for his appointment as an Independent Director at the ensuing Annual General Meeting (AGM) and a proposal is placed before the members in the Notice of the AGM seeking appointment of Mr Neeraj Vyas as an independent Director of the Company for a tenure of three years.

For more details, please refer the Directors' Report and also the Notice of the Annual General Meeting together with the explanatory statement.

- None of the Independent Directors of the Company have resigned before the expiry of his/her tenure during the Financial Year 2023-24.

Details of the Board of Directors in terms of their directorships/memberships in committees of public companies (including PNB Housing Finance Limited) as per Regulation 26 of the Listing Regulations is given hereunder:

Sr. No.	Directors	Category	DIN	Name of Companies and Designation* ['L' stands for Listed 'UL' stands for Unlisted]	Number of Committees**		Skills/ Expertise
					Member	Chair-Person	
1.	Mr. Atul Kumar Goel	Non-Executive Director -Nominee Director from Punjab National Bank	07266897	<ol style="list-style-type: none"> PNB Housing Finance Limited (L) Punjab National Bank (L) – Managing Director and CEO The Oriental Insurance Company Limited (UL) – Non-Executive Director PNB Metlife India Insurance Co. Ltd (UL)- Non-Executive Director 	3	0	Mr. Atul Kumar Goel is the Managing Director & CEO of Punjab National Bank from February 1, 2022. Earlier, he was the Managing Director & CEO of UCO Bank, Executive Director of Union Bank of India and held various positions in Allahabad Bank. He is qualified Chartered Accountant, having more than three decades of banking experience, large corporate, treasury management, risk management, financial planning, investor relations, business transformation, compliance, etc. He was the Chief Financial Officer (CFO) of Allahabad Bank.
2.	Mr. Sunil Kaul	Non-Executive Director – Nominee Director from Quality Investment Holdings Pcc	05102910	<ol style="list-style-type: none"> PNB Housing Finance Limited (L) Yes Bank Limited (L)- Nominee Director 	2	0	Mr. Sunil Kaul is the Managing Director and Partner of Carlyle Singapore Investment Advisors Pte Limited. He heads the Southeast Asia region of the Carlyle Asia Buyout Advisory Team and concurrently leads the Financial Services Sector for the team in Asia (ex Japan). Before joining Carlyle 16 years ago, he was the President of Citibank Japan and the Chairman of CitiCards Japan KK and CitiFinancial Japan KK. In his previous roles with Citi, he was the Head of Retail Banking for Citibank in Asia, Head of International Personal Banking for Citibank in New York and Head of Global Transaction Services at Citibank, Japan. He has over 35 years of experience in the fields of private equity, corporate and consumer banking. He is a graduate of IIT Bombay and IIM Bangalore.

Sr. No.	Directors	Category	DIN	Name of Companies and Designation* [*L stands for Listed 'UL' stands for Unlisted]	Number of Committees**		Skills/ Expertise
					Member	Chair-Person	
3.	Mr. Nilesh S Vikamsey	Independent Director	00031213	<ol style="list-style-type: none"> 1. PNB Housing Finance Limited (L) 2. Thejo Engineering Limited (L) – Independent Director 3. Thomas Cook (India) Limited (L) – Independent Director 4. Allcargo Gati Limited (L) – Independent Director 5. Allcargo Logistics Limited - (UL) – Independent Director 6. 360 One Wam Limited (UL) – Independent Director and Non-Executive Chairman 7. SOTC Travel Limited (UL) – Independent Director 8. Nippon Life India Trustee Limited (UL)-Independent Director 	10	5	Mr. Nilesh Vikamsey is a member of the Institute of Chartered Accountants of India (ICAI) since 1985 and is the former President of the ICAI. He has been associated with KKC & Associates LLP as a senior partner since 1985. He has extensive experience in Audit and consultancy of banks, large companies, mutual funds, and financial service sector companies
4.	Mr. R Chandrasekaran	Independent Director	00580842	<ol style="list-style-type: none"> 1. PNB Housing Finance Limited (L) 2. L&T Technology Services Ltd. (L) – Independent Director 3. LTI Mindtree Limited (L) – Independent Director 4. Aujas Cybersecurity Limited (UL) – Director 5. NSEIT Limited (UL) – Director 6. KSL Digital Ventures Limited (UL) – Director 	3	1	Mr. Chandrasekaran was one of the co-founders of Cognizant. He retired as the Executive Vice Chairman of Cognizant India in March 2019. He has been widely recognised as a significant contributor to the growth of Cognizant, including its global footprint. Prior to joining Cognizant, he was with Tata Consultancy Services for over nine years. He has 38 years of experience in the field of information technology.
5.	Mr. Neeraj Vyas	Non-Executive Director	07053788	<ol style="list-style-type: none"> 1. PNB Housing Finance Limited (L) 	1	0	Mr. Neeraj Vyas superannuated as the Deputy Managing Director and Chief Operating Officer (COO) of the State Bank of India (SBI) on June 30, 2018. He has handled several assignments for SBI in India and abroad. He is a senior banking professional with over 37 years of experience across a wide range of functions, such as banking, credit, mortgages, risk management and operations. Mr. Vyas is Non-Executive Director since September 1, 2020. Earlier, he was Independent Director on the Board from April 15, 2019 till April 28, 2020. He was appointed as interim Managing Director & CEO of the Company from April 28, 2020 till August 10, 2020.

Sr. No.	Directors	Category	DIN	Name of Companies and Designation* ['L' stands for Listed 'UL' stands for Unlisted]	Number of Committees**		Skills/ Expertise
					Member	Chair-Person	
6.	Dr. T.M. Bhasin	Independent Director	03091429	<ol style="list-style-type: none"> 1. PNB Housing Finance Limited (L) 2. PNB Gilts Limited (L)- Independent Director 3. SBI Cards and Payment Services Limited (L)- Independent Director 4. Patanjali Foods Limited (L) - Independent Director 5. SBI Life Insurance Company Limited (L)- Independent Director 	8	3	<p>Dr. T. M. Bhasin has been a career Banker for 37 years with notable roles such as Chairman and Managing Director of Indian Bank from 2010 to 2015. Dr. Bhasin was appointed as Vigilance Commissioner of India by Hon'ble President of India in CVC from June 2015 to June 2019 and has also chaired the Advisory Board for Banking and Financial Frauds (constituted by CVC and RBI) from August 2019 to August 2023.</p> <p>Dr. Bhasin holds an MBA in Finance from FMS, Delhi, LL.B. from Delhi University, CAIIB, and M.Sc. Gold Medallist. A Delhi University topper in its one year flagship programme in 'Criminology and Forensic Science', he is a fellow of the Indian Institute of Banking and Finance. He also completed the Advanced Financial Enterprises Management Programme at Harvard Kennedy School (US). His Doctoral Research findings and recommendations formed the basis of Pradhan Mantri Jan Dhan Yojana. Dr. Bhasin is a prolific author with a book on 'E-Commerce in Indian Banking' and has numerous research papers to his credit.</p>
7.	Mr. Sudarshan Sen	Independent Director	03570051	<ol style="list-style-type: none"> 1. PNB Housing Finance Limited (L) 2. Federal Bank Ltd. (L) - Independent Director 3. Asset Reconstruction Company (India) Limited (UL)- Additional Director (Sponser Director) 	3	0	<p>Mr. Sudarshan Sen superannuated from the Reserve Bank of India as Executive Director in charge of the Regulation of Banks and Non-Banking Financial Companies. In a career spanning over 38 years, he worked in banking regulation, bank supervision, fintech regulation, human resources, information technology, and currency management. He has been on several major national and international committees constituted by the RBI.</p>
8.	Mr. Kapil Modi	Non-Executive Director - Nominee Director from Quality Investment Holdings Pcc	07055408	<ol style="list-style-type: none"> 1. PNB Housing Finance Limited (L) 2. Nxtra Data Limited (UL)- Non-Executive Nominee Director 3. Hexaware Technologies Limited (UL)- Non-Executive Nominee Director 	2	0	<p>Mr. Kapil Modi is a Managing Director and Partner at Carlyle India Advisors Private Limited and is part of the Investment Team of Carlyle India for over 16 years. He holds a B. Tech degree in Computer Science (silver medallist) from IIT Kharagpur and is a postgraduate in Management (gold medallist) from IIM Ahmedabad. He also holds CFA from CFA Institute (USA) and a Master's degree in Business Law from National Law School, Bengaluru.</p>
9.	Ms. Gita Nayyar	Independent Director	07128438	<ol style="list-style-type: none"> 1. PNB Housing Finance Limited - (L) 2. Oriental Hotels Limited (L)- Independent Director 3. Transport Corporation of India Limited (L)- Independent Director 4. Glenmark Life Sciences Limited (L)- Independent Director (upto April 22, 2024) 5. Taj Sats Air Catering Limited (UL) - Independent Director 6. Ask Investment Managers Limited (UL)- Additional Independent Director 	5	2	<p>Ms. Gita Nayyar is a finance professional with over 32 years of global leadership experience with MNC banks/VC funds and corporates. She has expertise in corporate banking, risk and relationship management, investment banking, wealth management and fundraising. She is also recognised for her expertise in angel investing/mentoring and advising early-stage ventures. She serves as an Independent Director on the board of reputed corporate organisations.</p>

Sr. No.	Directors	Category	DIN	Name of Companies and Designation* [*'L' stands for Listed 'UL' stands for Unlisted]	Number of Committees**		Skills/ Expertise
					Member	Chair-Person	
10.	Mr. Pavan Kaushal	Independent Director	07117387	<ol style="list-style-type: none"> PNB Housing Finance Limited - (L) Lendingkart Finance Limited (UL) – Non-Executive Director Asset Reconstruction Company (India) Limited (UL) – Independent Director and Chairman of the Board 	1	0	Mr. Pavan Kaushal has over 34 years of experience in the financial services sector in various positions. Previously, he was associated with Fullerton India Credit Company Limited as the Chief Operating Officer and IDFC First Bank Limited as Group Executive President in the Risk Department. He is a member of the Institute of Chartered Accountants of India since 1985 and holds a Master's degree in Financial Management from Jamnalal Bajaj Institute of Management Studies.
11.	Mr. Dilip Kumar Jain	Non-Executive Director - Nominee from Punjab National Bank	06822012	<ol style="list-style-type: none"> PNB Housing Finance Limited - (L) India SME Asset Reconstruction Company Limited (UL)- Nominee Director 	1	0	Mr. Dilip Kumar Jain has over 28 years of experience in various fields in the banking industry. He carries with him several years of banking experience in various senior positions at Punjab National Bank. He is currently the CFO of Punjab National Bank in the rank of Chief General Manager. He is a member of the Institute of Chartered Accountants of India since 1989.
12.	Mr. Girish Kousgi	Managing Director & CEO	08524205	<ol style="list-style-type: none"> PNB Housing Finance Limited - (L) PHFL Home Loans and Services Limited (UL)- Director 	1	0	Mr. Girish Kousgi is the Managing Director and Chief Executive Officer of the Company. He has over 26 years of experience in the financial services sector. Previously, he was associated with Can Fin Homes Limited as the Managing Director and Chief Executive Officer, Tata Capital Financial Services Limited as Head Retail – Credit & Risk, IDFC Bank Limited as Executive Vice President and ICICI Bank Limited as joint General Manager. He is also serving as a director on the Boards of the subsidiaries of PNB Housing Finance Ltd., namely PHFL Home Loans and Services Limited and PEHEL Foundation. He holds an executive master's diploma in Business Administration from the Indian Institute of Commerce and Trade.

*Excluding foreign companies, private limited companies and companies under section 8 of the Companies Act, 2013.

**Audit Committee and Stakeholders Relationship Committee only.

Disclosure of relationships between Directors inter-se;

None of the Board of Directors are related inter-se except for the nominee Directors.

Number of shares and convertible instruments held by non- executive directors

None of the Board of Directors hold shares of the Company except Ms. Gita Nayyar and Mr. Pavan Kaushal who hold 8,936 and 1,000 shares, respectively as on date.

The details of shareholding of Directors are disclosed in MGT-7 form available on the website of the Company at <https://www.pnbhousing.com/investors/updates-and-events>.

Responsibilities

The Board is responsible for the Company's long-term strategic planning and direction. Its primary objectives include enhancing long-term shareholder value, safeguarding the interests of all stakeholders, and providing strategic guidance to the management. The Board operates through various Committees, with specific terms of reference. These Committees closely monitor the Company's performance.

The Board periodically reviews the Company's overall performance. The Board also engages in proactive risk assessment and mitigation, ensuring that the Company remains resilient in a dynamic business environment. Furthermore, it fosters transparency by communicating with shareholders and other stakeholders, promoting ethical practices, and upholding corporate governance standards.

Role of Independent Directors

Company's Independent Directors are distinguished individuals from diverse fields, including banking, finance, accountancy, economics, credit, risk management, and information technology. They hold pivotal roles on the Board and its various Committees. These Directors provide valuable insights to the Board, aiding in strategic decision-making.

The Independent Directors ensure thorough discussions on all matters presented to the Board and its Committees, arriving at decisions that serve the Company's best interests. Among them, an Independent Director assumes the role of Chairman on key Committees, such as the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, and IT Strategy Committee.

All Board Committees operate within well-defined terms of reference, adhering to the Companies Act, 2013, Listing Regulations and RBI Master Directions and RBI Scale Based Regulations. Furthermore, all Independent Directors meet the criteria set forth by the Listing Regulations and other applicable laws, maintaining independence from the Company's management.

The Independent Directors are not liable to retire by rotation. Formal letters of appointment were issued to the Independent Directors in accordance with the provisions of the Companies Act, 2013. A copy of the letter detailing the terms and conditions of appointment of the independent directors has been placed on the Company's website, www.pnbhousing.com.

During the year under review, the Board met thirteen times i.e., April 7, 2023, May 4, 2023, May 18, 2023, June 22, 2023, June 29, 2023, July 24, 2023, August 1, 2023, October 23, 2023, October 31, 2023, November 24, 2023, January 24, 2024, January 30, 2024 and March 4, 2024. The attendance of the Directors at the Board Meetings and the 35th Annual General Meeting held on August 10, 2023 are listed below:

Sr. No.	Directors	Board Meetings	Attendance at the 35 th AGM	Sitting fee paid (₹)
1.	Mr. Atul Kumar Goel	11	Yes	-
2.	Mr. Sunil Kaul	12	Yes	-
3.	Mr. R Chandrasekaran	12	Yes	12,00,000
4.	Mr. Nilesh S Vikamsey	9	Yes	9,00,000
5.	Mr. Neeraj Vyas	13	Yes	13,00,000
6.	Dr. T.M. Bhasin	13	Yes	13,00,000
7.	Mr. Sudarshan Sen	12	Yes	12,00,000
8.	Mr. Kapil Modi	12	Yes	-
9.	Ms. Gita Nayyar	11	Yes	11,00,000
10.	Mr. Girish Kousgi	13	Yes	-
11.	Mr. Pavan Kaushal	13	Yes	13,00,000
12.	Mr. Dilip Kumar Jain	9	Yes	-

Leave of absence was granted to the concerned directors who could not attend the Board Meetings.

Familiarisation Programme

The primary objective of a familiarization program is to ensure that Non-Executive Directors stay informed about the business and regulatory environment, as well as the overall operations of the Company. This knowledge enables them to make well-informed decisions in the best interest of all stakeholders. All Independent Directors have participated in a familiarization program covering various aspects of the Company, including its business environment, competitors, Regulatory updates, Expected Credit Loss, Corporate Governance, technology, internal controls, risk management, etc.

The Company has a policy on familiarisation programme for the independent directors, which is placed on the website of the Company www.pnbhousing.com. An overview of the familiarisation programme during the year has been placed on the Company's website and can be accessed <https://www.pnbhousing.com/investors/disclosures-u-r-46-and-62-of-sebi-lodr>

Board Meetings

In terms of the circular/notification(s) issued by the Ministry of Corporate Affairs (MCA) from time to time, the Company has been conducting the Meetings of the Board and Board Committees, in electronic mode duly recording the proceedings and following the applicable Rules for Meetings.

The Board meets at least once in a quarter to review the Company's quarterly performance and financial results. The Company Secretary, in consultation with the Managing Director & CEO prepares the detailed agenda for the Meetings. The detailed Board agenda is circulated to the Directors in advance. The Members of the Board can also recommend inclusion of any matter in the agenda for discussion. The Senior Management attends the Board Meetings to provide additional inputs on the items being discussed by the Board. The minutes of each Board Meeting are finalised and recorded in the minute book maintained by the Company Secretary.

Committees of the Board

The Board has delegated powers to various Committees, each of which has specific responsibilities as per the provisions of the Companies Act, 2013, the Listing Regulations, RBI Master Directions and Scale Based Regulations. The minutes of all Committee Meetings are recorded in the minute book maintained by the Company Secretary and presented to the Board for noting.

All the recommendations of the board committees were accepted by the Board while conveying discussions in the Board Meetings.

The various Board Committees, their roles and their members are given below.

a. Audit Committee

The charter of the Audit Committee is as per section 177 of the Companies Act, 2013, RBI Master Directions, Scale Based Regulations and the Listing Regulations, as amended from time to time. The terms of reference of the Committee is provided in the Internal Guidelines on Corporate Governance, made available on the website of the Company. The main role of the Audit Committee are provided below;

- a) It assists the Board in fulfilling its oversight responsibilities for the financial reporting process to regulatory authorities and public. It oversees the system of internal control, the audit process and company's process for monitoring compliance with laws and regulations and the code of conduct.

During the year, the Audit Committee had met thirteen times on April 28, 2023, May 18, 2023, May 23, 2023, July 24, 2023, August 3, 2023, October 9, 2023, October 23, 2023, October 27, 2023, December 22, 2023, January 08, 2024, January 24, 2024, January 29, 2024 and February 5, 2024. The details of attendance at the Audit Committee Meeting are as under:

Sr. No.	Directors	Number of Meetings attended	Sitting fee (₹)
1.	Mr. Nilesh S Vikamsey, Chairman	13	6,50,000
2.	Mr. Sudarshan Sen	12	6,00,000
3.	Dr. T.M. Bhasin	13	6,50,000
4.	Mr. Neeraj Vyas	13	6,50,000

Leave of absence was granted to the concerned director who could not attend the meeting.

b. Nomination and Remuneration Committee (NRC)

The Committee has been delegated powers, role and responsibilities as required under section 178 of the Companies Act, 2013, RBI Master Directions, Scale Based Regulations and as per the Listing Regulations as amended from time to time. The terms of reference of the Committee is provided in the Internal Guidelines on Corporate Governance, made available on the website of the Company.

The Nominations and Remuneration Committee (NRC) formulates criteria for determining the qualifications, positive attributes and independence of directors. It recommends to the Board a policy related to the remuneration of directors, key managerial personnel,

- b) It reviews quarterly, half yearly and yearly financial statements as prepared by the Company before submission to the Board.
- c) It reviews and monitors the Auditors' independence, performance and effectiveness of audit process.
- d) As per Related Party Transactions Policy, it gives prior approval to related party transactions and also monitor related party transactions.
- e) It reviews the functioning of whistle blower mechanism.
- f) It reviews functioning of the internal audit.
- g) It recommends appointment, remuneration and terms of appointment of statutory and internal auditors.
- h) It reviews frauds and reasons, system deficiencies if any, measures to strengthen the system and process, recovery and progress.
- i) It review compliance risk at prescribed periodicity in terms of the Compliance Policy of the Company.

The Audit Committee invites senior management to attend its meetings as it deems appropriate. Additionally, the Statutory Auditors participate in the Audit Committee meetings where financial statements are discussed. During these discussions, the Audit Committee engages with the Statutory Auditors, without the presence of management, regarding their findings on the Company's operations.

senior management and other employees. The NRC identifies individuals qualified to become directors and recommends their appointment, reappointment or removal in accordance with the established criteria. The Company has established a Policy on Fit and Proper Criteria for Directors and a Nomination and Remuneration Policy for Directors, Key Managerial Personnel, Senior Management and other employees and the same can be accessed at <https://www.pnbhousing.com/investors/policies>. Details of remuneration paid to all the Directors are available elsewhere in this report and also forms part of the Annual Return i.e. Form MGT -7 available on the website.

The annual compensation package of the Managing Director & CEO is recommended by the NRC to the Board and approved by the Board as authorized by the Members. The compensation package of the functional heads are approved by the NRC or Board as the case may be.

During the year, the NRC had met six times on May 26, 2023, May 31, 2023, June 28, 2023, November 14, 2023, January 19, 2024 and March 4, 2024. The details of attendance at the NRC Meetings are as under:

Sr. No.	Directors	Number of Meetings attended	Sitting fee (₹)
1.	Mr. R Chandrasekaran, Chairman	6	3,00,000
2.	Mr. Sunil Kaul	6	-
3.	Mr. Nilesh S Vikamsey	5	2,50,000
4.	Ms. Gita Nayyar	6	3,00,000
5.	Mr. Sudarshan Sen	4	2,00,000
6.	Mr. Atul Kumar Goel	4	-

Leave of absence was granted to the concerned directors who could not attend the Meeting.

c. Corporate Social Responsibility Committee (CSR)

The CSR Committee exercises the roles and responsibilities as per section 135 of the Companies Act, 2013, as amended from time to time. The terms of reference of the Committee is provided in the Internal Guidelines on Corporate Governance, made available on the website of the Company.

It oversees Corporate Social Responsibilities of the Company, recommend from time-to-time amendments

to CSR Policy of the Company. It formulates annual action plan and recommend to the Board for its approval. It approves implementing agencies for the CSR activities. It oversees the functioning of Executive Committee of CSR.

During the year, the CSR Committee met three times on June 28, 2023, September 26, 2023 and January 18, 2024. The details of attendance at the CSR Meetings are as under;

Sr. No.	Directors	Number of Meetings attended	Sitting fee (₹)
1.	Dr. T.M. Bhasin, Chairman	3	1,50,000
2.	Mr. R Chandrasekaran	3	1,50,000
3.	Mr. Sudarshan Sen	2	1,00,000
4.	Mr. Girish Kousgi	3	-

Leave of absence was granted to the concerned director who could not attend the meeting.

d. Stakeholders Relationship Committee (SRC)

The Committee oversees, inter-alia investor relations, recommends to the Board for raising of equity share capital, allotment of equity shares and redressal of investors' grievances. The Committee has been delegated powers, role and responsibilities as required under section 178 of the Companies Act, 2013 and as per the Listing Regulations, as amended from time to time. The terms of reference of the Committee is provided in the Internal Guidelines on Corporate Governance, made available on the website of the Company.

During the year, the SRC Committee had a Meeting on March 4, 2024. All the Members of the Committee were present at the Meeting and a sitting fee of ₹50,000 was paid to the Chairperson of the Committee.

e. Risk Management Committee

The Company has in place a board level Risk Management Committee. The Committee oversees and reviews various aspects of risk management and reviews the major risk exposures of the Company. It assists the Board in determining the nature and extent of the significant risks, including credit risk, liquidity and funding risk, market risk, product risk and reputational risk. It oversees the guidelines, policies and processes for monitoring and mitigating such risks. The Committee has been delegated powers, roles, and responsibilities as per the Listing Regulation, as amended from time to time. The terms of reference of the Committee is provided in the Internal Guidelines on Corporate Governance, made available on the website of the Company.

The Committee has met five times during the year on June 5, 2023, August 28, 2023, November 17, 2023, December 15, 2023 and February 19, 2024. The details of attendance at the RMC Meetings are as under;

Sr. No.	Directors	Number of Meetings attended	Sitting fee (₹)
1.	Dr. T.M. Bhasin, Chairman	5	2,50,000
2.	Mr. Sunil Kaul	5	-
3.	Mr. Neeraj Vyas	5	2,50,000
4.	Mr. Girish Kousgi	5	-

Risk Management policies

The Company has implemented a comprehensive enterprise level Integrated Risk Management (IRM) Policy, along with separate policies for various type of risks material to our business. The IRM policy provides overarching guidance for all risk-related activities, encompassing credit, Asset Liability Management (ALM), market, operational risk management, information technology, cyber security etc. Additionally, it also defines the governance model and outlines the roles and responsibilities of each component within the risk management framework.

The credit risk management policy enables the Company to take appropriate risks in line with its business objectives while maintaining an acceptable risk tolerance. The Credit Risk policy outlines principles, standards, and approaches for credit risk management at the Company level. It provides a comprehensive framework to identify, assess, measure, monitor, control, and report credit risks efficiently and promptly.

The Assets Liability Management Policy covers liquidity management, interest rate risk management, governance structure, estimated liquidity gaps through Structural Liquidity Statement (SLS)/Dynamic Liquidity Analysis (DLA), stock ratios, contingency funding plans, etc.

The objective of Market Risk Policy is to assist in maximising the risk adjusted rate of return by providing inputs regarding market risk profile and portfolio performance, establish the guidelines to manage the market risks identified, to ensure risks are measured and monitored and to establish limit framework and ensure that positions taken are within the approved risk tolerance limits.

The ICAAP policy is to ensure that the Company has adequate capital to support all the material risks in its business and also to encourage the development and use of better risk management techniques for monitoring and managing their risks. The ICAAP also provides guidance for governance, forecasting and estimation of capital charge for material risks, stress testing scenarios for credit risk, liquidity risk, interest rate risk, etc.

The ORM Policy sets out the principles for the identification, assessment, monitoring, and reporting of all operational risks relating to PNBHFL's activities. It explains the various principles of operational risk management and operational resilience and its application to our business, governance, controls and assessment criteria, feedback loop, etc.

The Company is guided by the Outsourcing and Vendor Management Policy with respect to the outsourcing of material business activities. The policy set out a broad framework and provides direction and guidance to manage the risks arising out of the activities being outsourced by PNB Housing Finance. The broad objective of the Policy is to ensure proper due diligence is in place for selecting and evaluating service providers, to have robust contractual and service agreements with service providers and so on.

The objective of IT policy is to maximise IT value and promote the most productive usage of IT products and services. The objective of Information Security policy is to ensure that appropriate measures are put in place to protect corporate information and IT systems, services & equipment. The Company also has Cyber Crisis Management Plan (CCMP) to assist the Incident response team (IRT) within the organization to identify and respond to a cyber-crisis situation effectively.

None of the risks faced by the Company threaten its existence. The Company has designated Mr. Neeraj Manchanda as the Chief Risk Officer in compliance of the RBI Master Directions. The Risk Management Committee reviews various risks faced by the Company and also monitor the measures undertaken to mitigate the same.

f. Credit Committee (CCB)

The Credit Committee of the Board reviews and formulates credit policy parameters for loans to various segments, to improve and to maximize risk/ return matrix. The CCB reviews the credit performance and collection effectiveness of the loan portfolio. The Board has also delegated powers to the Committee to sanction loans. The terms of reference of the Committee is provided in the Internal Guidelines on Corporate Governance, made available on the website of the Company.

During the year, the CCB had met eleven times on May 24, 2023, June 9, 2023, June 24, 2023, July 21, 2023, July 24, 2023, July 27, 2023, August 1, 2023, September 18, 2023, September 29, 2023, November 20, 2023 and January 17, 2024. The details of attendance at the CCB Meetings are as under.

Sr. No.	Directors	Number of Meetings attended	Sitting fee (₹)
1.	Mr. Neeraj Vyas, Chairman	11	5,50,000
2.	Mr. Kapil Modi	11	-
3.	Mr. Pavan Kaushal	11	5,50,000
4.	Mr. Girish Kousgi	11	-

g. IT Strategy Committee

The IT Strategy Committee approves IT Strategy and reviews from time to time the IT policy documents, cybersecurity and IT security. It guides management in establishing an effective strategic planning process and reviews the IT budget. Additionally, it ensures that management has implemented processes and practices to deliver value to the business through IT, balancing risks, benefits, etc. The committee also monitors how management determines IT resources needed to achieve strategic goals and provides high-level direction for sourcing and utilization of IT resources. Lastly, it oversees IT risks and controls. The terms of reference of the Committee, pursuant to the RBI IT Governance Directions, is provided in the Internal Guidelines on Corporate Governance, made available on the website of the Company.

During the year, the IT Strategy Committee had met six times on August 23, 2023, September 22, 2023, October 26, 2023, November 21, 2023, January 18, 2024 and March 15, 2024. The details of attendance at the IT Committee Meetings are as under.

Sr. No.	Members	Number of Meetings attended	Sitting fee (₹)
1.	Mr. R Chandrasekaran, Chairman	6	3,00,000
2.	Mr. Kapil Modi, Director	6	-
3.	Mr. Pavan Kaushal, Director	6	3,00,000
4.	Mr. Girish Kousgi, MD & CEO	6	-
5.	Mr. Anubhav Rajput	6	-

Key Managerial Persons

Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with Rules made thereunder, following are the Key Managerial Personnel of the Company:

- Mr. Girish Kousgi, Managing Director & CEO
- Mr. Vinay Gupta, Chief Financial Officer
- Mr. Sanjay Jain, Company Secretary and Compliance Officer (Upto January 31, 2024)
- Ms. Veena G Kamath, Company Secretary (w.e.f. February 1, 2024). In accordance with the Listing Regulations, the Board has appointed Ms. Veena G Kamath, Company Secretary, as the Compliance Officer of the Company.

Particulars of Senior Management

The particulars of senior management as per Regulation 16(1) (d) of the Listing Regulations including the changes during the financial year 2023-24 are as follows:

Name	Designation
Mr. Anujai Saxena	Business Head - Affordable Business
Mr. Amit Singh	Chief People Officer
Mr. Jatul Anand	Chief Credit & Collections Officer
Mr. Dilip Vaitheeswaran	Chief Sales Officer - Retail
Mr. Ajay Kumar Mohanty	Head - Internal Audit and Chief of Internal Vigilance
Mr. Krishna Kant	Chief Compliance Officer
Mr. Anubhav Rajput	Chief Information Officer
Mr. Anshul Dalela	Head - Customer Service and Operations
Mr. Neeraj Manchanda	Chief Risk Officer

Changes during financial year 2023-24:

Senior Management Personnel	Effective date
Appointments	
Mr. Dilip Vaitheeswaran	w.e.f. April 03, 2023
Mr. Neeraj Manchanda	w.e.f. October 28, 2023 (for 2 years)
Mr. Krishna Kant	w.e.f. December 08, 2023
Mr. Ajay Kumar Mohanty	extension of tenure from June 1, 2024 upto May 31, 2025
Mr. Vikas Rana	w.e.f. June 18, 2024
Mr. Anujai Saxena	Chief Transformation Officer* (upto Feb 9, 2024)
Resignations	
Mr. Rajesh Kumar Banerjee	on September 08, 2023 (Chief Sales Officer - Retail Liabilities)

*Change in Role

Shareholders Grievances:

The status of shareholders' complaints during Financial Year 2023-24, is mentioned below:

Quarter	Complaints received during the year (in Nos.)	Complaints resolved during the year (in Nos.)	Complaints pending at the end of the year (in Nos.)
Q-1:	489	488	1
Q-2:	8	8	1
Q-3:	5	6	0
Q-4:	0	0	0

The Company had received few request/queries on revalidation of dividend warrants, physical copy of Annual Reports and Rights Issue related matters. The same have been responded to and closed.

Meeting of Independent Directors

Separate meeting of Independent Directors of the Company, without the presence of the Executive Directors and the management representatives, was held on January 11, 2024, as required under Schedule IV of the Act (Code for Independent Directors) and Regulation 25(3) of the SEBI Listing Regulations.

Mr. R Chandrasekaran was the Lead Independent Director in the Meeting. The Independent Directors at their meeting have reviewed, inter-alia, the performance of the Board as a whole, the Committees, the Managing Director, Non-Independent Directors and the Chairperson of the Board.

Remuneration of Directors

The Independent Directors and Non - Executive Non-Nominee Directors are paid sitting fees for attending the Meetings of the Board and Board Committees. They are also eligible to receive commission to an extent of 0.25% of the net profit of the Company, as approved by the shareholders of the Company.

Commission amount for the Financial Year 2022-23 paid during the year 2023-24 was ₹20,000,00 Lakh each to Mr. R Chandrasekaran, Mr. Nilesh Vikasmsey, Mr. Neeraj

Vyas, Dr. T.M. Bhasin, Mr. Sudarshan Sen and Ms. Gita Nayyar. Proportionate Commission amount of ₹8,33,333 was paid to Mr. Pavan Kaushal and ₹1,66,667 was paid to Mr. Ashwani Kumar Gupta.

Details of sitting fees and commission paid during Financial Year 2023-24 as detailed above, is provided in the Form MGT-7 which is placed on the website of the Company.

Managing Director & CEO

Mr. Girish Kousgi is the Managing Director and CEO of the Company with effect from October 21, 2022, for a period of four years till October 20, 2026.

The remuneration of the Managing Director & CEO is recommended by the Nomination & Remuneration Committee and approved by the Board as per the terms of appointment approved by the shareholders. The remuneration package of the Managing Director & CEO comprises of salary, performance linked variable pay and usual perquisites as per Company's HR policy approved by the Board. In addition, he is entitled to ESOPs. The Managing Director & CEO of the Company has not received any sitting fee or commission from the subsidiaries of the Company.

Details of remuneration paid/payable to the Managing Director during the year under review is provided in Form MGT-7.

Remuneration to Managing Director and details of ESOP Options:

Sl. No.	Particulars of remuneration	(₹)
1	Gross Salary	2,28,87,867
	1. Salary (as per provisions contained in section 17(1) of the Income tax Act, 1961	
	2. Value of perquisites under section 17(2) of the Income tax Act, 1961	-
	3. Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	-
2	Stock Option*	-
3	Sweat Equity	-
4	Commission as % of profit	-
5	Performance Bonus	44,38,356
	Total A	2,73,26,223

* He was granted 5,75,000 options on October 21, 2022 (vesting period 20% in first year 20% in second year, 30% in third year and 30% in fourth year). Also, he was granted additional 1,67,384 options pursuant to Rights Issue Corporate Action, with the similar vesting period.

Board Evaluation

The Board's evaluation process has been adopted by the Company in accordance with the Companies Act 2013 and the circular issued by SEBI. It applies to all Directors of the Company. The main objectives are to ensure effective and efficient Board operations aligned with corporate goals, to identify ways to enhance Board members' functioning, and to assess the balance of skills, knowledge, and experience on the Board.

The evaluation of the performance of the Board of Directors, Board Committees, and individual Directors was carried out during the year using a structured questionnaire. Peer evaluation was also conducted, excluding the Director being evaluated.

Evaluation criteria for Board includes communication with management, succession planning, independence, remuneration, strategy and performance, conflict of interest, culture, frequency of meetings, agenda, training, qualification, evaluation of risk, performance evaluation, access to management etc. Evaluation criteria for Committees includes contribution, effectiveness, independence, composition, structure and meetings.

Evaluation criteria for individual directors includes fulfilment of functions, knowledge and skill, participation and personal attributes.

Subsidiary Companies

The Company has two wholly owned subsidiaries, 'PHFL Home Loans and Services Limited' and 'PEHEL Foundation.' PHFL Home Loans was incorporated on August 22, 2017. The Company serves as a distribution arm for PNB Housing, offering doorstep services to prospective customers.

PEHEL Foundation is a wholly owned subsidiary of PNB Housing Finance Limited incorporated on October 14, 2019. It is incorporated as a CSR Foundation of the Company with the main objective to implement projects, programmes and such other activities as specified in Schedule VII of the Companies Act, 2013, as may be necessary under the CSR Policy of PNB Housing Finance Limited and/or its group companies and/or other donors/companies in terms of Section 135 of the Companies Act, 2013.

The subsidiaries are not material subsidiary within the meaning of the Listing Regulations. However, the Company has formulated a policy for determining material subsidiary, which is available on Company's website at <https://www.pnbhousing.com/investor-relations/corporate-governance/>.

Employee Stock Option Scheme (ESOS)/ Restricted Stock Unit Scheme (RSUs)

The disclosures as required under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended, have been placed on the website of the Company. Details of Grants and other Particulars are provided in the notes to accounts.

Proceeds from Private Placement of Non - convertible Debentures (NCDs)

During the year, the Company has raised ₹1,451 crore of secured NCDs through private placements in different tranches. As specified in the offer documents, the funds were utilised for onward lending.

Transactions with Non-Executive Directors

The Non-Executive Directors of the Company do not have any pecuniary relationship or transactions with the Company.

None of the Directors are related to each other, other than Nominee Directors.

Prevention of Insider Trading

The Board has adopted a Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in terms of SEBI (Prevention of Insider Trading) Regulations, 2015. The Code has been amended in compliance with the provisions of SEBI (Prevention of Insider Trading) Regulations, as amended from time to time. This Code is applicable to designated employees, their immediate relatives and Directors of the Company and Connected Person.

This Code aims to preserve the confidentiality and prevent the misuse of any unpublished price sensitive information

and to put in place a policy for prohibition of insider trading on the basis of unpublished price sensitive information.

Whistle Blower Policy / Vigil Mechanism

The Company has in place, a Board approved Whistle Blower Policy/Vigil Mechanism, which provides a framework to promote a responsible and secure whistle blowing. It protects employees wishing to raise concern about serious irregularities within the Company. The Audit Committee oversees the vigil mechanism and employees have access to the Audit Committee. The policy is placed on the website of the Company.

Internal Guidelines on Corporate Governance

The Company has adopted the Internal Guidelines on Corporate Governance in terms of the Master Direction– Non-Banking Financial Company–Housing Finance Company (Reserve Bank) Directions, 2021 (“RBI Master Directions”). These guidelines provide for internal guideposts to maintain highest standards of Corporate Governance within the Company. These guidelines also encompass the requirements in terms of Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 (“RBI Scale Based Regulations”), SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) and such other applicable regulations and guidelines from time to time (collectively referred to as “applicable laws”). The said Policy is available on the website of the Company and can be accessed at <https://www.pnbhousing.com/investor-relations/corporate-governance/>

Total fees paid to Statutory Auditors by the Company and its subsidiary for all the services during the Financial Year 2023-24

During the year, the Statutory Auditors of PNB Housing Finance Limited has received a total remuneration of ₹1.08 crore from the Company and the Statutory Auditors of subsidiaries have received ₹0.10 crore. The remuneration pertains to fees for statutory audit, internal financial control reporting, limited reviews, tax audits, certifications and reimbursement of expenses.

Internal Financial Control

The Company has an Internal Audit Department to conduct audit of functional areas and operations of the Company, the adequacy of compliance with policies, procedures, statutory and regulatory requirements. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

Significant audit observations if any and corrective actions thereon are presented to the Audit Committee every quarter. The Audit Committee reviews and evaluates adequacy and effectiveness of the Company’s internal control environment and monitors the implementation of audit recommendations.

The Audit Committee and Board of Directors have approved a documented framework for the internal financial control to be followed by the Company and such policies and procedures are adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information and disclosures.

Disclosures

Related Party Transactions

The Policy on Related Party Transactions as approved by the Board is available on Company’s website at <https://www.pnbhousing.com/investor-relations/corporate-governance/>. There were no material transactions with related parties that may have potential conflict of interest with the Company. Details of related party transactions entered into by the Company are included in the notes forming part of the financial statements. There were no financial or commercial transactions by the senior management with the Company where they have personal interests that may have a potential conflict with the interests of the Company at large. During the year, the Company has obtained credit facility viz. term loans, overdraft from Punjab National Bank. All the transactions were in the ordinary course of business and at arm’s length.

The Company has taken approval from the shareholders for entering into material related party transactions i.e. various banking and other transactions with Punjab National Bank and transactions with PNB Gilts Limited in the ordinary course of business. The relevant extracts from Related Party Transaction Policy is given in a separate annexure. For full details please refer our website www.pnbhousing.com

Accounting Standards / Treatment

The Company has complied with Indian Accounting Standards (‘Ind AS’) notified under Section 133 of the Companies Act 2013 (‘the Act’) and rules made thereunder. The financial statements for the year have been prepared in accordance with Schedule III to the Companies Act, 2013.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Directors’ Report.

General Meetings / Postal Ballot

Annual General Meetings/ Extra-Ordinary Meetings were held through Video conferencing as per the relaxations provided to the Companies by the Ministry of Corporate Affairs since the year ended March 31, 2020 on account of Covid 19 pandemic. The details of date, time and venue of the Annual General Meetings (AGMs) of the Company held during the preceding three years and the Special Resolutions passed there at, are as under:

The details of the special resolutions passed during the last three Annual and / or Extraordinary General Meetings held through Video Conference/ Other Audio-Visual means, are as follows:

Year ended	Date and time	Deemed Venue	Special resolution passed
March 31, 2023 (35 th AGM)	August 10, 2023 at 04:00 P.M. (IST)	9 th Floor, Antriksh Bhawan, 22 K G Marg, New Delhi – 110001	1. To borrow funds and issue of Non-Convertible Debentures (NCDs) on private placement basis. 2. Approval of Alteration of Articles of Association.
March 31, 2022 (34 th AGM)	July 26, 2022 at 03:00 P.M. (IST)	9 th Floor, Antriksh Bhawan, 22 K G Marg, New Delhi – 110001	1. To borrow funds and issue of Non-Convertible Debentures (NCDs) on private placement basis. 2. Approval of Restricted Stock Unit Scheme 2022 of the Company. 3. Approval of Employees Stock Option Scheme (ESOP Schedule III 2022) of the Company. 4. Approval of amendment in the Employees Stock Option Scheme 2016.
March 31, 2021 (33 rd AGM)	September 3, 2021 at 03:00 P.M. (IST)	9 th Floor, Antriksh Bhawan, 22 K G Marg, New Delhi – 110001	1. To borrow funds and issue of bonds/ Non- Convertible debentures and other debt securities.

Extra-ordinary General Meeting held through Video Conference/ Other Audio-Visual means, are as follows:

Date and time	Deemed Venue	Special resolution passed
June 22, 2021 at 03:00 P.M. (IST)	9 th Floor, Antriksh Bhawan, 22 K G Marg, New Delhi – 110001	1. Re-appointment of Mr. Chandrasekaran Ramakrishnan (DIN: 00580842) as an Independent Director for a second term of 5 (five) years. 2. Re-appointment of Mr. Nilesh S Vikamsey (DIN: 00031213) as an Independent Director for a second term of 5 (five) years.

Postal Ballot

During the financial year, the Company had issued a Postal Ballot Notice to the Members requesting for a Special Resolution for Re-appointment of Ms. Gita Nayyar (DIN:07128438) as an Independent Director of the Company. Details are as follows:

Date of postal ballot notice	Resolution passed	Voting results	Approval date	Scrutinizer
Notice dispatched on March 27, 2024	Re-appointment of Ms. Gita Nayyar (DIN:07128438) as an Independent Director of the Company.	Voting in favour: 99.60% Voting against: 0.40%	April 26, 2024	Mr. Shashikant Tiwari (Membership No. FCS 11919, CP. No. 13050), Partner of M/s Chandrasekaran Associates, Company Secretaries, New Delhi

The voting results provided by the scrutinizer are made available on our website at <https://www.pnbhousing.com/investors/updates-and-events>

Procedure for postal ballot

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and applicable circulars issued by the Ministry of Corporate Affairs from time to time. General Procedure followed is given below:

- Postal Ballot Notice will be sent to all the shareholders (as on the cut-off date), whose e-mail IDs are registered with the Depositories/RTA.
- E-voting facility shall be provided to the members through a designated depository.
- The e-voting facility shall remain open for 30 days from the date of dispatch of notice to the members.
- If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a general meeting convened in that behalf.

- The intimation about dispatch of postal ballot shall be published in newspapers.
- The scrutiniser shall be appointed to conduct the Postal Ballot in a fair and transparent manner.
- Scrutiniser shall submit his report to the Chairman/ Managing Director & CEO/ any other authorised person, not later than 48 hours after closure of e-voting.

Details of special resolution proposed to be transacted through postal ballot

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

Means of Communication to the shareholders and Investor Relations

The Company has about 1,33,177 shareholders all over India as on March 31, 2024.

The means of communication to the shareholders includes;

- (a) Quarterly Results - The Company, immediately after conclusion of the meetings of the Board of Directors, uploads the quarterly/half yearly/annual financial results on the website 'NEAPS'/'NSE Digital' of National Stock Exchange of India Limited and 'Listing Centre' of BSE Limited and simultaneously uploads the same on the Company's website <https://www.pnbhousing.com/> within the prescribed time.
- (b) Newspapers wherein results normally published - The Company normally publishes the abridged version of audited/ unaudited financial results on a quarterly/ half yearly/ annual basis, in the prescribed format, in leading newspapers in English and Regional Language i.e., in Hindi viz., 'Business Standard'.
- (c) Display on website - The Company displays all the reports/ statements/ notices and such other documents as required/ applicable under the statutory and regulatory requirements on the official website of the Company <https://www.pnbhousing.com/> The Company also uploads all such documents online on National Stock Exchange of India Limited website <https://neaps.nseindia.com/NEWLISTINGCORP/>, and BSE Limited website <https://listing.bseindia.com/home.htm> for dissemination.

Investors' page on the website of the Company:

The 'Investors' Page (<https://www.pnbhousing.com/investors/investor-presentations>) provides quarterly results and presentation made by the Company covering pictorial representation of the statistical data, annual performance compared, key ratios, etc. The page also discloses the un-audited results on a quarterly basis together with the limited review reports and the audited annual financial results, annual reports, shareholding pattern, unclaimed/unpaid dividend/deposits, Fair Practice Code, KYC guidelines, nomination by members, SEBI circulars insisting for payments to members through electronic mode, complete details about the Registrar and Transfer agents, details of the Compliance Officer, information, codes, policies, etc., as required under Reg. 46 and 62 of the SEBI Listing Regulations and for the information and utility of the shareholders of the Company. The intimations relating to Investors or Analysts meet are informed to the stock exchanges in terms of Regulation 30 of the SEBI regulations and similar information is made available on the Company's website within the prescribed time as and when applicable.

- (d) Official News releases - Dissemination of information through television/press: The Managing Director and CEO provides brief information on quarterly/annual results on TV channels and in print media, within the permissible disclosure norms.
- (e) Presentations made to Institutional Investors or to the Analysts - The Managing Director & CEO, Chief Financial Officer and Head - Treasury & Investor

Relations interact with the analysts/investors and participate in the Conference calls arranged by reputed Investors/analysts. The Company conducts earnings calls post disclosure of results and recordings of such calls and transcripts are made available on the Company's official website as per the permissible disclosure norms.

- (f) Annual Report: The Annual Report encompasses operational and financial highlights for the current year in comparison with previous years, Report of Directors, Management Discussion and Analysis Report, Report of the Directors on corporate governance and Standalone and Consolidated Audited Financial Statements together with the Auditors Report. The Annual Report also contains a section on 'General Information to Shareholders' which inter-alia provides information relating to Annual General Meetings, shareholding pattern, distribution of shareholding, voting rights and the monthly high and low market price of equity shares during the year, etc. and the information as required under statutory and regulatory guidelines.
- (g) Stock Exchanges: The Company uploads/discloses all material information online, about the Company including shareholding pattern, report on corporate governance, reconciliation of share capital audit, status of investor's complaints, certificates from RTA, disclosure on related party transactions, annual secretarial compliance report, intimations/disclosure of material events, certification on utilization of the proceeds of Non- convertible debentures and Commercial papers for the purpose for which the same are raised, Large corporate disclosures, record dates for corporate action(s), payment of NCD interest, redemptions, intimations u/r 57(4) and 57(5) of SEBI Listing Regulations, 2015, ALM position, etc. periodically to the National Stock Exchange of India Limited and BSE Limited.
- (h) Investor grievance redressal mechanism: The Company has provided a separate e-mail ID for shareholders services viz., Investor.Services@pnbhousing.com and the investor grievance redressal mechanism is in place.
- (i) Meetings: The principal forum for interaction/ discussion with shareholders be it individuals, corporates or foreign investors is the Annual General Meeting of the Company.
- (j) SEBI Complaints Redressal System (SCORES): The investor complaints are processed in a centralized web-based complaints redressal system. Centralised database of all complaints received, online upload of the Action Taken Reports (ATRs) by the Company and online viewing by investors of actions taken on the complaint and its current status are updated/ resolved electronically in the SEBI SCORES system/facility provided by Stock Exchange(s).
- (k) Other information: The details relating to the Director(s) proposed to be appointed/re-appointed at the ensuing Annual General Meeting are provided as an annexure to the notice convening the said meeting.

In recognition of the initiative taken by the Ministry of Corporate Affairs (MCA), Government of India and as a contribution towards a greener environment, the Company has been sending all documents like General Meeting Notices (including AGM), Audited Financial Statements, Report of Directors, Auditors Report, etc. to a significant number of shareholders to their registered e-mail address made available to the Company by the Depositories or by the members themselves to the Company or its Registrar & Transfer agents. The above documents would also be available on the website of the Company <https://www.pnbhousing.com/>

The Annual Report of the Company for the financial year 2023-24 will be e-mailed to the members as stated above and in compliance with the guidelines issued by MCA vide its various notifications and circulars since March 2020, relaxing various requirements. If any member wishes to get a hard copy of the Annual Report, the Company will send the same, free of cost, upon receipt of request from the member.

CEO and CFO Certification

In terms of Regulation 17(8) and Part B of Schedule II of SEBI Listing Regulation, a certificate from the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company confirming, amongst other aspects, the correctness of the financial statements, adequacy of internal control measures and matters to be reported to the Audit Committee, were taken on record at the Board meeting held on April 29, 2024 convened for approval of the audited financial results of the Company for the year under review. The said certification has been placed as Annexure A to this report.

Compliance with mandatory Requirements

The Company has complied with the mandatory requirements as stipulated under Regulation 17 to 27, 34(3), 46 and 53 of the Listing Regulations. The Company has submitted the quarterly compliance status report to the stock exchanges within the prescribed time limit. The Company has received certificate(s) from practising Company Secretaries confirming none of the Directors debarred or disqualified and also a Certificate confirming that the Company has complied with the conditions of Corporate Governance as stipulated under the Listing Regulations. Both the certificates are placed as Annexures to the Directors' Report. During the year under review, the Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement as specified under the Listing Regulations.

Compliance with discretionary requirements

The status of adoption of the non- mandatory requirements as specified in Regulation 27(1) of the SEBI (LODR) Regulations, 2015, are as follows:

- a. The Board: The Chairman of the Company is Non-Executive Chairman.
- b. Shareholder Rights: Half-yearly and other quarterly financial statements are published in newspapers, uploaded on Company's website <https://www.pnbhousing.com/>, submitted to Stock exchanges on which Equity shares/ Non-convertible debentures of the

Company are listed viz., the National Stock Exchange of India Ltd., and the BSE Limited; The Company protects and facilitates exercise of the rights of shareholders.

- c. Modified opinion(s) in audit report: There were no qualifications/modified opinion(s) on financial statements by the Auditors.
- d. There are separate posts of the Chairman, and the MD & CEO. The Board has elected a non-executive chairperson who is not related to the MD & CEO.
- e. Reporting of Internal Auditor: The Internal Auditor(s) of the Company reports directly to the Audit Committee without any restrictions.

Strictures and Penalties during last 3 years

- a. During FY 2023-24, no penalty/strictures were imposed on the Company by BSE Limited/ NSE Limited.
- b. During FY 2022-23, BSE Limited and NSE Limited have levied a penalty of ₹4.25 lakh each plus GST each on 21/11/2022 and 21/02/2023 for non-compliance with the proviso to Regulation 17 (1) (b) of Listing Regulations i.e., shortfall of one Independent Director on the Board.
- c. During FY 2021-22, BSE Limited and NSE Limited have levied a penalty of ₹2.70 lakh each plus GST each for delay in appointment of woman director. A settlement application was filed on suo motto basis with SEBI on January 17, 2022, on behalf of the Company and its directors, in terms of the SEBI (Settlement Proceedings) Regulations, 2018 ("Settlement Regulations"), seeking settlement of all the matters that may arise in connection with Preferential Issue of Equity Shares without admitting or denying the findings of fact or conclusions of law. Pursuant to completion of the requirements under the Settlement Regulations, SEBI has notified a Settlement Order dated July 18, 2022. The Company paid settlement amount of ₹72.76 lakhs to SEBI including the legal expenses of ₹44.27 lakhs.

The National Housing Bank has imposed a monetary penalty of ₹0.80 lakh plus GST on the Company for non-adherence of policy circular no. 58 and 75.

Secretarial Standards

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

Declaration on Code of Conduct

In terms of Regulation 26(3) of the SEBI (LODR) Regulations, 2015, all the members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the FY 2023-24. As required under Schedule V(D) of the said Regulations, a declaration signed by the Managing Director & Chief Executive Officer of the Company stating that the members of the Board and the Senior Management Personnel have affirmed compliance of their respective Codes of Conduct, is placed as an Annexure B to the corporate governance report.

Annexure A**CEO/CFO CERTIFICATION FOR THE YEAR ENDED MARCH 31, 2024****[Pursuant to Regulation 17(8) and Part B of Schedule II of SEBI (LODR) Regulations, 2015]**

To
The Board of Directors
PNB Housing Finance Limited
9th Floor, Antriksh Bhavan, 22 Kasturba Gandhi Marg,
New Delhi – 110001

Sub: CEO and CFO certification for the year ended March 31, 2024

In terms of Regulation 17(8) read with Part B of schedule II of SEBI (Listing obligations & Disclosure Requirements) Regulations 2015, we certify that:

- a) We have reviewed financial statements and the Cash Flow Statement for the year ended March 31, 2024 and that to the best of our knowledge and belief:
 - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. These statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered by the Company during the year ended March 31, 2024, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
 - I. Significant changes in internal control if any, over financial reporting during the year;
 - II. Significant changes in accounting policies, if any, during the year and the same have been disclosed in the notes to the financial statements; and
 - III. Instances during the year of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date: April 29, 2024
Place: New Delhi

Sd/-
Vinay Gupta
Chief Financial Officer

Sd/-
Girish Kousgi
Managing Director & CEO

Annexure B

Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Code of Conduct

The Board of Directors
PNB Housing Finance Limited
New Delhi

Dear members of the Board,

I, Girish Kousgi, Managing Director & Chief Executive Officer of PNB Housing Finance Limited hereby declare that all the members of the Board have affirmed compliance with the 'Code of Conduct of Board of Directors' for the financial year ended March 31, 2024.

I further declare that all the members of Senior Management Personnel of the Company have affirmed compliance with the 'Code of Conduct of the Senior Management' for the financial year ended March 31, 2024.

Date: April 29, 2024
Place: New Delhi

Sd/-
Girish Kousgi
Managing Director & CEO

Policy on Related Party Transactions

I. INTRODUCTION

PNB Housing Finance Limited (**'the Company'**) is a public limited company incorporated on November 1, 1988 under the Companies Act, 1956 (Corporate Identity Number L65922DL1988PLC033856). The Company is registered as a Housing Finance Company with the National Housing Bank (NHB) under the NHB Act, 1987.

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI Listing Regulations"**) and Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 requires a Company to adopt a policy on materiality of Related Party Transactions and on dealing with Related Party Transactions.

In view of the above, the Board of Directors (**"Board"**) of the Company has adopted the Policy on Related Party Transactions (**"Policy"**).

II. OBJECTIVE OF THE POLICY

The objective of this Policy is to set out:

- i. Materiality of Related Party Transactions;
- ii. Manner of dealing with the transactions between the Company and its Related Parties and other Related Party Transactions, as may be required, in accordance with the Companies Act, 2013, Regulation 23 of the SEBI Listing Regulations and any other statute, law, standards, regulations relating to Related Party Transactions; and
- iii. Laying down the guiding principles and mechanism to ensure proper approval, disclosure and reporting of transactions as applicable in the best interest of the Company.

III. DEFINITIONS

- i. **'Act'** means the Companies Act, 2013, as amended from time to time.
- ii. **'Arm's Length Transaction'** means a transaction between the Company and its Related Party(ies) that is conducted as if they are unrelated, so that there is no conflict of interest.
- iii. **'Audit Committee'** means Audit Committee of Board of Directors of the Company constituted under provisions of the Act and SEBI Listing Regulations.
- iv. **'Board of Directors'** or **'Board'** means Board of Directors of the Company as constituted from time to time.

- v. **'Company'** means PNB Housing Finance Limited.
- vi. **'Compliance Officer'** may be a Company Secretary of the Company or any other person as may be authorized by the Board for this purpose.
- vii. **'Material modification'** shall mean any modification made in the terms and conditions of any ongoing or proposed Related Party Transaction, as originally approved which, individually or taken together with previous modifications during a financial year, results in variation in the value of the Related Party Transaction, as tabulated in the Annexure (except for the specified transactions covered as per the Act) or has significant impact on the nature, tenure, exposure, as may be determined by the Audit Committee from time to time (Refer Annexure I).

Provided that a modification shall be material, if by such modification, the terms of the contract cease to be at arms' length.

Provided further that the following shall not be considered as material modification -

- a) modifications which may be mandated pursuant to change in law;
- b) modifications pursuant to and in accordance with the terms of the approved transaction/ contract apart from the above defined material modification;
- c) modifications resulting from change in constitution of either of the parties pursuant to schemes of arrangement (e.g. merger, amalgamation, demerger, etc.) approved by appropriate authority;
- d) modifications which are purely technical and do not result in substantive change or alteration of rights, interests, and obligations of any of the parties;
- e) modifications uniformly affected for similar transactions with unrelated parties;

viii. **'Material Related Party Transaction'**

A. UNDER THE SEBI LISTING REGULATIONS:

- a. Means transaction with a Related Party if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹1000 crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is less.

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

B. UNDER THE ACT:

Means transactions as defined under Section 188(1) of the Act with Related Parties as defined under Section 2(76) of the Act where the aggregate value of the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds the limits as prescribed under the Act from time to time. Rule 15 of Companies (Meeting of Board and its Power) Rules, 2014 prescribes the specified transactions and threshold limits as tabulated below:

Prescribed transaction categories	Threshold Limits
Sale, purchase or supply of any goods or material (directly or through an agent)	Amounting to 10 per cent or more of turnover of the Company
Selling or otherwise disposing of, or buying, property of any kind (directly or through an agent)	Amounting to 10 per cent or more of net worth of the Company
Leasing of property of any kind	Amounting 10 per cent or more of turnover of the Company
Availing or rendering of any services (directly or through an agent)	Amounting to 10 per cent or more of turnover of the Company
Appointment to any office or place of profit in the company, subsidiary company or associate company	Remuneration exceeding ₹2.5 lacs per month of the Company
Underwriting the subscription of any securities or derivatives of the company	Remuneration exceeding one per cent of net worth of the Company

- ix. **'Related Party(ies)'** shall have the same meaning as defined under the Act, SEBI Listing Regulations and Indian Accounting Standards (Ind AS) including all amendments and modifications thereof from time to time.

Further, as per SEBI Listing regulation:

- a. any person or entity forming a part of the promoter or promoter group of the listed entity; or
- b. any person or any entity, holding equity shares of ten per cent or more in the listed entity either directly or on a beneficial

interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party.

- x. **'Related Party Transaction'** means a transaction involving transfer of resources, services or obligations between the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries whether a price is charged or not.

A transaction with a Related Party shall be construed to include a single transaction or a group of transactions in a contract.

- xi. **'SEBI Listing Regulations'** mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendments thereof.
- xii. **'Specified Transaction'** means the transaction which has been specified in Section 188 of the Act as amended from time to time.
- xiii. **'Stock Exchange'** means the stock exchange where equity shares of the Company are listed.
- xiv. **'Turnover'** or **'Net Worth'** shall be on the basis of the Audited Financial Statement of the preceding financial year.

Unless the contrary is apparent from context, words and expressions used and not defined in this Policy shall have the same meaning as contained in the Act read with rules made thereunder, the SEBI Listing Regulations or any other cognate statute.

IV. MANNER OF DEALING WITH RELATED PARTY TRANSACTION

IV.1. Identification of Related Parties and Related Party Transactions:

- i. Every Director and/or Key Managerial Personnel of the Company shall disclose to the Compliance Officer in form MBP-1, at the time of his appointment, in beginning of every financial year and wherever there is any changes in the disclosures so made, about all persons, entities, firms, or other organizations in which he/ she is interested along with unique identification number/ PAN, whether directly or indirectly.(including details of relatives etc.)
- ii. The Chief Financial Officer shall maintain a complete list of Related Parties, and update the same as and when any change is necessitated. The list shall be disseminated to all business functionaries for their ready reference while undertaking any transaction.

- iii. Besides, the Chief Financial Officer shall also maintain a list of Related Parties of its subsidiaries, which may be sourced from respective subsidiaries on a periodic (quarterly) basis or as and when needed. Adequate systems must be in place to ensure that the RPTs in which the Company is not a party, but the subsidiary is a party, shall be brought to the information of the Company in a timely manner, for necessary approvals, wherever required.
- iv. The Chief Financial Officer will be responsible for providing prior notice to the Compliance Officer of any potential Related Party Transaction. He will also be responsible for providing additional information about the transaction that may be required, for placing before the Audit Committee, the Board or Shareholders, as the case may be.
- v. The suggested details and list of records and supporting documents which are required to be provided to the Audit Committee, Board and Shareholders of the Company for the proposed Related Party Transaction are provided in **Annexure II** to this Policy.
- vi. If required, the Company may refer any potential Related Party Transaction to any external legal consultant/ expert for obtaining his/ her opinion on any legal/ regulatory issues involved in the potential Related Party Transaction and the outcome or opinion of such exercise shall be brought to the notice of the Audit Committee. The Audit Committee shall have the right to obtain external professional advice in relation to related party transactions.
- vii. The Company being an insurance intermediary and has majority shareholding of foreign investors shall not make payments (other than dividend) to related parties (foreign investors) taken as a whole, beyond 10% of the total expenses of the Company in a financial year.

IV.2. Approval Mechanism for Related Party Transaction

IV.2.1. Approval by the Audit Committee

- i. All Related Party Transactions and Material Modification(s) thereto shall require prior approval of the Audit Committee irrespective of whether such transactions are in the ordinary course of business and/or at arm's length or not.
- ii. Prior approval of the Audit Committee of the listed entity shall also be required in case of a related party transaction to which the subsidiary of the Company is a party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10%

of the annual standalone turnover, as per the last audited financial statements of the subsidiary;

- iii. However, such prior approval shall not be required for (i) a related party transaction wherein Regulation 23 is applicable to such subsidiary, since in that case prior approval of the audit committee of the subsidiary will be obtained; and (ii) such other transactions which may be exempted under the Listing Regulations, from time to time.
- iv. Approval of the Audit Committee shall not be required for any transaction which has been entered into by the Company with its wholly owned subsidiary or transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the General Meeting for Shareholder's approval. However, approval shall be required in case of Specified Transaction between the Company and its wholly owned subsidiary company.
- v. Transactions for which prior approval has been accorded by the Audit Committee, should be placed for review by the Audit Committee at such intervals, as may be decided by the Audit Committee, but least on an annual basis.
- vi. Only those members of the Audit Committee who are independent directors, shall approve Related Party Transactions. Any member of the Audit Committee who has a potential interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

Omnibus approval of Related Party Transactions:

- i. In the case of repetitive transactions which are in the normal course of business of the Company, the Audit Committee may grant omnibus approval keeping in mind repetitiveness and justification for the need for the omnibus approval.
- ii. While granting omnibus approval, the Audit Committee shall satisfy itself on the need for omnibus approval for transactions of repetitive nature and such approval shall be in the interest of the Company.

Criteria for making the omnibus approval:

- i. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval which shall inter alia include the following, namely:
 - a. maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;

- b. the maximum value per transaction which can be allowed;
 - c. extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - d. review, at such intervals as the Audit Committee may deem fit, Related Party Transaction entered into by the Company pursuant to each of the omnibus approval made;
 - e. Transactions which cannot be subject to the omnibus approval by the Audit Committee.
- ii. The omnibus approval granted by the Audit Committee shall indicate the following:-
 - a. name of the Related Party(ies);
 - b. nature and duration of the transaction;
 - c. maximum amount of transaction that can be entered into;
 - d. the indicative base price or current contracted price and the formula for variation in the price, if any; and
 - e. any other information relevant or important for the Audit Committee to take a decision on the proposed transaction
 - iii. Where need of the Related Party Transaction cannot be foreseen and above details are not available, the Audit Committee may grant omnibus approval subject to the value per transaction shall not exceed by ₹1,00,00,000/- (Rupees One Crore Only).
 - iv. The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approvals given.
 - v. The omnibus approval provided by the Audit Committee shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such financial year.
 - vi. Such omnibus approval shall not be made by the Audit Committee for the transactions in respect of selling or disposing of the undertaking of the Company.

IV.2.2. Approval by the Board

- i. Related Party Transaction shall require Board approval in the following cases:
 - a. If the Related Party Transaction is not in the ordinary course of business or not at Arm's Length Basis; or

- b. the Audit Committee determines that a Related Party Transaction should be brought before the Board; or
 - c. the Board in any case elects to review any Related Party Transaction suo moto; or
 - d. the Related Party Transaction needs to be approved by the Board under any law for the time being in force.
- ii. Approval of the Board of Directors shall not be required for the transaction entered into by the Company with its wholly owned subsidiary or with any other party, if such transaction is in the ordinary course of business and on an arm's length basis.
 - iii. The considerations set forth above in case of Audit Committee shall also apply to the Board's review and approval of the proposed Related Party Transaction with such modification as may be necessary or appropriate under the circumstances.
 - iv. Any member of the Board who has a potential interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

IV.2.3. Approval by the Members

Unless exempted under the Act/SEBI Listing Regulations, as the case may be, all Material Related Party Transactions and subsequent Material Modifications shall require prior approval of the shareholders by way of an ordinary resolution. No Related Party(ies) shall vote to approve such resolutions whether the person/entity is a related party to the particular transaction or not.

Approval of the members shall not be required for any transaction which has been entered into by the Company with its wholly owned subsidiary or transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the General Meeting for approval.

Type	Approving Body		
	Audit Committee	Board	Shareholders
Material RPTs	●		●
Material modifications RPTS, where RPT is material	●		●
material modification in RPTs, where RPT is not material	●		
Not in ordinary course / arm's length & not material	●	●	
Not in ordinary course / arm's length & material	●	●	●

IV.3. Consideration by the Audit Committee/ Board in approving the proposed transactions

The Audit Committee/ Board shall take into account all relevant facts and circumstances including the terms of the transaction, purpose of the transaction, benefits to the Company and benefit to the Related Party and any other relevant matters.

The Audit Committee/ Board shall, inter-alia, consider the following factors to the extent relevant to the transaction:

- a. Whether the terms of the Related Party Transaction are in the ordinary course of the Company's business and are on an arm's length basis;
- b. Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- c. Whether the Related Party Transaction includes any potential reputational risks that may arise as a result of or in connection with the proposed transaction; and
- d. Whether the Related Party Transaction would affect the independence or present a conflict of interest for any Director or Key Managerial Personnel of the Company.

V. RELATED PARTY TRANSACTIONS NOT PREVIOUSLY APPROVED

In the event of any Director, Key Managerial Personnel or any other employee becoming aware of any Related Party Transaction(s) that the transaction has been omitted to be approved by the Audit Committee/ Board/ Members, as the case may be, or is in deviation of this Policy, such person shall promptly inform to the Chief Financial Officer/Compliance Officer about such transaction and such transaction shall be placed before the Audit Committee, Board or Members, as may be required in accordance with this Policy for review and approval. The Audit Committee, Board or Members, as the case may be, shall consider all relevant facts and circumstances and may decide necessary actions as it may consider appropriate including ratification, revision, or termination of such transaction in accordance with the provisions of the Act/Listing Regulations.

VI. DISCLOSURES AND REPORTING

The Company shall make all disclosures and reporting in accordance with the provisions of applicable laws, including the following -

- i. As required under section 188 of the Act read with the Rules made thereunder, all the Specified

Transactions with related party(ies) as defined under the Act, which are not on arm's length basis or are material in nature, shall be disclosed in the Board's Report of the Company.

- ii. The Annual Report shall contain Related Party disclosure in accordance with all applicable laws including accounting standards and RBI Master Directions/ circulars issued or amended from time to time.
- iii. The Compliance Officer shall also make necessary entries in the Register of Contracts or Arrangement required to be maintained under the Act.
- iv. Details of all Material Related Party Transactions with its Related Parties and 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount' shall be disclosed in the quarterly compliance report on corporate governance as per the provisions of SEBI Listing Regulations.
- v. The Company shall submit on the date of publication of its standalone and consolidated financial results, disclosures of Related Party Transactions on a consolidated basis, in the format specified in the SEBI Listing Regulations as amended from time to time and publish the same on its website.
- vi. The Company shall disclose the Policy on dealing with Related Party Transactions on its website and also in the Annual Report, in accordance with RBI Master Directions.

VII. NON-APPLICABILITY

Notwithstanding anything contained anywhere else in this Policy, following shall not be a related party transaction as per SEBI (LODR) Regulations:

- i. The issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- ii. The following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - a) payment of dividend;
 - b) subdivision or consolidation of securities;
 - c) issuance of securities by way of rights issue or a bonus issue; and
 - d) buy-back of securities;

- iii. Acceptance of fixed deposits by the Company at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of Related Party Transactions every six months to the stock exchange(s), in the format as specified by the Board.

VIII. POLICY REVIEW AND DISSEMINATION

This Policy shall be reviewed annually by the Board or at earlier intervals as deemed necessary. Consequent upon any change in the SEBI Listing Regulations/Act or any other applicable law/ regulatory guidelines, if any, such change to the extent applicable to the Company, shall be deemed to be a part of this Policy.

IX. INTERPRETATION

Any ambiguities, interpretative issues, difficulties will be resolved by the Board of Directors of the Company in line with the broad intent of this Policy read with the applicable provisions of the Act, rules made thereunder, and the SEBI Listing Regulations.

In the event of any conflict between the provisions of this Policy and the Act or the SEBI Listing Regulations or any other statutory enactments or rules, the provisions of the SEBI Listing Regulations/ the Act or statutory enactments, rules made thereunder shall prevail over to this Policy and the part(s) so repugnant shall be deemed to be severed from the Policy and the rest of the Policy shall remain in force.

General Information to Shareholders

[Pursuant to Point 9 of Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Annual General Meeting

36th Annual General Meeting

Day & Date: Monday, August 12, 2024

Time: 03:00 P.M. (IST)

Venue: Meeting is being conducted through Video Conferencing and Other Audio-Visual Means (VC/OAVM) pursuant to the MCA General Circulars dated May 5, 2020, read with general circulars dated April 8, 2020, April 13, 2020, the latest being September 25, 2023. For details, please refer to the Notice of this AGM (Deemed venue: 9th Floor, Antriksh Bhawan, 22 K G Marg, New Delhi – 110 001)

E – voting dates: August 8, 2024, Thursday to August 11, 2024, Sunday

Financial Year

The Company follows financial year starting from April 1, of every year and ending on March 31, of the following year. Our tentative calendar for declaration of results for the financial year 2024-25 are as follows:

Quarter ended/ ending	Board Meeting for results	Trading Window closure (tentative)
June 30, 2024	3 rd / 4 th week of July 2024	From July 1, 2024 upto 48 hrs after disclosure of results
September 30, 2024	3 rd / 4 th week of October 2024	From October 1, 2024 upto 48 hrs after disclosure of results
December 31, 2024	3 rd / 4 th week of January 2025	From January 1, 2025 upto 48 hrs after disclosure of results
March 31, 2025	3 rd / 4 th week of April 2025	From April 01, 2025 upto 48 hrs after disclosure of results

Dividend Payment

The Board of Directors of the Company had decided to retain profits and hence did not declare any dividend for the Financial Year 2023-24.

Listing Details

Equity Shares of PNB Housing Finance Limited are listed on the below mentioned Stock Exchanges. The International Securities Identification Number (ISIN) in respect of the equity shares of the Company is INE572E01012.

• Listing of Equity Shares

Sl. No	Name of the Stock Exchange	Address of the Stock Exchange	Stock Code
1	National Stock Exchange of India Limited	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra Mumbai – 400051 www.nseindia.com	PNBHOUSING
2	BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 www.bseindia.com	540173

• Listing of Debt Securities

The Non-Convertible Debentures (NCDs) issued by the Company on private placement are listed on the WDM segment of National Stock Exchange of India Limited. The details of outstanding NCDs as on March 31, 2024 are provided elsewhere in this Annual Report.

• Listing of Commercial Paper

The Company has listed its Commercial Papers (CPs) on National Stock Exchange of India Limited in accordance with the SEBI Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, captioned “Operational Circular for issue & listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial paper”, (as amended from time to time). The details of outstanding CPs as on March 31, 2024 are provided elsewhere in this Annual Report.

Listing Fees

The annual listing fee as applicable for the financial year 2023-24 has been paid within the prescribed time to the above Stock Exchanges where the securities of the Company are listed. Further, the Company has paid Annual Listing Fees to NSE and BSE for the financial year 2024-25 in advance, as required under Listing Regulations.

The Annual Custodial Fee as applicable for the financial year 2023-24 has been paid within the due dates to Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL).

Market Price Data – High/Low During Each Month in the Financial Year 2023-24

The High and Low price (based on daily closing prices) and the volume of equity shares traded during each month in the financial year 2023-24 on NSE and BSE, are as under:

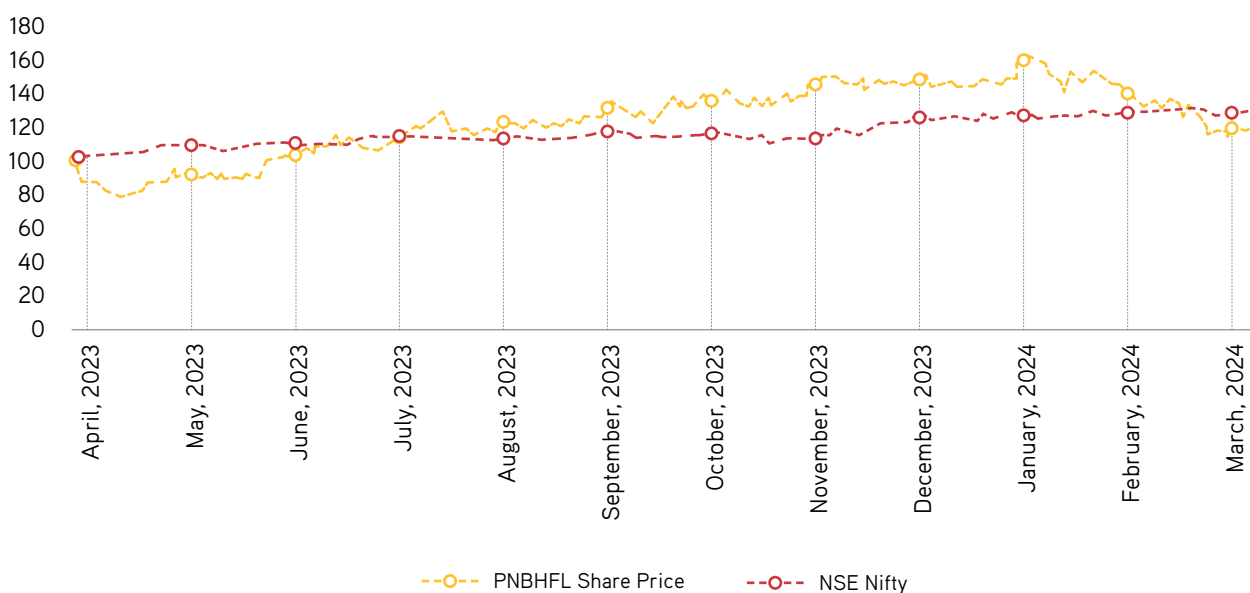
Month	NSE			BSE		
	High(₹)	Low(₹)	Total Equity Volume	High(₹)	Low(₹)	Total Equity Volume
Apr-2023	549.80	406.70	2,32,61,594	549.20	407.00	8,46,602
May-2023	508.20	445.90	1,48,38,089	508.70	446.75	5,85,682
Jun-2023	615.00	515.00	1,93,15,171	615.00	514.40	9,52,651
Jul-2023	699.00	559.00	1,57,88,104	699.00	559.50	6,51,241
Aug-2023	688.00	598.10	1,05,78,252	688.10	598.05	4,12,167
Sep-2023	739.70	642.00	96,45,489	739.80	646.25	5,61,891
Oct-2023	784.90	680.00	1,87,65,619	784.40	679.65	9,21,476
Nov-2023	824.80	710.00	73,17,548	824.55	710.85	3,63,935
Dec-2023	833.00	651.10	66,69,532	833.00	749.35	3,15,306
Jan-2024	913.70	758.00	2,42,22,539	913.95	757.85	2,67,49,962
Feb-2024	845.60	683.20	1,22,45,855	845.00	683.05	6,96,083
Mar-2024	738.00	604.00	83,22,999	740.00	600.40	5,48,190

Source: www.nseindia.com and www.bseindia.com

Performance of the Share Price of Company in Comparison to Broad Base Indices

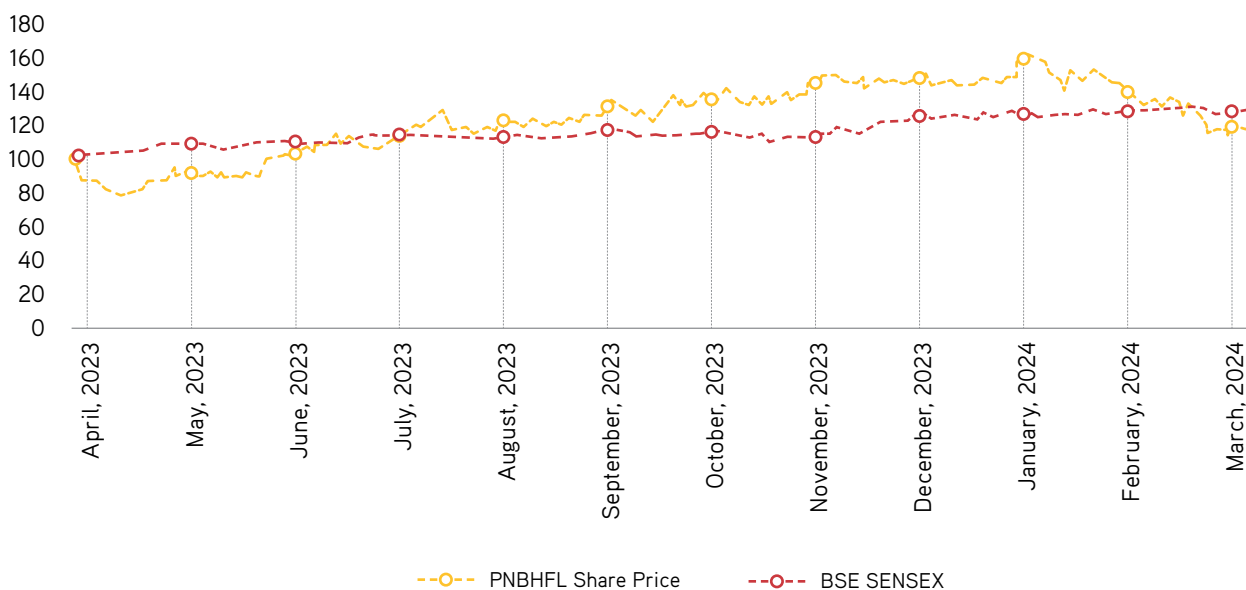
The chart below shows the comparison of the Company's monthly share price movement vis-à-vis the movement of the NSE Nifty 50 and BSE Sensex during the financial year 2023-24:

PNBHFL share price & NSE Nifty 50 movement



Note: PNB Housing share price and NSE Nifty 50 index values on April 1, 2023, have been baselined to 100.

PNBHFL share price & BSE Sensex movement



Note: PNB Housing share price and BSE Sensex index values on April 1, 2023, have been baselined to 100.

Registrar and Transfer Agents

Link Intime India Private Limited is the Registrar and Transfer Agents for Equity and Debt securities of the Company. The contact details are as below:

Link Intime Private Limited

C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai- 400083, Maharashtra

Tel No. 022-49186000

Email: rnt.helpdesk@linkintime.co.in

website: www.linkintime.co.in

Debenture Trustees

IDBI Trusteeship Services Limited is the Debenture Trustee for the NCDs issued by the Company.

The contact details are as below:

IDBI Trusteeship Services Limited

Universal Insurance Building,

Ground Floor, Sir P.M. Road,

Fort, Mumbai - 400001

Tel No. (022)40807000

E-mail: itsl@idbitrustee.com

Website: www.idbitrustee.com

Share Transfer System

All the equity shares of the Company are held in Dematerialized form. The Registrar and Transfer Agent receives a weekly report from the Depository about the details of beneficiary and update their records.

The grievances, if any, received from the investors and other correspondences relating to change of address, transmission, dematerialization, revalidation, mandates, etc., are processed by our RTA within stipulated timelines as per SEBI guidelines from time to time. The transfers of shares in demat mode are processed by NSDL/CDSL through respective Depository Participant.

In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of transfer and in terms of Regulation 40 (9) of SEBI LODR Regulations, 2015, and issues a certificate towards due compliance of share transfer formalities by the Company within the due dates is obtained and submitted to Stock Exchanges on annual basis.

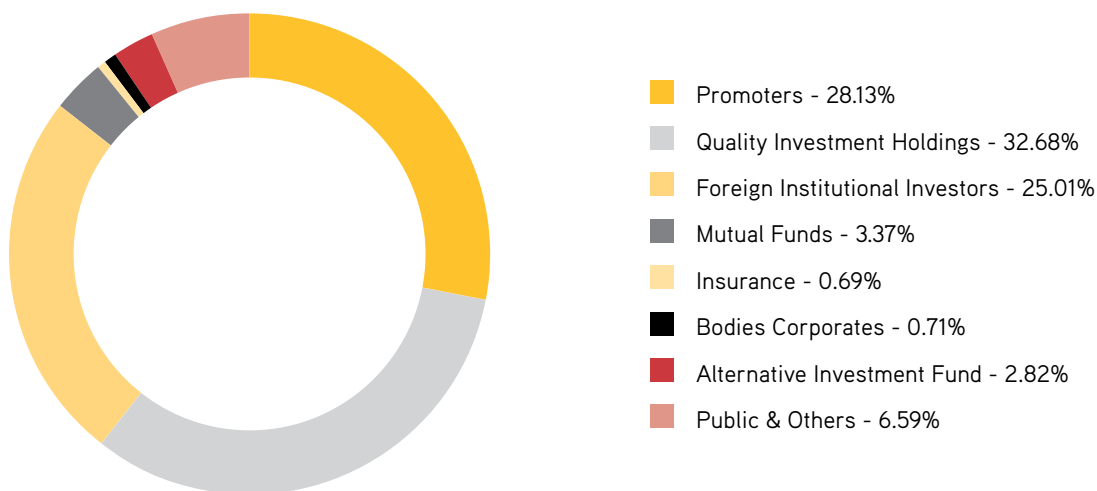
Further, in accordance with Regulation 46 of the SEBI LODR Regulations, 2015, the Company has designated an email ID namely Investor.services@pnbhousing.com for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances is ensured.

The Shareholders are requested to correspond with RTA for transfer/transmission of shares, change of address and queries pertaining to their shareholdings, at the address given in this report.

Distribution of Shareholding as on March 31, 2024

S. NO.	Number of Shares	No. of Share Holders	% of Total Share Holders	Total No. Shares	% of Total Shares
1.	1 to 500	130700	96.13	7341045	2.82
2.	501 to 1000	2885	2.12	2078736	0.80
3.	1001 to 2000	1220	0.89	1757979	0.67
4.	2001 to 3000	358	0.26	890021	0.34
5.	3001 to 4000	192	0.14	663725	0.25
6.	4001 to 5000	117	0.08	538509	0.20
7.	5001 to 10000	220	0.16	1588318	0.61
8.	10001 to above	264	0.19	24486553	94.27
Total		135956	100.00	259723886	100.00

Shareholding Pattern as on March 31, 2024



Top 10 shareholders of the Company as on March 31, 2024

S. No.	Name of the shareholder	Total No. of Equity Shares held	No. of Equity Shares held in DEMAT form	Total Shareholding as % of Total No. of Equity Shares
1	Punjab National Bank- Promoter	7,30,51,205	7,30,51,205	28.13
2	Quality Investment Holdings Pcc	8,48,84,311	8,48,84,311	32.69
3	Asia Opportunities V (MAURITIUS) Limited	2,56,50,006	2,56,50,006	9.88
4	General Atlantic Singapore Fund FII Pte Ltd	2,55,04,424	2,55,04,424	9.82
5	Pioneer Investment Fund	54,95,016	54,95,016	2.12
6	Tata Mutual Fund- Tata Equity P/E Fund	53,78,175	53,78,175	2.07
7	Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund	19,61,840	19,61,840	0.76
8	Vanguard Total International Stock Index Fund	13,84,143	13,84,143	0.53
9	United India Insurance Company Limited	13,79,493	13,79,493	0.53
10	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	13,25,233	13,25,233	0.51
Total		22,60,13,846	22,60,13,846	87.02

Dematerialization of Shares and Liquidity

The Company's Equity Shares are compulsorily traded in dematerialized form on NSE and BSE. We have established connectivity with both the Depositories, i.e., NSDL and CDSL. The International Securities Identification Number ('ISIN') allotted to the Ordinary (Equity) Shares under the Depository System is INE572E01012.

As on March 31, 2024, 25,97,23,886 Equity Shares, representing 100% of the Company's share capital, are in dematerialised form.

Outstanding GDRS / ADRS / Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence, as on March 31, 2024, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Commodity price risk is not applicable to the Company. The Company has outstanding balance of its borrowings under External Commercial Borrowings and the Company has undertaken hedging to mitigate its foreign currency risk. Normally the foreign currency risk is mitigated by entering into cross currency swaps and forward contracts.

Suspension of Securities

The securities of the Company have never been suspended from trading, since its listing.

Plant Locations

In view of the nature of the Company's business i.e., providing housing loans services, the Company is solely engaged in providing services and does not have any manufacturing plant location. However, the addresses of the branches are placed on the website of the Company.

Address for Correspondence

Registered Office:

PNB Housing Finance Limited

9th Floor, Antriksh Bhavan,

22 Kasturba Gandhi Marg,

New Delhi - 110001

Phone Number: 011-23736857

Email Address: investor.services@pnbhosuing.com

Extended Central Support Office:

'RMZ Infinity Park',

6th Floor,

Plot No.15, Udyog Vihar,

Gurugram, Haryana - 122008.

Phone Number: 0124-6030500

Email Address: investor.services@pnbhosuing.com

Unclaimed Dividend

In terms of Sections 124 and 125 of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) ("IEPF Rules"), Dividend, if not paid or claimed for a period of 7 years from the date of transfer to separate Unclaimed Dividend Account(s) of the Company, is liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, according to the Act read with the IEPF Rules, all the shares in respect of which dividend has not been paid or claimed by the shareholders for 7 consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

During the year under review, the Company does not have any unpaid or claimed Dividend or share that is liable to be transferred to IEPF as the prescribed period of 7 years has not yet lapsed from the date of transfer of Dividend to separate Unclaimed Dividend Account(s) of the Company. Total unclaimed dividend amounts, pertaining to previous years, as on March 31, 2024 is ₹7,03,050/- The details are provided on the website of the Company.

Outstanding Unclaimed Shares

There were 239 equity shares related to the Rights Issue that remained unclaimed due to invalid/ incomplete demat account particulars, held in a demat/unclaimed suspense account of the Company as at March 31, 2024. Those shares were transferred to the demat accounts of the respective shareholders subsequent to March 31, 2024. As of date, the Company does not have any of its equity shares in the demat suspense account or unclaimed suspense account.

Proceeds from Public Issue, Rights Issue, etc.

During the year, the Company has raised capital to an extent of ₹2,493.76 crore through Rights Issue and the proceeds were utilised for the objects specified in the disclosure document. The details are provided in the report of Directors in this Annual Report.

Reconciliation of Share Capital Audit

As required by the SEBI (Depositories and Participants) Regulations, 2018, quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, if any, with the issued and listed capital. The quarterly Secretarial Auditor's reports are submitted to BSE Limited and National Stock Exchange of India Limited within the prescribed timelines and the same are also placed to the Board for information.

Credit Rating

Ratings assigned by Credit Rating Agencies and migration, if any, of rating during the year are as follows:

Instrument	Rating Agency	Rating as on March 31, 2024	Migration during the year		Rating as on April 01, 2023
			Second migration	First migration	
Fixed Deposit	CRISIL Limited	CRISIL AA (Outlook - Positive)*	-	Reaffirmed; Outlook revised to "Positive" from "Stable"	AA (Outlook-Stable)
	CARE Ratings Limited	CARE AA+ (Outlook - Stable)	Upgrade to 'AA+' with a 'Stable' outlook	Reaffirmed; Outlook revised to "Positive" from "Stable"	AA (Outlook- Stable)
Non-Convertible Debentures	CRISIL Limited	CRISIL AA (Outlook - Positive)*	-	Reaffirmed; Outlook revised to "Positive" from "Stable"	AA (Outlook-Stable)
	ICRA Limited	ICRA AA+ (Outlook - Stable)	Upgrade to 'AA+' with a 'Stable' outlook	Reaffirmed; Outlook revised to "Positive" from "Stable"	AA (Outlook- Stable)
	India Ratings Limited	IND AA+ (Outlook - Stable)	Upgrade to 'AA+' with a 'Stable' outlook	Reaffirmed; Outlook revised to "Positive" from "Stable"	AA (Outlook- Stable)
	CARE Ratings Limited	CARE AA+ (Outlook - Stable)	Upgrade to 'AA+' with a 'Stable' outlook	Reaffirmed; Outlook revised to "Positive" from "Stable"	AA (Outlook- Stable)
Commercial Papers	CRISIL Limited	CRISIL A1+	-	No change	A1+
	CARE Ratings Limited	CARE A1+	No change	No change	A1+
Bank Loans	CRISIL Limited	CRISIL AA (Outlook - Positive)*	-	Reaffirmed; Outlook revised to "Positive" from "Stable"	AA (Outlook-Stable)
	India Ratings	IND AA+ (Outlook - Stable)	Rating assigned	-	-
	CARE Ratings Limited	CARE AA+ (Outlook - Stable)	Upgrade to 'AA+' with a 'Stable' outlook	Reaffirmed; Outlook revised to "Positive" from "Stable"	AA (Outlook- Stable)

*CRISIL upgraded rating to 'AA+' from 'AA' with a 'Stable' outlook on May 27, 2024.

Updation of shareholders particulars

Shareholders holding shares in electronic/DEMAT form are requested to send their instructions directly to their Depository Participants (DPs) for registering Nomination. Shareholders are requested to verify the details provided to the DP and update the bank account particulars, change of address, if any, mobile telephone number and the e-mail ID to the respective DPs for prompt and hassle free services.

SEBI vide its circular SEBI/HO/OIAE/2023/03391 dated January 27, 2023 issued a letter to all listed Companies and RTA's for generating awareness on availability of Dispute Resolution Mechanism at Stock Exchanges against Listed Companies / Registrar to an Issue and Share Transfer Agents (RTAs). In this regard, it was advised that listed Companies shall co-ordinate with the RTAs and shall arrange for sending SMS/ E-mail to all the investors who hold shares in physical form stating that if they have any dispute against the Company and/or its Registrar and Share Transfer Agent (RTA) on delay or default in processing their request, as per SEBI circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 5, 2022, they can file for arbitration with Stock Exchange. The Company had sent SMS and e-mails to the shareholders. Where mobile number or E-mail Id was not available and where E-mail or SMS have bounced, the Company had sent letters to the shareholders in this regard, by regd. post/speed post to their last known address.

The Company also had sent communication to the shareholders to claim their unclaimed dividends, if any, and to update their latest contact numbers, e-mail IDs, Bank account particulars, appointment of Nominees, etc. with their respective DPs.

Bank Account Particulars

SEBI has issued a Circular CIR/MRD/ DP/10/2013 dated March 21, 2013 [in the light of developments in the field of electronic payment system by various modes viz., National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) etc.,] whereby it has been made mandatory for the Companies to maintain requisite bank details of their investors. Further, as per MCA General Circular No.20/2020 dated May 5, 2020, dividend amount in the earlier years were credited directly into the Bank accounts by way of NEFT, RTGS, etc. of the shareholders who had furnished bank account details to the Company / Registrar. In terms of the said circulars, the Company has been paying unclaimed dividend amounts, if any, to members through electronic mode into the bank account as per details sought from NSDL/ CDSL (demat accounts). Members are requested to update the bank account particulars or any change in the Bank account particulars promptly to their respective DPs.

Compliance Officers

Veena G Kamath
Company Secretary
PNB Housing Finance Limited
9th Floor, Antriksh Bhawan, 22 K G
Marg, New Delhi – 110001
Phone: 011-23445206
Email: investor.services@pnbhousing.com

Krishna Kant
Chief Compliance Officer
PNB Housing Finance Limited
9th Floor, Antriksh Bhawan, 22 K G
Marg, New Delhi – 110001
Email: compliance@pnbhousing.com

Annexure I

Material Modification on type of Related Party Transactions

Type of transaction	Variation in the value of transaction (%)	Variation in the nature	Variation in tenure (%)	Variation in exposure
Loans raised	10	Secured converted to unsecured or vice versa	10	Likely to exceed the thresholds prescribed by the regulator or the underlying policy approved by the Board / Committee governing the policy.
- External commercial borrowings				
- Non-Convertible debentures				
- Commercial Paper				
- Term Loans/ working capital loans/ Overdraft/ cash credit				
- Fees / charges in relation to above				
Interest expense on the loan raised	NA	Secured converted to unsecured or vice versa	10	Likely to exceed the thresholds prescribed by the regulator or the underlying policy approved by the Board / Committee governing the policy.
Fixed deposit made	10	Premature withdrawal / Variation in the basis of computation of deposit rates	NA	Likely to exceed the thresholds prescribed by the regulator or the underlying policy approved by the Board / Committee governing the policy.
Fixed deposit accepted	10	Variation in the basis of computation of deposit rates	NA	Likely to exceed the thresholds prescribed by the regulator or the underlying policy approved by the Board / Committee governing the policy.
Interest income / expense on fixed deposit made / accepted	NA	NA	NA	Likely to exceed the thresholds prescribed by the regulator or the underlying policy approved by the Board / Committee governing the policy.
Assignment of loan including the servicing fees earned in relation to the assignment	10	NA	NA	Likely to exceed the thresholds prescribed by the regulator or the underlying policy approved by the Board / Committee governing the policy.
Routine banking transactions in the current account maintained with bank in line with bank mandate (including collection or disbursement of loans and incidental bank charges)	NA	NA	NA	NA
Sale / purchase of government securities	10	NA	NA	Likely to exceed the thresholds prescribed by the regulator or the underlying policy approved by the Board / Committee governing the policy.
Rent, maintenance and other fees/charges	10	NA	NA	Likely to exceed the thresholds prescribed by the regulator or the underlying policy approved by the Board / Committee governing the policy.
Remuneration, sitting fees, commission etc. to Key Managerial / Management Personnel	NA	NA	NA	The underlying policy approved by the Board / Committee governing the policy.
Donation for CSR	NA	NA	NA	The underlying policy approved by the Board / Committee governing the policy.
Royalty for brand / logo	20	NA	NA	Likely to exceed the thresholds prescribed by the regulator or the underlying policy approved by the Board / Committee governing the policy.

Note: for material modification, the variation in value, nature, tenure and exposure is in respect of ongoing or proposed related party transaction, as originally approved (omnibus) which, individually or taken together with previous modifications during a financial year, results in variation.

For example, in relation fixed deposit following variations has been defined:

Type of transaction	Variation in the value of transaction (%)	Variation in the nature	Variation in tenure (%)	Variation in exposure
Fixed deposit made	10	Premature withdrawal / Variation in the basis of computation of deposit rates	NA	Likely to exceed the thresholds prescribed by the regulator or the underlying policy approved by the Board / Committee governing the policy.

Fixed deposit to be made by PNBHFL with PNB was originally approved for ₹500 crore.

- PNBHFL has made a deposit of ₹520 crore, in such a case approval of ACB shall be required but same will not be considered as material modification.
- PNBHFL has made a deposit of ₹600 crore, (the variation in value is more than 10% of approved limit as tabulated above) in such a case approval of ACB shall be required and it will be considered as material modification.

As per SEBI guidelines, the audit committee of a listed entity shall define "material modifications" and disclose it as part of the policy on materiality of related party transactions and on dealing with related party.

Practically, approval of ACB shall be required for all related party transactions including modifications. Hence, in both the above cases approval of ACB shall be required.

Annexure II

Information to be Provided in Relation to the Proposed Related Party Transaction (To The Extent Relevant to the Transaction)

- i. Name, PAN of the Related Party and nature of relationship;
- ii. Nature and duration of the contract/transaction and particulars thereof;
- iii. Material terms of the contract or arrangement or transaction including the value, if any;
- iv. In case of existing or approved contracts, transactions, details of proposed variations to the duration, current price/ value and / or material terms of the contract or arrangement including a justification to the proposed variations;
- v. Any advance paid / received or to be paid / received for the contract or arrangement, if any;
- vi. Manner of determining the pricing and other commercial terms, whether or not included as part of contract;
- vii. Copy of the draft MOU, agreement, contract, purchase order or correspondence etc. if any.
- viii. Applicable statutory provisions, if any;
- ix. Valuation reports in case of sale or purchase or leasing/ renting of capital assets or securities; if any.
- x. Justification as to the arm's length nature of the proposed transaction;
- xi. Declaration whether the transaction is in the ordinary course of business;
- xii. Any other information prescribed under applicable regulation or relevant for the Committee / Board to take a decision on the proposed transaction.

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: 24057986BKEEOS3103

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

Notes to Standalone Financial Statements

for the year ended 31st March 2024

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.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

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.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

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.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

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.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

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

Notes to Standalone Financial Statements

for the year ended 31st March 2024

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.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

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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for the year ended 31st March 2024

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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for the year ended 31st March 2024

- 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.

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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

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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		As at
	31 st March 2024	31 st March 2023	
Opening balance	5.64	5.55	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 2023	As at 31 st March 2022	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	9113	71.21	189.66	104.21	27.39	64.76	66.84	122.82
Vehicle	-	0.31	-	0.31	-	0.04	-	0.04	0.27
Total	169.74	9144	71.21	189.97	104.21	27.43	64.76	66.88	123.09

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	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
Software	60.63	70.80	7.59	0.04	54.43	13.75
Total	60.63	70.80	7.59	0.04	54.43	13.75
Particulars	Gross carrying value		Depreciation		Net carrying value	
	As at 1 st April 2022	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
Software	56.89	60.63	7.73	-	46.88	17.74
Total	56.89	60.63	7.73	-	46.88	17.74

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

- 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.
- 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

(₹ in crore)

Particulars	As at	
	31 st March 2024	31 st March 2023
Retirement benefits	19.78	17.39
Total	19.78	17.39

Note 23: Other Non-financial Liabilities

(₹ in crore)

Particulars	As at	
	31 st March 2024	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

(₹ in crore)

Particulars	As at	
	31 st March 2024	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:

- i. Issued any securities convertible into equity / preference shares.
- ii. Issued any shares where calls are unpaid.
- iii. 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			

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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.			

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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	-	-

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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

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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

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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

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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

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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

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(₹ 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.

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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

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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.

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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

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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	-
- 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

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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
	(₹ in crore)									
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		
<i>Maximum during the year</i>	2,691.63	2,457.93	-	-	-	-	2,691.63	2,457.93		
- External Commercial Borrowings##	-	2,178.75	-	-	-	-	-	2,178.75		
<i>Maximum during the year</i>	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		
<i>Maximum during the year</i>	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
	(₹ in crore)									
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	-	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	-	-	-	-	-	0.10	0.22	-	0.22	0.10
- Mr. Vinay Gupta	-	-	-	-	-	0.05	0.11	-	0.11	0.05
- Mr. Sanjay Jain	-	-	-	-	-	0.33	-	-	-	0.33
- Ms. Veena G Kamath	-	-	-	-	-	-	0.02	-	0.02	-

#Excluding running current account balances.

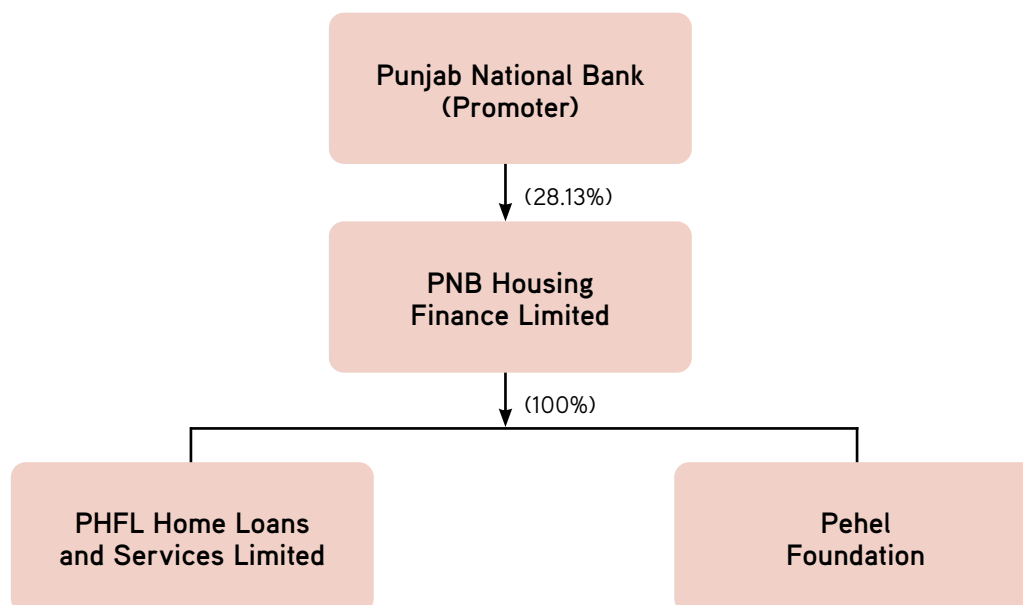
##Including mark to market adjustment.

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	-	-	-	-

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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 (other than falling within the meaning of public deposits)	770.18	-
	(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

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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
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
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
	A	B	C = (A + B)	D	E	F = (C + D + E)	G	H = (C + G)	I = (H + D + E)
Derivative assets									
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
	A	B	C = (A + B)	D	E	F = (C + D + E)	G	H = (C + G)	I = (H + D + E)
Derivative liabilities									
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

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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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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

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(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)			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	-	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

Notes to Standalone Financial Statements

for the year ended 31st March 2024

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.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

(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.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

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.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

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 off 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;

Notes to Standalone Financial Statements

for the year ended 31st March 2024

- (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

Independent Auditors' Report

as at 31st March 2024

To the Members of PNB Housing Finance Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of PNB Housing Finance Limited ("hereinafter referred to as the "Holding Company") and its subsidiary (The Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2024, the Consolidated Statement of Profit and Loss, including Consolidated Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of material accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the 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 consolidated state of affairs of the Group as at 31st March 2024 and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated 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 Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made 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 Consolidated 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 Consolidated Financial Statements for the financial year ended 31st March 2024. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, description of how the matter was addressed in our audit is provided in that context. Considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor' including materiality, below Key Audit Matters have been reproduced from the Independent Auditors' report on the audit of Standalone Financial Statements of the Holding Company.

Key audit matters#	How our audit addressed the key audit matter
Allowance for Expected Credit Loss (ECL) on loan assets	
<p>The Group has reported total gross loans of ₹65,357.81 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> <p>a) Application of ECL model requires several data inputs.</p> <p>b) 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.</p>	<p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <p>a) Testing the design and effectiveness of internal controls over the following:</p> <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.

Key audit matters [#]	How our audit addressed the key audit matter
<p>c) Qualitative and quantitative factors used in staging of loan assets.</p> <p>d) 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> <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>	<p>b) In addition to above the following audit procedures have been applied;</p> <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; • 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> <p>(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;</p> <p>(ii) tested the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization; and</p> <p>(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.</p>

[#]Above referred Key Audit Matters are in respect of the Holding Company only. The subsidiary in the group is unlisted entity.

Other Matter

- a) We did not audit the financial statements/ financial information of PHFL Home Loans and Services Limited ("a subsidiary"), whose financial statements reflects total assets of Rs. 161.55 crore as at 31st March 2024, total revenues of Rs. 187.94 crore, total net profit after tax of Rs. 8.12 crore, total comprehensive income of Rs. 8.31 crore and net cash outflow of Rs. 9.91 crore for the year ended 31st March 2024.

The financial statement of the Subsidiary have been audited by other auditor, whose report has been furnished to us by the management and our opinion on the

consolidated financial statements, in so far as it relates to the amounts and disclosures our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor after considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor' including materiality.

Our opinion is not modified in respect of these matters.

Other Information

The Holding Company's Board of Directors are responsible for the preparation of the other information. The other information

comprises the information included in the Holding Company's Annual Report, but does not include the Consolidated Financial Statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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 Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Consolidated 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 Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Companies in the Group have 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 Holding Company's Management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the

disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated 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 consolidated 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 Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of subsidiary as noted in the other matter paragraph, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the matters stated in paragraph 1(h)(vi) below on reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of

Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian 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 of the Holding Company as on 31st March 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India 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 1(b) above on reporting under Section 143(3)(b) of the Act and paragraph 1(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 over financial reporting of the Holding Company and its subsidiary incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls with reference to consolidated financial statements.
- (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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note 40 to the Consolidated Financial Statements;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. - Refer Note 15 to the Consolidated Financial Statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company;

- iv. a. The respective managements of the Holding Company and its subsidiary, whose financial statements have been audited under the Act, have represented to us and the other auditor that, to the best of their 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 Holding Company or by the subsidiary to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or of the subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b. The respective Managements of the Holding Company and its subsidiary, whose financial statements have been audited under the Act, have represented to us and the other auditor that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or by the subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or the subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiary, whose financial statements have been audited respectively, 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 Holding Company and its subsidiary has not declared and 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 Group.
- vi. Based on our examination, which included test checks, the Holding 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 communicated by the auditor of subsidiary, subsidiary company have used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April 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 31st March 2024.

2. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act.
3. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, based on the CARO report issued by

us for the Holding Company and CARO report issued by the auditor of the subsidiary included in the consolidated financial statements of the Holding Company, to which reporting under CARO is applicable, provided to us by the Management of the Holding Company and based on the identification of matters of qualifications or adverse remarks in the CARO reports, we report that in respect of those companies where audits have been completed under Section 143 of the Act, the auditors of such companies have not reported any qualifications or adverse remarks.

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

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN: 24088926BKELWC1618

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: 24057986BKKEOT4753

Date: 29th April 2024
Place: New Delhi

**Annexure A to Independent Auditor's Report
(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of PNB Housing Finance Limited of even date)**

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2024, we have audited the internal financial controls over financial reporting of PNB Housing Finance Limited (hereinafter referred to as the "Holding Company") and its subsidiary company the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Holding Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary company, which are companies incorporated in India, 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") issued by the Institute of Chartered Accountants of India ("ICAI") and the Standards on Auditing, prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company incorporated in India, in terms of their reports referred to in the 'Other Matters' paragraph is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper

management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls with reference to the consolidated financial statements and such internal financial controls were operating effectively as at 31st March 2024,

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

Bimal Kumar Sipani
Partner
Membership No. 088926
UDIN: 24088926BKELWC1618

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

based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

Other Matters

Our aforesaid report under Section 143 (3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to Consolidated Financial Statements insofar as it related to subsidiary company, is based on the corresponding report of auditors of subsidiary company.

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

Neena Goel
Partner
Membership No. 057986
UDIN: 24057986BKEEOT4753

Date: 29th April 2024
Place: New Delhi

Consolidated 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	2,142.20	3,677.82
Bank balance other than cash and cash equivalents	4	464.73	118.38
Derivative financial instruments	15	135.01	660.04
Receivables	5		
Trade receivables		51.45	12.86
Other receivables		0.08	0.01
Loans	6	64,108.24	57,839.79
Investments	7	4,346.01	3,196.29
Other financial assets	8	569.80	754.64
		71,817.52	66,259.83
Non-financial assets			
Current tax assets (net)	9	185.17	264.03
Deferred tax assets (net)	10	127.69	145.67
Investment property	11	0.51	0.52
Property, plant and equipment	12	66.56	66.19
Right of use assets	12	123.14	65.59
Capital work-in-progress	12.1	5.43	0.08
Intangible assets under development	12.2	9.82	3.08
Other Intangible assets	13	16.57	14.01
Other non- financial assets	14	52.44	54.70
		587.33	613.87
Total		72,404.85	66,873.70
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		17.62	28.51
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	17,758.22	17,214.24
Subordinated liabilities	20	739.49	1,238.35
Other financial liabilities	21	2,179.86	1,963.15
		57,216.19	55,614.78
Non-financial liabilities			
Provisions	22	20.23	17.72
Other non-financial liabilities	23	193.99	227.34
		214.22	245.06
Equity			
Equity share capital	24	259.72	168.86
Other equity	25	14,714.72	10,845.00
Total equity		14,974.44	11,013.86
Total		72,404.85	66,873.70
Corporate and other information alongwith material accounting policies.	1 & 2		
The accompanying notes are an integral part of the consolidated 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

Consolidated 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	6,742.21	6,199.07
Fees and commission income	27	272.89	283.26
Net gain on fair value changes	28	34.98	34.10
Income on derecognised (assigned) loans		-	10.90
Total revenue from operations		7,050.08	6,527.33
Other income		7.01	2.33
Total income		7,057.09	6,529.66
Expenses			
Finance costs	29	4,261.12	3,898.52
Impairment on financial instruments and write offs	30	171.12	691.28
Employee benefits expenses	31	337.34	265.96
Fees and commission expenses		12.34	11.52
Depreciation, amortisation and impairment		51.19	51.44
Others expenses:	32		
- Impairment/loss on assets held for sale		-	47.65
- Other expenses		270.08	202.38
Total expenses		5,103.19	5,168.75
Profit before exceptional items & tax		1,953.90	1,360.91
Exceptional items		-	-
Profit before tax		1,953.90	1,360.91
Tax expense/(credit)			
Current tax	33	422.67	87.78
Deferred tax	33	23.22	227.13
Profit for the year		1,508.01	1,046.00
Other comprehensive (loss)/income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement (loss) / gain on defined benefit plan		(0.64)	(0.69)
(ii) Tax relating to items that will not be reclassified to profit or loss		0.16	0.17
Subtotal (A)		(0.48)	(0.52)
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)		(16.25)	77.06
Total comprehensive income for the year		1,491.76	1,123.06
Profit for the year, net of tax attributable to			
Owners of the parent		1,508.01	1,046.00
Non-controlling interest		-	-
Other comprehensive (loss)/income for the year, net of tax attributable to			
Owners of the parent		(16.25)	77.06
Non-controlling interest		-	-
Total comprehensive income for the year, net of tax attributable to			
Owners of the parent		1,491.76	1,123.06
Non-controlling interest		-	-
Earnings per equity share (Face value of ₹10/- each fully paid up)			
Basic (₹)	34	58.37	53.21
Diluted (₹)	34	58.20	53.16
Corporate and other information alongwith material accounting policies.	1 & 2		
The accompanying notes are an integral part of the consolidated 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

Consolidated 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 1 st April 2022	-	4,062.41	1,134.76	167.97	55.54	4,402.76	(120.41)	9,703.03
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	4,402.76	(120.41)	9,703.03
Profit for the year	-	-	-	-	-	1,046.00	-	1,046.00
Fair value changes on derivatives	-	-	-	-	-	-	77.58	77.58
Remeasurement of net defined benefit liabilities/assets	-	-	-	-	-	(0.52)	-	(0.52)
Total comprehensive income for the year	-	-	-	-	-	1,045.48	77.58	1,123.06
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	-	-
Others	-	-	-	-	-	0.01	-	0.01

Consolidated 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 31 st March 2023	0.20	4,072.48	1,179.76	334.97	50.01	5,250.41	(42.83)	10,845.00
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	5,250.41	(42.83)	10,845.00
Profit for the year	-	-	-	-	-	1,508.01	-	1,508.01
Fair value changes on derivatives	-	-	-	-	-	-	(15.77)	(15.77)
Remeasurement of net defined benefit liabilities/assets	-	-	-	-	-	(0.48)	-	(0.48)
Total comprehensive income for the year	-	-	-	-	-	1,507.53	(15.77)	1,491.76
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	6,452.78	(58.60)	14,714.72

*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 consolidated 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

Consolidated 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	1,953.90	1,360.91
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation, amortisation and impairment	51.19	51.44
Net loss on sale of property, plant and equipment	0.25	0.19
Impairment on financial instruments	(182.61)	(1,046.92)
Impairment on assets held for sale	-	47.65
Net (gain)/loss on financial asset at fair value through profit and loss	(16.12)	2.80
Share based payment expense	14.46	11.95
Impact of effective interest rate on financial assets	(42.90)	(24.43)
Impact of effective interest rate on financial liabilities	32.57	16.04
Interest expenses	4,253.90	3,892.34
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	353.73	1,738.20
	4,658.50	4,617.63
Operating profits before changes in working capital	6,612.40	5,978.54
Working Capital changes		
Decrease/(increase) in trade payables	(10.51)	13.96
Increase/(decrease) in provisions	1.87	(0.30)
Increase/(decrease) in other financial liabilities	75.54	(518.43)
(Decrease)/increase in non- financial liabilities	(33.35)	(71.26)
(Increase)/decrease in loans at amortised cost	(6,392.35)	(3,081.80)
(Increase)/decrease in receivables	(38.75)	29.97
Decrease/(increase) in other financial assets	6.51	3.03
Decrease/(increase) in other non- financial assets	2.26	(27.75)
Proceeds from sale of asset held for sale	-	61.18
(Increase)/decrease in bank balance other than cash and cash equivalents	(346.35)	32.09
	(6,735.13)	(3,559.31)
Cash (used in) / generated from operations before adjustments for interest and taxes paid	(122.73)	2,419.23
Interest Paid	(4,181.12)	(3,979.92)
Taxes paid (net of refunds)	(357.66)	(304.34)
Net cash (used in) / generated from operating activities	(4,661.51)	(1,865.03)
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	(39.29)	(14.85)
Proceeds from sale of property, plant and equipment and other intangible assets	0.28	0.17
Investments (net)	(1,147.07)	190.46
Net cash (used in) / generated from investing activities	(1,186.08)	175.78

Consolidated 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	1,451.00	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)	545.01	(394.79)
Lease Liability	(33.25)	(35.85)
Proceeds from issue of share capital including securities premium	2,468.44	7.21
Net cash generated from / (used in) financing activities	4,178.63	301.47
Net changes in cash & cash equivalents	(1,668.96)	(1,387.78)
Cash or cash equivalents at the beginning of the year	3,627.83	5,015.61
Cash or cash equivalents at the end the of the year	1,958.87	3,627.83
Net decrease of cash & cash equivalents during the year	(1,668.96)	(1,387.78)
Components of cash and cash equivalents		
Cash on hand	1.77	1.49
Balances with banks in current accounts	360.28	558.72
Bank deposit with maturity of less than 3 months	540.55	3,117.61
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)
	1,958.87	3,627.83

*Refer Note no 45 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 consolidated 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

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

1. Corporate and other information and principles of consolidation

1.1. Corporate Overview

PNB Housing Finance Limited ('PNBHFL', 'the Company') was incorporated on 11th November 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.

PHFL Home and Loans Services Limited wholly owned subsidiary of the Company is primarily engaged in the business of rendering of professional /consultancy services including sourcing, marketing, promoting, publicising, advertising, soliciting, distributing any kind of financial instruments or classes of insurance product, syndicated credit products, investment products and wealth products.

These consolidated financial statements are approved and adopted by the Board of Directors of the Company in their meeting held on 29th April 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 consolidated 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 consolidated 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 consolidated 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 19th October 2023 as amended from time to time.

The consolidated financial statements relate to the Company and its wholly owned subsidiary Companies (herewith referred to as "Company") incorporated in India.

The consolidated 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 46.

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.

1.3. Principles of consolidation

The Company consolidates an entity only when it has a control over the entity and has a right to receive variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Company uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Company financial statements in preparing the consolidated financial statements to ensure conformity with the Company's accounting policies.

The financial statement of the Company and its subsidiary are consolidated on line-by-line basis, by combining the like items of assets, liabilities, income, expense, cash flow and after eliminating the carrying amount of the parent's investment in subsidiary and the parent's portion of equity of subsidiary, the intra company balances and transactions resulting in unrealised profits or losses.

Profit or loss and each component of OCI are attributed to the equity holders of the parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The financial statements of all Companies used for the purpose of consolidation are drawn up to same reporting date as that of the holding Company. (i.e. year ended and as at 31st March).

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

The subsidiary considered in consolidated financial statement is as under:

Name of the entity	Proportion of ownership*	Country of incorporation	Date of incorporation	Principal activities
PHFL Home Loans and Services Limited	100%	India	August 22, 2017	Professional, consultancy and advisory services

The subsidiary not considered in consolidated financial statement is as under:

Name of the entity	Proportion of ownership*	Country of incorporation	Date of incorporation	Principal activities
Pehel Foundation	100%	India	14 th October 2019	Charitable activities

Pehel Foundation is registered as a charitable organisation under Section 8 of the Companies Act, 2013 and it is prohibited to give any right over its profits to any of its members. Since PNBHFL does not have any right over any kind of returns from Pehel Foundation hence it does not meet the criteria of consolidation of financial statements laid down under Ind AS 110.

*Including nominee shareholders

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 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).

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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.

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.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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 1st April 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.

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.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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.

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

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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.

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.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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 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.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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.

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

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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.

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

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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:

- 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.

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for the year ended 31st March 2024

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.

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 Definition	Details	Classification
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:

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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 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 macro-economic 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 macro-economic 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 macro-economic overlay. Identification of relevant macro economic variables was done combining statistical analysis (correlation) and business intuition (sign of correlation).

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

The selected model incorporates the variables like Inflation, end of period consumer prices quarter on quarter change, general government revenue etc.

The macro-economic 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 macro-economic 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.

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

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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.

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for the year ended 31st March 2024

Note 3: Cash and Cash Equivalents

(₹ in crore)

Particulars	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	360.28	558.72
Bank deposit with maturity of less than 3 months (Refer Note 3.1)	540.55	3,117.61
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	2,142.20	3,677.82

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

(₹ in crore)

Particulars	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)	464.05	118.31
Earmarked balances with bank (Refer Note 4.2)	0.68	0.07
Total	464.73	118.38

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

(₹ in crore)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Trade receivables		
Receivable considered good- Secured	-	-
Receivable considered good- Unsecured	51.56	12.86
Receivables from related parties- Unsecured (Refer Note 5.2)	-	-
Receivables which have significant increase in credit risk	-	-
Receivables – credit impaired	-	0.01
	51.56	12.87
Other receivables		
Receivable considered good- Unsecured (Refer Note 5.2)	0.08	0.01
	0.08	0.01
Total	51.64	12.88
Less : Provision for impairment	0.11	0.01
Total (net)	51.53	12.87

Notes to Consolidated 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	-	25.06	0.02	0.01	-	-	25.09
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	25.06	0.02	0.01	-	-	51.64

(₹ 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	-	12.87	-	-	-	-	12.87
Undisputed trade and other receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade and other receivables – credit impaired	-	-	-	-	0.01	-	0.01
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	-	12.87	-	-	0.01	-	12.88

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 Consolidated 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	65,357.81	59,272.63
Total Gross	65,357.81	59,272.63
Less: Impairment loss allowance	1,249.57	1,432.84
Total Net	64,108.24	57,839.79
Secured by tangible assets	65,357.81	59,272.63
Total Gross	65,357.81	59,272.63
Less: Impairment loss allowance	1,249.57	1,432.84
Total Net	64,108.24	57,839.79
Loans in India		
Public Sector	-	-
Others	65,357.81	59,272.63
Total Gross	65,357.81	59,272.63
Less: Impairment loss allowance	1,249.57	1,432.84
Total Net (a)	64,108.24	57,839.79
Loans outside India		
Less: Impairment loss allowance	-	-
Total Net (b)	-	-
Total Net (a+b)	64,108.24	57,839.79

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	54,999.46	2,003.10	2,270.07	59,272.63	51,209.35	1,980.63	4,704.90	57,894.88
Increase in EAD - new asset originated or purchased / further increase in existing asset (net)	17,541.74	12.71	39.23	17,593.68	14,890.80	14.65	133.04	15,038.49
Asset paid in part or full (excluding write off) (net)	(9,677.16)	(397.40)	(200.53)	(10,275.09)	(10,603.84)	(279.49)	(636.41)	(11,519.74)
Stressed loans transferred to ARC	-	-	(784.06)	(784.06)	-	-	(271.70)	(271.70)
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	586.69	(501.23)	(85.46)	-	883.37	(643.96)	(239.41)	-
Transfer to stage 2	(895.58)	980.06	(84.48)	-	(993.36)	1,141.20	(147.84)	-
Transfer to stage 3	(117.31)	(131.83)	249.14	-	(178.90)	(141.57)	320.47	-
Closing gross carrying amount	62,430.19	1,944.11	983.51	65,357.81	54,999.46	2,003.10	2,270.07	59,272.63

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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	60,572.53	1,817.75	915.54	63,305.82	52,043.77	2,003.10	1,424.15	55,471.02
Total	60,572.53	1,817.75	915.54	63,305.82	52,043.77	2,003.10	1,424.15	55,471.02
% 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	16.70%	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	17.10%	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		

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 Consolidated 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 ₹468.70 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 1.15% as on 31st March 2024 in stage 2.
- Overall ECL % POS have decreased by 42 bps on accounts improvement in portfolio 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 ₹584.00 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.
- b) ECL % POS has increased by 2.64% as on 31st March 2023 in stage 2.
- Overall ECL % POS have decreased by 25 bps on accounts improvement in portfolio 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 increased 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 0.0% as on 31st March 2023 from 0.29% as on 31st March 2022 majorly due to shift of stage 2 asset to stage 1 and stage 3 and 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 ₹695.54 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 47.1

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 Consolidated 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)				
Mutual funds	-	1.00	-	1.00
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)				
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	2,035.56	0.05	4,424.56
Investments outside India (b)	-	-	-	-
Total gross (a+b)	2,388.95	2,035.56	0.05	4,424.56
Less: Allowance for impairment loss on investment for ACRE -122 Trust (c)**		(78.55)	-	(78.55)
Total net (a+b-c)	2,388.95	1,957.01	0.05	4,346.01

(₹ in crore)

Particulars	As at 31 st March, 2023			
	Amortised cost	At fair value through profit or loss	Others*	Total
Investments in India (a)				
Mutual funds	-	8.52	-	8.52
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)				
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	998.37	0.05	3,274.84
Investments outside India (b)	-	-	-	-
Total gross (a+b)	2,276.42	998.37	0.05	3,274.84
Less: Allowance for impairment loss on investment for ACRE -122 Trust (c)**		(78.55)	-	(78.55)
Total net (a+b-c)	2,276.42	919.82	0.05	3,196.29

Notes to Consolidated 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
Wholly owned			
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 Consolidated 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)	
	Current Year	Previous Year
Net current tax asset / (liability) at the beginning (a)	264.03	47.30
Current tax expense (b)	422.72	87.74
Current tax expense on OCI (c)	(0.16)	(0.17)
Tax on ESOPs/RSU (d)	14.08	-
Current tax paid (e)	438.47	313.31
Current tax refund (f)	80.81	8.97
Tax related to earlier years (g)	(0.12)	0.04
Net current tax asset / (liability) at the end (a-b-c-d+e-f-g)	185.17	264.03

Notes to Consolidated 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	12.23	-	(0.11)	-
Provision for employee benefits	5.09	-	0.69	(0.06)
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	0.22	-	(4.07)	-
Others temporary differences	3.18	15.51	2.59	-
Total	374.93	247.24	(23.22)	5.24

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	12.34	-	0.63	-
Provision for employee benefits	4.46	-	0.10	-
Impairment allowance for financial assets	380.39	-	(192.66)	-
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	-	0.71	-
Others temporary differences	3.00	17.92	1.18	-
Total	418.88	273.21	(227.13)	(26.09)

Notes to Consolidated 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	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
Buildings	0.58	-	-	0.58	0.06	0.01	-	0.51	0.52
Total	0.58	-	-	0.58	0.06	0.01	-	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	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
Buildings	0.58	-	-	0.58	0.05	0.01	-	0.52	0.53
Total	0.58	-	-	0.58	0.05	0.01	-	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	Net carrying value	
	Current Year	Previous Year
Rental Income	0.13	0.12
Profit from investment properties before depreciation	0.13	0.12
Depreciation	(0.01)	(0.01)
Profit from investment properties	0.12	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	Net carrying value	
	Current Year	Previous Year
Within one year	0.12	0.04
Later than one year but not later than five year	0.08	0.04
Later than five years	-	-

Notes to Consolidated 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	-	-
Fair value difference	-	0.09
Closing balance	5.64	5.64

Reconciliation of fair value

Note 12: Property Plant and Equipment

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 1 st April 2023	For the year	Adjustments/ Deductions during the year	As at 31 st March 2024	As at 31 st March 2023
Buildings	37.72	-	-	4.01	1.20	-	5.21	32.51
Furniture & Fixtures	1913	0.83	0.78	11.16	1.88	0.57	12.47	6.71
Computers	41.31	12.02	0.02	26.31	7.29	0.02	33.58	19.73
Office Equipment & Others	31.74	3.17	1.19	26.21	2.49	1.06	27.64	6.08
Leasehold Improvements	39.58	0.88	6.02	35.60	3.15	5.84	32.91	1.53
Total	169.48	16.90	8.01	103.29	16.01	7.49	111.81	66.56

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 1 st April 2022	For the year	Adjustments/ Deductions during the year	As at 31 st March 2023	As at 31 st March 2022
Buildings	37.72	-	-	2.81	1.20	-	4.01	33.71
Furniture & Fixtures	1970	0.45	1.02	10.01	1.87	0.72	11.16	7.97
Vehicles	0.10	-	0.10	0.05	0.01	0.06	-	0.05
Computers	31.92	9.44	0.05	21.92	4.44	0.05	26.31	15.00
Office Equipment & Others	31.79	1.44	1.49	23.76	3.81	1.36	26.21	5.53
Leasehold Improvements	42.67	0.27	3.36	33.97	4.94	3.31	35.60	3.98
Total	163.90	11.60	6.02	92.52	16.27	5.50	103.29	66.19

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

Notes to Consolidated 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 1 st April 2023	For the year	Adjustments/ Deductions during the year	As at 31 st March 2024	As at 31 st March 2024	As at 31 st March 2023
Building	169.87	91.13	71.21	104.28	27.40	64.76	66.92	122.87	65.59
Vehicle	-	0.31	-	-	0.04	-	0.04	0.27	-
Total	169.87	91.44	71.21	104.28	27.44	64.76	66.96	123.14	65.59

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 1 st April 2022	For the year	Adjustments/ Deductions during the year	As at 31 st March 2023	As at 31 st March 2023	As at 31 st March 2022
Building	141.12	34.71	5.96	80.65	27.26	3.63	104.28	65.59	60.47
Total	141.12	34.71	5.96	80.65	27.26	3.63	104.28	65.59	60.47

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 Consolidated 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)					

(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
	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
(₹ 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)					

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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	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
Software	61.70	10.29	71.95	0.04	71.95	7.73	0.04	16.57	14.01	14.01
Total	61.70	10.29	71.95	0.04	71.95	7.73	0.04	16.57	14.01	14.01

Particulars	Gross carrying value			Depreciation			Net carrying value			
	As at 1 st April 2022	Addition during the year	As at 31 st March 2023	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
Software	57.81	3.89	61.70	-	61.70	7.90	-	14.01	18.02	18.02
Total	57.81	3.89	61.70	-	61.70	7.90	-	14.01	18.02	18.02

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Notes to Consolidated 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	12.77	12.00
GST input credit	28.98	31.54
Others	10.69	11.16
Total	52.44	54.70

Note 15: Derivative Financial Instruments*

(₹ in crore)

Particulars	As at 31 st March 2024			As at 31 st March 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 47.2.

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	17.62	28.51
Due to related parties	-	-
Total	19.74	30.25

Notes to Consolidated 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	16.77	0.85	-	-	0.00	17.62
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total	18.84	0.90	-	-	0.00	19.74

(₹ 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	28.08	0.43	-	0.00	-	28.51
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total	29.77	0.48	-	0.00	-	30.25

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 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								
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 Consolidated 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 45.1, 45.2 and 45.3 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

- 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.
- During FY24, 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 Consolidated 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

- i) 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.
- ii) 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

- i) 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.
- ii) 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.
- iii) 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 Consolidated 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 45.1, 45.2 and 45.3 for compliance in relation to the utilisation of the borrowed fund and submission of underlying returns/statements.

Note 19: Deposits

(₹ 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								
Deposits								
(i) From public*	15,677.51	-	-	15,677.51	15,513.28	-	-	15,513.28
(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	17,758.22	-	-	17,758.22	17,214.24	-	-	17,214.24

*Refer note 36.31

Note 19.1: Refer note 45.1, 45.2 and 45.3 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 Consolidated 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 45.1, 45.2 and 45.3 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	344.63	307.53
Lease liabilities (Refer Note 37)	132.97	74.75
Total	2,179.86	1,963.15

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 Consolidated 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	20.23	17.72
Total	20.23	17.72

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	87.99	75.35
Other liabilities	33.23	17.24
Total	193.99	227.34

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 Consolidated 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:

- i. Issued any securities convertible into equity / preference shares.
- ii. Issued any shares where calls are unpaid.
- iii. 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 Consolidated 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	17,798.35	17,244.18
Subordinated liabilities	739.49	1,238.35
Less: Cash and cash equivalents	(2,142.20)	(3,677.82)
Less: Bank balance other than cash and cash equivalents (other than earmarked balances)	(464.05)	(118.31)
Net debt	52,450.47	49,855.19
Total equity- Shareholder funds	14,974.44	11,013.86
Net debt to equity ratio	3.50	4.53

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
Date of vesting	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	-
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	₹1,333.35	₹1,333.35	₹847.40	₹2,61.15
Date of vesting	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
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 Consolidated 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
Date of vesting	The vesting will be as under:			
	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 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.	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
Date of vesting	The vesting will be as under:		
	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
Date of vesting	The vesting will be as under:			
	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.			

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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
Date of vesting	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
	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
Date of vesting	The vesting will be as under:	
	20% on 16 th December 2024	20% on 31 st May 2024
	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 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 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	-	-

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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

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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

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

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)	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 - 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)	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

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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

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Particulars		As at 31 st March 2023			
		ESOS - 2018 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

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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

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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

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(iii) Black-Scholes Model has been used to derive the fair value of the stock option granted, taking in to 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:

	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

	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

	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

	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

	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

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for the year ended 31st March 2024

	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

	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)	
	As at 31 st March 2024	As at 31 st March 2023
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

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)	
	As at 31 st March 2024	As at 31 st March 2023
Dividend on ordinary shares:		
Final dividend for 2024: ₹ Nil per share	-	-
Final dividend for 2023: ₹ Nil per share	-	-
Total	-	-

*Net profit for the accounting period is based on standalone financial statement of the Company.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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 Accounts

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).

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	6,244.43	-	6,244.43	5,837.25	-	5,837.25
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	144.01	-	144.01	107.27	-	107.27
Other Interest income						
Loan against deposits	4.92	-	4.92	3.51	-	3.51
Total	6,567.18	175.03	6,742.21	6,117.85	81.22	6,199.07

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

Note 27: Fees and Commission Income

Particulars	₹ in crore)	
	Current Year	Previous Year
Fees income	41.21	145.88
Fees income on corporate insurance agency (Note 27.1)	141.58	-
Other charges recovered	90.10	137.38
Total	272.89	283.26
Geographical markets		
India	272.89	283.26
Outside India	-	-
Total	272.89	283.26
Timing of revenue recognition		
Services transferred at a point in time	272.89	283.26
Services transferred over time	-	-
Total	272.89	283.26
Contract Assets		
Fees and other receivables (net of impairment allowance)	55.55	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

Particulars	₹ in crore)	
	Current Year	Previous Year
Net gain on financial instruments at fair value through profit or loss		
Others		
- Investments	34.98	34.10
Total	34.98	34.10
Fair value changes:		
- Realised	18.86	45.03
- Unrealised	16.12	(10.93)
Total	34.98	34.10

Note 29: Finance Costs

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	-	1,320.90	1,320.90	-	1,315.39	1,315.39
Interest on subordinated liabilities	-	76.96	76.96	-	119.25	119.25
Interest on lease liabilities	-	7.22	7.22	-	6.18	6.18
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	-	4,261.12	4,261.12	-	3,898.52	3,898.52

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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)	-	353.73	353.73	-	1,738.20	1,738.20
Investments	-	-	-	-	78.55	78.55
Other receivables	-	0.57	0.57	-	0.63	0.63
Trade receivables	-	0.09	0.09	-	-	-
Total	-	171.12	171.12	-	691.28	691.28

Note 31: Employee Benefits Expenses

(₹ in crore)

Particulars	Current Year	Previous Year
Salaries, allowances and benefits	293.30	230.64
Contribution to provident and other funds	23.11	18.38
Share based payments to employees	14.46	11.95
Staff welfare expenses	6.47	4.99
Total	337.34	265.96

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	9.35	8.73
Repairs and maintenance	26.54	24.59
Office running and maintenance expenses	38.60	30.08
Business support services	9.64	7.04
Legal and professional charges	63.46	53.53
Royalty Fee	29.66	-
Advertisement and publicity	24.23	19.99
Corporate social responsibility expenses (Refer Note 32.1)	23.13	18.76
Communication costs	13.02	9.07
Travelling and conveyance	13.06	9.52
Printing and stationery	4.56	5.48
Training and recruitment expenses	3.15	6.98
Director's fees, allowances and expenses	3.10	2.92
Auditor's fees and expenses (Refer Note 32.2)	1.18	1.08
Insurance	0.60	0.66
Bank charges	1.93	1.44
Net loss on derecognition of property, plant and equipment	0.25	0.19
Impairment on assets held for sale	-	47.65
Total	270.08	250.03

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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 spent for CSR activities in accordance with its CSR policy. The details of the CSR expenses for the year are as under:

Particulars	(₹ in crore)	
	Current Year	Previous Year
a) Gross amount required to be spent by the Company during the year	23.13	18.76
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	16.97	11.22
- Expenditure on administrative overheads for CSR [^]	0.89	0.54
- Expenditure on Impact Assessment study	0.21	-
Total	18.07	11.76
c) Shortfall at the end of year	5.06	7.00
d) Total of previous years shortfall	0.50	-
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	23.42	11.22
g) Nature of CSR activities		
Nature of CSR activities undertaken by the Company are in relation to:		
- Healthcare	16.79	2.44
- Education	2.33	1.64
- Women Empowerment	2.23	3.19
- 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	18.07	11.76
- Total Amount transferred to Unspent CSR Account as per section 135(6)*	-	7.00
- 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.

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	0.49	0.43
Tax audit fee	0.09	0.08
Limited review fee	0.36	0.32
Other certification fee	0.12	0.14
Out of pocket expenses	0.04	0.03
GST expenses on Auditor's fees and expenses	0.08	0.08
Total	1.18	1.08

*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).

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

Note 33: Income Taxes

The components of income tax expense are:

Particulars	(₹ in crore)	
	Current Year	Previous Year
Current tax	422.79	87.74
Adjustments in respect of current income tax of prior years	(0.12)	0.04
Deferred tax relating to origination and reversal of temporary differences	23.22	227.13
Total	445.89	314.91
Current tax	422.67	87.78
Deferred tax (Refer Note 10)	23.22	227.13

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)	1,953.90	1,360.91
Statutory income tax rate (%) (b)	25.168	25.168
Tax at statutory income tax rate (c) = (a*b)	491.76	342.51
Adjustments in respect of current income tax of prior years (d)	(0.12)	0.04
Impact of:		
- Income not subject to tax (e)	27.15	(38.33)
- Non deductible expenses (f)	(44.01)	(210.89)
- Deduction under section 36 (1) (viii) (g)	(58.05)	(11.10)
- Other deductions (h)	5.94	5.55
Total current tax expense (c+d+e+f+g+h)	422.67	87.78
Effective tax rate (%)	22.82	23.14
Other comprehensive income		
Tax expense on re-measurement gains/ (losses) on defined benefit plan	0.22	0.17
Total tax on other comprehensive income	0.22	0.17

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)	1,508.01	1,046.00
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 ₹)	58.37	53.21
- Diluted (a/c)	(in ₹)	58.20	53.16

ii) 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.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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 is 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 July 07, 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.

As per SEBI circular SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/172 dated 19th October 2023, which is effective from 1st April 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 31st March 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, Company expects to 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.

The above stated RBI directions and NHB Directions are applicable to the Company on standalone basis except note no. 36.10, hence these disclosures are on the basis of standalone financial statement of the Company.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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	Current Year	Previous Year
(₹ in crore)		
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

Note 36.3: Investments

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

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

Note 36.4: Derivatives

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

(₹ in crore)

Particulars	As at	As at
	31 st March 2024	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 ^a	3,275.44	10,065.79
(v) The fair value of the swap book	135.01	660.04

^aThe 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.

(₹ in crore)

Particulars	As at	As at
	31 st March 2024	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

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.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

B. Quantitative Disclosure

(₹ in crore)

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

- i) There are no SPVs sponsored by PNB Housing Finance Limited.
- ii) During the year, the Company has not sold any financial assets to Securitisation / Reconstruction Company for Asset Reconstruction (Previous year ₹ Nil).
- iii) 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	-	-

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).

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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 Consolidated 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 31 st March 2024			As at 31 st March 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

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.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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
xxxii) Ms. Deepika Gupta Padhi (Director)	Key Management Personnel of PHFL Home Loan and Services Limited
xxxiii) Mr. Amit Singh (Director)	Key Management Personnel of PHFL Home Loan and Services Limited
xxxiv) Mr. Pankaj Jain (Director) (w.e.f 7 th December 2021)*****	Key Management Personnel of PHFL Home Loan and Services Limited
xxxv) Mr. Dilip Vaitheeswaran (Director) (w.e.f 22 nd November 2023)	Key Management Personnel of PHFL Home Loan and Services Limited

*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

****Company Secretary up to 31st January 2024

*****Ceases to be Chief Financial Officer w.e.f. 7th April 2022

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

*****Ceased to be a Key Management Personnel w.e.f 24th November 2022

Notes to Consolidated 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 above 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 Managerial Personnel		Key Managerial Personnel/Relatives of Key Managerial 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:												
Peheil Foundation												
- Donation paid	-	-	23.42	11.43	-	-	-	-	-	-	23.42	11.43
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
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

Notes to Consolidated 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
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 paid	4.00	-	-	-	-	-	-	-	4.00	-
- Interest on Non convertible debentures	0.10	0.34	-	-	-	-	-	-	0.10	0.34

Notes to Consolidated 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	-	-	-	-	-	1.14	-	-	2.81	1.14
- Mr. Vinay Gupta	-	-	-	-	-	3.97	-	-	1.19	3.97
- Mr. Hardayal Prasad	-	-	-	-	-	2.62	-	-	1.25	2.62
- Mr. Sanjay Jain	-	-	-	-	-	0.81	-	-	0.91	0.81
- Mrs. Veena G Kamath	-	-	-	-	-	-	-	-	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 Consolidated 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
	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023	
Outstanding balances#									
Peel Foundation									
- Other receivables (net)	-	-	-	0.21	-	-	-	-	0.21
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	-	-
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
Tripura Gramin Bank									
- Deposits received	45.02	40.00	-	-	-	-	45.02	-	40.00
Maximum during the year	45.02	40.00	-	-	-	-	45.02	-	40.00

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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
	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023	31 st March 2024	31 st March 2023	
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
Payables									
- Mr. Hardayal Prasad	-	-	-	-	-	-	-	-	-
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.

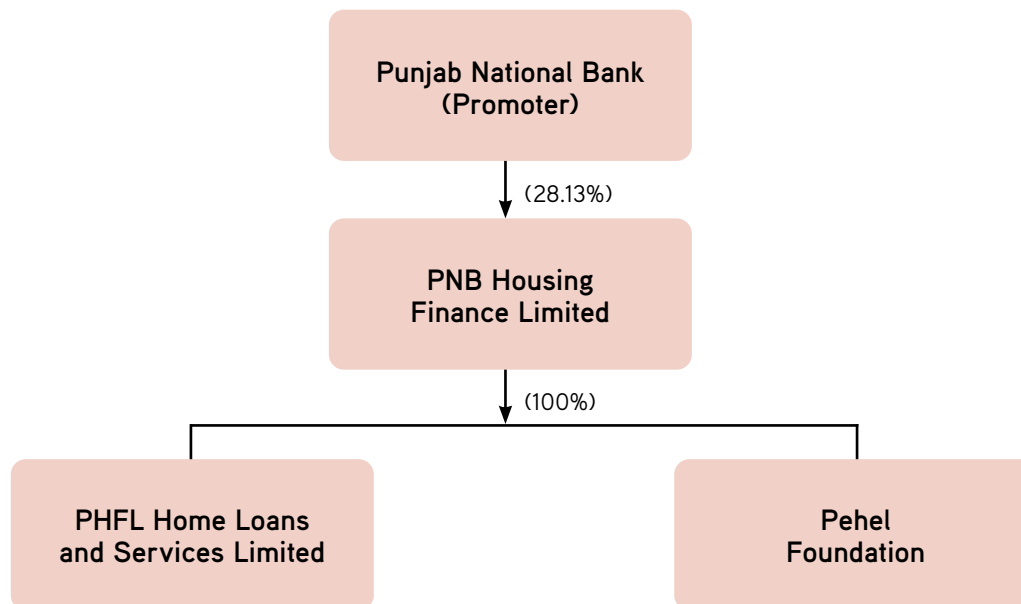
##Including mark to market adjustment.

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

Notes to Consolidated 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): Refer note no. 1.3 "Principles of consolidation".

Notes to Consolidated 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)	
	As at 31 st March 2024	As at 31 st March 2023
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 Consolidated 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

(₹ in crore)

Particulars	As at	As at
	31 st March 2024	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

(₹ in crore)

Particulars	As at	As at
	31 st March 2024	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)

(₹ in crore)

Particulars	As at	As at
	31 st March 2024	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

(₹ in crore)

Particulars	As at	As at
	31 st March 2024	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	As at
	31 st March 2024	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 Consolidated 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 Consolidated 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
31st March 2024					
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	-
31st March 2023					
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 31st March 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	55.46%
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 Consolidated 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	
	As at 31 st March 2024	% of total deposits	As at 31 st March 2023	% 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	
	As at 31 st March 2024	% of total liabilities	As at 31 st March 2023	% 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	
	As at 31 st March 2024	% of total liabilities	As at 31 st March 2023	% 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 / WC DL

(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 Consolidated 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 FY23
- 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 2023 to March 2024. The Company has maintained the daily average LCR of 105% for Financial Year 2023-2024.

Notes to Consolidated 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

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

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(₹ in crore)

Particulars	Quarter ended March 2024		Quarter ended December 2023	
	Total Unweighted** Value	Total Weighted# Value	Total Unweighted** Value	Total Weighted# Value
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	-	-	-	-
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

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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
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
		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

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(₹ in crore)

Particulars	Quarter ended March 2023		Quarter ended December 2022	
	Total Unweighted** Value	Total Weighted# Value	Total Unweighted** Value	Total Weighted# Value
	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%

(₹ 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%

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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
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.

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	-

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(₹ in crore)

Assets side		Amount outstanding
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)	-
	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

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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

Category	(₹ in crore)	
	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

8 Other information

Particulars	(₹ in crore)	
	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 Consolidated 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:

(₹ in crore)						
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 Consolidated 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	74.75	70.22
Additions (b)	91.44	34.71
Accretion of interest (c)	7.22	6.18
Payments (d)	33.25	33.52
Modification (e)	7.19	2.84
Lease liability as at the end of the year (a+b+c-d-e)	132.97	74.75

(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	34.86	28.53
Later than one year but not later than five years	91.85	54.87
Later than five years	39.31	7.94
Total	166.02	91.34

(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	26.00	23.46
Later than one year but not later than five years	72.29	44.27
Later than five years	34.68	7.02
Total	132.97	74.75

(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 Consolidated 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	Nature of Risk being Hedged	As at 31 st March 2024		As at 31 st March 2023*	
		Assets	Liabilities	Assets	Liabilities
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	

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:

		(₹ in crore)				
Effective Portion of Cash Flow Hedges	Opening Balance	Net Amount recognised OCI	Net Amount to P&L	Net Amount added to Non-Financial Assets	Recycled	Closing Balance
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.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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 ₹87.08 crore (Previous year ₹87.08 crore) is disputed, out of which ₹30.80 crore is subject to rectification of assessment order passed by the assessing officer and the remaining amount are under appeals. These 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.

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	18.69	15.24

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 and Kotak Mahindra Life Insurance Company Limited. 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.

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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	15.95	15.41
Interest cost	1.08	1.06
Current service cost	4.41	3.21
Past service cost including curtailment gains / losses	-	0.01
Benefits paid	(4.16)	(3.22)
Actuarial (gain) / loss on obligation	0.40	(0.52)
Present value of obligation as at the end of year	17.68	15.95

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	16.23	16.40
Actual return on plan assets	0.96	0.95
Opening difference	-	(0.95)
Fund charges	-	(0.09)
Contributions	4.19	3.14
Benefits paid	(3.38)	(3.22)
Fair Value of plan assets as at the end of year	18.00	16.23
Funded status	0.84	1.24
Unfunded status	(0.52)	(0.96)

Expense recognised in the statement of Profit and Loss

Particulars	₹ in crore)	
	Current Year	Previous year
Service cost	4.41	3.22
Interest cost (net)	1.21	1.06
Expected return on plan assets	(1.20)	(1.13)
Expenses recognised in the statement of profit and loss	4.42	3.15
Remeasurement (loss)/gain in Other Comprehensive Income (OCI)	(0.64)	(0.70)

Expected contribution for the next financial year is ₹5.89 crore.

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Assumptions

Particulars	Current Year	Previous year
a) Discounting rate	7.22%-7.25%	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	
	31 st March 2024	31 st March 2023
With in the next 12 months	1.36	1.53
Above 1 year and upto 5 years	5.29	4.71
Above 5 year	11.03	9.71

Sensitivity analysis of the defined benefit obligation**

Particulars	31 st March 2024			
	Discount Rate		Future salary increase	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(0.69)	0.74	0.68	(0.63)

Particulars	31 st March 2023			
	Discount Rate		Future salary increase	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(0.60)	0.64	0.6	(0.58)

*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.

Note 42: Expenditure in Foreign Currency:

Particulars	₹ in crore	
	Current Year	Previous Year
Interest paid	259.58	229.63
Other expenses	3.84	6.17

Note 43: Derivative financial assets / liabilities

Derivative financial assets subject to offsetting, netting arrangements

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			
	A	B	C = (A + B)	D	E	F = (C + 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

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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: Additional information, as required under Schedule III to the Companies Act 2013, of enterprise consolidated as Subsidiary/Associates/Joint Ventures:

(₹ in crore)

Name of the entity	As at 31 st March 2024							
	Net Asset (Total assets - Total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net asset	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
PNB Housing Finance Limited	99.72	14,932.37	101.29	1,527.42	101.17	(16.44)	101.29	1,510.98
Indian subsidiary								
PHFL Home Loans and Services Limited	0.93	138.78	0.54	8.12	(1.17)	0.19	0.56	8.31
Inter-Company elimination and other consolidated adjustments	(0.65)	(96.71)	(1.83)	(27.53)	-	-	(1.85)	(27.53)
Non controlling interest in subsidiaries	-	-	-	-	-	-	-	-
Total	100.00	14,974.44	100.00	1,508.01	100.00	(16.25)	100.00	1,491.76

(₹ in crore)

Name of the entity	As at 31 st March 2023							
	Net Asset (Total assets - Total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net asset	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
PNB Housing Finance Limited	99.44	10,952.57	100.98	1,056.27	99.40	76.60	100.87	1,132.87
Indian subsidiary								
PHFL Home Loans and Services Limited	1.18	130.46	1.33	13.94	0.60	0.46	1.28	14.40
Inter-Company elimination and other consolidated adjustments	(0.62)	(69.17)	(2.31)	(24.21)	-	-	(2.16)	(24.21)
Non controlling interest in subsidiaries	-	-	-	-	-	-	-	-
Total	100.00	11,013.86	100.00	1,046.00	100.00	77.06	100.00	1,123.06

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Note 44.1: Pehel foundation being the subsidiary of the Company is a charitable organisation under Section 8 of the Companies Act, 2013 and it is prohibited to give any right over its profits to any of its members. Since PNBHFL does not have any right over any kind of returns from Pehel Foundation hence it does not meet the criteria of consolidation of financial statements laid down under Ind AS 110.

Note 45: Change in liabilities arising from financing activities

(₹ in crore)

Particulars	As at 1 st April 2023	Cash flows	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)	17,244.18	545.01	-	9.16	17,798.35
Commercial paper	-	3,304.70	-	-	3,304.70
Lease liabilities	74.75	(33.25)	-	91.47	132.97

(₹ in crore)

Particulars	As at 1 st April 2022	Cash flows	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 and Financial Institutions	27,715.84	3,112.56	336.45	9.85	31,174.70
Deposits (net)	17,648.98	(408.68)	-	3.88	17,244.18
Lease liabilities	70.22	(35.85)	-	40.38	74.75

Note 45.1: The borrowings has been utilised for the purpose for which it has been taken from banks and financial institutions.

Note 45.2: 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 45.3: 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 46: 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 borrowing 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	2,142.20	-	2,142.20	3,677.82	-	3,677.82
Bank balance other than cash and cash equivalents	464.73	-	464.73	118.38	-	118.38
Derivative financial instruments	135.01	-	135.01	524.63	135.41	660.04
Trade and other receivables	51.53	-	51.53	12.87	-	12.87
Loans	3,367.81	60,740.43	64,108.24	3,321.56	54,518.23	57,839.79
Investments	1,135.20	3,210.81	4,346.01	1,454.80	1,741.49	3,196.29
Other financial assets	99.66	470.14	569.80	166.77	587.87	754.64
Total (a)	7,396.14	64,421.38	71,817.52	9,276.83	56,983.00	66,259.83

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(₹ 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
Non-financial assets						
Current tax assets (net)	-	185.17	185.17	-	264.03	264.03
Deferred tax assets (net)	-	127.69	127.69	-	145.67	145.67
Investment property	-	0.51	0.51	-	0.52	0.52
Property, plant and equipment	-	66.56	66.56	-	66.19	66.19
Right of use assets	-	123.14	123.14	-	65.59	65.59
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	-	16.57	16.57	-	14.01	14.01
Other non-financial assets	51.14	1.30	52.44	51.18	3.52	54.70
Total (b)	51.14	536.19	587.33	51.18	562.69	613.87
Total asset c = (a+b)	7,447.28	64,957.57	72,404.85	9,328.01	57,545.69	66,873.70
LIABILITIES						
Financial liabilities						
Trade Payables	19.74	-	19.74	30.25	-	30.25
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	6,022.38	11,735.84	17,758.22	5,138.66	12,075.58	17,214.24
Subordinated liabilities	200.00	539.49	739.49	499.00	739.35	1,238.35
Other financial liabilities	1,915.48	264.38	2,179.86	1,756.79	206.36	1,963.15
Total (d)	24,424.85	32,791.34	57,216.19	23,232.90	32,381.88	55,614.78
Non-financial liabilities						
Provisions	6.03	14.20	20.23	2.63	15.09	17.72
Other Non-financial Liabilities	160.73	33.26	193.99	210.09	17.25	227.34
Total (e)	166.76	47.46	214.22	212.72	32.34	245.06
Total liabilities f = (d+e)	24,591.61	32,838.80	57,430.41	23,445.62	32,414.22	55,859.84
Net (c-f)			14,974.44			11,013.86

Note 47: 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 47.1: 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.

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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.

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) comprises primarily 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 47.2: 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.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

Note 47.3: 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	45,533.64	39,385.54
Non housing loans	17,772.18	16,085.48
Total (a)	63,305.82	55,471.02
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)	65,357.81	59,272.63

(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	-	2,140.43	-	1.77	2,142.20
Bank balance other than cash and cash equivalents	-	464.73	-	-	464.73
Derivative financial instruments	-	135.01	-	-	135.01
Trade and other receivables	-	-	51.46	0.07	51.53
Investments	2,338.29	1.00	1,966.27	40.45	4,346.01
Other financial assets	-	542.55	10.97	16.28	569.80
Total	2,338.29	3,283.72	2,028.69	58.58	7,709.28
As at 31st March 2023					
Cash and cash equivalents	-	3,676.33	-	1.49	3,677.82
Bank balance other than cash and cash equivalents	-	118.38	-	-	118.38
Derivative financial instruments	-	660.04	-	-	660.04
Trade and other receivables	-	-	12.87	-	12.87
Investments	2,517.06	8.52	630.26	40.45	3,196.29
Other financial assets	9.04	726.55	5.16	13.89	754.64
Total	2,526.10	5,189.82	648.29	55.83	8,420.04

Note 47.4: 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.

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Note 47.4.1 Total market risk exposure

(₹ in crore)

Particulars	As at	As at	Primary risk sensitivity
	31 st March 2024	31 st March 2023	
	Carrying Amount		
ASSETS			
Financial assets			
Cash and cash equivalents	2,142.20	3,677.82	-
Bank balance other than cash and cash equivalents	464.73	118.38	-
Derivative financial instruments	135.01	660.04	-
Trade and other receivables	51.53	12.87	-
Loans	64,108.24	57,839.79	Interest rate
Investments	4,346.01	3,196.29	Interest rate
Other financial assets	569.80	754.64	Interest rate
Total	71,817.52	66,259.83	
LIABILITIES			
Financial liabilities			
Trade payables	19.74	30.25	-
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	17,758.22	17,214.24	Interest rate
Subordinated liabilities	739.49	1,238.35	Interest rate
Other financial liabilities	2,179.86	1,963.15	-
Total	57,216.19	55,614.78	

47.4.2 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.

(₹ in crore)

Areas	Financial year	Increase / (decrease) in basis points	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

47.4.3 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.

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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 47.4.4: 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 47.5: 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 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 47.5.1: 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
Financial liabilities						
Trade payables	19.74	-	19.74	30.25	-	30.25
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	6,022.38	11,735.84	17,758.22	5,138.66	12,075.58	17,214.24
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	1,576.52	264.38	1,840.90	1,490.61	206.36	1,696.97
Total	27,803.92	37,881.17	65,685.09	26,735.64	37,248.73	63,984.37

*Interest on borrowings includes undiscounted future interest.

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The table below shows the contractual expiry by maturity of the Company's contingent 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 48: Fair value measurement

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

(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

	(₹ in crore)			
Particulars	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				
Mutual funds	1.00	-	-	1.00
Debt securities	-	1,915.56	-	1,915.56
Security Receipt in ACRE 122 trust	-	-	40.45	40.45

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for the year ended 31st March 2024

(₹ in crore)

Particulars	Level 1	Level 2	Level 3	Total
Derivative financial instruments				
Currency swaps	-	190.36	-	190.36
Total assets measured at fair value on a recurring basis (a)	1.00	2,105.92	40.45	2,147.37
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)	1.00	2,105.92	40.45	2,147.37
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

As at 31st March 2023

(₹ in crore)

Particulars	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				
Mutual Funds	8.52	-	-	8.52
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)	8.52	1,591.89	40.45	1,640.86
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)	8.52	1,591.89	40.45	1,640.86
Liabilities measured at fair value through profit or loss				
Derivative financial instruments				
Spot and forward contracts	-	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. Mutual funds

Units held in mutual funds are valued based on their published Net asset value (NAV) and such instruments are classified under Level 1.

2. 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.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

3. 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.

4. 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.

(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)	64,108.24	-	64,086.81	-	64,086.81
Investment [#]					
Government Securities (at amortised cost) & Equity (at cost)	2,389.00	-	2,399.69	-	2,399.69
Total financial assets	66,497.24	-	66,486.50	-	66,486.50
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)	17,802.68	-	-	17,775.78	17,775.78
Subordinated liabilities (including interest accrued)	770.18	-	769.59	-	769.59
Total financial liabilities	26,578.20	-	8,776.57	17,775.78	26,552.35

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)	57,839.79	-	57,832.27	-	57,832.27
Investment [#]					
Government Securities (at amortised cost) & Equity (at cost)	2,276.47	-	2,285.37	-	2,285.37
Total financial assets	60,116.26	-	60,117.64	-	60,117.64
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)	17,247.90	-	-	17,142.92	17,142.92
Subordinated liabilities (including interest accrued)	1,239.44	-	1,239.22	-	1,239.22
Total financial liabilities	22,586.11	-	5,326.77	17,142.92	22,469.69

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

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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 31st March 2024 and 31st March 2023.

Note 49: 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.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

(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 off 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:
- 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 to or on behalf of the Ultimate Beneficiaries;
- (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:
- 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 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

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

Corporate Information

DIRECTORS ON BOARD

Mr Atul Kumar Goel
Mr Sunil Kaul
Mr R Chandrasekaran
Mr Nilesh S Vikamsey
Dr Tejendra Mohan Bhasin
Mr Neeraj Vyas
Mr Sudarshan Sen
Mr Kapil Modi
Ms Gita Nayyar
Mr Pavan Kaushal
Mr Dilip Kumar Jain
Mr Girish Kousgi

STATUTORY AUDITORS

T R Chadha & Co, LLP, Chartered Accountants
B-30, Connaught Place,
Kuthiala Building,
New Delhi – 110 001

Singhi & Co., Chartered Accountants
1704, 17th Floor, World Trade Tower
DND, Flyway, C-01,
Sector 16, Noida- 201 301

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
Unit: PNB Housing Finance Limited
C-101, 247 Park L.B.S. Marg, Vikhroli (West)
Mumbai 400 083

TRUSTEE FOR DEBENTURE HOLDERS

IDBI Trusteeship Services Limited
Universal Insurance Building,
Ground Floor, Sir P.M. Road,
Fort, Mumbai – 400001
E-mail: itsl@idbitrustee.com
Tel No. (022) 40807000

SECRETARIAL AUDITOR

Vinod Kothari & Company
Practising Company Secretaries
Nucleus, 501 & 501A, 5th floor, Salcon Rasvilas,
District Centre, Saket, New Delhi-110017
Phone: 011-41315340
Email: delhi@vinodkothari.com

CHIEF FINANCIAL OFFICER

Mr Vinay Gupta

COMPANY SECRETARY

Ms Veena G Kamath

CHIEF COMPLIANCE OFFICER

Mr Krishna Kant

BANKERS AND FINANCIAL INSTITUTIONS

Bajaj Finance Limited
Bandhan Bank
Bank of Baroda
Bank of India
Canara Bank
Central Bank of India
Citi Bank
HDFC Bank Ltd.
The HSBC Limited
ICICI Bank
Indian Bank
International Finance Corporation
Japan International Cooperation Agency
Karnataka Bank Ltd
Kookmin Bank
National Housing Bank
Punjab & Sind Bank
Punjab National Bank
RBL Bank
SMBC
South Indian Bank
State Bank of India
UCO Bank
Union Bank of India

REGISTERED AND CENTRAL SUPPORT OFFICE

9th Floor, Antriksh Bhavan,
22 Kasturba Gandhi Marg,
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EXTENDED- CENTRAL SUPPORT OFFICE

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Gurugram, Haryana – 122008

