LIC HFL
LIC HOUSING FINANCE LTD

Ref.:LICHFL/CS/31AGM-AR

02 September, 2020

The Manager, Listing Department, National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 Scrip ID: **LICHSGFIN EQ** Email: cmlist@nse.co.in	The General Manager, Department of Corporate Services-Listing Dept., BSE Limited, 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. Scrip Code : **500253** Email: corp.relations@bseindia.com

Re: Regulation 34 of the SEBI (LODR) Regulations, 2015.

In terms of Regulation 34 of the SEBI (LODR) Regulations, 2015, we are forwarding herewith Annual Report for the financial year 2019-2020.

This is for your information and record.

Thanking you,

Yours faithfully,
For LIC Housing Finance Ltd.

General Manager (Taxation) &
Company Secretary

Encl. : a/a.

Annual Report
2019-2020

LIC HFL
LIC HOUSING FINANCE LTD

REIMAGINING OUR TOMORROW



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Date of Annual General Meeting
Monday, 28th September, 2020
Time: 03:00 PM
Through Video Conference ('VC') / Other Audio Visual Means ('OAVM')

Date of E-voting
Start Date: 25th September, 2020 (09:00 AM)
End Date: 27th September, 2020 (05:00 PM)



To view
Annual Report 2020 Online, visit:
http://www.lichousing.com/

₹ 18,193.09 Crore
Net Worth

₹ 2,401.82 Crore
PAT

₹ 47.59
Earnings Per Share

₹ 11,869.67 Crore
Market Capitalisation

14%
Return on Average Equity

1.18%
Return on Average Loan Assets

27,70,628
Number of Customers up to 31st March, 2020

2,392
Number of Employees

CRISIL AAA/Stable
CARE AAA/Stable
Credit Rating

REIMAGINING OUR TOMORROW

The world, as we knew it a few months back, has been altered forever. Prompted by a black swan crisis, there has been an insightful and irreversible shift in the way we run our business, attend to our customers and communicate with our employees. Our ingrained work culture, patterns and behaviours, and our basic belief about how we can serve our customers in the best possible way, has been subjected to closer scrutiny than ever before.

While the pandemic offered a moment of grave challenge, it also presented a perfect time for deep introspection and opportunity. The path we will successively chart will perhaps be the biggest litmus test in our three-decade long existence in the industry. Underscoring our strong value systems and beliefs, we once again proved our agility in responding to changing market dynamics, dug deeper into our native strengths and redesigned our approach to operate in a post-COVID world.

Compelled to rethink and reimagine our tomorrow, we set on a transformational journey by accelerating our technology adoption, enhancing capabilities and efficiency, making our processes and cost-model more resilient, setting higher standards of customer service, and reshaping our value proposition. With this, we endeavour to stay true to our core values of agility, customer-centricity and commitment, and create higher value for all our stakeholders.



OUR PURPOSE IS THE REASON WE EXIST

As we enter the 4th decade of our remarkable journey, we continue our passion to help millions of people on their path to owning their own homes. With our responsiveness, resourcefulness and responsibility, we remain committed to exceed customer expectations.

WHO WE ARE

We, at LIC Housing Finance Limited (LICHFL), are one of the largest housing finance companies in India, with a rich legacy and a promising future. Our core objective is to cater to the housing needs of our customers with the best of our abilities. Throughout our 30-year journey, we have upheld our mission and fulfilled the dreams of more than 27 lakh proud house-owners.

WHAT WE OFFER

With our focussed vision and customer-centric products and services, we empower our customers in their quest for home-ownership. With our targeted products and services, we consistently reach out to potential home buyers and help them take the right steps in home buying.

KEY VALUE PROPOSITION

- Solid track record of customer convenience in products, services and pricing
- A high quality asset book
- An uncompromising focus on core values
- Efficient risk management framework
- Ethical business practices

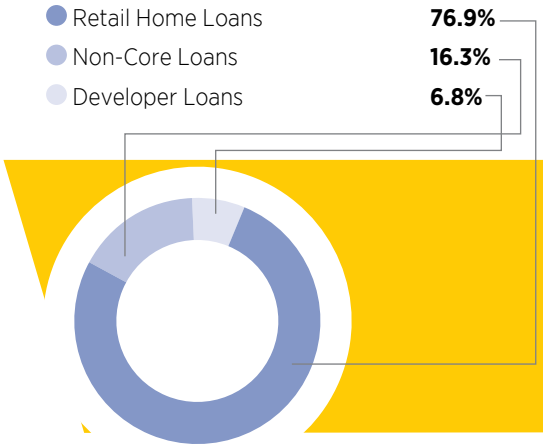
OVERSEAS PRESENCE

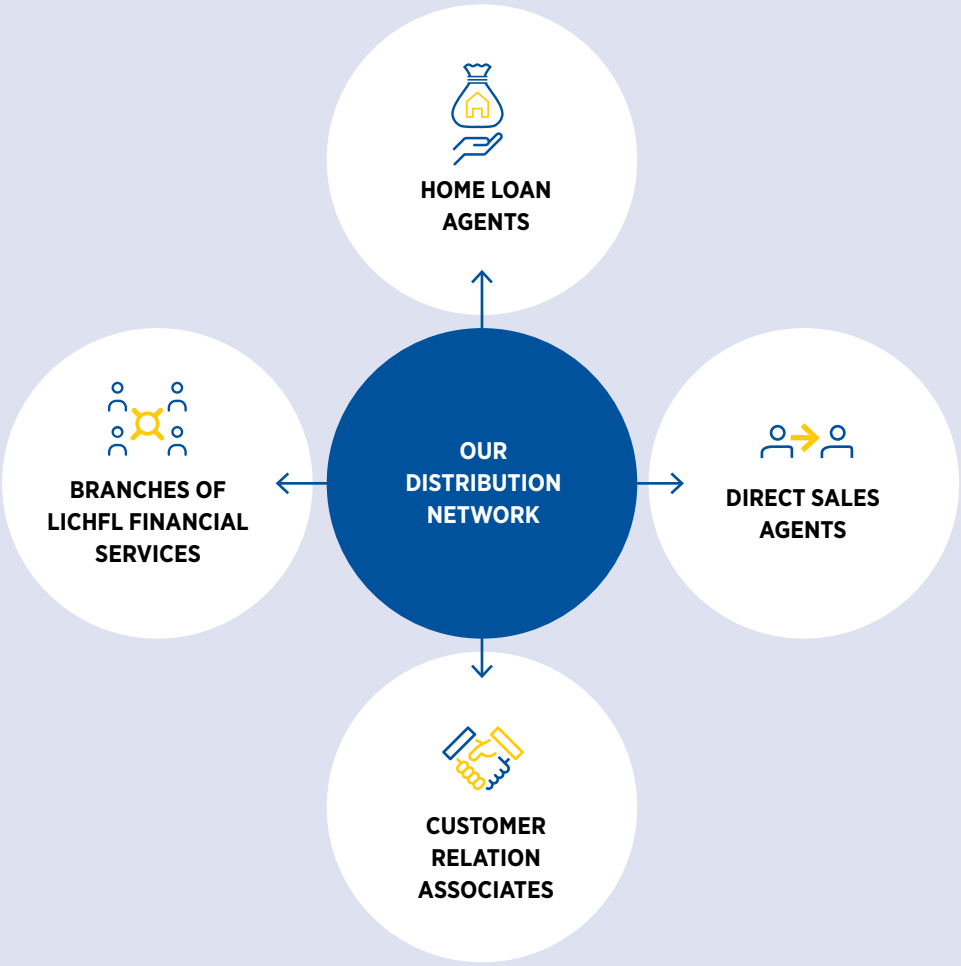
Through our Representative Offices in Dubai and Kuwait, we cater to Non-Resident Indians in the GCC countries of Bahrain, Dubai, Kuwait, Qatar and Saudi Arabia.

OUR DISTRIBUTION NETWORK

We have one of India's most extensive marketing network with 282 Marketing Offices, 13,577 Intermediaries and 25 Back Offices, and enjoy a strong reputation of doorstep service.

OUR LOAN BOOK COMPOSITION





WHAT DEFINES US

₹ 2,10,578 Crore
Loan Portfolio

₹46,936 Crore
Disbursement of individual loan (during FY2020)

₹ 3,73,699.62 Crore
Cumulative Disbursement (Individual loans) (since inception)

₹ 3,84,978.08 Crore
Cumulative Sanction (Individual loans) (since inception)

13.89%
Capital Adequacy Ratio

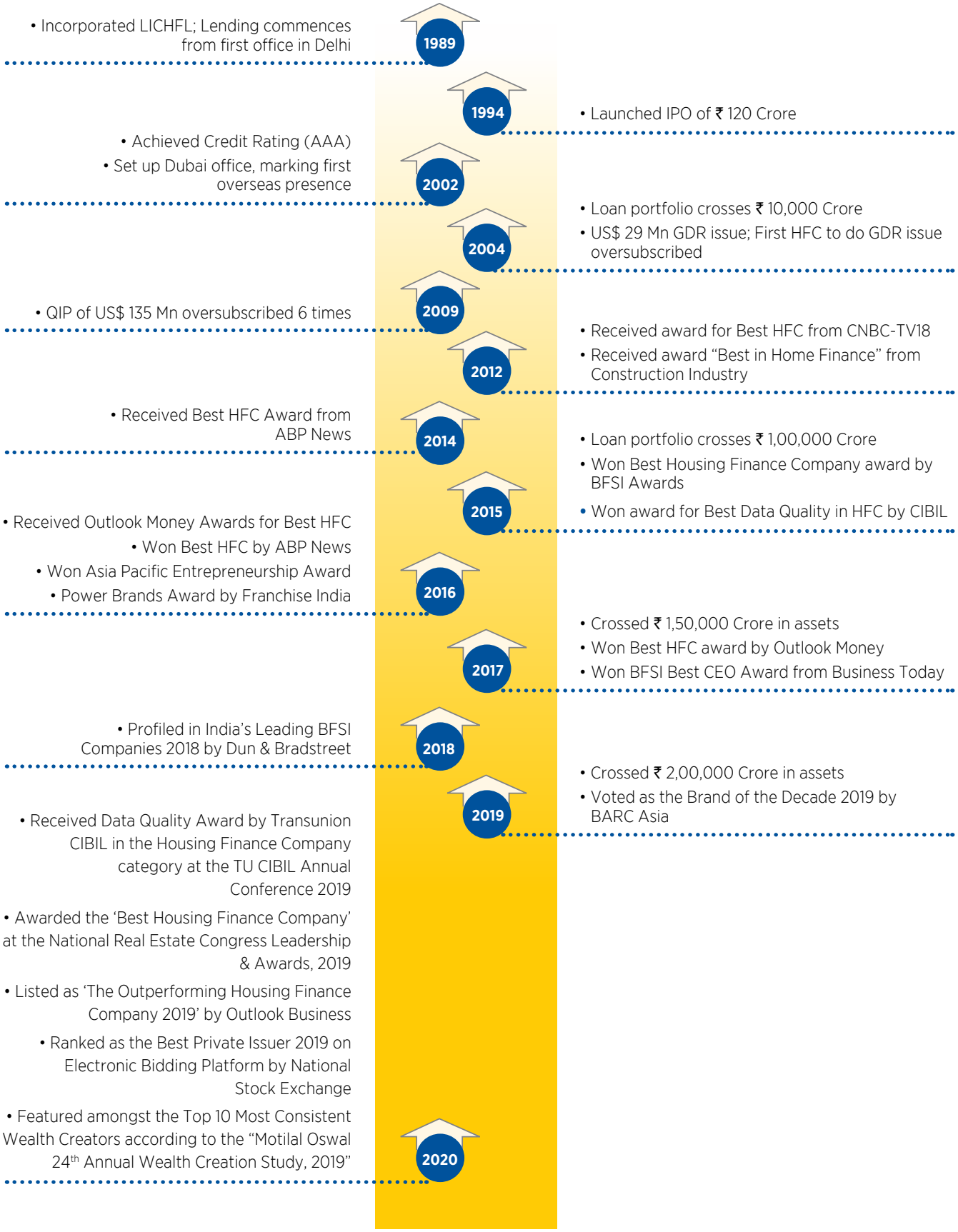
1.99%
Net NPA

8.08%
Weighted Average Cost of Funds

2.34%
Net Interest Margin

As on 31st March, 2020

NURTURING HOPES, HOMES AND HAPPINESS FOR THREE DECADES



GROWING OUR FOOTPRINT

282
Marketing Offices

25
Back Offices

9
Regional Offices

Dubai and Kuwait
Representative Offices - Overseas

450 Centres
Coverage

2,392
Number of Employees



Map not to scale. For illustrative purposes only.

CHAIRMAN'S MESSAGE TO SHAREHOLDERS



As we enter the 4th decade of our remarkable journey, we continue with our passion to help millions of people on their path to owning their own homes. With our responsiveness, resourcefulness and responsibility, we remain committed to exceed customer expectations"

DEAR SHAREHOLDERS,

Greetings and best wishes to all of you as we step into a glorious 4th decade of operations in FY2020 with determination and focus. We have defined our goals with the strong pace of our strategic delivery and improved performance.

Our progress in the past three decades has been indeed phenomenal. We have grown bigger and better every single year – from 8 offices in 1989 to 282 offices now; from 8 employees to 2,392 employees; from a portfolio of ₹ 25 crore to ₹ 2.10 lakh crore; from a disbursement of ₹ 11 crore to ₹ 55,000 crore; from an interest income of ₹ 47 lakhs to ₹ 17,362 crore; from a net profit of ₹ 57,000 to ₹ 2,431 crore. Today, we can proudly say that we have touched the lives of over 27.7 lakh people, are currently servicing about 12 lakh individuals, and have always been the front-runner in ensuring affordable access to housing finance and help realise people's dream of owning a house.

Even after 30 years, we are as passionate as ever in our mission to help millions of individuals on their path to owning a home. We continue to be one of the largest players growing in size, stature and profitability in the housing finance industry. With a strong business foundation, an extensive distribution network and with proven industry expertise, we are enormously trusted as a respected financial services company. Our law-compliant, transparent and professional board of eminent personalities of experience and excellence in different fields provides us with the right guidance.

IMPACT OF COVID-19

India's real estate sector, which was just emerging out of the past market turbulence, policy reforms and liquidity crisis, suffered a setback with the COVID-19 pandemic, which caused income uncertainty and poor consumer sentiments. The outbreak of the pandemic and labour unavailability dampened real estate activity, caused construction delays and reduced demand, affected liquidity, increased stress in the housing finance sector and dented consumer sentiments even further. Income disruption caused by the economic slowdown and the pandemic-imposed lockdown, had an unfavourable impact on the industry.

However, things are not all bleak – the government's fiscal stimulus measures to maintain liquidity and economic continuity helped. As part of the relief package, the Reserve Bank of India announced a ₹ 10,000 crore funding to NHB to provide refinance to housing finance companies. The Ministry of Housing also extended credit-linked subsidy scheme for the middle-income group by one year – from April 2020 to March 2021. RBI allowed a moratorium of 3 months to all term loans, reduced the cash reserve ratio and cut down repo and reverse repo rates.

At LIC Housing Finance, we not only extended the moratorium facility, but also passed on the benefits of reduced interest rates to all the eligible borrowers. The silver lining in the cloud is that the lockdown also provided some disguised opportunities such as inclination of first-time buyers to go for own home and demand for bigger flats in view of social distancing norms.

OUR 4-R STRATEGY

The pandemic has a major impact on the way we live and work. In the current turbulent and unprecedented times, businesses of all sizes and industries need to get adjusted to disruption and change. What stood us in good stead was our resilience and zeal to meet a challenge head-on and ride it out with strength and stability. We understand that many things will never be the same again. To pave our way for a better and sustainable future

we devised a 4-R strategy – Retail, Recovery, Retention and Re-engineering, as our guiding force for the year as we reimagined our tomorrow.

The strategy aims at focus on getting more retail-based loans; recovering the pending dues; retaining the existing borrowers; and re-engineering the work environment so that any kind of disruption will have no adverse impact on business continuity. We are working towards redefining the concept of tomorrow's office – one with a purpose-driven work environment that fosters communication and ideation, supports business processes and functions, increases collaboration and engagement, enriches customer experience, and lastly, maximises engagement and minimises disruption.

MAKING THE RIGHT INVESTMENTS

Amidst the challenging times, one thing constant has been the power of technology to help organisations to adapt, reinvent and transform. Going ahead, business process re-engineering will hold the key to the future. A revamped IT platform is required to take care of the present requirements and the challenging future needs.

We have resolved to keep making investments in the right technology to stay prepared to face a crisis and challenge of this magnitude. Our aim is to gain capabilities in offering e-solutions to reduce future disruptions, which was indeed challenging, considering our 30-year legacy and an outstanding portfolio of ₹ 2 lakh crore. We are also working on our risk management practices to enable us to assess situations that potentially threaten productivity and jeopardise our services. With all this, our aim is to become future-ready, to be able to face the future better, with tech-led processes and seamless integration of systems.

INDUSTRY OUTLOOK

As we adapt to a new normal of living and working conditions, home ownership will be considered as an important yardstick to impart a sense of security. The intrinsic demand for housing will remain strong in the long run. The realty sector in India is expected to ride out the situation through innovation and improved productivity. There will be sustained demand for affordable and mid-market segment on the retail side in Tier 2&3 cities. We will keep funding such projects, considering their viability and sales velocity. Our key purpose is that by FY2022, we should be able to align ourselves with the government's vision of "Housing for All by 2022" and contribute to nation building in our humble way.

FUTURE OUTLOOK

Although it is not easy to accurately assess the magnitude of impact of the pandemic in the long term, it will mostly depend on coordinated steps by the government and RBI. However, it is likely to impact performance of HFCs, as credit growth will be affected. The realty sector has been affected on three fronts – availability of labour, dearth of funding, and lack of demand for housing stock. For housing finance companies, recovery of loans will continue to be a challenge as livelihoods of customers has been affected. Loss of livelihoods and reduction in income, especially for self-employed borrowers, may have an impact on our income and asset quality and we may have to brace ourselves for a moderation in profitability indicators.

However, the long-term prospects of the segment will remain good. Policy rate cuts by RBI, along with liquidity and credit measures, and likely fall in property rates by developers will boost demand for home loans. The demand for housing by the employees in the organised sector is expected to revive after the lockdown, further supported by the formalisation of the realty marketplace through RERA and stabilisation of GST. As one of India's largest housing finance players, we are well-positioned to capitalise on these conditions, reinforced by our proactive investments in technology, wide product portfolio, expanding distribution network and superior fundamentals.

OUR AIM

At LIC Housing Finance, we remain steadfast in fulfilling the unmet housing needs of millions of Indians, and are positive about the intrinsic demand for housing in the long run. We are working collectively towards bringing confidence back into the real estate sector, and have also been sincerely playing a role in supporting the housing finance industry. We are totally supportive of the government's policy that develops the affordable housing finance sector in India.

We are long-term players in this business. With deep knowledge and a service mindset, we continue to live our dream of building a roof for every Indian by supporting affordable housing, serving new home buyers and making their dreams come true. We plan to leverage our extensive reach to connect with the customer, and have been using digitisation to plug the gaps in enhancing customer experience and increasing operational efficiency.

Our long-term vision is to certainly be the lender of choice for all customers. We aspire to be the most preferred housing finance company, providing value for all our stakeholders and delivering consistent growth. With our 31-year legacy, we aim to continue scaling new heights and maintaining our position as one of India's leading housing finance companies.

IN CONCLUSION

I wish you all the best for the journey of excellence. We will remain true to our mission of enabling growth and progress and will continue to be true to our values as we serve our clients. As we have shown in FY2020, our targets are achievable and we are committed to continue making steady progress towards them every day throughout FY2021.

With best wishes

M. R. Kumar
Chairman

At LIC Housing Finance, we remain steadfast in achieving the unmet housing needs of millions of Indians, and have been positive about the intrinsic demand for housing in the long run.

MESSAGE FROM MANAGING DIRECTOR & CEO



Despite the adverse situation, we are comfortably placed in terms of liquidity. Despite the pandemic situation, we have been successful in raising resources at a low cost through NCDs, bank loans, CPs and public deposits – which is a strong testament to the unwavering faith of our lenders and investors.

DEAR SHAREHOLDERS,

It gives me pleasure to present to you the Annual Report of a landmark year.

Through our 30-year journey, we have run the business ably and efficiently using the three key assets of our deep domain knowledge, expanding network and a service mindset, and have successfully delivered sustainable business and created long-term value. Today, we are ranked amongst the top performing players in the industry with a strong business foundation, extensive distribution network, proven industry expertise, superior fundamentals and top rating, with strong value systems and beliefs.

As we step into the 4th decade, we continue our journey with a robust business model that allows us to deliver long-term value. Our robust portfolio and better asset quality clearly stands out in the industry. During our remarkable journey, we successfully crafted the story of growth established with processes and success defined in results – a rising loan book, maintaining profitability, and asset quality.

I am happy to have attained a milestone year and blessed to have led this superlative team of incredible talent and dedication. We continue to serve our aspirational buyers – who are mostly buying a house for the first time, probably, the only time during their lifetime.

IMPACT OF COVID

We write to you amidst an unprecedented and critical situation. The outbreak of COVID-19, a catastrophe in itself, affected lives with each passing day. Its impact is being felt by all the sectors, including real estate and housing finance. The outbreak of the pandemic drastically altered the overall economic outlook and disrupted the financial sector. The stimulus packages offered by the government in the wake of the pandemic are directed towards improving private consumption, demand generation and investment to spur GDP growth.

The real estate sector, which was already reeling under a liquidity crunch and slowing economic growth, has been hit hard as the extended lockdown suppressed buyer interest and muted sales. Housing sales in the top 8 cities fell to its decade low, new launches declined and the pricing environment weakened. The structural reforms, liquidity schemes and fiscal support provided by the Reserve Bank of India and the government are expected to provide relief to stressed asset classes.

At LICHFL, we faced reduced demand for housing loans and increase in delinquencies due to an adverse change in the credit habits of borrowers. Our cash flows were impacted as servicing of debt continued. It also led to a slowdown in home loan disbursals as individuals deferred home purchases till the time they could perceive stability in their income levels and a resumption in business activities.

BATTLING THE CRISIS

As we prepared to battle the challenging times, adaptability has been the core competency of our workforce. We made proactive adjustments to our business plan and exhibited readiness in an improved situation. Our immediate concern was to safeguard lives, and the foremost priority was to take care of our employees and the communities we live in. We facilitated Work from Home and encouraged employees to find innovative means, causing minimum disruption to work and enabling effective

customer service. We followed all the advisories issued by the government, in letter and spirit, to ensure safety of our employees and associates, and placed collaborated efforts to battle the pandemic.

HFCs BRACING CHALLENGES

For FY2021, the unexpected crisis posed challenges of the like we have never witnessed in the past. Due to the pandemic, every model or process in the operations of a housing finance company called for recalibration. In the post pandemic scenario, predictability on important factors such as revenue, profitability and non-performing assets and asset quality will become challenging, given that the continuity of data chain has been affected. With this uncertainty, HFCs have been bracing to run a tight ship in lending as well as liability management.

OUR PERFORMANCE

We are happy to share an update on our performance during the year. In spite of a turbulent year, the Company fared fairly well on disbursements, portfolio growth, revenues, profit growth. Revenue from Operations were ₹ 19,697 crore, as against ₹ 17,358 crore, a growth of 13%. Profit After Tax stood at ₹ 2,401.83 crore compared to ₹ 2,430.97 crore due to a fall in disbursements. Our outstanding loan portfolio stood at ₹ 2,10,578 crore, against ₹ 1,94,646 crore, reflecting an 8% growth. Individual Loan Portfolio stood at ₹ 1,96,340 crore, as against ₹ 1,81,569 crore, growing by 8%.

Though we recorded a good year in the initial three quarters, COVID did have a significant impact on the fourth quarter. Our disbursement stood at ₹ 46,936 crore vis-à-vis ₹ 53,908 crore. Our Customer base in individual home loan segment crossed over 27 lakh customers. Disbursement was spread across different regions of India, with good growth emanating from central and eastern parts of the country. During the year, performance in the Pradhan Mantri Awas Yojana continued to be a strong point, with disbursement exceeding ₹ 11,200 crore, up 52% over the previous year. This is more than 25% of total retail loan disbursement.

We maintained our strong asset quality, with a gross NPA of 2.86% and net NPA of 1.99%, in comparison with 1.54% and 1.08%, respectively. We continued to remain committed to our "Zero Tolerance Policy to NPAs". Net Interest Income, our key measure of profitability, was ₹ 4,689 crore, growing by 10%; while Net Interest Margin was 2.34% against 2.38% in the previous year. The Loan to Value (LTV) ratio was stringently maintained at 50-60%. We are pleased to inform you that the Board has recommended a dividend of 400% at ₹ 8.00 per equity share. We have been consistently paying dividends for three decades, demonstrating our resolve to share profits with our shareholders.

GOOD CONTROL OVER COST OF FUNDS

Despite the adverse situation, we are comfortably placed in terms of liquidity. Despite the pandemic situation, we have been successful in raising resources at a low cost through NCDs, bank loans, CPs and public deposits – which is a strong testament to the unwavering faith of our lenders and investors. There has been a softening in the cost of funds, owing to the repo rate reduction by RBI in the recent months. Our cost of funds is one of the best in the market.

Our best-in-class asset quality, with a gross NPA of

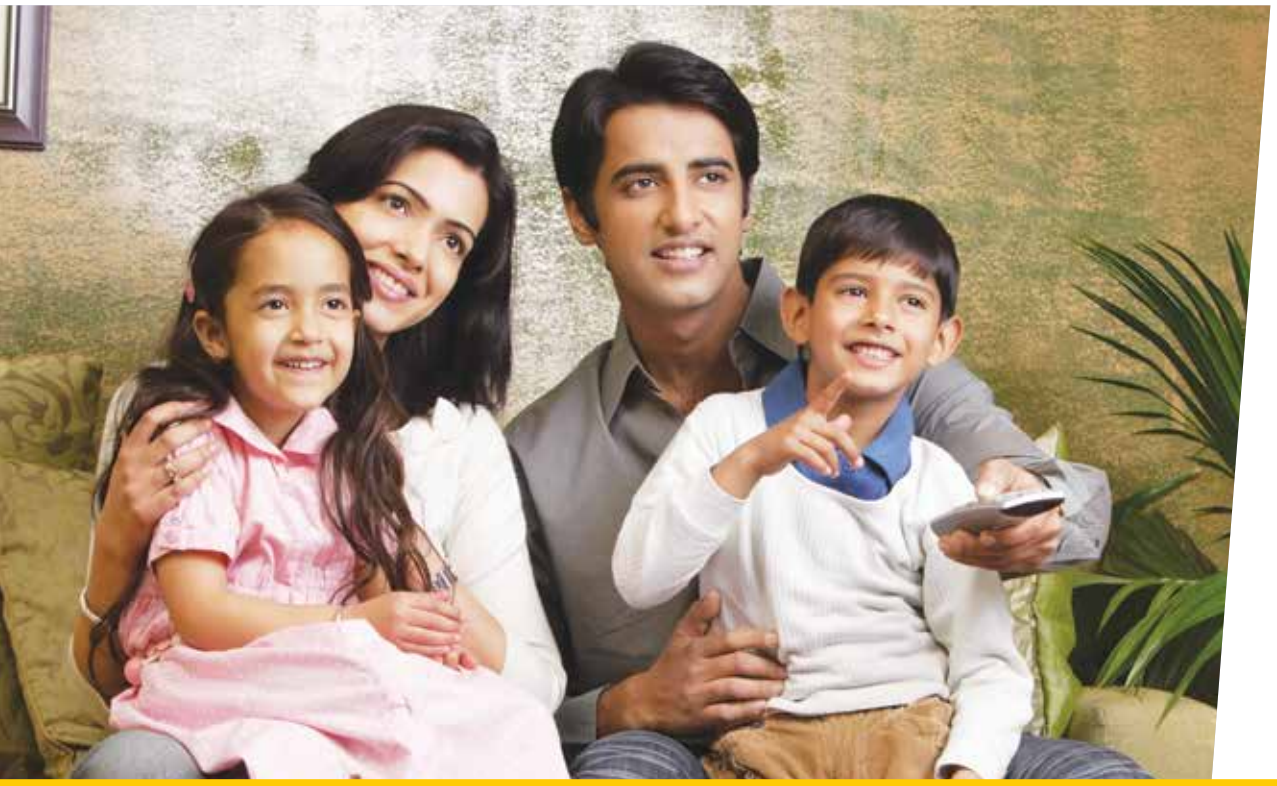
2.86%

And net NPA of

1.99%



As we prepared to battle the challenging times, adaptability has been the core competency of our workforce. We made proactive adjustments to our business plan and exhibited readiness in an improved situation. Our immediate concern was to safeguard lives, and the foremost priority was to take care of our employees and the communities we live in.



At LIC Housing Finance, we are leveraging the strong brand value of the Company, and embarking on a journey of transformation to become the housing company of choice.

OUR KEY STRATEGIES

Amidst the current challenging times, there is an urgent imperative to reimagine our business and position ourselves with agility. Towards our goal of FY2021, we have identified 4 areas of key focus that will help us develop capabilities, processes and execution excellence. Our current year's theme revolves around the 4-R – Retail, Recovery, Retention and Re-engineering – our guiding force for the year. With these value creating strategies, we are confident of overcoming all obstacles and emerge stronger. We aim to work on each R to achieve our stated objectives. Our resilient performance across each 'R' will pave the way for a sustainable future.

Let me explain these key strategies in brief. As part of our strategy on Retail, our aim is to focus on the retail business which will be a key driver to future growth. We hope to become a strong player in the retail home loan segment, further supported by the direct marketing channel which was introduced in the previous financial year. Going forward, the road ahead for the immediate and distant future will be built on higher disbursements of retail housing loans. From a Company with 76.90% retail housing loans currently, we aim to increase this to 90%.

ENRICHING CUSTOMER EXPERIENCE

Our new HomY app, launched in February 2020, is a step in the direction of increasing retail-based home loans. The advanced features and reliable performance of the App is enabling us to engage with a new generation of customers across India, and provide greater convenience and choices for home loan applications. Till date, it has been downloaded by over 6 lakh individuals across the country. It provides the ability to scale automatically and handle peak customer loads securely, also serve the needs of our existing customers nationwide.

Another example depicting our customer-centricity is the all-time low home loan interest rates. The new home loans are offered at a rate of interest of 6.90% for loan up to ₹ 50 lakh for borrowers with a CIBIL score of 700 and above, resulting in lower EMI payment for borrowers. Attractive price points and affordable EMI will aid in addressing the demand side for buying homes.

Under Recovery, our immediate target is to recover loans overdue in order to avoid the possibility of any loan going into default and improve our asset quality. With Retention, our focus is to grow the book size by maintaining the current portfolio. We are facilitating this by truly enhancing our customer experience and other ways to retain an existing borrower. We are also offering them the option to rewrite their loan and earn the benefit of declining interest rates. We are seizing every opportunity to re-strengthen our relationships with the existing borrowers.

REIMAGINING OUR TOMORROW

While challenges continue, the 'new normal' is all about accelerating consumer behavioural shift and preferences. Hence, there is an urgent imperative to reimagine our business and position ourselves with agility to succeed in the new environment. The choices we will make today will bring in a generational impact.

Under Re-engineering, we are getting Company's operations re-engineered to add the capability of adapting to disruptions caused by any kind of crisis. Service is a continuous process. To keep up with changing times, we are aiming to adapt new systems and processes in order to provide hassle-free service to our customers.

As the world contends with COVID-19, we are reimagining and visualising our tomorrow, and thinking ahead on how to thrive in a new reality and how to maintain productivity in a highly remote environment. With the influx of digital technologies, we are building a work environment that is truly fit for the future. We are making critical choices and reinventing the work environment with the help of technology. We are navigating the future of work and planning for different scenarios that may occur and prepare for that future make-up of the workforce.

SETTING ON A TRANSFORMATIONAL JOURNEY

At LIC Housing Finance, we are leveraging the strong brand value of the Company, and embarking on a journey of transformation to become the housing finance company of choice. With the customer at the centre of our core strategy, we have embarked on a journey to make ours a futuristic and tech-driven company, offering the best customer experience. We are in the process of adopting and implementing best practices. The initiatives we are taking today will reap fruits in the coming years. The initiatives we are taking today will reap fruits in the coming years. We want to become an Housing Finance Company with a difference on all fronts – service, values, and ethics.

MOVING FORWARD

We look forward to the next three decades with faith and keenness, with a strong resolve to overcome any crisis. By leveraging technology, we aim to improve our margins through low credit costs and reduction in operational expenses, and thus increase profitability. With the above steps, we aim to stabilise by the end of FY2021. We are selectively taking quality exposures, and aiming to bring about changes in the liability mix, reducing the overall weighted average cost of funds, improving our net interest margins and recovering our NPAs.

Low NPAs and a low moratorium book is also giving us the confidence to underwrite good home loan business. We remain poised for better times ahead, paving the way for a sustainable future through our resilient performance.

CLOSING REMARKS

We are firm believers of the fact that there is no substitute for hard work, and we should all be prepared to put in an extra effort to achieve a greater goal. I am proud of being a part of this talented team with immense capabilities and an unwavering commitment. As we reimagine our tomorrow and step further into a different future, we are also developing insights to balance on what needs to happen in the new normal.

I am proud to be leading your Company as we commence our fourth decade of operations which is truly a momentous landmark for us. It has been a wonderful journey so far and I truly believe that the best is yet to come.

The team is committed to deliver and build further momentum on our consistent track record of sustainable profitable growth.

With regards,

Siddhartha Mohanty
Managing Director & CEO



With the customer at the centre of our core strategy, we are setting on a journey to make ours a futuristic and tech-driven company, offering the best customer experience.

REIMAGINING OUR TOMORROW

As COVID-19 brought unprecedented and humanitarian challenges, and dramatically impacted the world, we became an early actor in these times of extraordinary uncertainty and constant change, and a new normal environment that will follow. We rose to the occasion and acted swiftly. We not only came with pointed strategies to secure our today, but also tread on the path to imagine and reshape a better tomorrow and bring about meaningful change.



The outbreak of COVID-19 and the following stringent restrictions halted economic and consumption activities, which also affected our business, operations and our customer servicing capabilities. It also affected credit appraisal as KYC verification, field investigation, property valuation and inspection, deposit of title deeds and disbursement of loans through cheques became a challenge. Besides, cash flows and cost of funds too were impacted.

1

ENSURING BUSINESS CONTINUITY

We came up with a credible and well-communicated consolidation plan to ensure business continuity. With transformational thinking, grounded in facts, we made proactive adjustments to our business plan and exhibited readiness in an improved situation. All the regular operations continued normally, as our employees worked from home. All operations, except those requiring physical files and field visits, were carried out from home.

2

RESHAPING OUR TOMORROW

In addition to this, we also prepared for a post-COVID world – one that is not simply an enhanced version of yesterday, rather building one that is a sustainable version of tomorrow. We built scenarios and acted continuously in response to changes in the business environment and accelerated our learning to gain a competitive advantage.

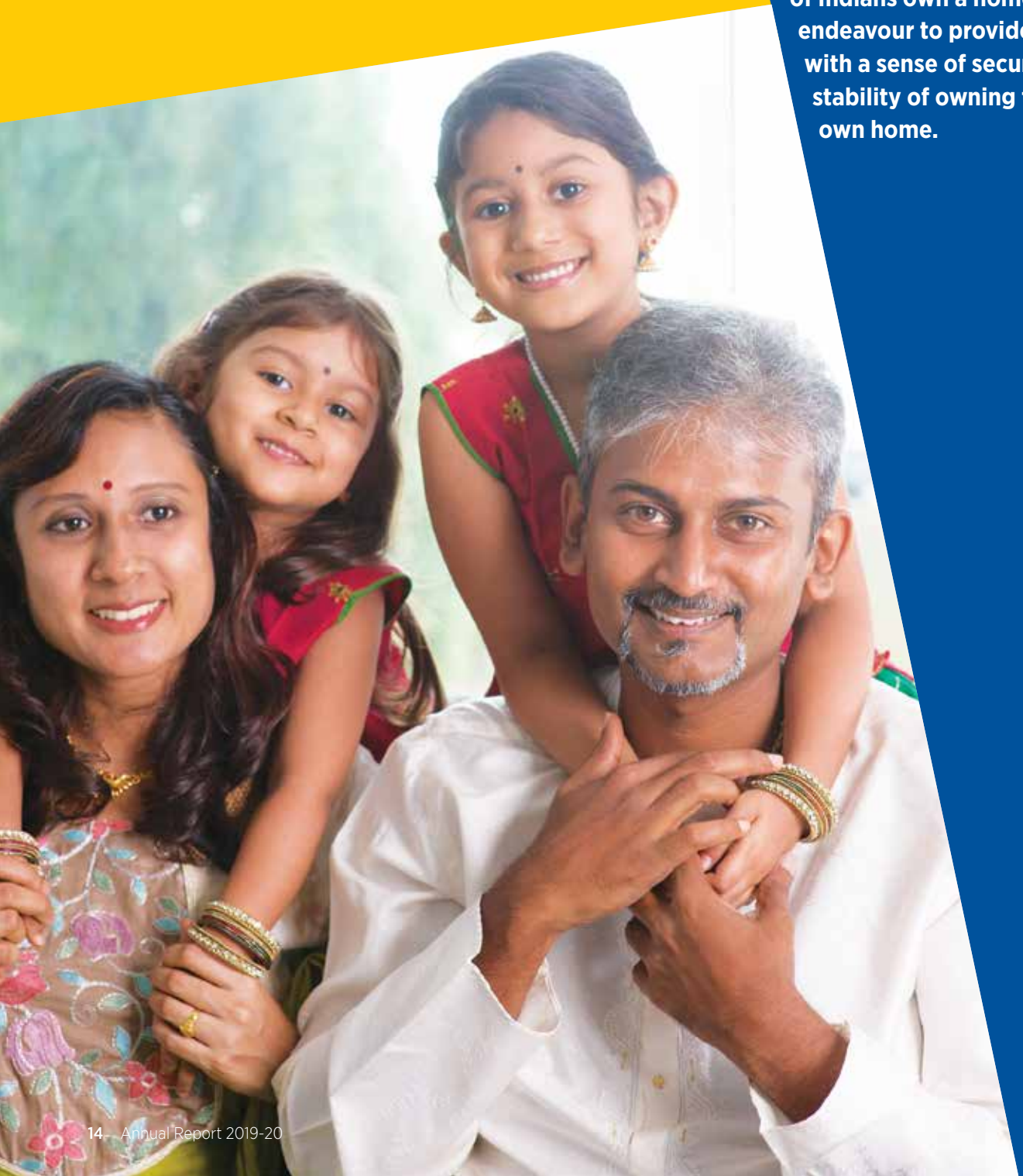
Our Value Creating Strategies

As we reimagined our tomorrow, we devised and articulated 4 value-creating key strategies. Through these, we shaped an agenda that would not only have a central part of our approach, but is likely to have real and quantifiable impacts on the Company.

- **RETAIL**
- **RECOVERY**
- **RE-ENGINEERING**
- **RETENTION**

RETAIL

We are working towards enhancing our retail portfolio, capitalising on the latest demand for housing and India's low household debt-to-GDP ratio. With this, we wish to live our passion of helping millions of Indians own a home, and endeavour to provide them with a sense of security and stability of owning their own home.



Our core marketing strategy is to procure more retail business and increase retail volumes in our customer pie. We are working towards developing a robust, individual retail-led business model. From the current share of 76.90%, our target is to scale this to 90% and be a strong player in the retail home loan segment.

We wish to capitalise on the opportunities brought forth by the Pradhan Mantri Awas Yojana and Housing for All by 2022 schemes of the government and focus on the affordable housing segment to reach out to our customers. Our objective is to leverage the growing credit demand from households, prevailing low interest rate environment, and subsidy offered by the government for affordable housing.



THE HomY APP

We are rethinking the operating model, accelerating digital capabilities and revamping our distribution channels to be able to onboard retail customers digitally. Launched in February 2020, the HomY app is aimed at assisting customers right from onboarding till loan sanction. We are targeting to make the App a one-stop shop for all needs of all our customers, and is the easiest, fastest and the most convenient method of availing home loans.



KEY BENEFITS OF HomY

- Enables us to reach out to a broader audience with an easy-to-use mobile interface and efficient processes
- Provides instant eligibility for pre-approved home loans, based on KYC and other data provided by applicants
- Speeds up the entire process of granting loans to new applicants and facilitates services being availed by existing beneficiaries
- Allows our agents in the field, to engage with customers and provide real-time services
- Minimises lengthy paper-based loan application process

The App has been downloaded by more than 6 lakh people till date, with close to 2,000 applications have been made using this channel. While customer onboarding has already started on the App, we are adding more features and functionalities to make our business more scalable in a user-friendly way. Our objective is to leverage the best technology in space and provide the best service to our customers through the App.

HomY enables customers to:

- apply for loan with minimum data captured
- upload KYC documents
- submit income-related and other documents
- get background checks done
- pay fees online to ensure faster turnaround
- grant financial approval on loan in less than 10 minutes
- check status of application; put in service request



SERVING CUSTOMERS EFFICIENTLY

Customer-centricity is the key to our approach. Our clear-cut solutions are targeted to benefit customers, such as reduced interest rates and innovative products. To illustrate, our interest rate today is at an all-time low of 6.90% for a loan up to ₹ 50 lakh, linked to CIBIL score of 700 and above. Similarly, we launched a new scheme Griha Varishtha for pensioners, with a tenure till attainment of 80 years or maximum up to 30 years, whichever is earlier. The product is specially designed to cater to employees of PSUs, central and state government, railways, defence, banks, among others, entitled to pension under the Defined Benefit Pension Scheme.



Customer-centricity is the key to our approach. Our clear-cut solutions are targeted to benefit customers, such as reduced interest rates and innovative products.

RECOVERY

In view of COVID-19 and the resultant disruption of economic activities, several borrowers utilised the moratorium benefit for a period 3 and 6 months. As the lockdown gradually opened and the crisis dissipates, we are putting all our action in force to ensure agile recovery of pending dues.



Prompt and timely collection of receivables is important for a housing finance company's financial health. In order to maintain a healthy portfolio, our immediate and prime target is to recover our dues efficiently. In the current times of COVID-19, we are maintaining a greater focus on recovery and receivables. Our Recovery Teams are in constant touch with borrowers through various means of communication and solving all their queries on moratorium, overdue payment, and making online payments. Our customer service priority includes service accuracy and engagement. We value every touch point and routinely interact with all facets of our customer-facing cohort through a focussed strategy. Our aim is to focus on tangible factors and create a compelling customer experience.

SETTING UP TASKFORCES

We have created a strong recovery team at each level who will connect with our borrowers to imbibe in them a sense of accountability. The recovery team is provided with clear and defined roles. They have a focussed approach towards recovery, and their progress and performance is monitored at a higher level.

EDUCATING BORROWERS

Our Customer Relationship Managers are always available for guiding some of our 'not-so-tech-savvy borrowers' through our tech-led processes and enabling them to make online payments. We are also educating them through our innovative videos in several languages. All the electronic payment options are made available to the borrowers including payment through QR codes, in order to promote the digital payments initiative of the Government.

INCULCATING SOCIETAL CHANGE

With these initiatives, we are mitigating the risk of delinquencies by encouraging the borrowers to ease into the regular repayment practice. We are not only getting our borrowers into the habit of making regular loan payments and getting their credit history improved, we are making them more tech-savvy and comfortable with tech-led processes. Another definite change is serving our customers with end-to-end solutions at the comforts of their homes.

Our customer service priority includes service accuracy and engagement. We value every touch point and routinely interact with all facets of our customer-facing cohort through a focussed strategy. Our aim is to focus on tangible factors and create a compelling customer experience.

RETENTION

Customer retention is the foundation on which our business is built. It is our ultimate goal to retain the existing loan book by re-imposing trust and building a long-term relationship, creating a direct impact on our return on investment. Our premise of customer retention is to build trust and make our customers feel comfortable, enabling them to remain loyal to the brand.



Our prime aim is to never leave our current-and-loyal customers dissatisfied. We are continually working towards understanding what our customers value and develop customer experiences around this – both online and offline, to ensure greater customer delight. We display complete sensitivity while dealing with our customers, and in developing an ease of transacting to ensure an enduring and mutually rewarding relationship.

According to statistics, attracting and acquiring a new customer may cost nearly five times more than retaining an existing one. Increasing customer retention rates boosts profits. Retention of an existing borrower is important as the acquisition cost for that customer has already been incurred. Given this scenario, the best is to not lose the customer at any cost. With deep insights into their future needs, we are discovering innovative experiences to foster better relationships and drive loyalty, satisfaction, advocacy and positive outcomes.



SERVING TOMORROW'S CUSTOMERS

We are redefining our customer service by reimagining and rethinking business models and practices, and ways of delivering better services. As housing finance slowly transitions from legacy platforms to digitised environments, we are making use of technology and process transformation to personalise our customer service, spur innovation within services and with unique and compelling product features and reduce origination costs.



ALIGNING CUSTOMER BENEFIT

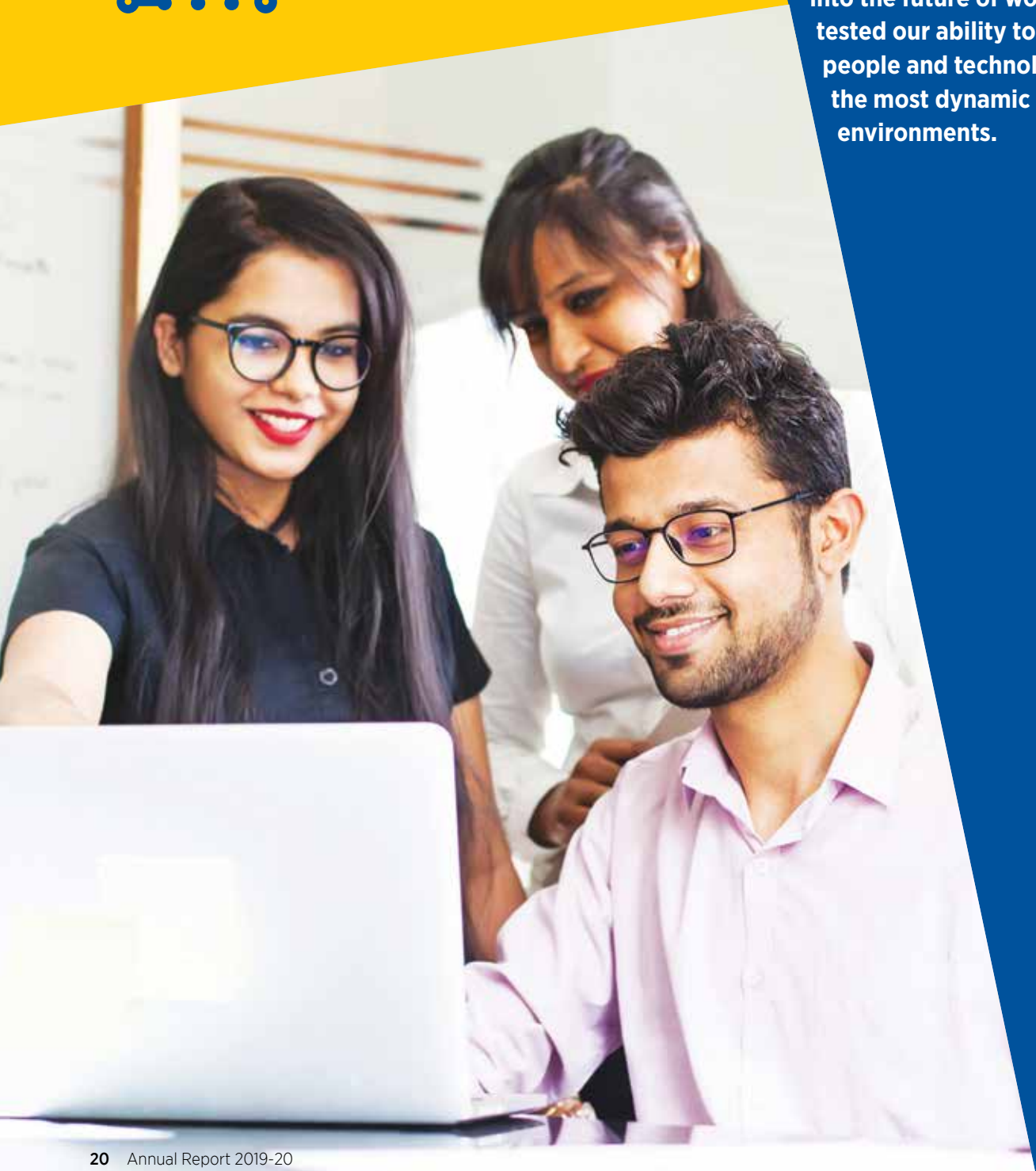
During COVID-induced lockdown, the Reserve Bank of India reduced the repo and reverse repo rate, which declined interest rates. Several customers are considering refinancing options in view of the declining interest rates. They are getting their loans rewritten to avail the benefit of reduced rates and get the monthly loan instalments reduced.



We are redefining our customer service by reimagining and rethinking business models and practices, and ways of delivering better services.

RE-ENGINEERING

As the pandemic drove societal and organisational shifts, we not only safeguarded our employees, but migrated to newer ways of working that no business continuity plan had ever envisioned. Fast-forwarding into the future of work, we tested our ability to blend people and technology in the most dynamic business environments.



As the nationwide lockdown disrupted normal work and forced everyone to stay indoors, we enabled remote working to ensure business continuity and to boost productivity. We also used lessons from our 'work-from-home' experiment and reimagined work in a vibrant environment. Building on these lessons and practices executed during the crisis, we deployed workforce strategies and ecosystems banded together to leverage our collective and complementary capabilities and effect meaningful change.

THE NEW NORMAL

a. For our Employees

To counter the immediate after-effects of the nationwide lockdown, we enabled our employees with all kinds of facilities such as laptops, systems and Internet connectivity. With this, we aimed to ensure smooth working from home, and enabled them to be productive even in a remote working environment. As we made our operations more efficient and tech-driven, we reinvented a new operating model in the ecosystem and built seamless execution capabilities and end-to-end process integration.

b. For our Customers

During COVID times, we offered all the services digitally. We also provided options to make online payments, submit moratorium requests and rewrite existing loans. We onboarded new customers through the HomY app. We re-imagined a scenario where the customer doesn't have to physically visit any branch and can be serviced 24/7 in the comforts of his home, with every single process digitised. We are moving further in a direction where the customer is serviced with no human contact. We are redesigning our business operations to service needs of tomorrow's customers.

Servicing the customers

- Enhanced customer servicing through online portal
- Launched e-appraisal to improve turnaround time
- Implemented private cloud and virtualisation
- Enabled effective collection mechanism
- Offered online options for payment and loan rewriting
- On-boarded new customers by accepting applications on Internet
- Handled online monitoring and surveillance of applications
- Introduced video conferencing capabilities across regional/ area offices

MOVING TOWARDS DIGITAL TRANSFORMATION

The biggest transformation we are treading upon is the complete overhaul of our IT systems to conduct business safely and securely and to deliver a seamless experience to our customers. With the adoption of best practices in the industry, we are preparing for a "New Normal" by capitalising on our technological advantages. As we transition into more tech-driven processes, we are enabling complete digital transformation by implementing an Electronic Data Management System (EDMS) that can be digitally accessed at different levels of appraising a customer.

KEY INITIATIVES PLANNED AHEAD:

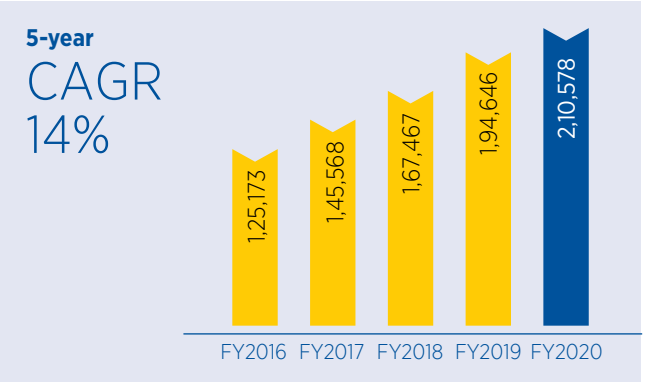
a. Implementing e-KYC to ensure from customers' homes
b. Validation and authorisation of loan digitally handled
c. Standardising KYC procedures across branches
d. Auto appraisal of clients
e. Systems on anti-money laundering
f. Featuring chatbots to enhance online engagement
g. Commissioning of Security Operation Centre (SOC)



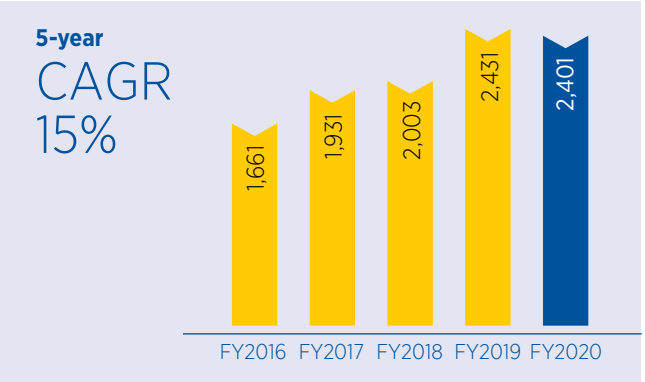
We are leveraging technology to accelerate the turnaround time, integrate our processes, minimise process duplication and enhancing productivity. We are thus creating a work culture surrounding technology and adapting it in all operations. Our efficient solutions are enabling us deliver seamless customer experience at every step.

OUR CONSOLIDATED FINANCIAL PERFORMANCE

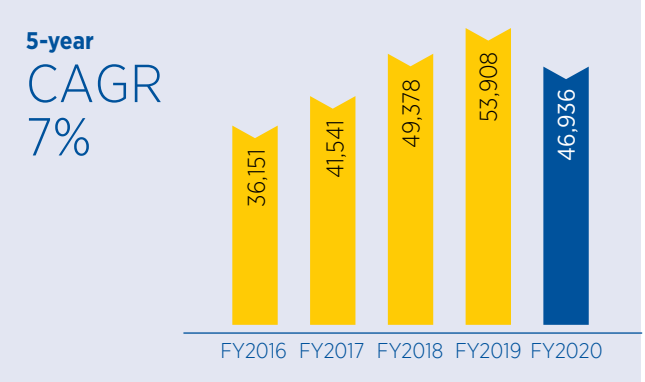
Outstanding Loan Portfolio (₹ Crore)



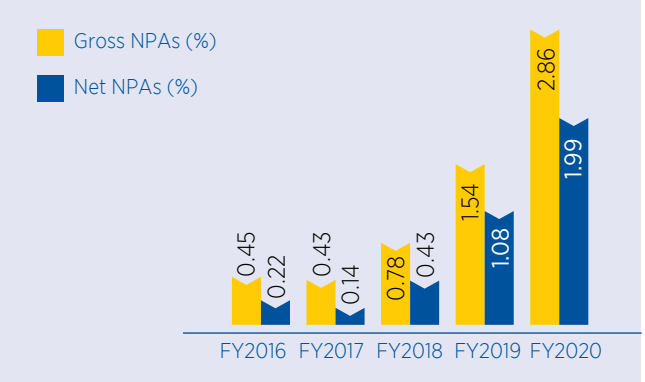
Profit After Tax (₹ Crore)



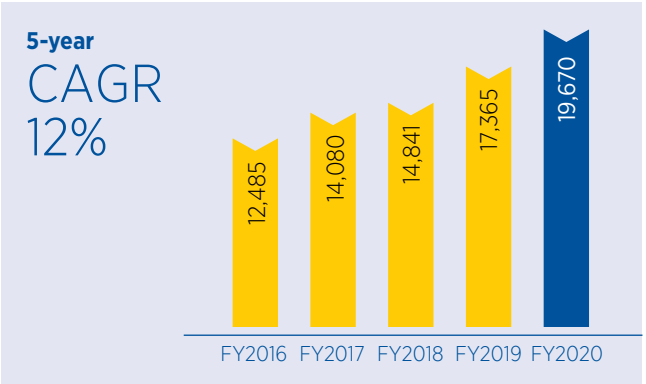
Disbursement (₹ Crore)



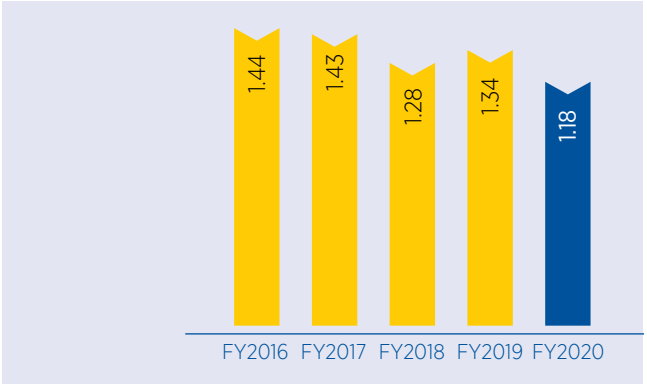
Gross and Net NPAs (₹ Crore)



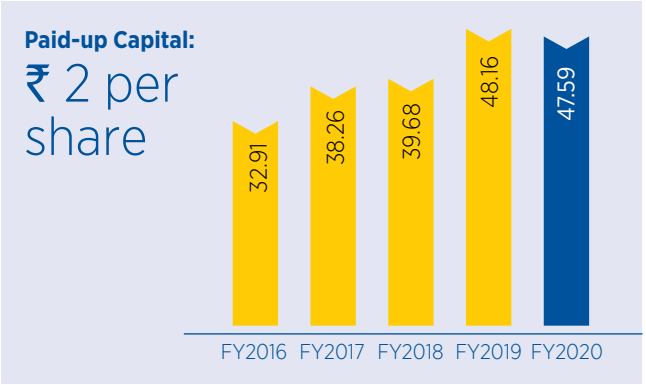
Income (₹ Crore)



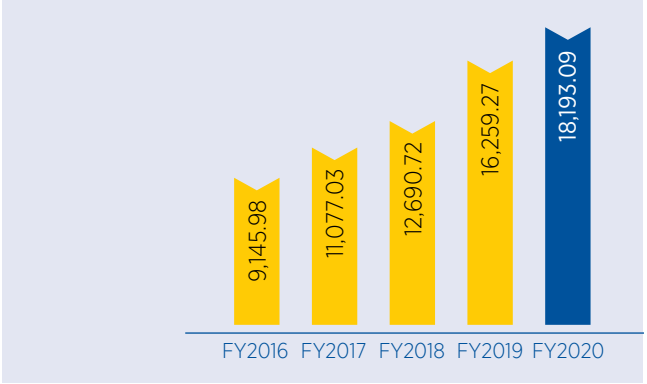
Return on Average Loan Assets (%)



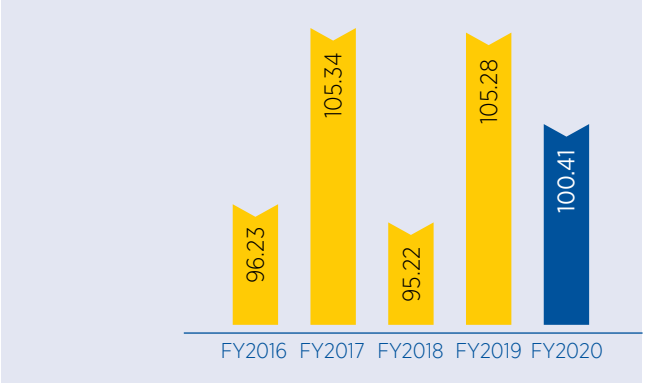
Earnings Per Share (₹)



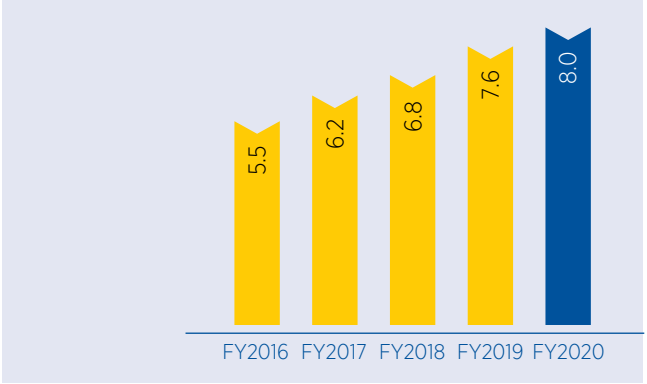
Net Worth (₹ Crore)



Profit Per Employee (₹ Lakh)



Dividend Per Share



AWARDS & ACCOLADES



Received Data Quality Award by Transunion CIBIL in the Housing Finance Company category at the TU CIBIL Annual Conference 2019



Awarded the 'Best Housing Finance Company' at the National Real Estate Congress Leadership & Awards 2019



Listed as 'The Outperforming Housing Finance Company 2019' by Outlook Business



Awarded Best Private Issuer 2019 on Electronic Bidding Platform by National Stock Exchange



Featured in the Top 10 Most Consistent Wealth Creators according to the "Motilal Oswal 24th Annual Wealth Creation Study, 2019"



CORPORATE INFORMATION

BOARD OF DIRECTORS

M.R. Kumar	:	Chairman
Vipin Anand	:	Director
Siddhartha Mohanty	:	Managing Director & CEO
Jagdish Capoor	:	Director
Savita Singh	:	Director
Dharmendra Bhandari	:	Director
V. K. Kukreja	:	Director
Ameet N. Patel	:	Director
P. Koteswara Rao	:	Director
Kashi Prasad Khandelwal	:	Director
Sanjay Kumar Khemani	:	Director

GENERAL MANAGER (TAXATION) & COMPANY SECRETARY

Nitin K. Jage

SENIOR EXECUTIVES

Judhajit Sen	:	General Manager (Marketing, Portfolio Management & Market Research)
P Dwivedi	:	General Manager (Credit Appraisal)
Dipak Kumar Bardoloi	:	General Manager (HR, Audit, Legal, OS, Estates & Vigilance)
T S Ramakrishnan	:	General Manager (Recovery)
Meenakshi Kumar	:	General Manager (Subsidiary Monitoring & CRM)
Angel Johnson	:	General Manager (IT)
Prabha Shridhar	:	General Manager (Accounts)
Sudipto Sil	:	Chief Financial Officer
Purti Y Samant	:	Chief Risk Officer
Anup Kumar Dutt	:	Chief Manager (Credit Appraisal)
N Mahesh	:	Chief Manager (Marketing, PR & Publicity)
D S Rawat	:	Chief Manager (Marketing - Business Development)
V Krishna Mohan	:	Chief Manager (OS)
J Sangameswar	:	Chief Manager (Recovery)
Hitesh B Talreja	:	Chief Manager (IT)

REGIONAL MANAGERS

Praveen Kumar	:	Central Region
R.C. Khora	:	East Central Region
Satyabrata Nayak	:	Eastern Region
Gajraj Singh Gill	:	North Central Region
Jaspal Singh	:	Northern Region
Vidyanand Jha	:	South Central Region
Vishwanatha Gowd Y	:	South Eastern Region
Uday Kumar Navani	:	Southern Region
Subrata Ghosal	:	Western Region, Mumbai

AUDITORS

Joint Statutory Auditors:
M/s. M.P. Chitale & Co.,
Chartered Accountants, Mumbai
M/s. Gokhale & Sathe,
Chartered Accountants, Mumbai

BANKERS

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

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENT

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

CORPORATE OFFICE

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

DEBENTURE TRUSTEE

IDBI Trusteeship Services Ltd.
Asian Building, Ground Floor,
17, R. Kamani Marg,
Ballard Estate, Mumbai 400 001.
Phones : 022- 40807000
Fax : 022 – 66311776 / 40807080
Email : itsl@idbitrustee.com
Website : www.idbitrustee.co.in

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

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

SBICAP Trustee Company Ltd.
Apeejay House, 6th Floor,
3, Dinshaw Wachha Road,
Churchgate, Mumbai- 400020.
Phones : 022-43026629
Fax: 022-22040465
Email: neha.bane@sbicaptrustee.com

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

Date of Annual General Meeting	:	Monday, 28th September, 2020
Time	:	3.00 p.m.
Venue	:	Through video conference ('vc') / other audio visual means ('OAVM') in compliance with the applicable provisions of The Companies Act, 2013 read with MCA General Circular No. 14/2020, Dated 8th April, 2020, MCA General Circular No. 17/2020, dated 13th April, 2020 and MCA General Circular No. 20/2020 dated 5th May, 2020
Date of E-voting	:	Start Date: 25th September, 2020 (09:00 AM) End Date: 27th September, 2020 (05:00 PM)

APPEAL TO MEMBERS

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

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

BOARD OF DIRECTORS



Shri M.R. Kumar
Chairman, LIC of India

Shri M.R. Kumar, took charge as Chairman, LIC of India on 14th March, 2019. He joined LIC of India in 1983 as a Direct Recruit Officer. In a career spanning more than three and a half decades, he has had the unique privilege of heading three Zones of LIC of India, viz, Southern Zone, North Central Zone and Northern Zone, headquartered at Chennai, Kanpur and Delhi respectively. He headed two prestigious divisions i.e. Ahmedabad in Western Zone and Ernakulum in Southern Zone as Sr. Divisional Manager. He was also Regional Manager (Marketing) and Regional Manager (P&IR) at Kolkata and Chennai.

As an Executive Director, he headed the Personnel Department as well as the Pension and Group Insurance vertical of the Corporation. During his tenure, several initiatives were rolled out for the benefit of the employees.

His rich experience working pan-India, right from North to South and East to West including the heartland states of India while heading Kanpur Zone, has given him a deep insight into the demographics and insurance potential of the country. Moreover, working in different streams of life insurance management viz., administrative, marketing, group and social securities, has given him the twin advantages of enriched knowledge and clarity on processes and procedures in the life insurance industry.

Under his Chairmanship, for FY 2019-20, Corporation has achieved an impressive growth of 25.17% in Total First Year Premium Income, with Pension and Group Scheme crossing One lakh crore in first year premium income, for the very first time, in the history of the Corporation.

An avid reader, he considers people to be the biggest assets of the organisation and firmly believes that tapping their potential and giving them the space to grow has a multifold effect on the growth of the organisation.



Shri Vipin Anand
Non Executive Director

Shri Vipin Anand assumed charge as Managing Director of LIC of India on 1st April, 2019. Prior to his appointment as Managing Director, he held the positions of Zonal Manager-In-Charge of LIC's Western Zone, Mumbai and East Central Zone, Patna. Earlier, as Executive Director In-charge, he has been corporate head of LIC's Direct Marketing, Corporate Communication and International Operations.

Shri Vipin Anand joined the Life Insurance Corporation as Direct Recruit Officer of 12th Batch in 1983. During his service of more than 35 years with LIC, Shri Anand has handled with great success several important assignments in various capacities and departments, in operations as well as at the corporate level, ranging from Information Technology, Marketing and Personnel & Industrial Relations to Corporate Communications and International Operations, across different geographical locations of the country. He was also a member of the IRDAI committee for framing Regulations on Digital Marketing and was a member of the CII Committee on Insurance and Pensions.

Shri Anand has worked in all core areas of life insurance including Marketing, Personnel, Operations, Direct Marketing, International Operations and Corporate Communications. Previously, Shri Anand has handled multiple departments viz. – Pension & Group Schemes, Marketing – CLIA, SBU - International Operations, Investment –M&A, Corporate Communications, Information Tech/SD, Information Tech/BPR, CRM-Process/Payment, Actuarial, Direct Marketing, Health Insurance, Marketing-Micro Insurance, New Business & Reinsurance, Engineering, RTI/CPIO, Inspection, Legal & HPF, Investment-RMR.

Also monitoring business of four Zones out of 8 Zones, viz., Northern Zone, North Central Zone, East Central Zone, Western Zone.



Shri Siddhartha Mohanty
Managing Director & CEO

Shri Siddhartha Mohanty is currently the Managing Director & Chief Executive Officer of LIC Housing Finance Ltd. (LIC HFL).

Prior to taking over as MD & CEO of LIC Housing Finance Limited, one of the largest housing finance Companies in India, Shri Mohanty was the company's COO. Shri Mohanty started his career as a direct recruit officer with LIC of India in 1985 and has risen through the ranks to this senior position. Before joining LIC Housing Finance, he was Executive Director-Legal with LIC of India.

In a career spanning over three decades in the Corporation, Shri Mohanty has made his mark in the areas of Marketing, HR, Investments and Legal. He has served as Chief of Investments (Monitoring), Regional Head of a marketing vertical of LIC's Western Zone spanning the States of Maharashtra, Gujarat and Goa. He was the Senior Divisional Manager in-charge of Raipur and Cuttack divisions of LICI.

Shri Mohanty is a Post Graduate in Political Science with a degree in Law. Other qualifications include post-graduation in Business Management and Licentiate from the Insurance Institute of India. His innovative style of working, people orientation, marketing acumen and technical expertise have resulted in success in each of his assignments.



Shri Jagdish Capoor
Independent Director

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

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

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

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



Smt. Savita Singh
Independent Director

Smt. Savita Singh is a partner with the Real Estate team at Khaitan & Co LLP and is experienced in all kinds of property transactions, hospitality transactions, litigations arising out of property transactions and allied matters. Smt. Singh is a post graduate in English Literature from Kurukshetra University, Kurukshetra (Haryana) and a Law Graduate from Mumbai University, Mumbai. She also has professional affiliates with the Bar Council of Maharashtra and Goa.

Her experience includes drafting real estate transactional documents like Agreements for Sale, Sale Deeds, Lease Deeds, Development Agreements, General and Special Powers of Attorney, Business Conducting Agreements, Business Centre Agreements, Leave & License Agreements, Tenancy Agreements, Deeds of Indemnity, Declarations, Affidavits, Deeds of Transfer of Flats and Apartments, Trust Deeds, Release Deeds, Gift Deeds and other deal documentation; general Real Estate advisory work; due diligence of properties; handling litigations arising out of property transactions; and allied matters.

She has advised various owners, buyers, developers, corporate houses, individuals, domestic investors and foreign investors regarding transactions related to immovable properties and various issues related thereto including structuring and offer for subscription of units representing a Business Trust by way of an Initial Public Offering (IPO) in Singapore. In addition to drafting the documents, Smt. Singh is also experienced in negotiating the same.

She has also advised on Real Estate transactions in respect of commercial / retail complexes, multiplexes, hotels, redevelopment projects, serviced apartments, Special Economic Zones, Information Technology / Information Technology Enabled Services Parks and also Integrated Township Projects. She also regularly advises on Hotel Management Contracts.



Dr. Dharmendra Bhandari
Independent Director

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

Dr. Bhandari has served as the Sole Consultant to the Joint Parliamentary Committee (JPC) that was set up by the Government of India for Enquiry into Irregularities in Securities and Banking Transactions (1992 – 93), where he assisted in writing the report, strengthening the systems and fixing accountability. In 1994, he was appointed as Officer on Special Duty (1994–95) with the Reserve Bank of India, Mumbai. He was also associated with the Department of Supervision for regulation of banks in India, including the overseas operations of Indian Banks and the branches of foreign banks in India, and in setting up market intelligence for surveillance and monitoring of banking system in India. He was also a member of the Central Council of the Institute of Chartered Accountants of India.

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

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



Shri V.K. Kukreja
Director

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

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

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

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

Global exposure: -
Shri Kukreja participated in various international conference like Deutsche Bank International Credit Market Conference 2005 South Africa, 2nd Treasury offsite Macau, Hong Kong 2009 Birla Sunlife AMC.

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

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

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



Shri Ameet Patel
Independent Director

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

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

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

He is an independent director and also the chairman of the audit committee of SBM Bank (India) Ltd.

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

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

"Calculators to Computers – a Paradigm Shift"
"Shares And Securities - Taxation & Accounting"
"Tax Deduction at Source"
"FAQs on e-TDS"

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



Shri P Koteswara Rao
Non Independent Director

Shri P Koteswara Rao is a Fellow member of Institute of Chartered Accountants of India with Bachelor's Degree in Commerce from Sri Venkateswara University, Tirupati with a vast experience in the area of Accounts, Finance, Fund Management, Portfolio Management, Office Services, etc. He is also NSE Certified Market Professional. Shri P Koteswara Rao joined LIC of India as Direct Recruit Officer (CA Batch) in the year 1986. He has held various responsible positions in senior cadre throughout his career spanning 30 years in various capacities in LIC of India and always added value to his job role. He worked as Marketing Manager in the Machilipatnam Division of LIC of India at Andhra Pradesh and went on to become Senior Divisional Manager in the same division. He also worked as Regional Manager (OS) in the Western Zonal Office, Mumbai, as Regional Manager (F&A) in Southern Zone, Chennai and also as Regional Manager (F&A) in Northern Zone, Delhi. For a brief period of one year, Shri P Koteswara Rao was General Manager in LIC Housing Finance Limited in charge of Credit Appraisal and Project Finance before moving to LIC of India in the capacity of Chief (Investment), Central Office, Mumbai.

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



Shri Kashi Prasad Khandelwal
Independent Director

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

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

Shri Kashi Prasad Khandelwal was Member of the Central Council of The Institute of Chartered Accountants of India during 1998-2001, 2004-07 and 2007-10. During the period he was Chairman, Vice Chairman and member of various standing and non-standing Committees of ICAI. He was also member of 1st Quality Review Board. He was member of EIRC of the ICAI during 1985-88 and 1988-92. Honorary Secretary, Vice Chairman and Chairman for the year: 1986-87, 1987-88 and 1988-89 respectively. He was Member of SAFA Center of Excellence on Ethics and Independence of Auditors, SAFA Working Group on Best Corporate Governance Practices in South Asian Countries and Committee on Accounting and Auditing Standards of South Asian Federation of Accountants (SAFA) (2009).

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

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

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

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

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



Shri Sanjay Khemani
Non Independent Director

CA Sanjay Khemani, aged 52 years, is a Practicing Chartered Accountant. He stood first in the Western Region in CA intermediate exam and was all India first in CA final exam and was awarded gold medal and adjudged as the best student of the year. He is also a qualified Company Secretary. He has done his Diploma in System Audit from ICAI and also certification course from ICAI on Forensic Accounting & Fraud Prevention and on Valuation.

He is senior partner of M/s M. M. Nissim & Co., Chartered Accountants. He is heading the BFSI practice of the Firm since last more than 15 years and have been involved in providing assurance, taxation, risk consultancy, management consultancy services to large public sector as well private sector entities in the BFSI sector. He also has rich experience of conducting forensic audits as well as special monitoring of large projects on behalf of lenders.

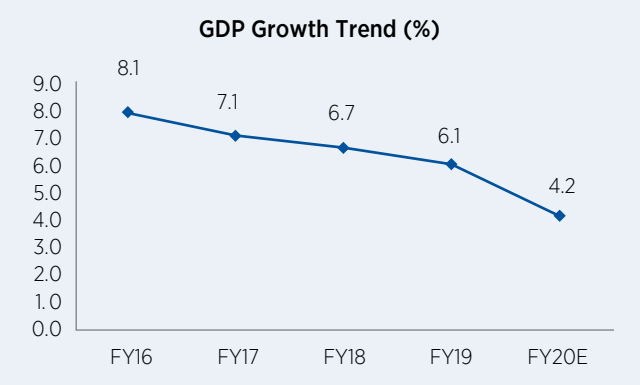
He has addressed various seminars on professional subjects and has been contributing to ICAI on technical matters.

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MACROECONOMIC OUTLOOK

The Indian economy has already been experiencing significant slowdown over the past year. Investment and consumption demand had been languishing and a number of stimulus measures have been taken to bring back the economy on a growth path. Covid-19 outbreak has raised fresh challenges for the Indian economy, causing severe disruptive impact on both demand and supply side elements. As per the provisional estimates of Central Statistics Organisation (CSO), the growth of India's real GDP during FY2020 is estimated at 4.2%, as compared to 6.1% in FY2019. The MSME sector that contributes around one-third to India's GDP would be hit particularly hard by the current crisis. Given the large share of unorganised sector in India, the slowdown will have severe repercussions on employment, which in turn will have an adverse impact on consumption and investment in the economy.



Source: Central Statistics Organisation, 3rd Advance Estimates dated 29th May, 2020

Still among the fastest growing

However, India is still considered as one of the fastest growing economies of the world. After overtaking the United Kingdom and France, India has became world's fifth largest economy in 2019 in terms of nominal GDP. Buoyed by a strong economy, rising household income, socio-economic factors and change in spending pattern, consumption expenditure has been on a rise in India. On the basis of purchasing power parity (PPP) India is the third largest economy in 2019. Indian economy is expected to register a sharp turnaround and resume its growth trajectory on the back of digitization, globalization, favourable demographics, Government reforms and fiscal stimulus packages. The growth will be further aided by strengthening of labour reforms and gradual recovery in supply chain development.

Economic measures for revival

The Government of India and the Reserve Bank of India (RBI) have also announced several measures to combat the social and economic crisis arising out of the Covid-19 breakout. To uplift the economic gloom, the Government has laid out a road map towards building a self-reliant India with five key pillars identified as Economy, Infrastructure, System, Vibrant Demography and Demand. The Government has announced economic stimulus 'the Atmanirbhar Bharat Abhiyan package' of ₹ 20 trillion, which represents roughly 10% of the Indian GDP.

Overall the economic stimulus focussed on land, labour, agriculture, supply chain and tax reforms along with massive spending on social sector and infrastructure building. The liquidity support measures are focussed on the key areas of MSME, NBFC, MFIs, power distribution companies, real estate etc. It also includes RBI's initiatives to inject large liquidity into the system through open market transactions and reducing cash reserve ratios, reverse repo rate, providing six months moratorium on loan etc. The RBI has cut the repo rate by a total of 115 bps in phases since the lockdown began in late March which now stands at 4%.

The Inflation measured by the Consumer Price Index (CPI), peaked at 7.6% in January 2020 before being moderated to 5.9% by March 2020. With softening of food prices, sharp fall in crude oil price and expected normal monsoon, RBI expects inflation to remain firm in first half of FY2021 and is expected to fall below the target of 4% in second half of FY2021.

Although there is temporary slow- down of Indian economy, the structural reforms, fiscal, monetary and administrative measures being currently undertaken are expected to revive the economic growth in second half of FY2021. However, the containment duration, the extent of global slump and further domestic policy support will decide the shape of economic recovery.

INDUSTRY OUTLOOK

Housing Industry- Structure & Development

Housing occupies a prominent position in the Indian economy as it has inter-linkages with other industries. The development of housing sector can have direct impact on employment generation, GDP growth and consumption pattern in the economy. The current estimated market size of the Real Estate industry is ₹ 12 lakh crore (USD 180 bn) for FY2020. By 2030, the Indian real estate industry is expected to touch ₹ 65 lakh crore (USD1 trillion), becoming the third largest globally. The residential segment in India contributes 80% of the entire real estate sector.

Key growth drivers

Some of the key growth drivers for increasing housing demand in India are as below: -

- **Urbanisation:** Rising income and employment opportunities have led to growing urbanisation and higher demand for affordable housing. Rising number of nuclear families have also aided the housing demand.

- **Traction in tier II and III cities and surging demand from rural sector:** The healthy growth trajectory is expected in these areas. Developers with income generating assets, healthy balance sheets and brand recognition are in a better position to increase rural penetration.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

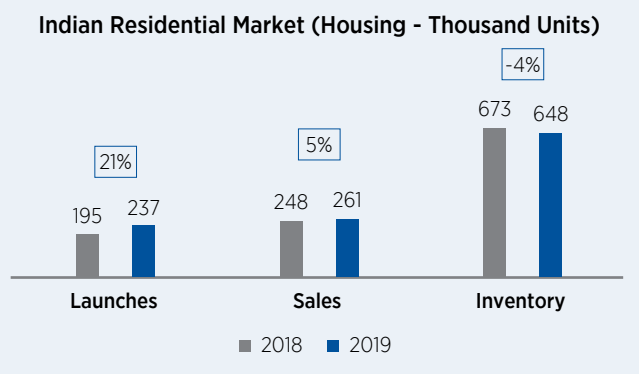
- **Affordable Housing and Housing for All:** Backed by several government reforms, growing population and developer realignment of product-mix, the focus has now been shifted towards affordable housing from luxury and mid segment housing. Under Pradhan Mantri Awas Yojana (PMAY) – Urban, the Government has estimated demand of 1.12 crore houses for urban poor. As on 01st January, 2020, out of 1.03 crore houses approved, 60 lakhs have been grounded for construction, of which 32 lakh houses have been completed and delivered.

- **Government Policies and Initiatives:** The government has introduced several measures during the last couple of years to improve the prospects of the Real-Estate sector. These includes the RERA, Benami Transactions Act, impetus for affordable housing construction, reduction of GST rates, Interest subsidy and tax saving incentives for home buyers etc.

- **Increasing trend of Co-living:** Developers are now diversifying and exploring new arenas providing solutions to niche segments like senior community living, co-living and co-working spaces, student housing options, healthcare facilities and other segments like townships and plotted developments.

Sales momentum in India's top cities

The slowdown in the economy owing to the reduced consumption coupled with the liquidity crisis has had a cascading effect on the Indian housing sector in 2019. In line with the rise in new launches, 2019 also saw sales pick momentum, although at a slow pace. The housing sales of top seven cities in India stood at 2.61 lakh units in 2019, recording a yearly rise of 5%. Top seven cities presently account for around 70% of the overall residential market. Rising demand for ready properties or those nearing completion also helped the unsold stock across the cities to decline by over 4% in a year - from 6.73 lakh units in 2018 to 6.48 lakh units by the end of 2019.



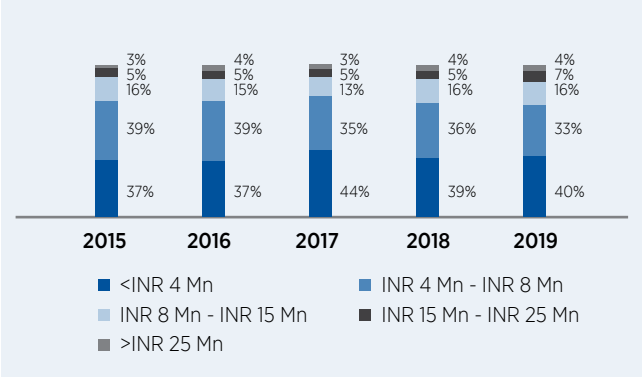
Source: Anarock India Residential Real Estate 2019 Annual Round-up

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

New launches

The new launch supply across the top seven cities of India increased by 21% in 2019 as against 33% YoY growth in the preceding year. Mumbai Metropolitan Region (MMR) accounted for nearly 33% of the total launches across top seven cities in 2019, followed by Pune and Bengaluru which accounted for 19% and 17% respectively. Of the estimated 2.37 lakh new unit launches in 2019 in the top seven cities, nearly 40% or approximately 92,000 units have come in the affordable housing segment (units priced <₹ 40 Lakh). The government's strong push on 'Housing for All' mission and extension of several benefits to the homebuyer and developer in this segment led to a wave of affordable housing developments and increase in launches.

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



Source: Anarock India Residential Real Estate 2019 Annual Round-up

Sales increased by nearly 5% across the top cities in 2019 compared to the previous year. Mumbai Metropolitan Region (MMR) recorded the highest annual increase in sales at 22%. Bengaluru, Hyderabad and Kolkata recorded a decline in sales in the current year as compared to 2018, amidst restricted supply and marginally improving demand. Unsold inventory reduced across most cities in the range of 1% to 14%, barring Pune and Chennai where it increased by 6% and 4% respectively.

Growing demand for affordable housing

Home buyers have become extremely price conscious during the past few years. As a result, developers are consciously reducing the average property sizes across cities to fit their properties in the expected budget range. The demand for smaller units at prime locations is driven by increasing trend of nuclear families and working professionals/couples as they prefer to cut down on maintenance hassles and underlying costs. Developers are shrinking unit sizes which eventually helped to reduce the overall ticket prices for homes and thus fit into the affordability bracket of home buyers. Home Unit sizes drop maximum in MMR by 33% in 2019 followed by Pune.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Shrinking unit sizes to match the ticket size requirements

City	MMR	NCR	Bengaluru	Pune	Hyderabad	Chennai	Kolkata
% decline in Average Unit size –sqft (2018 to 2019)	33%	21%	20%	28%	8%	14%	7%

Source: Anarock India Real Estate Overview

With affordable housing being accorded infrastructure status in 2017, the housing market has been streamlined and is being given equal importance as other major infrastructure segments. To accelerate development in housing in the country, there is need to have a well-developed housing finance market.

Housing Finance Industry- Structure & Development

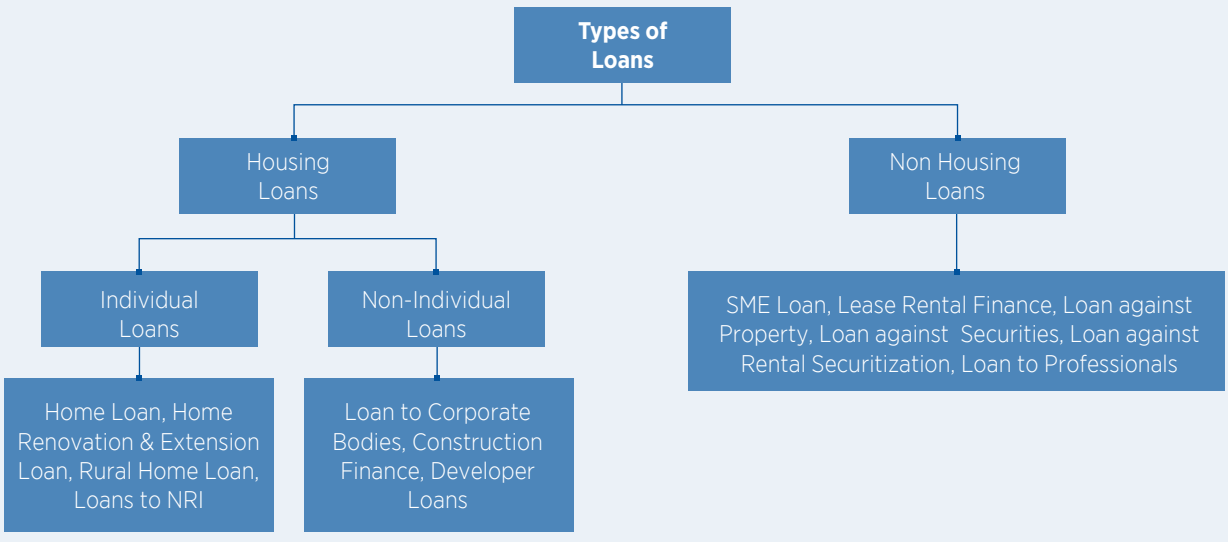
The housing finance market in India is a highly competitive segment in overall credit industry. The government, both at centre and states, is a facilitator and is assisted by two regulators, Reserve Bank of India (RBI) and National Housing Bank (NHB). There are number of players in the housing finance market which includes commercial banks, both domestic and foreign. In addition, there are cooperative banks, housing finance companies (HFCs), self-help groups, micro-finance institutions and NGOs. The RBI regulates commercial banks and partially cooperative banks, which are mainly governed by the State Governments under State Cooperative Acts, while NHB regulates the housing finance companies. The others such as self-help groups, NGOs etc. are not regulated by any authority in the country. It may be mentioned that the Finance (No. 2) Act. 2019 (23 of 2019) amended the National Housing Bank Act, 1987, confirming powers of regulation of HFCs with RBI which government notified on 9th August, 2019 i.e. the date on which Part VII of Chapter VI of the Finance (No. 2) Act. 2019 has come into effect.

Rising share of retail home loans

The need of long term finance for the housing sector in India is catered by scheduled commercial banks (SCBs), financial institutions, cooperative banks, regional rural banks (RRBs), Housing finance companies (HFCs), agriculture and rural development banks, non-banking finance companies (NBFCs), micro finance institutions (MFIs) and self -help groups (SHGs). The largest contributor to housing loans by virtue of their strong branch network and customer base are SCBs, accounting for the major share of housing loan portfolio in the market followed by HFCs. Furthermore, retail home loan has been the largest asset class as it forms around 60% of the total retail advances of HFCs, NBFCs and SCBs.

HFCs provides housing finance to individuals, co-operative societies, corporate bodies and leased commercial and residential premises to support housing activities in the country. For a financing institution to be registered with the NHB as a HFC, it is mandatory to record 70% of the on-book loans as housing loans. Further, to be eligible for re-finance from the NHB, the HFC has to record 50% retail home loans on its loan book.

Types of Loans extended by HFCs



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Fuelling liquidity in Housing Finance

The Housing Finance sector has undergone a major transformation post IL&FS crisis in September 2018, followed by subsequent liquidity issues around the HFCs & NBFCs leading to a sharp deceleration in the growth of credit extended by HFCs. Since then, there has been a series of interventions from the Government of India to facilitate adequate liquidity flow to these entities from the Banking sector such as, Liquidity Infusion Facility (LIFt), Partial Credit Guarantee Scheme (PCGS) of Government of India for buy-out of rated asset pools of HFCs/ NBFCs, relaxed norms of RBI for securitization of assets etc. The HFCs have majorly been funded through capital market and bank borrowings. Since FY2019, funding via bank credit has increased as the NPA situation in banks improved and the access to the capital markets became costlier for certain HFCs.

As on January 2020, there were 100 HFCs, of which only 18 were deposit taking entities. Out of the 100 HFCs, 76 HFCs with 82% share in total credit and 91% of the total Housing Loan of all HFCs have shown a positive asset growth of 21% post IL&FS default. Their asset book or total loan book has increased by 21% during the 16 months period from ₹ 8.28 lakh crore on September 2018 to ₹ 10.02 lakh crore on January 2020 with primary source of funding of ₹ 23,000 crore by National Housing Bank (NHB) during the period.

Source: NHB, ICRA

LOOKING AHEAD

The disbursements of HFCs were impacted owing to Covid-19 related slowdown for the quarter ended March 2020, as per the ICRA Rating agency. The credit growth of HFCs is anticipated to be lower at 11% to 13% for the full year FY2021 as against last 3 years CAGR of 16% on account of salaried class and self-employed people, facing the prospects of job loss, salary cuts, business slowdown etc. following the economic impact of coronavirus pandemic. Further, it is expected that there will be deferment in purchasing home and taking home improvement/ extension decisions by the public until they are able to achieve stability in income levels/resumption of business activities. This will impact asset quality of all segments viz. Housing loans, loan against property (LAP) and construction finance.

However, the rating agency expects recovery in the second half of FY2021 depending on the overall economic turnaround. ICRA expects non-performing assets in the housing segment to increase to 1.8% to 2% by March 2021 from 1.4% as of December 2019. The slippages in the non-housing segment could be higher, with gross NPAs increasing to 3% to 3.5% in FY2021 from 2.1% as on 31st December, 2019.

Recent Government Initiatives to Support Housing Finance

Housing and real estate are amongst the fastest moving sectors in the country and has received continued thrust through demand side and supply side interventions from the Government of India, RBI and NHB. The government has initiated a slew of measures with an aim to boost housing demand and restructure the operations of HFCs. Following are the key measures announced:

- **NHB brings down total borrowings of HFCs to 12 times their NOF and raises capital adequacy to 15%:**

  The Housing Regulator has mandated HFCs to bring down their total borrowings to 12 times their net owned funds (NOF) and has raised their capital adequacy requirement (CAR) to 15%. Both the revisions are to be undertaken in a phased manner by FY2022. Further, the deposit accepting HFCs are allowed to accept public deposits amounting only up to 3 times of their NOF. The reduction in the borrowing limits would reinforce discipline amongst HFCs, while an increase in the minimum CAR level would strengthen their balance sheets.

- **Ban on Subvention Schemes – To curb unfair practices**

  With several complaints of frauds coming, the NHB has instructed HFCs to refrain from offering loans where real estate developers pay pre-EMIs on behalf of home buyers for a certain period.

- **Extended Tax benefits – To encourage first time homebuyers**

  The income tax deduction limit on interest paid on loans taken for affordable housing was increased from ₹ 2 Lakh to ₹ 3.5 Lakh per annum for self-occupied property valued under ₹ 45 Lakh in the previous budget. In Union Budget 2020-2021, the Government announced that the additional benefit of this deduction towards home loan under section 80EEA would be extended by one more year till 31st March, 2021.

- **Extension of Tax Holidays for Developers**

  The government provides tax holiday under the section 80-IBA of the Income-tax Act on profits earned by developers of affordable housing projects. The date of approval of affordable housing projects for availing this tax holiday was extended by one more year till 31st March, 2021 which was earlier approved till March 2020.

- **Restructuring of the loans for an additional year**

  RBI initiative to consider extension of window for restructuring of debts by MSMEs by one more year (which was earlier scheduled to close on March 31, 2020), will ease the cash flow pressure of the developers. This cash can be utilized for speeding up the construction work of housing projects.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- **Realty Fund for Last-mile Funding – Affordable & Mid Income segment to benefit**

  The Government approved the creation of Category - II AIF (Alternate Investment Fund) of ₹ 25,000 crore to provide priority debt financing for the completion of stalled housing projects in affordable and mid-segment. The Government will provide ₹ 10,000 crore and the rest will be invested by LIC of India, State Bank of India (SBI) and sovereign funds. The initiative will encourage builders as well as incentivise the consumers to buy houses. The fund will be registered with SEBI and would be run professionally. (Source: Economic Survey 2019-20)

Benefits to Housing Sector under Atmanirbhar Bharat Stimulus Package

- The Credit Linked Subsidy Scheme (CLSS) for Middle income Group, operationalized from May-17, was earlier extended till March 2020. Under the new initiative, CLSS for the purchasing of new affordable houses has been extended till March 2021.

- Treat Covid-19 as an event of "Force Majeure" under RERA. RERA imposed completion deadlines on real estate projects scheduled to expire on or after March 25, 2020 has been extended by up to six months. The measures will de-stress real estate developers and ensure completion of projects, with the extended timelines also coming to aid amid the labour crisis.

- In view of the extension of the lockdown and continuing disruptions on account of Covid-19, permitting lending institutions to extend a total of six months moratorium on loan EMIs starting from March 1, 2020 to August 31, 2020. The move will delay the overall collection and recovery procedure and stretch the total liquidity cycle. However, the Government announced it will provide credit guarantee on investment-grade debt papers of NBFCs, MFIs and HFCs to the extent of ₹ 30,000 crore to boost liquidity.

- RBI has also announced special refinancing of ₹ 50,000 crore at repo rate to NABARD, SIDBI and NHB to ensure that they can support the credit demand in their respective sectors.

Key challenges faced by HFCs

The primary challenge for HFCs has been to access long term funds to readjust their Liability mix and rising cost of such funds. NHB has been proactive in responding to the liquidity environment and has initiated several measures to ease the situation. Liquidity Infusion Facility (LIFt) was introduced in August 2019 as a special window till 30th June 2020 for all HFCs, including those not eligible under regular refinance schemes on account of higher Net NPA (> 3.5%) and/or low Home Loan portfolio (<51%).

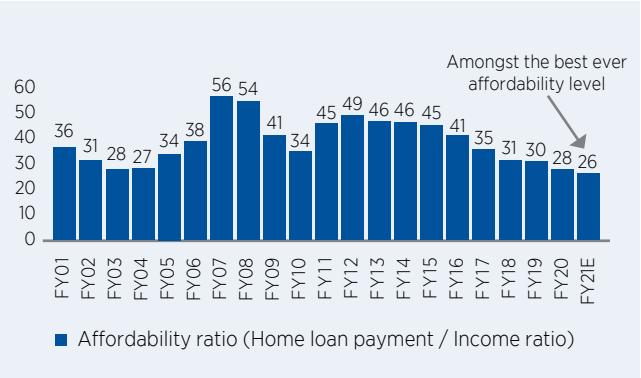
The scheme provides for additional exposure of up to 30% of HFC's NOF or 50% of NHB's NOF, whichever is lower, and this is over and above the refinance available under the two existing schemes of Liberalised Refinance Scheme (LRS) and Affordable Housing Fund (AHF). For the period July 2019 to January 2020, NHB has already sanctioned ₹ 22,675 crore to 40 HFCs which includes ₹ 9,037 crore sanctioned under LIFt.

The NHB has initiated another Liquidity Infusion Facility Scheme LIFt (2) in December 2019 for HFCs with an increased scheme allocation of upto ₹ 30,000 crore. NHB has further relaxed various conditions under LIFt (2) including the rates of Interest, time limit for end use, security conditions etc. Entities upto "B" as internal rating have been categorized under LIFt (1) and those with rating "C" have been categorized under LIFt (2).

Increasing Affordability – a key positive

Along with the Government initiatives, gradual decline in home loan rates, which are down ~350bps from their 11% levels in 2013 to 7.5% now, has increased affordability. Affordability (ratio of mortgage payment to post tax income) for a mid-income apartment (2BHK in a city-suburb) shows that the affordability levels are now the best in past 15 years.

Home loan payment to income ratio



Source: Jefferies Report on India Property - May 2020

COMPETITION

The housing finance sector growth has slowed down in the last one year due to liquidity crunch. Housing finance companies (HFCs) lowered their disbursements and raised portfolio sale through securitisation for repayment of debt obligations. Banks increased their retail home loan portfolio by 19% while HFCs grew by 9 % in last financial year.

The past few years have witnessed the emergence of private equity (PE) funds and institutional investors pumping money in construction finance through structured deals and mezzanine

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

financing. CARE Ratings expects this route to gain more acceptance as a result of regulatory changes like RERA. NBFCs had turned aggressive with their lending to real estate sector over the past few years, but had to slow down since September 2019 due to liquidity crisis.

Increasing overseas investment

While NBFCs are crawling back and have started investing, they are selective with quality and liquidity of assets they are investing in. The sustained caution among NBFCs of which HFCs are also part of, with their exposure to real estate, have provided private equity players a robust pipeline of real estate project financing transactions. Private Equity and Venture Capital investments in real estate sector reached US$ 4.47billion in 2018 and reached US$1.47billion during January-March 2019. Real estate attracted around US$14billion of foreign private equity (PE) between 2015 and Q32019.

Private Equity firms are increasingly looking at capitalizing on the growing requirement of last-mile funding by real estate developers, considering that such projects are less risky as they come with the required approvals and have already started generating sales. The ongoing liquidity crisis and reluctance of banks to refinance loans have also increased demand for funds, given that several late-stage projects are stuck due to insufficient capital. For instance, global alternative investment manager Investcorp, which is setting up a new real estate platform, will look at opportunities for last-mile funding apart from serving other credit requirements. Edelweiss Alternative Asset Advisors (EAAA) partnered with South Korean Financial services conglomerate Meritz Financial Group also launched a late-stage funding platform to buy out existing residential real estate loans. However, Housing Finance Companies with a dedicated focus on the industry and better understanding of the underlying real estate markets stand on a better position when it comes to understanding the needs of the customers as also assessing the risks in the industry.

OPPORTUNITIES

Housing is the fourth largest contributor to Indian GDP and the sector has the potential to become the engine of domestic growth for the Indian economy in the coming years. The home loan-to-GDP ratio in India is expected to grow significantly over the next few years as India has a low mortgage-to-GDP ratio at 9%, compared even to other developing countries. Hence, the low penetration points to a very large opportunity for growth. NBFCs and HFCs have taken advantage of this potential and have been the biggest drivers of housing finance growth. They have adopted multi-pronged distribution model and their last-mile connectivity in tier II and tier III cities has been very effective in tapping under-banked areas and underpenetrated segments of home buyers. HFCs and NBFCs have developed efficient loan processing capabilities through the use of technology platform and cost efficient processes, with an ability to offer faster loan turnaround time.

The new normal in realty sector

The Indian real estate market has shown some signs of stability, as developers have been reconciling to the new expectations, since the implementation of the RERA and GST and increasing supply gradually. The RERA is one of the significant reforms implemented in the real estate sector. The core objective of this transformative legislation is to ensure regulation and promote real estate sector in an efficient and transparent manner and to protect the interest of home buyers. RERA has now been notified in most States and Union Territories. The Act has ensured greater transparency and efficiency in residential markets.

'Housing for All'

The housing finance industry has received a boost from the increased growth in the affordable housing segment in the last few years, which has been driven by the government's vision of 'Housing for all by 2022' under the Pradhan Mantri Awaas Yojna (PMAY). Policies and structural reforms, such as RERA and GST are playing a transformational role in opening opportunities, improving transparency and enhancing consumer trust. The government has taken various initiatives to promote the scheme and are incentivising individuals and developers.

The extension of the Credit Linked Subsidy Scheme (CLSS) for middle income group till March 2021 will boost demand for affordable housing, while rental housing policy for migrant labour/urban poor will open new business opportunities for builders.

The affordable housing space accounts for roughly 15% of the overall portfolio of HFCs. HFCs co-lending with Banks in this space will also provide required impetus to drive growth, given the government push towards affordable housing. Banks can leverage HFCs' geographic reach and benefit from their origination and servicing capabilities and HFCs will get access to better-profile clients and higher fee income.

BENEFITS OF BUYING PROPERTY

1) Tax Benefit

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

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The income tax deduction limit on interest paid on loans taken for affordable housing was increased from ₹ 2 Lakh to ₹ 3.5 Lakh per annum for self-occupied property valued under ₹ 45 Lakh in the previous budget. In Union Budget 2020-21, the additional deduction of ₹ 1.5 lakh, over and above the existing ₹ 2 lakh, provided under the Section 80EEA has been extended by one more year till March 31, 2021.

2) A good investment option

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

3) Security

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

THREATS (BOTTLENECKS)

The liquidity crisis has hampered credit growth for housing finance companies and is unlikely to improve much in the current financial year, as the weak external environment will put a pressure on asset quality. Following the slowdown in the credit growth of HFCs after September 2018 liquidity crisis, banks have been quick to seize the opportunity. The housing loans portfolio for HFCs and other shadow banking lenders came down to 13% from 18% in the year-ago period, while the overall housing credit outstanding growth also narrowed down to 16% from 18%.

Cost of funds

With the tight liquidity seen in debt markets since September 2018, HFCs are raising funds from banks as well as selling their assets to banks. Share of securitisation as a funding source is on the rise, while there is a significant decline in short-term borrowings. Consequently, the cost of funds for HFCs has risen. Most of them are keeping on-balance sheet liquidity buffers for meeting any sudden market disruptions and near-term debt obligations, as well as reducing Asset and Liability Management (ALM) gaps.

Asset quality

Further, to mitigate the margin risk and conserve or raise liquidity through prepayment, HFCs are cautiously increasing focus on their non-housing books. ICRA expects non-performing assets (NPAs) in the housing segment to increase from 1.8% to 2% by March 2021 from 1.4% as of December 2019. While slippages in the non-housing segment could be higher with gross NPAs increasing to 3% to 3.5% in FY2021 from 2.1% as on December 31, 2019. A prolonged slowdown in the economy can drive slippages and deteriorate asset quality even further.

While six months moratorium granted on loans is a mixed bag for NBFCs –it provides relief to borrowers but also further stretches the ALM mismatch for many NBFCs. This is likely to result in a cash flow mismatch for NBFCs. As a result, NBFCs would focus on conserving liquidity to honour payments.

ICRA expects the realisations for financial creditors though IBC are expected to take a hit in FY2021. The outbreak of Covid-19 pandemic and the suspension of new proceedings for a period of one year under the Insolvency and Bankruptcy Code (IBC) is expected to result in significantly lower realisations, by 30% to 40% for the financial creditors in FY2021 and pose new challenges.

Overall HFCs operating at high leverage have built up sizeable real-estate books which is a cause of concern. The slowdown in the real estate sector coupled with higher risk perception of refinancing developers could impact the asset quality of players in the sector.

Stress Points in HFCs

- Non-availability of long-term capital for investment.
- Huge housing inventory pile up coupled with refinancing risks faced by realtors and stress in the SME sector.
- Large chunk approximately 40% of loan book under moratorium.
- Growth of non-housing loans has had a dampening effect on the asset quality of HFCs.
- Volatility in the interest rates that could enhance the interest rate risk and disrupt the sustainability of margin of HFCs.
- Economic cycle and resultant impact on employment will remain a potential challenge to HFCs in adjusting to delay and defaults on repayment commitments.

SEGMENT WISE REPORTING

Segment has been identified in line with the Accounting Standard on segment reporting, taking into account the organisation structure as well as the differential risk and returns of these segments. The Company is exclusively engaged in the Housing Finance business and revenues are mainly derived from this activity.

OUTLOOK

The structural demand for housing for India will always be strong due to factors such as improved affordability, rise of nuclear families, government's thrust on affordable housing, favourable demographics, increasing urbanisation and rising aspirations.

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Due to a nationwide lockdown, on-going construction activities has come to a grinding halt which will lead to a further delay in completion of the on-going projects. The residential sector which was already adjusting to the structural reforms and reeling under inventory overhang and lack of consumer confidence, is headed for an overall slump in demand. Muted sentiments along with Covid-19 ensured that weakness pervaded the housing segment in Q1CY2020-21. With the festive season ending, developers refrained from launching projects.

Plunging demand

According to provisional data by Prop Equity, new launches across top 9 cities during the quarter ending March 2020 declined 39% YoY and 13% QoQ. Similarly, shrinking purchasing power and mandatory 'social distancing', ensured that customers stayed away, resulting in demand plunging 27% YoY and 19% QoQ during Q1CY2020-21. The consolidation story has gained strength, particularly as large, listed developers proved to be fairly resilient to the industry-wide liquidity crunch seen during this period.

Factors affecting growth

Growth in the HFCs' loan book is expected to remain subdued as a result of the funding challenges and lowered housing demand due to slowing GDP growth. Extended lockdown and increase in the moratorium period to unsecured borrowers can weaken the credit culture. Moreover, it will also make it difficult for NBFCs to assess their true loan book status and borrower quality. The asset quality and profitability will remain under pressure as the borrowing cost and credit costs rise on the back of increased delinquencies in the developer loan and loan against property (LAP) portfolios.

Managing asset-liability

Moreover, the spurt in loan growth in the next fiscal will depend on HFCs successfully redefining their business model to include increased levels of co-lending with banks and continuing the steady pace of loan securitisation, while reducing reliance on short-term borrowings. In addition to refinancing facility provided by NHB, RBI is also infusing greater liquidity in the economy as well as lowering interest rates, indirectly supporting the performance and development of NBFCs and HFCs. An unprecedented rise in loan securitisation by HFCs along with government measures, such as partial credit guarantee scheme, is expected to help improve liquidity and enable HFCs to better manage their asset-liability profile.

HFCs' core strengths to be the key

Given the tough economic environment and the risk aversion in the system, problems for the HFCs are expected to continue. The sector continues to face competition from the banks, however HFCs with strong percentage are expected to grow secularly. With funding challenges looming at large, the HFCs' ability to manage asset quality and liquidity, reshape their balance sheets profitably and co-existence with banks will largely determine their sustenance over the medium to long term. Also, post lifting of the lockdown, it is unlikely that demand in housing category would return to normal very soon. When the normalcy returns in the sector, NRIs will find favour in owning a house in their hometown, which as an asset grows over time besides providing the much-needed financial stability.

The theme of households upgrading to a bigger house will continue to exist because now people will be working from home more often. In addition, the Government's increased thrust on mass housing in Tier II and III townships provide an impetus to housing loan growth as well as influences the quality of assets. As a result, housing loan will continue to occupy the lion's share of the total loan book of larger HFC players.

RISKS AND CONCERNS

Every business has been characterized with its unique Risks and mitigation measures. Building and implementing robust risk mitigation measures and continuous review of the same is an integral part for the top management.

A housing finance company has also been exposed to various kinds and degrees of risks; hence effective risk management is a crucial and strategic tool for the Company's performance. The major risks associated with a housing finance company's business are credit risk, interest rate & market risk, liquidity risk and operational risk. At LICHFL, effective identification and mitigation of risks forms part of its core operations. The Company take continuous optimisation of asset liability management function with focus on safeguarding from any adverse movements in liquidity, interest rates and exchange rates. Over the years under operation, the Company has created a robust environment and processes to mitigate risks arises from any adverse liquidity situations, interest rate and currency fluctuations by using tools such as time-bucket wise liquidity statements, duration gap and forex exposure reports. The prudent process ensures any adverse impact on Net Interest Income (NII) to a great extent.

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

1. **Credit Risk**

   Also termed as Default risk, the credit risk is among the biggest risk for any lending business. It is the risk associated with the borrower's failure to make the repayment of principal or interest amount to the lender. In case of default in payment for more than 90 days, the loan is classified as Non-Performing Asset (NPA) in the Company's books.

   At LICHFL, the loans are disbursed in the lump sum, based on progress of construction of the security etc.,

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and recovered in Equated Monthly Instalments (EMIs). The Company has very rigorous and stringent appraisal processes of loan applications. The process has several layers of checks and balances to mitigate any future risks. In case of any early signs of potential defaults, the Company takes pre-emptive actions to avoid the account as default.

For seamless implementation of the policies and processes, the Company has a Standard Operating Procedure (SOP) document, which clearly defines the due-diligence guidelines including credit appraisal, legal appraisal, technical appraisal, verification, valuation, documentation etc. To incorporate learnings and industry developments the SOP is reviewed on a regular basis and updated if required.

2. Market Risk

As per the business practice, the finance company has some positions in the money market instruments and any adverse movements in these instruments expose the financing business to market risk. It could be due to re-pricing of balance sheet item or change in market pricing due to external market forces. The balance sheet items like Housing loans at floating rate ,loans to developers at floating rate, Non-Convertible Debentures (NCDs) with options, bank loans with option, Foreign Currency Bank Loans, Coupon Swaps, etc. are exposed to market risks. This risk can be divided into following two types:

i. Interest Rate Risk

The adverse movement in the interest rates viz. hardening or softening of interest rates by market forces or by RBI intervention, creates risks in the balance sheet. The risks could be higher interest cost on the liabilities or reduced interest yields on the assets. Maturity mis-matches or re-pricing of assets and liabilities are the frequently occurred events in the lending business, which constitute additional risks.

At LICHFL, continuous tracking of composition and pricing of assets and liabilities helps in mitigating this risk. In addition, the Company's ALCO Committee actively monitors the ALM position and makes the actions as per the policies and market scenarios.

ii. Liquidity Risk

The finance company need to have enough liquidity at any point of time to manage redemptions, higher than expected disbursals, operational expenses etc. this creates the risk on operations and profitability of the business. The liquidity risk could have arisen due to stress on systemic liquidity due to CRR hikes, higher government borrowing program and advance tax outflows, etc. At the same time, to ensure efficient capital management and returns, any excess liquidity is also detrimental for the business.

At LICHFL, the borrowing plan is dependent on the market liquidity conditions and business requirements on evolving basis. With the deep understanding of the market conditions gained through decades of experience, the Company manages fund flow activities in a very effective and prudent manner. Also, the Company's well-diversified pool of resources to raise funds on both short and long term basis mitigate such risks.

3. Operational Risk

In the lending business, any ineffective operational controls may create financial or reputational losses to the Company. The reasons could be inadequate or failed internal processes, people and systems, or from external events. At LICHFL, robust internal control systems and regular monitoring mechanisms are in place to ensure effective business operations and adequacy of controls. In addition, the Company has stringent MIS reporting structures to manage such risks. The operational risks can be sub divided into the following categories:

i. Compliance risk

The housing finance company need to deal with several compliances framed by several regulators, government bodies, associations etc. Any failure to adhere to their compliance requirements could lead to risk on the operations and financials of the business. As the Company is regulated by NHB, registered with ROC and its equity shares are listed on the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and the Luxembourg Stock Exchange, making it imperative that the Company follows all the applicable laws. To ensure all compliances, the Company's designated Compliance Officer takes utmost care of all the requirements on an on-going basis.

ii. Legal risk

As the nature of lending business involves, the lenders entering into many legal agreements to safeguard their interest. Any omission, negligence, fraud or mislead in legal due diligence or any other legal processes may cause legal risk. At LICHFL, lending money for/against mortgage loans is the primary business, thus exposed to such legal risks. To mitigate the same, the Company has vigorous legal processes

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and systems for title verification and legal appraisal of all the loan documents. To mitigate the potential legal risks arising from customers' grievances; the Company has well designed protocols for customer delivery and operational mechanism.

4. Regulatory Risk

Various regulatory and governing bodies regulate, monitors and supports the development of lending business in India. Any changes in laws and regulations could materially impact the operations and its associated costs of lending business. Also, any non-adherence of any rules, directives, norms etc. may have adverse impact on business sustainability. To mitigate these risks, the Company rigorously reviews and manages all the changes/ directives/rules issued or expected to be issues by various such bodies' viz. NHB, SEBI, RBI etc. and amend their operations and systems as per the requirements.

5. Competition Risk

Any high growth industry attracts many new players and thus creates competition risks for existing players in terms of threat of losing market share. The intensity of competition is determined by barriers to entry, industry growth potential, customers profile etc. As housing finance business is the largest sub-segment of lending business in the country and growing very rapidly due to economic growth, increased urbanisation, government incentives, acceptability of credit in society and rise in nuclear families, the industry is bound to attract many new players. The Company mitigates this risk by utmost focus on customer centricity, utilisation of state of art infrastructure facilities, including IT interfaces and effective marketing strategies. Due to a long standing position in the industry and agile team across the verticals, the Company's plans always steer ahead with new developments in the industry including product offerings, pricing and schemes of the competitors.

ASSET LIABILITY MANAGEMENT

The Company follows 'The Asset Liability Management System for Housing Finance Companies – Guidelines' issued by NHB. The Company has in place Board approved Risk management policy. The policy specifies the prudential gap limits and the tolerance limits and the reporting mechanism. The Asset Liability Management (ALM) reports are periodically reviewed by Asset Liability Committee (ALCO) and ALCO in turn apprises the Board on ALM issues periodically.

The average loan to value in respect of the retail loans is in the range of 50-60% (as against the regulatory limit of 90 % for loans upto ₹ 30 lakh and 80 % for loans above ₹ 30 lakh and upto ₹ 75 lakh and 75% for loans above ₹ 75 lakh) and its instalment to income ratio ranges between 30-40 %, both being amongst the lower ones in the industry. The low average ticket size of the loan of ₹ 24 lakh and pan India spread of business, adequately disperses the risk.

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

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The Company has internal audit system which is effective and commensurate with the size of its operations. Adequate records and documents are maintained as required by law from time to time. Internal audits and checks are regularly conducted and internal auditor's recommendations are considered for improving systems and procedures. The Company's audit committee reviews the internal control system and looks into the observations of the statutory and internal auditors. During the year, various guidelines / circulars were issued on the operational side to ensure better credit appraisal, as a result of which quality of portfolio should further improve during the years to come.

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

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

The prime lending rate of the Company is regularly reviewed and revised as it is a benchmark for asset pricing. Since 93% of the asset portfolio is on the floating rate, the Company re-prices the loan assets consequent upon the revision in prime lending rate of the company at specified intervals.

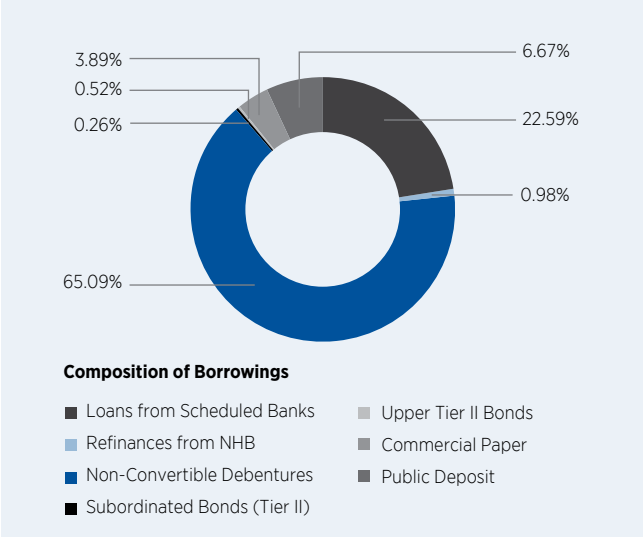
The Company also reviews the fund position on daily basis and parks surplus funds in liquid mutual fund schemes, fixed deposits as per the Board approved policy with an objective of reducing the negative carry to the extent possible.

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

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The composition of outstanding borrowings as on 31st March, 2020 & the ratings assigned by rating agencies is as under:

Particulars	Percent to total Borrowing	Rating
Loans from Scheduled Banks	22.59%	CRISIL AAA/Stable & CRISIL A1+
Refinances from NHB	0.98%	-
Non-Convertible Debentures	65.09%	CRISIL AAA/Stable & CARE AAA Stable
Subordinated Bonds (Tier II)	0.26%	CRISIL AAA/Stable & CARE AAA Stable
Upper Tier II Bonds	0.52%	CRISIL AAA/Stable & CARE AAA Stable
Commercial Paper	3.89%	CRISIL A1+ & ICRA A1+
Public Deposit	6.67%	FAAA (Stable)
Total	100.00%	



BASIS OF PREPARATION OF IND-AS FINANCIAL STATEMENTS

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Standalone Financial Statements as per the Indian Accounting Standards ('IND AS') prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended with effect from 01st April, 2017. Accordingly, the Company has prepared these Standalone Financial Statements, which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2020 and accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements" or "Financial Statements").

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

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

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

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

PERFORMANCE / OPERATION HIGHLIGHTS

During the year, the Company sanctioned ₹ 48,498.71 crore and disbursed ₹ 44,318.00 crore registering a decline by 3.54 per cent in sanctions and decline by 5.26 per cent in disbursements over the last year, due to overall market scenario in the real estate sector and lockdown, as a result of widespread pandemic-COVID-19. For the year ended 31st March, 2020, the Company's revenue from operations was ₹ 19,696.69 crore as against ₹ 17,357.79 crore in the previous year. Net profit before tax for year ended 31st March, 2020 was ₹ 3,268.99 crore when compared to ₹ 3,379.56 crore of the previous year, showing a decline of 3.27 per cent over the previous financial year. Net Profit after tax for the year ended 31st March, 2020 was ₹ 2,401.84 crore as against ₹ 2,430.98 crore during the same period last year, resulting into a decline by 1.20 per cent. The outstanding

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loan portfolio grew by 8.19 per cent to ₹ 2,10,600.42 crore as on 31st March, 2020 as against ₹ 1,94,652.22 crore as on 31st March, 2019.

KEY ELEMENTS OF STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2020

- The Revenue from operations amounted to ₹ 19,696.69 crore as on 31.03.2020 as against ₹ 17,357.79 crore on 31.03.2019 which resembles a growth of 13.47%.
- Net profit before tax for year ended 31st March, 2020 was ₹ 3,268.99 crore as against ₹ 3,379.56 crore of the previous year. Net interest margin for the year was 2.34 per cent.
- Tax provision for the year amounted to ₹ 828.98 crore as compared to ₹ 1,059.43 crore in the previous year.
- The Net Interest Income grew by 9.78% over the previous year and stood at ₹ 4,688.96 on March 31, 2020, as against ₹ 4,271.25 on March 31,2019.
- For the year ended 31st March, 2020 dividend @ 400% is being recommended as against dividend @ 380% in the previous year.

IMPAIRMENT ASSESSMENT

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

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

DEFINITION OF DEFAULT

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

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

Stage wise Categorisation of Loan Assets

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

- Stage 1 [0-30 days Past Due]: It represents exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. The Company uses the same criteria mentioned in the standard and assumes that when the days past due exceeds '30 days', the risk of default has increased significantly. Therefore, for those loans for which the days past due is less than 30 days, the Company recognises as a collective provision, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months.
- Stage 2 [31-90 days Past Due]: The Company collectively assesses ECL on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Company recognises as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset)
- Stage 3 [More than 90 days Past Due]: The Company identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events, that have a detrimental impact on the estimated future cash flows of that asset, have occurred. The Company uses the same criteria mentioned in the Standard and assumes that when the days past due exceeds '90 days', the default has occurred.

RETAIL LOANS:

As at 31st March, 2020 the loan book constituted of 94.42 per cent of retail portfolio. Depending on the nature of the financial instruments and the credit risk information available for particular groups of financial instruments, an entity may not be able to identify significant changes in credit risk for individual financial instruments before the financial instrument becomes past due. In case of retail loans, the financial instruments are backed by sufficient margin of underlying security which absorbs the associated risks. Hence, the Company has performed the assessment of significant increase in credit risk on a collective basis for retail loans by considering information that is indicative of significant increase in credit risk on groups of financial instruments.

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

PROJECT LOANS:

As at 31st March, 2020 the loan book constituted of 5.58 per cent of project portfolio. Project loans are far less in number and more in terms of value per loan. The loans are also credit rated internally. However, the Company does not have any history of the loan transitioning from one rating to the other over a fairly long period of time to arrive at a reliable transition matrix. The Company has used transition matrix compiled and published by a premier rating agency in India for arriving default rate.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

(₹ in Crore)

	Stage 1		Stage 2		Stage 3		Total	
	Outstanding Balance	Impairment Loss	Outstanding Balance	Impairment Loss	Outstanding Balance	Impairment Loss	Outstanding Balance	Impairment Loss
As at March 31, 2020	1,94,678.78	0.10	9,605.48	0.15	6,316.16	2,612.20	2,10,600.42	2,612.45
As at March 31, 2019	1,83,135.46	23.91	8,564.12	111.53	2,952.64	1,524.04	1,94,652.22	1,659.48
As at March 31, 2018	1,59,789.46	283.99	6,386.32	116.71	1,290.80	908.43	1,67,466.58	1,309.13

ECL MODEL AND ASSUMPTIONS CONSIDERED IN THE ECL MODEL

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

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

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

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

Probability of Default

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

Exposure at default

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

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

Loss given at default

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

ASSET LIABILITY MANAGEMENT (ALM)

Assets and liabilities are classified on the basis of their contracted maturities.

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

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

MARKETING

The Company has established leadership position in the industry through its wide reach and network across the country. As on 31st March 2020, the Company has a well spread network of 9 Regional Offices, 282 Marketing Offices, 25 Back Offices to conduct the credit appraisal and administrative functions and a centrally operated Customer Service Point. In its international foray, the Company has set up its representative offices in Dubai and Kuwait as well. To ensure last mile connectivity with end customers, the Company has established strong team of Home Loan Agents, Direct Selling Agents and Customer Relation Associates. During the year, the Company also participated in property exhibitions in various parts of the country and the same has been an impetus for successful marketing.

RECOVERY MANAGEMENT

The gross Non-Performing Assets (NPA) as on 31st March, 2020 had seen a considerable growth this year due to the overall market scenario and stood at Rs.5,967.90 crore as against ₹2,971.69 crore as on 31st March, 2019. The gross NPA ratio of the company stood at 2.86 % as on 31st March, 2020 as against 1.54% as on 31st March, 2019. The net NPAs excluding provision on standard assets as per NHB norms as at 31st March, 2020 stood at 1.99 % (₹ 4120.10 crore) as against 1.08 % (₹ 2,081.20 crore) on the corresponding dates last year. The provision cover on the NPAs stood at 30.96 % (excluding provision on standard loans as per NHB norms) as on 31st March, 2020.

The aforesaid figures are as per IGAAP. As per IND-AS, the provision on per ECL is ₹ 2612.45 crore as at 31st March, 2020 as against ₹1,659.48 crore as at 31st March, 2019.

The Company has initiated all out efforts for accelerating the recovery and has deployed more of its resources towards this crucial area of its operations in order to ensure a more focused approach.

HUMAN RESOURCES DEVELOPMENT

The Company considers its employees to be the most important assets and believes in providing a conducive and open work culture where they can succeed as well as contribute to the growth of the Company. The Company consistently reviews its business and people policies to improve ways of working. The Company constantly endeavours to provide learning and skill

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

improvement training to all employees to motivate employees and enhance productivity. The Company's performance management processes have been instrumental in ensuring employee engagement.

As on March 31, 2020, the Company had 2,392 employees who have been contributing to the progress and growth of the Company. As on March 31, 2020, the loan asset per employee was ₹ 88.03 crore and net profit per employee was ₹ 1.04 crore.

CONCLUSION WITH CAUTION

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

BOARD'S REPORT

To the Members of LIC Housing Finance Limited

Your Directors are pleased to present the Thirty First Annual Report together with the Audited Financial Statements for the year ended 31st March, 2020 of LIC Housing Finance Limited ('the Company').

FINANCIAL RESULTS

(₹ in crore)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit before Tax	3,268.99	3,379.55
Tax Expense	867.15	948.58
Profit after Tax	2,401.84	2,430.97
Other Comprehensive Income	(6.85)	(0.46)
Total Comprehensive Income	2,394.99	2,430.51
Appropriations		
Special Reserve u/s 36(1)(viii) of the Income-tax, Act., 1961	749.99	749.99
Statutory Reserve u/s 29C of NHB Act, 1987	0.01	0.01
General Reserve	600.00	600.00
Dividend	383.54	343.17
Final Dividend & Tax pertaining to the previous year paid during the year	77.61	69.25
Balance carried forward to next year	583.83	668.09
	2,401.84	**2,430.97**

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

DIVIDEND

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

Considering the performance of the Company during the financial year 2019-2020, the Board of Directors felt the need to strike a balance between being prudent and conserving capital in the Company, while at the same time catering to the expectations of shareholders, your Directors considering the Dividend Distribution Policy and also after assessing the capital buffers and liquidity levels of the Company, have recommended payment of dividend for the financial year ended 31st March, 2020 of ₹ 8.00 per equity share of face value of ₹ 2/- per share i.e. @ 400 percent, as against ₹ 7.60 per equity share of face value of ₹ 2/- per share for the previous year i.e. @ 380 percent. The total dividend outgo for the current year would amount to ₹ 403.73 crore excluding Dividend distribution Tax, as against ₹ 461.15 crore for the previous year including Dividend Distribution Tax of ₹ 77.61 crore. The dividend payable shall be subject to the approval of the Members of the Company at the ensuing Annual General Meeting.

Following the amendment in the Finance Act, 2020, the imposition of the Dividend Distribution Tax has been abolished. Accordingly, the dividend amount received by the shareholders of the Company, for the financial year ended 31st March, 2020, may be taxable in the hands of the shareholders.

The Dividend Distribution Policy is available on the website of the Company at http://www.lichousing.com/dividend_dist_policy.php and forms part of this Board's report as Annexure - 8.

INDIAN ACCOUNTING STANDARDS

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

Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, w.e.f 1st April, 2018.

PERFORMANCE

Income and profit

The Company earned total revenue of ₹ 19,696.69 crore, registering an increase of 13.47 percent. The percentage of administrative expenses to the housing loans, which was 0.24 percent in the previous year, has remained constant at 0.29 percent during the financial year 2019-20.

BOARD'S REPORT

Net Profit before tax and after tax stood at ₹ 3,268.99 crore and ₹ 2,401.84 crore respectively as against ₹ 3,379.56 crore and ₹ 2,430.98 crore, respectively, for the previous year. Profit before tax decreased by 3.27 percent over the previous year while profit after tax dipped by of 1.2 percent over that of the previous year.

LENDING OPERATIONS

LIC Housing Finance Limited is a housing finance company registered with National Housing Bank (NHB) and is mainly engaged in financing purchase / construction of residential flats / houses to individuals and project finance to developers, Loan against Property (LAP), Lease Rental Discounting (LRD) etc. All other activities revolve around the main business of the Company. During the latter part of March 2020, overall lending operations were disrupted due to the national lockdown announced in a bid to curtail the spread of COVID-19. These factors impacted the overall performance of the loan book.

As at 31st March, 2020 the loan book constituted of 94.42 per cent of retail portfolio and 5.58 per cent of project portfolio.

Individual loans:

During the year the main thrust continues on individual housing loans. The Company has sanctioned 2,02,244 individual housing loans for ₹ 48,498.71 crore and disbursed 1, 91,479 loans for ₹ 44,318 crore during FY 2019-2020. Housing loan to Individual i.e. retail loans constitute 92.92 percent of the total sanctions and 94.42 percent of the total disbursements for the FY 2019-2020 as compared to 84.60 percent and 87.11 percent respectively during the FY 2018-19. The gross retail loan portfolio grew by over 8.10 % percent from ₹ 1,81,569 crore as on 31st March, 2019 to ₹ 1,96,340 crore as on 31st March, 2020.

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

Amount sanctioned: ₹ 3,84,978.08 crore

Amount disbursed: ₹ 3,73,699.62 crore

27,70,628 customers have been serviced by the Company up to 31st March, 2020 since inception.

Project loans:

The project loans sanctioned and disbursed by the Company during the year were amounting to ₹ 3,693.19 crore and ₹ 2,618.35 crore respectively. Corresponding figures for the previous year were ₹ 9,154 crore and ₹ 7,128 crore. These loans are generally for short durations, giving better yields as compared to individual housing loans.

AWARDS AND RECOGNITIONS:

- During the year under review, the Company was profiled in India's leading BFSI Companies 2018 by Dunn and Bradstreet.

MARKETING AND DISTRIBUTION

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

REPAYMENTS

During the F.Y. 2019-2020, ₹ 28,895.38 crore was received by way of schedule repayment of principal through monthly instalments as well as prepayment of principal ahead of schedule, as compared to ₹ 26,242.99 crore received in this respect during the previous year.

NON-PERFORMING ASSETS AND PROVISIONS

The amount of gross Non-Performing Assets (NPA) as at 31st March, 2020 was ₹ 5,967.60 crore, which is 2.86 percent of the housing loan portfolio of the Company, as against ₹ 2,971.69 crore i.e. 1.54 percent of the housing loan portfolio as at 31st March, 2019. The net NPA as at 31st March 2020 was ₹ 4,120.10 crore i.e. 1.99 percent of the housing loan portfolio vis-à-vis ₹ 2,081.20 crore i.e. 1.08 percent of the housing loan portfolio as at 31st March, 2019. The total cumulative provision towards housing loan portfolio including provision for standard assets as at 31st March, 2020 is ₹ 2,631.62 crore as against ₹ 1,693.89 crore in the previous year. During the year, the Company has written off ₹ 35.05 crore which includes non – retail loan also of housing loans as against ₹ 265.66 crore during the previous year.

RESOURCE MOBILISATION

During the year, the Company mobilised funds aggregating to ₹ 1,78,904.60 crore by way of the Non-Convertible Debentures (NCD), Term Loans / Line of Credit (LoC) / Working Capital Demand Loan (WCDL) from banks, NHB refinance, Commercial Paper and Public Deposits. The Company explored funding, through External Commercial Borrowings (ECBs) and raised an amount of $ 200 million through this avenue. This avenue would enable the company to tap overseas funding and would enhance its reach to the global markets. Funds were also mobilised from NHB under its refinancing facilities. The following is a brief about the various sources of fund mobilised during FY 2019-2020:

NON-CONVERTIBLE DEBENTURES (NCD)

During the year, the Company issued NCD amounting to ₹ 27,010 crore on a private placement basis which have been listed on Wholesale Debt Segment of National Stock Exchange of India Ltd. The NCDs have been assigned highest rating of 'CRISIL AAA/Stable' by CRISIL & 'CARE AAA/Stable' by CARE. As at 31st March, 2020, NCDs amounting to ₹ 1,24,452.60 crore

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were outstanding. The Company has been regular in making repayment of principal and payment of interest on the NCDs.

As at 31st March, 2020, there were no NCDs which have not been claimed by the Investors or not paid by the Company after the date on which the said NCDs became due for redemption. Hence, the amount of NCD remaining unclaimed or unpaid beyond due date is Nil.

SUBORDINATE BONDS & UPPER TIER II BONDS

During the year, the Company has not issued any Subordinate Bonds and Upper Tier II Bonds. As at 31st March, 2020, the outstanding Subordinate Bonds and Upper Tier II Bonds stood at ₹ 1,500/- crore. Considering the balance term of maturity as at 31st March, 2020, ₹ 1,000/- crore of the book value of the Subordinate Bonds and Upper Tier II Bonds is considered as Tier II Capital as per the Guidelines issued by NHB for the purpose of Capital Adequacy.

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

The total loans / LOC outstanding from the Banks and Other Financial institution as at 31st March, 2020 are ₹ 43,188.28 crore as compared to ₹ 25,073.23 crore as at 31st March, 2019. The Refinance from NHB as at 31st March, 2020 stood at ₹ 1,882.17 Crore as against ₹ 1,310.68 Crore as at 31st March, 2019. During the year, the Company has availed ₹ 1,000 crores Refinance from NHB under regular refinance scheme. As at 31st March, 2020, Commercial Paper amounting to ₹ 7,628.71 Crore were outstanding as compared to ₹ 7,114.06 Crore for corresponding previous year. During the year 2019-2020, the Company issued Commercial Paper amounting to ₹ 19,152.23 Crore from market as compared to ₹ 38,339.48 Crore for corresponding previous year.

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

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

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

UNPAID/UNCLAIMED DIVIDEND

During the financial year under review, your Company has transferred unclaimed dividend of ₹ 98,49,364 /- pertaining to the financial year 2011-12 to the Investor Education and Protection Fund (IEPF), established by the Central Government, on expiry of seven years from the date of transfer to unpaid dividend account.

TRANSFER OF SHARES TO IEPF

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Rules made thereunder, the Company has transferred in aggregate 91,801 equity shares of ₹ 2/- each to IEPF in respect of which the dividend remained unclaimed for a period of seven consecutive years i.e. from 2011-12 till the due date of 30th August, 2019 after following the prescribed procedure.

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

PUBLIC DEPOSITS

As at 31st March, 2020, the outstanding amount on account of public deposits was ₹ 6,983.91 crore as against ₹ 3,993.41 crore in the previous year and outstanding amount on account of corporate deposits was ₹ 5,749.69 crore as against ₹ 3,777.10 crore in the previous year. During F.Y. 2019-2020, the number of depositors has increased for public deposit from 35,005 to 43,755 and for Corporate deposit from 567 to 1051.

₹ 5,367.42 crore has been collected as public deposits while ₹ 4,034.00 crore was as corporate deposits. Total aggregate amount collected ₹ 9,401.42 crore.

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

The support of the agents and their commitment to the Company has been vital in mobilization of deposits and

BOARD'S REPORT

making the product most preferred investment for individual households and others.

1277 deposits amounting to ₹ 93.17 crore which were due for repayment on or before 31st March, 2020 were not claimed by the depositors. Since then, 498 depositors have claimed or renewed amounting to deposits of ₹ 48.45 Crores as on date of this report. Depositors are appropriately intimated for renewal / claim of their deposits through an authorised agency. Further, adequate follow-up is made in respect of those cases where deposits are lying unclaimed.

As per the provisions of Section 125 of the Companies Act, 2013, deposits and interest thereon remaining unclaimed for a period of seven years from the date they became due for payment have to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government, accordingly, as on date ₹ 2,35,038/- against unclaimed interest on deposits has been transferred to IEPF.

Being a housing finance company registered with the National Housing Bank established under the National Housing Bank Act, 1987, the disclosures as per Rule 8(5)(v)&(vi) of the Companies (Accounts) Rules, 2014 read with section 73 and 74 of the Companies Act, 2013 are not applicable to the Company.

REGULATORY COMPLIANCE

Following the amendment in the Finance Act, 2019 and the subsequent notification by the Reserve Bank of India (RBI) in August 2019, HFCs would be treated as one of the categories of non-banking financial companies (NBFCs) for regulatory purposes and accordingly would come under RBI's direct oversight. NHB, however, would continue to carry out supervision of HFCs.

The Company has been following guidelines, circulars and directions issued by National Housing Bank (NHB) from time to time. In fact, the Company has complied with the Housing Finance Companies (NHB) Directions, 2010 and other directions/ guidelines prescribed by NHB regarding deposit acceptance, accounting standards, prudential norms, capital adequacy, credit rating, corporate governance, information technology framework, fraud monitoring, concentration of investments, risk management, capital market exposure norms and Know Your Customer and Anti-Money Laundering.

Your Company has been maintaining capital adequacy as prescribed by the NHB. The capital adequacy was 13.89 percent as at 31st March, 2020 after considering the loan to value ratio for deciding risk weightage.

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

DISCLOSURE UNDER HOUSING FINANCE COMPANIES ISSUANCE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS (NHB) DIRECTIONS, 2014

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

AUDIT REPORTS AND AUDITORS

Audit Reports and observations

Statutory Audit, Auditor and Statutory Audit Report

The erstwhile statutory auditors namely Shah Gupta & Co., Chartered Accountants (FRN 109574W) and Chokshi & Chokshi LLP, Chartered Accountants (FRN 101872W / W100045) held the office of the statutory auditors until the date of Annual General Meeting and retired due to operation of Section 139 (2) (b) of the Companies Act, 2013. At the Thirtieth Annual General Meeting of the Company, the members had appointed M/s. Gokhale & Sathe, Chartered Accountant (Firm Registration No.: 103264W) and M/s. M. P. Chitale & Co., Chartered Accountant (Firm Registration No.: 101851W) as Joint Statutory Auditors of the Company for a term of 5 consecutive years and to hold office until the conclusion of the Thirty Fifth Annual General Meeting to be held in the year 2024.

M/s. Gokhale & Sathe, Chartered Accountant (Firm Registration No.: 103264W) and M/s. M. P. Chitale & Co., Chartered Accountant (Firm Registration No.: 101851W) are one of the leading firms of chartered accountants and adheres to high professional standards and benchmarks. They have confirmed to the Company that they continue to satisfy the eligibility criteria as mentioned in Section 141 of the Companies Act, 2013.

The remuneration payable to each of the Joint Statutory Auditors will be ₹ 26,20,000/- as determined by the Board of Directors in consultation with them and applicable taxes / cess on the said remuneration, for the purpose of audit of the Company's accounts at the Corporate Office alongwith consolidated accounts as well as at all Back Offices to be allotted equally between them in consultation with the management.

The Joint Statutory Auditors' Report dated 19th June, 2020 for the financial year 2019-2020, does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

Internal Audit, Auditor and Audit Report

Internal Audit of Back Offices

The Company has an in-house mechanism for Internal Audit of all its back offices which are the nodal offices looking after the

BOARD'S REPORT

accounting, sanction and disbursement functions. Such Audit is conducted by the team(s) of in-house auditors. The Company maintains an exhaustive checklist/questionnaire for the purpose of such Audit and the same is updated regularly. The In-house internal audit team(s) submit quarterly reports in respect of the Back offices assigned to them and such reports auditors are periodically reviewed by the Internal Audit Committee of Corporate Office, which is a management level Committee at the Corporate Office. Detailed deliberations take place in respect of key points related to Internal Audit Reports and the same is also placed before the Audit Committee for their information and guidance.

Internal Audit of Corporate Office

M/s. Borkar & Muzumdar, Chartered Accountants, Mumbai are Internal Auditors for Internal Audit of the Corporate Office for financial year 2019-20 as well as for financial year 2020-21. No adverse remark or observation has been cited by them in their four (4) quarterly Audit Reports for the financial year 2019-2020.

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

Secretarial Audit, Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. N. L. Bhatia & Associates, Practicing Company Secretaries undertook the secretarial audit of the Company for the financial year 2019-2020.

The Secretarial Auditor's Report for the financial year 2019-2020 does not contain any qualification, reservation or adverse remark. Report of the Secretarial Auditor for the financial year 2019-2020 in Form MR-3 is annexed to this report as Annexure 10.

A certificate from Shri. P. S. Gupchup, Practising Company Secretary, Mumbai (Membership No.: ACS 4631 and Certificate of Practice No.: 9900), regarding compliance of the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the Corporate Governance Report which does not contain any qualification, reservation or adverse remark.

Cost Records and Cost Audit:

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

Corporate Governance

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

Management Discussion and Analysis Report

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

Business Responsibility Report

In terms of Regulations 34(1)(f) of the SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015, the top 500 listed entities, based on the market capitalization (calculated as on 31st March of every financial year), business responsibility report describing the initiatives taken by these listed entities from an environmental, social and governance perspective, in the format as specified by SEBI from time to time, has been included as part of the Annual Report. Accordingly, Business Responsibility Report is presented in a separate section forming part of the Annual Report.

Depository system

For transaction of the Company's shares in dematerialised form, the Company has entered into an agreement with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. (NSDL). The shareholders have a choice to select the Depository Participant. As at 31st March, 2020, 5,349 members of the Company continue to hold shares in physical form. As per the Securities and Exchange Board of India's (SEBI) circular, the Company's share/s has / have to be transacted in dematerialised form and therefore, members are requested to convert their holdings to dematerialised form.

OUTLOOK FOR 2020-2021

- Focus on growth of Individual home loans segment.
- Continued focus on PMAY-CLSS in alignment with Government Initiatives from time to time & thus ensuring achievement of targets in both numbers and amount.
- Leveraging our relationship with the Builders to whom Project Finance has been provided, for retail business as well.
- Business potential mapping as ongoing activity and spotting new business opportunities.

BOARD'S REPORT

- Advance Processing Facility (APF) approval to be made core activity at Area Office levels and generate bulk business.
- Corporate tie ups with builders for business procurement.
- Making use of sales team of builders/developers as distribution channel.
- Making online loan application more effective and enhance its contribution towards the incremental business.
- Leveraging direct business channels viz., Direct Marketing Executive (DME) channel, LICHFL Financial Services Ltd. for generating additional business.
- Strengthening marketing offices opened during the last 3 years and making them high growth centres.
- To make both the Overseas Offices more effective and productive and increasing their share to the Company's business
- To come up with new Incentive or privilege schemes for Intermediaries & Marketing Officials as additional tool of motivation.
- Continuous training to intermediaries and Marketing Officials to increase productivity.
- To grow business qualitatively by consolidating position and strengthening the competitiveness on service delivery.
- To create brand LICHFL as a source of trusted partner exuding consumer confidence.
- Understanding the inherent risks to the business and managing it effectively.
- Widespread market studies assisting modelling of loan products to suit customer needs.
- Making use of information provided by marketing offices about ground market conditions.
- Expansion of distribution network of Marketing Intermediaries and identification of connectors to source business.
- Monitoring of TAT at different levels.
- Continued focus on Digital Marketing for tapping new age customers and generation of quality leads. Promotion of digitized applications through the app- HomY right from on boarding till disbursement.
- Enhance online application sanctions as part of differential customer service and reduction in TAT through LIC HFL HomY App.
- Positioning as a thought leader in industry through placement of related articles across media including digital.

THE MANAGEMENT PERSPECTIVE ABOUT FUTURE OF THE COMPANY

Housing sales in India's nine key property markets namely Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata, Mumbai (including Navi Mumbai and Thane), Pune and Noida, including Greater Noida and the Yamuna Expressway, fell 30 per cent during the October-December quarter of FY 2019-2020 (YoY) despite the government launching several measures in the recent past to revive buyer sentiment. As against 91,464 units sold during the quarter last year, only 64,034 homes were sold across the nine markets in Q3 this year.

The Indian residential sector which is one of the major contributors to India's GDP, has undergone significant changes in the last few years, making it more transparent and credible. However these changes like demonetization, RERA, GST, IBC and subvention scheme ban were although progressive and forward looking with a long term objective, has adversely affected the sector which was already caught in the grip of delayed project deliveries, liquidity squeeze for developers, high unsold inventory due to low sales and a growing proportion of stalled projects since the past few years. Although these changes were difficult for the sector however these changes instilled transparency, accountability and fiscal discipline over the last few years within the home buyers. However, real estate sector has been struggling against a severe liquidity crunch over the past three years following a series of debt defaults by high profile non-banking finance companies. A slump in the residential property market is leaving many builders struggling to repay loans to NBFCs. A series of these key decisions taken by the government to revive the realty sector has improved consumer confidence and the impetus given to the residential sector is expected to yield positive results in the near future. These reforms will also be instrumental in attracting investors, institutions and private capital players into the Indian real estate market.

In order to boost demand for real estate in the country, it is expected that the government would grant industry status to the real estate sector, implement single-window clearance and revise the income tax slab to boost demand and open up more financial options for developers.

In order to move ahead in the above lines and to make the investment in property a more lucrative option, to boost the

BOARD'S REPORT

residential real estate market ahead of the presentation of Union Budget 2020, the Confederation of Indian Industry (CII) had called for enhancing the limit on interest deduction on loan taken for the purchase of house property from ₹ 2 lakh to ₹ 5 lakh as the existing the current limit at ₹ 2 lakh is not in harmony with the interest burden borne by taxpayers given the substantial increase in prices. Although the said suggestion was not considered in this year's budget however aiming to boost the affordable housing demand for realization of the goal of "Housing for All" and affordable housing, the government has extend the date of availing an additional ₹ 1.5 lakh tax deduction on home loan interest by one more year till March 2021 and now the said deduction would continue to be available for those individuals buying homes for the first time and of up to ₹ 45 lakh for home loans sanctioned until 31st March, 2021. This additional deduction of ₹ 1.5 lakh, over and above the existing ₹ 2 lakh, is being provided under the Section 80EEA.

To add to all the above woes and nullifying the efforts of the government to boost the sector, there was the influx of the COVID-19 Pandemic in the month of March, which resulted in a series of lock downs and severely affected not only the Indian Economy but that of the entire world. All sectors of the economy are badly hit with immediate high impact of coronavirus pandemic on domestic service sectors such as tourism, aviation, hospitality, auto/taxi, small business, retail, food and beverages, etc. Post lockdown it will take considerable time for the economy to get back to near normal. There is bound to be massive unemployment going forward. After agriculture, real estate is the largest employment generator in the country. 90% of the workforce engaged in the construction of buildings, rest 10% is involved in building completion, finishing, electrical, plumbing, other installation services, demolition and site preparation. (80% unskilled, 9% Skilled and 11% Semi-Skilled. 2013-40mn, 2017-52 mn and 2022 67 mn. as per Moody's estimate). The contraction in economic activity in the second quarter will be severe and the overall recovery in the second half of the year will be gradual. Recovery is also likely to be uneven across sectors as fear of infection will likely alter consumer behaviour, even after restrictions on business activity and mobility are lifted. Many businesses will struggle to stay afloat in these conditions, and eventually some will close regardless of policy support to the economy.

Further, the Housing finance did not pick up as expected due to low demand as the economy slowed post the FY20 Budget. Things improved a notch after the government and the central bank intervened. The government took a slew of measures to revive the economy and the real estate sector by setting AIF (Alternate Investment Fund) namely the SWAMY Fund of ₹ 25,000 crore to provide last mile funding to about 1,600 stalled projects at different stages.

Other Government Measures to boost Housing Demand are:

(a) increase in Income tax deduction for interest paid on housing loan from ₹ 2.5 lakh to ₹ 3.50 lakh for affordable housing etc.

(b) Additional Tax benefit to the first time home buyers where stamp duty value of the property is upto ₹ 45 lakh.

Real estate and housing finance are one of the most affected sectors due to the pandemic outbreak.

Stress in housing loans, particularly in affordable housing loans, will rise. In India, even if the outbreak is contained within 15-20 days after the lockdown, the next two quarters are going to be hard for the economy as well as for the Housing Sector. Non-performing assets are set to rise, liquidity will be adversely hit.

The government of India has taken adequate steps to contain the spread of the virus.

Under the Pradhan Mantri Gareeb Kalyan Scheme, ₹ 1.7 Lakh crore has been offered to protect urban and rural poor, farmers and migrant workers to provide food and nourishment to the daily wagers, widows, Self Help Groups, pensioners, farmers and physically challenged which would keep the rural and urban economy active.

- Ex Gratia and LPG Cylinders for women
- Income support to workers and farmers
- Medical support
- Food security

On 13th May, 2020 the Government has announced another package namely 'AtmaNirbhar Bharat' for various sectors despite its tight fiscal position. This has provided major relief to the Economy.

Further, Reserve Bank of India (RBI) has taken unprecedented steps by infusing ₹ 5.29 lakh crore of liquidity, due to which liquidity position will be improved and Financial Institutions may defer recognition of non-performing assets (NPAs) due to these measures. The steps taken are as follows:

(a) Cash-reserve-ratio cut of 1% this would bring ₹ 1.37 lakh crore into the market;

(b) Also minimum CRR Balance reduced from 90% to 80% until 26.06.2020,

(c) Targeted long-term repo operations (TLTRO) of ₹ 50,000 crore, Further, the funds availed by the banks under TLTRO 2.0 should be invested in investment grade bonds, commercial paper and NCDs of NBFCs, with at least 50%

BOARD'S REPORT

of the total amount to small and medium sized NBFCs and MFIs.

(d) Marginal liquidity facility (MSF), a deep repo rate cut of 75 bps (4.4%),

(e) Reverse repo rate cut by 115 (i.e. 90+25) bps to 3.75% under Liquidity Adjustment Facility (LAF),

(f) three-month moratorium on all-term loans and working capital until 31st May, 2020, which was further extended for another 3 months until 31st August, 2020.

(g) ₹ 50,000 crore to All India Financial Institutions (AIFIs) namely NABARD (₹ 25,000 crore), SIDBI (₹ 15,000 crore) and NHB (₹ 10,000 crore) as refinancing facilities.

(h) Supplied fresh currency of ₹ 1.2 lakh crore from 1st March, 2020 to 14th April, 2020.

SIDBI would be providing quick working capital in the next 45 to 90 days after screening the application for the start-ups who are facing financial challenges; and loans upto ₹ 50 Lakh at 5% interest rate with tenure of 5 years would be extended to MSMEs, engaged in manufacturing of hand sanitizers, masks, gloves, head gear, body suits, shoe covers, ventilators, goggles, testing labs etc.

The following Banking reliefs granted, in the wake of the pandemic, for infusing money into the Economy in order to boost demand and consumer spending, have also improved the liquidity situation:

(1) No charges on withdrawal of cash through ATM from any bank for 3 months.

(2) Deferring of interest accrued on cash credit/overdraft on the working capital loans obtained, up to May 31, 2020

(3) Letter of Credit and Bill Discounting

(4) Grant a moratorium of three months, by default, on payment of all instalments, Interest on LC/BD/OD/CC

(5) No minimum account balance charges

(6) Over Draft and Cash Credit Facilities.

Since many small businesses serve the common masses of the nation, they have more opportunities to revive quickly as soon as the situation gets back to normal.

Also this prevailing situation of lockdown and social distancing has introduced the concept of 'Work From Home'. This although have enhanced the demand for large living places and is expected to boost the residential real estate demand, however this situation is expected to adversely affect the demand for commercial spaces and a lot of space is expected to stay vacant due to the fall in demand. Also the LRD loan portfolio has to be reassessed due to the large scale negotiation in the rentals by the various corporate tenants.

The Company is constantly reassessing the current scenario and is adopting increased caution while funding projects and LRD loans and is considering the existing borrowers with credible repayment track record and cashflows before taking new exposure on them. More emphasis is being placed on the security value and manner of valuation in order to ensure that there is no dilution of security. Although, the actual impact can only be known after the completion of the moratorium period on 31st August, 2020, the performance of the borrowers for a certain period after the completion of moratorium would be observed, before making subsequent disbursement.

The Company has also laid increased emphasis in strengthening its recovery mechanism and is having a focused approach to ensure its existing portfolio is intact. Also, in order to ensure that the existing retail borrowers are not lured by other financers, the Company is passing the benefit of the rate cut to the customer and is allowing rewriting of the existing loans with nominal fees.

Also the Company has reduced its interest rates multiple times in order to stay competitive and has reduced its card rate to sub 7% levels. The Company is focusing on sourcing retail loans of moderate ticket size with large volumes in order to mitigate the risks and is constantly modifying its product mix. The Company has launched a product wherein the interest rate being offered is linked to the CIBIL score.

The funding environment continues to be positive for the Company and the liquidity position continues to be quiet good. The borrowing programme had been completed by the end of February, 2020 and during March, the Company was raising funds for expected March end disbursement and for funding disbursement demand of first few weeks of the new financial year and for servicing the borrowings during the month of April, 2020. However, the demand for the funds remained subdued, due to the declaration of the COVID-19 pandemic by WHO post 11.03.2020 and the subsequent lock down. Thus, by the end of March, 2020 the Company had healthy liquidity position.

There had been a reduction in the cost of borrowing, during the FY 2019-2020. The fall in the incremental spread is more than the fall in cost of funds because of the lower yield, as there had been a decline in the asset growth due to the lesser disbursements towards the high yielding portfolio segment such as project loans etc. owing due to the sluggish market conditions. The Company is in a suitable liquidity situation and is well placed in the appropriate ALM buckets as per the NHB regulatory norms.

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The Company is proceeding to automate and digitize all areas of operations as well as administration. The goal is to achieve maximum automation to leverage technology in order to provide better customer services, shorten the Turn Around Time (TAT) to process loans and ensuring ease of use, to its employees.

As more and more services are being offered online, transforming the organization, by using digital tools and associated practices, is the ultimate aim for this exercise. The Company has already embarked on a journey to transform operating models and has automated certain areas of its operations and administration however the transformation has not been integrated as of now and happens to be scattered. Therefore, the need is felt that the automation should be more integrated and wholesome to ensure that the Company is able to achieve the entire benefits of transformation & digitization. In order to achieve this objective the Company has initiated the process of on boarding a reputed consulting partner with proven track record, who would guide the Company in re-engineering the entire business processes, to bring about a change in the Corporate Culture by transforming the way the business is carried out in a fully digitized environment.

As mentioned earlier the Finance (No.2) Act, 2019 (23 of 2019) amended the National Housing Bank Act, 1987, conferring powers for regulation of Housing Finance Companies (HFCs) with Reserve Bank of India. Following the issue of notification by the Government notifying August 09, 2019 as the date on which Part VII of Chapter VI of the Finance (No.2) Act, 2019 (23 of 2019) shall come into effect, a Press Release was issued on August 13, 2019 in which it is mentioned that a review of the extant regulatory framework applicable to the HFCs will be carried out and revised regulations will be issued.

A review of the extant directions/guidelines applicable to HFCs has been carried out with a view to regulating HFCs as a category of Non-Banking Financial Company (NBFC). Accordingly, it has been decided that in areas where the extant regulation of HFCs are in tandem with that of NBFCs, the relevant paras in the NBFC Master Directions would be made applicable mutatis mutandis to HFCs. In areas where extant HFC regulation differs from that of NBFCs, either existing provisions would be retained, or changes would be brought out wherever possible while ensuring that the changes are made in a least disruptive manner.

Accordingly, the RBI has placed the revised guidelines, which it intends to make applicable in respect of HFCs, on its portal for public comments and some of the highlights viz-a-viz the Company's preparedness in this regard are as follows:

(a) RBI has restricted additional exposure in respect of retail loans by an HFC, in the same project where the HFC has extended project funding to the Builder/developer. The Company is of the view that such a restriction would be regressive and that extending such funds to the builder/developer as well as retail customers in the same project, would rather mitigate the risks by converting the project loan to builder into retail loans to individuals, has represented the same while submitting the comments.

(b) RBI wants the HFCs to adopt the best IT platform and the Company has already initiated steps in this regard.

Overall it is expected that RBI would make the compliances and norms more stringent and that the Company is preparing itself to cope up with the said changes, with minimum disruption to its operations.

COMPLIANCE UNDER COMPANIES ACT, 2013

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

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT-9 as on 31st March, 2020 is attached as Annexure 1 to this Report.

Extract of Annual Return is also displayed at Company's website at the given link – www.lichousing.com/annual_general_meeting.php.

REPORTING OF FRAUDS BY AUDITORS:

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

SECRETARIAL STANDARDS:

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

RATING RATIONALE:

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

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Total Bank Loan Facilities Rated	₹ 40,059.88 crore
Long Term Rating	CRISIL AAA/Stable (Reaffirmed)
Short Term Rating	CRISIL A1+ (Reaffirmed)
₹ 25,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 25,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 25,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 5,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 15,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 10,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 5,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 5,976 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 15,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 15,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 20,000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 33,833 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 1,600 crore Upper Tier II Bond	CRISIL AAA/Stable (Reaffirmed)
₹ 1,750 crore Tier II Bond	CRISIL AAA/Stable (Reaffirmed)
Fixed Deposits Programme	FAAA/Stable (Reaffirmed)
₹ 17,500 crore Commercial Paper	CRISIL A1+ (Reaffirmed)

CARE Ratings had assigned its 'CARE AAA; Stable' rating to the ₹ 35,000 crore non-convertible issue of LIC Housing Finance Limited and reaffirmed its 'CARE AAA; Stable'. The unutilised amount as on 30.06.2020 was ₹ 20997.90 crore.

ICRA Limited had reaffirmed ICRA A1+ rating to the ₹ 17,500 crore commercial paper issue of LIC Housing Finance Limited and has reaffirmed its ICRA A1+.

BOARD MEETINGS HELD DURING THE YEAR:

During the year under review, 6 Board meetings were held. Detailed information on the meetings of the Board are included in the Report on Corporate Governance which forms part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

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

(a) in the preparation of the annual accounts, the applicable accounting standards has been followed and there are no material departures;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

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

(d) the Directors have prepared the annual accounts on a going concern basis;

(e) the Directors have laid down internal financial controls to be followed by the company and that such Internal Financial controls are adequate and were operating effectively. Note on Internal Financial control is attached as Annexure 2 to this Report and

BOARD'S REPORT

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

STATEMENT ON DECLARATION FROM INDEPENDENT DIRECTORS:

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

Company's policy on Directors' appointment and remuneration including criteria:

It is endeavour of the Company to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of 31st March, 2020, the Board had eleven members, consisting of two non-executive directors nominated by LIC of India including Chairman and one LIC Director, one executive director who is Managing Director & CEO; two non-executive and non-independent directors, while rest six are independent directors including one independent woman director.

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

The performance of the members of the Board, and the Board as a whole were evaluated at the meeting of Independent Directors held on 5th March, 2020.

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

Qualification, reservation or adverse remark or disclaimer made by Joint Statutory Auditors and Secretarial Auditor:

No adverse remark or reservation or qualification has been made by Joint Statutory Auditors or Secretarial Auditor.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

Particulars of contracts or arrangements with related parties referred to Section in 188(1) read with Rule 8(2) of Companies (Accounts) Rules, 2014:

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

The Related Party Transactions Policy and Procedures as reviewed by Audit Committee and approved by Board of Directors is uploaded on the website of the Company and is annexed as Annexure 3 to this report.

Form AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, and Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed as Annexure 4 to this report.

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

The Company has transferred ₹ 749.99 crore to Special Reserve u/s 36(1)(viii) of the Income-tax, Act., 1961 and ₹ 0.01 crore to the Statutory reserve u/s 29C of NHB Act; and an amount of ₹ 600 crore to General Reserve.

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

₹ 403.73 crore is proposed to be paid by way of dividend to shareholders of the Company i.e. ₹ 8.00 per equity share of face value of ₹ 2/- per share.

Material changes and commitments, if any, affecting the financial position of the company:

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. 31st March, 2020 and the date of the Board's Report i.e. 24th August, 2020

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

A. Conservation of energy –

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

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

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

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

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

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

(iii) The capital investment on energy conservation equipments-

None

B. Technology absorption –

(i) The efforts made towards technology absorption – Not applicable.

(ii) The benefits derived like product improvement, efforts to reduce cost of fund, product development or import substitution – Not applicable.

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

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

(b) The year of import – Not applicable.

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

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

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

C. Foreign Exchange Earnings and Outgo-

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

During the year ended 31st March, 2020, the Company does not have any foreign currency earning and the foreign currency spent is ₹ 2.88 crore. This does not include foreign currency cash flows in derivatives and foreign currency exchange transactions.

RISK MANAGEMENT POLICY FOR THE COMPANY:

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

The Risk Management Policy of the Company is in accordance with the directives issued by National Housing Bank. During the financial year under review, the Risk Management Policy of the Company was reviewed and put up to the Board. The same was approved in the Board Meeting dated 6th March, 2020.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY:

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has established Corporate Social Responsibility Committee and statutory disclosures with respect to the CSR Committee and an Annual Report on CSR activities is annexed as Annexure 5 to this report.

COMPOSITION OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE IS AS FOLLOWS:

Shri Jagdish Capoor	Chairman	Independent Director
Dr. Dharmendra Bhandari	Member	Independent Director
Shri Siddhartha Mohanty	Member	Managing Director & CEO

ANNUAL EVALUATION MADE BY THE BOARD OF ITS OWN PERFORMANCE:

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

The Board of Directors carried out an annual evaluation of its performance, Board level committees and Individual Directors

BOARD'S REPORT

pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, at the meeting of Independent Directors held on 5th March, 2020.

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

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

The Board reviewed the performance of the Individual Directors on the basis of the criteria such as the contribution of the Individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, presented views convincingly, resolute in holding views etc. In addition, the Chairman was also evaluated on the key aspects of his role.

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

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

Pursuant to Section 129 of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and also of its subsidiaries and associates, in the same form and manner as that of the Company which shall be laid before the ensuing Thirty First Annual General Meeting of the Company alongwith the Company's Financial Statement under sub-section (2) of Section 129 i.e. Standalone Financial Statement of the Company. Further, pursuant to the provisions of Accounting Standard ('AS') 21, Consolidated Financial Statements notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, issued by the Ministry of Corporate Affairs, the Consolidated Financial Statements of the Company alongwith its subsidiaries and associates for the year ended 31st March, 2020 form part of this Annual Report.

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

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

DIRECTORS:

As of 31st March, 2020, the Board had eleven members, consisting of two non-executive directors nominated by the promoter, LIC of India which includes the Chairman, Shri M.R Kumar and Director Shri Vipin Anand. The Managing Director & CEO, Shri Siddhartha Mohanty, who is the only executive director in the Board is also a Nominee of the LIC of India. Apart from these three (3) nominee directors there are two non-executive and non-independent directors namely Shri P Koreswara Rao and Shri Sanjay Kumar Khemani. The major part of the board members being six (6) in number are held by independent directors including one independent woman director namely Ms. Savita Singh. The other independent directors are viz., Shri Jagdish Capoor, Dr. Dharmendra Bhandari, Shri Ameet N Patel, Shri V. K. Kukreja, Shri Kashi Prasad Khandelwal.

SUCCESSION PLANNING:

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

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

APPOINTMENTS / RESIGNATIONS OF DIRECTORS:

Shri Vipin Anand, Managing Director, LIC of India was nominated to hold the board level position in LIC Housing Finance Limited vide LIC Office Order No:CM/2019-20/06 dated 2nd November, 2019. In this regard the Nomination and Remuneration Committee which had considered the performance evaluation report of Shri Vipin Anand (DIN 05190124) and 'Fit and Proper' criteria adopted by the Board on 10th March, 2017 pursuant to NHB notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February, 2017 had undertaken process of due diligence in the case of Shri Vipin Anand (DIN 05190124) and found him to be suitable and eligible based on the evaluation, qualification expertise, track record, integrity, 'fit and proper' criteria to be appointed to the Board as Additional Non-Independent (Non-Executive) Nominee Director of the Company liable to retire by rotation with effect from 11th November, 2019. Based on the recommendation of the Nomination and Remuneration

BOARD'S REPORT

Committee, the Board considered and after having thought fit pursuant to the provisions of the Section 149, 152, 161 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, other applicable provisions of any other statute(s) for the time being in force, including any amendment, modification, variation or re-enactment thereof and in terms of clause 138 and 143 of the Articles of Association of the Company, Shri Vipin Anand (DIN 05190124) who fulfils the criteria of Non-Independent Director (Non-Executive) prescribed under Section 152 & 161 of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 be and is hereby appointed as Additional Non Independent Director (Non-Executive) of LIC Housing Finance Limited (the Company), liable to retire by rotation, with effect from 11th November, 2019 and the said appointment shall be without prejudice to his continuing service in LIC of India.

Shri Hemant Bhargava had tendered his resignation from Directorship of the Company with effect from 01st August, 2019 on attainment of superannuation from the services of LIC of India.

The Nomination and Remuneration Committee which had considered the performance evaluation of Shri V K Kukreja (DIN-01185834) and 'Fit and Proper' criteria adopted by the Board on 10th March, 2017 pursuant to NHB notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February, 2017 had undertaken process of due diligence in the case of Shri V K Kukreja (DIN-01185834) and found him to be suitable and eligible based on evaluation, qualification, expertise track record, integrity, 'fit and proper' criteria, for recommendation to the Board to continue Shri V K Kukreja (DIN-01185834) as an Independent Director of the Company for a further period of five consecutive years with effect from 30th June, 2020 not liable to retire by rotation. Based on the recommendation of the Nomination and Remuneration Committee, the Board considered and after having thought fit pursuant to the provisions of the Sections 149, 152, 161 and other applicable provisions, if any of the Companies Act, 2013, and the Rules made thereunder, including any amendment, modification, variation or re-enactment thereof read with Schedule IV to the Companies Act, 2013 and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the NHB Act and the regulations, directions made thereunder and the provisions of any other statute as may be applicable in this regard and for the time being in force, approved re-appointment of Shri V K Kukreja (DIN-01185834) as an Independent Director of the Company to hold office for a period of five consecutive years with effect from 30th June, 2020, not liable to retire by rotation.

The Nomination and Remuneration Committee which had considered the performance evaluation of Shri Ameet Patel (DIN-00726197) and 'Fit and Proper' criteria adopted by the Board on 10th March, 2017 pursuant to NHB notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February, 2017 had undertaken process of due diligence in the case of Shri Ameet Patel (DIN-00726197) and found him to be suitable and eligible based on evaluation, qualification, expertise Shri Siddhartha Mohanty track record, integrity, 'fit and proper' criteria, for recommendation to the Board to continue Shri Ameet Patel (DIN-00726197) as an Independent Director of the Company for a further period of five consecutive years with effect from 19th August, 2020 not liable to retire by rotation. Based on the recommendation of the Nomination and Remuneration Committee, the Board considered and after having thought fit pursuant to the provisions of the Sections 149, 152, 161 and other applicable provisions, if any of the Companies Act, 2013, and the Rules made thereunder, including any amendment, modification, variation or re-enactment thereof read with Schedule IV to the Companies Act, 2013 and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the NHB Act and the regulations, directions made thereunder and the provisions of any other statute as may be applicable in this regard and for the time being in force, approved re-appointment of Shri Ameet Patel (DIN-00726197) as an Independent Director of the Company to hold office for a period of five consecutive years with effect from 19th August, 2020, not liable to retire by rotation.

The Board also recommended appointment of Shri Siddhartha Mohanty (DIN 08058830), Managing Director and Chief Executive Officer (MD & CEO) as a Director and MD & CEO as also Key Managerial Personnel (KMP) to the shareholders / members of the Company for approval in the forthcoming Annual General Meeting of the company based on the recommendation of the Nomination and Remuneration Committee in terms of Notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 09.02.2017 issued by NHB and other applicable provisions of the Companies Act, 2013 and SEBI (LODR), 2015, NHB Directions and any other notification(s),circular(s),order(s) etc. made under the said statute(s) and considering the process of due diligence and scrutiny of the declarations undertaken by the Nomination and Remuneration Committee. The appointment of Shri Siddhartha Mohanty (DIN 08058830) as MD & CEO as also Key Managerial Personnel (KMP) is pursuant to the provisions of Sections 2(78), 2(94), 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other Rules framed thereunder read with Schedule V to the Companies Act, 2013 including any amendment, modification, variation or re-enactment thereof for the time being in force and the Articles 138, 161 and 194(c) of Articles of Association of the Company, subject to approval of the members in the 31st Annual General Meeting and such other consents and permission as may be necessary, and subject to such modifications, variations as may be approved and acceptable to the appointee, the

BOARD'S REPORT

consent of the Board of Directors be and is hereby accorded for the appointment of Shri. Siddhartha Mohanty (DIN 08058830) as Managing Director & CEO as also Key Managerial Personnel of the Company for a period of 3 years and beyond, maximum upto 5 years effective from 1st August, 2019 or as decided by LIC of India from time to time on payment of remuneration and PLI for the aforesaid period.

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

DIRECTOR RETIRING BY ROTATION:

Shri Sanjay Kumar Khemani, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

APPOINTMENTS / RESIGNATION OF THE KEY MANAGERIAL PERSONNEL:

Shri Siddhartha Mohanty, Managing Director & CEO, Mr. Nitin K. Jage, General Manager & Company Secretary and Mr. Sudipto Sil, CFO are the Key Managerial (Taxation) Personnel (KMP) as per the provisions of the Companies Act, 2013. During the Financial year 2019-2020 there has not been any change in the KMP.

COMMITTEES OF THE BOARD:

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

The Company has following Committees of the Board:

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

COMPOSITION OF AUDIT COMMITTEE IS AS FOLLOWS:

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

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

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

SUBSIDIARIES AND GROUP COMPANIES

As on 31st March, 2020, the Company has four Subsidiaries namely, LICHFL Care Homes Limited, LICHFL Asset Management Company Limited, LICHFL Trustee Company Private Limited and LICHFL Financial Services Limited. The Consolidated financial statements incorporating the results of all the subsidiaries of the Company for the year ended 31st March, 2020, are attached along with the statement pursuant to Section 129 of the Companies Act, 2013, with respect to the said subsidiaries. Brief write up including performance and financial position of each of the subsidiaries is provided as under:

1. LICHFL Care Homes Limited

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

During the FY 2019-2020, the Company earned a Profit Before Tax (PBT) of ₹ 437.32 Lakh and Profit After Tax (PAT) stood at ₹ 261.24 Lakh.

The Company has successfully completed a project at Bangalore in two Phases. It has received the Occupancy Certificate for its Bhubaneswar project, from Bhubaneswar Development Authority and is in the process of handing over the units to the allottees. Further, the Company is in process to develop new Carehomes project at Jaipur, Rajasthan and Aluva, Kerala. The Company is also in process to purchase land at various locations across the Country. Going forward, these projects are likely to further improve the overall operations and stability of the Company.

BOARD'S REPORT

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

2. LICHFL Asset Management Company Limited

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

The Company was appointed as Investment Manager in 2010 to raise and manage the LICHFL Sponsored, LICHFL Urban Development Fund (LUDF). The Company has raised total commitments of ₹ 529.35 Crore from Banks, Financial Institutions, Corporates and HNIs as against the targeted size of ₹ 500 Crore and announced financial closure on 30th March, 2013. The Company has deployed ₹ 461.30 Crore in 9 Portfolio Companies, acquisition or operation of affordable / mid income housing, related infrastructure and Hospitals. With receipts from 6 exits, the Fund has so far achieved a multiple of 1.70x on investments with an IRR of 27.19%.

The Company also launched a new Alternative Investment Fund (AIF) namely LICHFL Housing & Infrastructure Fund (LHIF), with a total corpus of ₹ 1,000 Crore including Green Shoe Option (GSO) of ₹ 250 Crore and the focus of the Fund is on Affordable Housing and Property backed Infrastructure in sectors which include Educational Institutions, Hospitals, Industrial Parks & Warehouses. As on 31st March 2020, the Company has already received total Commitment of ₹ 765 crore out of which Contribution Agreement was signed for ₹ 760 crore.

During the FY 2019-2020, the Company earned a Profit Before Tax (PBT) of ₹ 1,081.11 Lakh and Profit After Tax (PAT) stood at ₹ 735.43 Lakh.

3. LICHFL Trustee Company Private Limited

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

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

The Company was appointed as Trustee in 2017 for LICHFL Housing & Infrastructure Trust (LHIT) and further appointed LICHFL AMC Ltd. as Investment Manager for LICHFL Housing and Infrastructure Fund (LHIF). The Company had received registration for LHIF on October 2017 from SEBI under Alternative Investment Fund Regulations, 2012 as Category - I Infrastructure. LICHFL AMC launched LICHFL Housing & Infrastructure Fund (LHIF) in October 2017 and achieved initial closing on 31st March 2018. The final closing of the fund was supposed to be on 31st March 2020 but the Investment Manager has requested for further extension of 6 months i.e. 30th September 2020, the result of which is awaited.

During the FY 2019-2020, the Company earned a Profit Before Tax (PBT) of ₹ 15.80 Lakh and Profit After Tax (PAT) stood at ₹ 12.50 Lakh.

4. LICHFL Financial Services Limited

LICHFL Financial Services Limited, a wholly owned subsidiary of LIC Housing Finance Limited, was incorporated on 31st October, 2007, for marketing of housing loan, insurance products (Life and General Insurance), mutual funds, fixed deposits, credit cards. It became operational in March, 2008 and at present has 50 offices spread across the country.

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

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

The Company has earned a Profit Before Tax (PBT) of ₹ 1,527.84 Lakhs and Profit After Tax (PAT) stood at ₹ 1,062.53 Lakhs for the FY 2019-2020 and recommended dividend @ 25% for FY 2019-2020 on paid up share capital of ₹ 9.50 Crores.

BOARD'S REPORT

FINANCIAL HIGHLIGHTS FOR FY 2019-2020 IN COMPARISON WITH PREVIOUS YEAR:

SN	Particulars	FY 2019-2020 (₹ in Lakhs)	FY 2018-19 (₹ in Lakhs)
1.	Total Income	5,044.71	5,298.81
2.	Profit Before Tax	1,527.84	1,900.91
3.	Profit After Tax	1,062.53	1,309.71
4.	Dividend (Declared)	237.50	380.00

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

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

As on 31st March, 2020, the Company has two associate companies namely LIC Mutual Fund Asset Management Company Limited and LIC Mutual Fund Trustee Company Private Limited.

The Annual Report which consists of the financial statements of the Company on standalone as well as consolidated financial statements of the group for the year ended 31st March, 2020, has been sent to all the members of the Company. It does not contain Annual Reports of Company's subsidiaries. The Company will provide Annual Report of all subsidiaries upon request by any member of the Company. These Annual Reports are also be available on Company's website viz www.lichousing.com.

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

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively. Note on Internal financial control as Annexure 2 is attached to this report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

EMPLOYEE STOCK OPTION:

No stock options were issued to the Directors or any employees of the Company.

EMPLOYEE REMUNERATION:

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

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

Non-Executive Directors (including Independent Directors)*	Ratio to median remuneration
Nil	N.A.
*No remuneration is paid to Non-Executive Directors (including Independent Directors)	

Executive Director (MD&CEO)	Ratio to median remuneration
Shri Siddhartha Mohanty	8:1

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

Non-Executive Directors (including Independent Directors)*	% increase in remuneration in the financial year
Nil	N.A.
*No remuneration is paid to Non-Executive Directors (including Independent Directors)	

KMP	% increase in remuneration in the financial year
Executive Director (MD&CEO)*	6.76%
Company Secretary	6.85%(on account of perquisite in respect of lease accommodation)
Chief Financial Officer**	43.24%

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

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

BOARD'S REPORT

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

23.91%

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

2392

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

Particulars	31 March, 2020	15 November 1994 IPO)	% Change
Market Price (in ₹)	235.20**	12*	4610.42

* Adjusted Issue price value on account of sub-division

** BSE-closing Price ₹ 235.20

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

Increase in managerial remuneration for the year was 6.76%. The average annual Increase in the salaries of the employees other than managerial personnel during the year was 23.91% on account of increase in DA and new recruitment at officer level.

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

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

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

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

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

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

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

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

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

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

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

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

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

HUMAN RESOURCES

The Company aims to align HR practices with business goals, increase productivity of Human Resource by enhancing knowledge, skills and to provide conducive work environment to develop a sense of ownership amongst employees. Productive high performing employees are vital to the Company's success. The Board values and appreciates the contribution and commitment of the employees towards performance of your Company during the year. The Company inducted employees during the year for various positions and also promoted employees to take up higher responsibilities. Apart from fixed salaries, perquisites and benefits, the Company also has in place performance-linked incentives which reward outstanding

BOARD'S REPORT

performers, who meet certain performance targets. In pursuance of the Company's commitment to develop and retain the best available talent, the Company had organised and sponsored various training programmes / seminars / conferences for upgrading skill and knowledge of its employees in different operational areas.

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

ACKNOWLEDGMENTS

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

For and on behalf of the Board

Chairman

Place: Mumbai
Date: 24th August, 2020

ANNEXURE 1
TO THE BOARD'S REPORT

EXTRACT OF ANNUAL RETURN
As on financial year ended 31-03-2020
[Pursuant to Section 92(3) of the Companies act, 2013 read with
The Companies (Management and Administration) Rules, 2014] FORM NO. MGT-9

I. REGISTRATION AND OTHER DETAILS:

CIN:-	L65922MH1989PLC052257
Registration Date:	19.06.1989
Name of the Company:	LIC Housing Finance Ltd.
Category / Sub-Category of the Company	Public Company
Address of the Registered office and contact details:	Bombay Life Building, 2nd Floor, 45 / 47,Veer Nariman Road, Mumbai - 400001. Phones:022-22040006, 22049682, 22049919. Fax: 022-22049839.
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex Dynamic (India) Pvt. Ltd.,C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083. | T: 2851 5606/ 5644

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service% to total turnover of the company	% to total turnover of the company
a.	Activities of specialised institutions granting credit for house purchase	64192	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held
a.	LIC Housing Finance Limited, Bombay Life Building, 2nd Floor, 45 / 47 Veer Nariman Road, Mumbai - 400001.	L65922MH1989PLC052257	Holding	
b.	LICHFL Care Homes Limited, 1st Floor, East Wing, Industrial Assurance Building, Opp. Churchgate Station, Mumbai - 400020.	U85310MH2001PLC133341	Subsidiary	100.00%
c.	LICHFL Financial Services Limited, Bombay Life Building, 2nd Floor, 45 / 47 Veer Nariman Road, Mumbai - 400001.	U67100MH2007PLC175564	Subsidiary	100.00%
d.	LICHFL Asset Management Company Limited, Bombay Life Building, 2nd Floor, 45 / 47 Veer Nariman Road, Mumbai - 400001.	U65900MH2008PLC178883	Subsidiary	94.62%
e.	LICHFL Trustee Company Private Limited, Bombay Life Building, 2nd Floor, 45 / 47 Veer Nariman Road, Mumbai - 400001.	U67190MH2008PTC179718	Subsidiary	100.00%
f.	LIC Mutual Fund Asset Management Company Limited, 4th Floor, Industrial Assurance Building, Opp. Churchgate Station, Mumbai - 400020.	U67190MH1994PLC077858	Associate	39.30%
g.	LIC Mutual Fund Trustee Private Limited, 4th Floor, Industrial Assurance Building, Opp. Churchgate Station, Mumbai - 400020.	U65992MH2003PTC139955	Associate	35.30%

ANNEXURE 1 TO THE BOARD'S REPORT

IV. SHARE HOLDING PATTERN

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 31-03-2019				No. of Shares held at the end of the year 31-03-2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER'S									
(1). INDIAN									
(a). Individual		0				0			0
(b). Central Govt.		0				0			0.000
(c). State Govt(s).		0				0			0.000
(d). Bodies Corpp.		0				0			0.000
(e). FIINS / BANKS.	20,34,42,495	0	20,34,42,495	40.313	20,34,42,495	0	20,34,42,495	40.313	0.000
(f). Any Other		0				0			0.000
Sub-total (A) (1):-	**20,34,42,495**	**0**	**20,34,42,495**	**40.313**	**20,34,42,495**	**0**	**20,34,42,495**	**40.313**	**0**
(2). FOREIGN									
(a). Individual NRI / For Ind		0				0			0
(b). Other Individual		0				0			0
(c). Bodies Corporates		0				0			0
(d). Banks / FII		0				0			0
(e). Qualified Foreign Investor		0				0			0
(f). Any Other Specify		0				0			0
Sub-total (A) (2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**20,34,42,495**	**0**	**20,34,42,495**	**40.313**	**20,34,42,495**	**0**	**20,34,42,495**	**40.313**	**0.000**
(B) PUBLIC SHAREHOLDING									
1. Institutions									
(a). Mutual Funds	2,52,22,763	9,000	2,52,31,763	5.000	4,20,01,570	9,000	4,20,10,570	8.324	3.324
(b). Banks / FI	56,85,980	10,500	56,96,480	1.129	43,74,742	10,500	43,85,242	0.869	-0.260
(c). Central Govt.	13,48,461	0	13,48,461	0.267	11,43,843	0	11,43,843	0.227	-0.040
(d). State Govt.		0				0			0.000
(e). Venture Capital Funds		0				0			0.000
(f). Insurance Companies	1,39,37,992	7,500	1,39,45,492	2.763	2,40,01,851	5,500	2,40,07,351	4.757	1.994
(g). FIIs	19,07,71,275	18,000	19,07,89,275	37.805	16,34,06,518	18,000	16,34,24,518	32.383	-5.422
(h). Foreign Venture Capital Funds		0				0			0.000
(i). Others (specify)		0				0			0.000
Sub-total (B)(1):-	**23,69,66,471**	**45,000**	**23,70,11,471**	**46.964**	**23,49,28,524**	**43,000**	**23,49,71,524**	**46.560**	**-0.404**

ANNEXURE 1
TO THE BOARD'S REPORT

Category of Shareholders	No. of Shares held at the beginning of the year 31-03-2019				No. of Shares held at the end of the year 31-03-2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
(a). BODIES CORP.									
(i). Indian	1,02,44,801	55,500	1,03,00,301	2.041	35,78,611	53,000	36,31,611	0.720	-1.321
(ii). Overseas		0				0			0.000
(b). Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	3,59,57,177	32,60,696	3,92,17,873	7.771	4,12,30,022	28,24,691	4,40,54,713	8.730	0.959
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	29,15,781	0	29,15,781	0.578	24,41,420	0	24,41,420	0.484	-0.094
(c). Other (specify)									
Non Resident Indians	20,91,464	1,000	20,92,464	0.415	24,44,007	500	24,44,507	0.484	0.069
Overseas Corporate Bodies		0			61,956	0	61,956	0.012	0.012
Foreign Nationals		0				0			0
Clearing Members	20,27,988	0	20,27,988	0.402	23,95,733	0	23,95,733	0.475	0.073
Trusts	76,53,627	1,000	76,54,627	1.517	1,12,18,041	1,000	1,12,19,041	2.223	0.706
Foreign Boodies - D R		0				0			0
Sub-total (B)(2):-	**6,08,90,838**	**33,18,196**	**6,42,09,034**	**12.724**	**6,33,69,790**	**28,79,191**	**6,62,48,981**	**13.128**	**0.404**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**29,78,57,309**	**33,63,196**	**30,12,20,505**	**59.688**	**29,82,98,314**	**29,22,191**	**30,12,20,505**	**59.688**	**0.000**
C. Shares held by Custodian for GDRs & ADRs		**0**				**0**			**0.000**
Grand Total (A+B+C)	**50,12,99,804**	**33,63,196**	**50,46,63,000**	**100.00**	**50,17,40,809**	**29,22,191**	**50,46,63,000**	**100.00**	**0.00**

ANNEXURE 1 TO THE BOARD'S REPORT

Company : LIC Housing Finance Ltd. from 01-04-2019 to 31-03-2020

(ii) Shareholding of promoters MGT9 Report

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			ShareHolding at the end of the Year			
		No. of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	% changes in share holding during the year
1	LIFE INSURANCE CORPORATION OF INDIA	20,34,42,495	40.313	0	20,34,42,495	40.313	0	0

(iii) Change in Promoter's Shareholding(Please specify,if there is no change)

Sr. No	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the end of the Year			
		No. of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. Of shares	% of total Shares of the company
NO CHANGE!!!!								

(iv) Shareholding pattern of top ten Shareholders (other than Directors,promoters and Holders of GDRs and ADRs):

Sr. No	Name	No.of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. Of shares	% of total Shares of the company
1	**BANK MUSCAT INDIA FUND**	1,14,96,000	2.278	01-04-2019				
	-Closing Balance			31-03-2020		No Change	1,14,96,000	2.278
2	**GOVERNMENT PENSION FUND GLOBAL**	86,14,250	1.707	01-04-2019				
				05-04-2019	1,51,297	Buy	87,65,547	1.737
				19-04-2019	4,72,592	Buy	92,38,139	1.831
				19-07-2019	20,516	Buy	92,58,655	1.835
				26-07-2019	2,05,908	Buy	94,64,563	1.875
				23-08-2019	3,27,552	Buy	97,92,115	1.94
				30-08-2019	6,50,499	Buy	1,04,42,614	2.069
				06-09-2019	28,032	Buy	1,04,70,646	2.075
				13-09-2019	32,449	Buy	1,05,03,095	2.081
				20-09-2019	7,66,827	Buy	1,12,69,922	2.233
				24-01-2020	-1,54,981	Sold	1,11,14,941	2.202
				07-02-2020	-46,748	Sold	1,10,68,193	2.193
				14-02-2020	-1,03,252	Sold	1,09,64,941	2.173
				28-02-2020	2,18,804	Buy	1,11,83,745	2.216
				20-03-2020	-1,15,000	Sold	1,10,68,745	2.193
	-Closing Balance			31-03-2020			1,10,68,745	2.193
3	**HDFC LIFE INSURANCE COMPANY LIMITED**	30,75,571	0.609	01-04-2019				

ANNEXURE 1
TO THE BOARD'S REPORT

Sr. No	Name	No.of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. Of shares	% of total Shares of the company
				05-04-2019	7,00,604	Buy	37,76,175	0.748
				12-04-2019	48,668	Buy	38,24,843	0.758
				19-04-2019	6,982	Buy	38,31,825	0.759
				26-04-2019	4,641	Buy	38,36,466	0.76
				03-05-2019	20,359	Buy	38,56,825	0.764
				10-05-2019	90,564	Buy	39,47,389	0.782
				17-05-2019	8,402	Buy	39,55,791	0.784
				24-05-2019	-15,190	Sold	39,40,601	0.781
				07-06-2019	2,169	Buy	39,42,770	0.781
				14-06-2019	3,727	Buy	39,46,497	0.782
				05-07-2019	-30,529	Sold	39,15,968	0.776
				12-07-2019	-6,141	Sold	39,09,827	0.775
				19-07-2019	-33,411	Sold	38,76,416	0.768
				26-07-2019	25,273	Buy	39,01,689	0.773
				02-08-2019	30,131	Buy	39,31,820	0.779
				16-08-2019	2,39,651	Buy	41,71,471	0.827
				23-08-2019	58,229	Buy	42,29,700	0.838
				30-08-2019	7,88,357	Buy	50,18,057	0.994
				06-09-2019	2,60,502	Buy	52,78,559	1.046
				13-09-2019	2,26,410	Buy	55,04,969	1.091
				20-09-2019	-4,949	Sold	55,00,020	1.09
				30-09-2019	74,848	Buy	55,74,868	1.105
				04-10-2019	3,43,281	Buy	59,18,149	1.173
				11-10-2019	285	Buy	59,18,434	1.173
				18-10-2019	50,497	Buy	59,68,931	1.183
				25-10-2019	98,606	Buy	60,67,537	1.202
				01-11-2019	-855	Sold	60,66,682	1.202
				08-11-2019	-5,366	Sold	60,61,316	1.201
				15-11-2019	-1,094	Sold	60,60,222	1.201
				22-11-2019	-2,112	Sold	60,58,110	1.2
				29-11-2019	-2,403	Sold	60,55,707	1.2
				06-12-2019	-2,273	Sold	60,53,434	1.2
				13-12-2019	-364	Sold	60,53,070	1.199
				20-12-2019	-15,805	Sold	60,37,265	1.196
				27-12-2019	-1,181	Sold	60,36,084	1.196
				31-12-2019	-2,767	Sold	60,33,317	1.196
				03-01-2020	-2,444	Sold	60,30,873	1.195

ANNEXURE 1 TO THE BOARD'S REPORT

Sr. No	Name	No.of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. Of shares	% of total Shares of the company
				10-01-2020	-15,502	Sold	60,15,371	1.192
				17-01-2020	200	Buy	60,15,571	1.192
				24-01-2020	200	Buy	60,15,771	1.192
				07-02-2020	892	Buy	60,16,663	1.192
				14-02-2020	450	Buy	60,17,113	1.192
				28-02-2020	3,00,150	Buy	63,17,263	1.252
				06-03-2020	2,99,907	Buy	66,17,170	1.311
				13-03-2020	4,00,000	Buy	70,17,170	1.39
				20-03-2020	5,23,017	Buy	75,40,187	1.494
	-Closing Balance			31-03-2020	500	Buy	75,40,687	1.494
4	**FIDELITY INVESTMENT TRUST FIDELITY SERIES EMERGING MARKETS OPPORTUNITIES FUND**	1,58,04,076	3.132	01-04-2019				
				12-04-2019	-2,36,200	Sold	1,55,67,876	3.085
				19-04-2019	-1,07,400	Sold	1,54,60,476	3.064
				10-05-2019	1,93,000	Buy	1,56,53,476	3.102
				17-05-2019	75,600	Buy	1,57,29,076	3.117
				24-05-2019	2,04,855	Buy	1,59,33,931	3.157
				14-06-2019	2,52,900	Buy	1,61,86,831	3.207
				21-06-2019	7,74,600	Buy	1,69,61,431	3.361
				29-06-2019	2,53,900	Buy	1,72,15,331	3.411
				05-07-2019	3,09,800	Buy	1,75,25,131	3.473
				12-07-2019	1,25,700	Buy	1,76,50,831	3.498
				19-07-2019	2,13,000	Buy	1,78,63,831	3.54
				16-08-2019	-5,37,100	Sold	1,73,26,731	3.433
				23-08-2019	-1,00,78,300	Sold	72,48,431	1.436
				08-11-2019	3,26,000	Buy	75,74,431	1.501
				22-11-2019	13,67,500	Buy	89,41,931	1.772
				29-11-2019	2,28,000	Buy	91,69,931	1.817
				13-12-2019	2,81,112	Buy	94,51,043	1.873
				20-12-2019	6,43,396	Buy	1,00,94,439	2
				27-12-2019	2,79,600	Buy	1,03,74,039	2.056
				31-12-2019	2,30,468	Buy	1,06,04,507	2.101
				03-01-2020	2,21,632	Buy	1,08,26,139	2.145
				10-01-2020	5,42,200	Buy	1,13,68,339	2.253
				17-01-2020	1,37,700	Buy	1,15,06,039	2.28
				31-01-2020	-12,29,100	Sold	1,02,76,939	2.036

ANNEXURE 1
TO THE BOARD'S REPORT

Sr. No	Name	No.of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. Of shares	% of total Shares of the company
				07-02-2020	-6,37,500	Sold	96,39,439	1.91
				14-02-2020	-4,69,800	Sold	91,69,639	1.817
				28-02-2020	-18,21,917	Sold	73,47,722	1.456
	-Closing Balance			31-03-2020	1,70,100	Buy	75,17,822	1.49
5	**ABU DHABI INVESTMENT AUTHORITY - BEHAVE**	29,30,000	0.581	01-04-2019				
				30-09-2019	-50,000	Sold	28,80,000	0.571
				01-11-2019	3,82,675	Buy	32,62,675	0.647
				08-11-2019	415	Buy	32,63,090	0.647
				29-11-2019	5,43,231	Buy	38,06,321	0.754
				06-12-2019	2,13,679	Buy	40,20,000	0.797
				28-02-2020	8,80,000	Buy	49,00,000	0.971
				27-03-2020	11,62,442	Buy	60,62,442	1.201
	-Closing Balance			31-03-2020	2,59,258	Buy	63,21,700	1.253
6	**HIGHCLERE INTERNATIONAL INVESTORS EMERGING MARKETS SMID FUND**	0	0	01-04-2019				
				24-01-2020	7,10,391	Buy	7,10,391	0.141
				31-01-2020	2,95,697	Buy	10,06,088	0.199
				07-02-2020	14,58,878	Buy	24,64,966	0.488
				14-02-2020	2,97,372	Buy	27,62,338	0.547
				28-02-2020	14,73,423	Buy	42,35,761	0.839
				06-03-2020	7,46,578	Buy	49,82,339	0.987
				13-03-2020	2,10,213	Buy	51,92,552	1.029
				20-03-2020	4,09,158	Buy	56,01,710	1.11
	-Closing Balance			31-03-2020			56,01,710	1.11
7	**ICICI PRUDENTIAL VALUE DISCOVERY FUND**	0	0	01-04-2019				
				31-05-2019	5,24,649	Buy	5,24,649	0.104
				07-06-2019	4,19,360	Buy	9,44,009	0.187
				14-06-2019	9,59,927	Buy	19,03,936	0.377
				21-06-2019	5,63,875	Buy	24,67,811	0.489
				29-06-2019	48,873	Buy	25,16,684	0.499
				16-08-2019	4,96,750	Buy	30,13,434	0.597
				23-08-2019	1,32,527	Buy	31,45,961	0.623
				06-09-2019	3,69,022	Buy	35,14,983	0.697
				13-09-2019	2,85,000	Buy	37,99,983	0.753

ANNEXURE 1 TO THE BOARD'S REPORT

Sr. No	Name	No.of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. Of shares	% of total Shares of the company
				24-01-2020	2,00,000	Buy	39,99,983	0.793
				07-02-2020	2,97,085	Buy	42,97,068	0.851
				28-02-2020	3,96,412	Buy	46,93,480	0.93
				06-03-2020	2,00,000	Buy	48,93,480	0.97
				20-03-2020	5,00,000	Buy	53,93,480	1.069
	-Closing Balance			31-03-2020			53,93,480	1.069
8	**VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND**	39,49,745	0.783	01-04-2019				
				26-04-2019	-1,04,578	Sold	38,45,167	0.762
				24-05-2019	99,530	Buy	39,44,697	0.782
				07-06-2019	93,267	Buy	40,37,964	0.8
				23-08-2019	1,09,844	Buy	41,47,808	0.822
				27-12-2019	-1,66,886	Sold	39,80,922	0.789
				10-01-2020	65,450	Buy	40,46,372	0.802
				06-03-2020	82,010	Buy	41,28,382	0.818
				20-03-2020	1,89,984	Buy	43,18,366	0.856
				27-03-2020	1,79,080	Buy	44,97,446	0.891
	-Closing Balance			31-03-2020			44,97,446	0.891
9	**NATIONAL INSURANCE COMPANY LTD**	44,10,560	0.874	01-04-2019				
	-Closing Balance			31-03-2020		No Change	44,10,560	0.874
10	**THE NEW INDIA ASSURANCE COMPANY LIMITED**	34,59,314	0.685	01-04-2019				
				20-09-2019	50,000	Buy	35,09,314	0.695
				30-09-2019	50,000	Buy	35,59,314	0.705
				11-10-2019	15,531	Buy	35,74,845	0.708
				18-10-2019	84,469	Buy	36,59,314	0.725
				06-12-2019	45,000	Buy	37,04,314	0.734
				13-12-2019	2,25,000	Buy	39,29,314	0.779
				20-12-2019	1,60,000	Buy	40,89,314	0.81
				31-12-2019	1,40,000	Buy	42,29,314	0.838
				03-01-2020	90,000	Buy	43,19,314	0.856
				10-01-2020	50,000	Buy	43,69,314	0.866
	-Closing Balance			31-03-2020			43,69,314	0.866

ANNEXURE 1
TO THE BOARD'S REPORT

Sr. No	Name	No.of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. Of shares	% of total Shares of the company
11	**VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS**	42,35,711	0.839	01-04-2019				
				12-04-2019	10,028	Buy	42,45,739	0.841
				10-05-2019	10,461	Buy	42,56,200	0.843
				21-06-2019	-23,544	Sold	42,32,656	0.839
				29-06-2019	-1,56,517	Sold	40,76,139	0.808
				30-09-2019	-2,48,527	Sold	38,27,612	0.758
				27-12-2019	-1,67,109	Sold	36,60,503	0.725
				27-03-2020	-22,032	Sold	36,38,471	0.721
	-Closing Balance			31-03-2020			36,38,471	0.721
12	**FIDELITY FUNDS - ASIAN SMALLER COMPANIES POOL**	34,95,737	0.693	01-04-2019				
				17-05-2019	70,317	Buy	35,66,054	0.707
				02-08-2019	-2,75,031	Sold	32,91,023	0.652
				16-08-2019	-5,64,940	Sold	27,26,083	0.54
				30-08-2019	1,95,985	Buy	29,22,068	0.579
				25-10-2019	-6,38,642	Sold	22,83,426	0.452
				01-11-2019	-2,15,754	Sold	20,67,672	0.41
				24-01-2020	-3,21,118	Sold	17,46,554	0.346
				31-01-2020	-2,20,423	Sold	15,26,131	0.302
	-Closing Balance			31-03-2020			15,26,131	0.302
13	**FIDELITY INVESTMENT TRUST - FIDELITY DIVERSIFIED INTERNATIONAL FUND**	45,92,641	0.91	01-04-2019				
	-Closing Balance			23-08-2019	-45,92,641	Sold	0	0
14	**FIDELITY INVESTMENT TRUST- FIDELITY OVERSEAS FUND**	33,21,700	0.658	01-04-2019				
				19-07-2019	-59,800	Sold	32,61,900	0.646
				16-08-2019	-25,000	Sold	32,36,900	0.641
				23-08-2019	-32,36,900	Sold	0	0
	-Closing Balance			31-03-2020			0	0

ANNEXURE 1 TO THE BOARD'S REPORT

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Shareholding at the beginning of the year			Cumulative Shareholding at the end of the year			
		No. of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. Of shares	% of total Shares of the company
1	**MANGALAM RAMASUBRAMANIAN KUMAR**	300	0	01-04-2019				
	-Closing Balance			31-03-2020		No Change	300	0
2	**DHARMENDRA BHANDARI**	500	0	01-04-2019				
	-Closing Balance			31-03-2020		No Change	500	0
3	**HEMANT BHARGAVA**	150	0	01-04-2019				
				13-03-2020	-150	Sold	0	0
	-Closing Balance			31-03-2020			0	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year : 01.04.2019				
i) Principal Amount	1,53,860,11,26,794.39	8,997,25,07,500.00	7,615,11,51,244.00	1,704,72,47,85,538.39
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due*	5,607,03,28,189.65	248,22,04,342.82	478,68,72,273.06	6,333,94,04,805.53
Total (i+ii+iii)	**1,59,467,14,54,984.04**	**9,245,47,11,842.82**	**8,093,80,23,517.06**	**1,76,806,41,90,343.92**
Change in Indebtedness during the financial year				
Addition	1,50,100,72,98,930.00	19,152,24,47,100.00	9,413,31,04,000.00	1,78,666,28,50,030.00
Reduction	1,34,437,79,02,254.96	19,206,42,46,500.00	4,877,17,85,623.40	1,58,521,39,34,378.36
Net Change	15,662,93,96,675.04	-54,17,99,400.00	4,536,13,18,376.60	20,144,89,15,651.64
Indebtedness at the end of the financial year : 31.03.2020				
i) Principal Amount	1,69,523,05,23,469.43	8,943,07,08,100.00	12,151,24,69,620.60	1,90,617,37,01,190.03
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due*	4,807,59,78,145.26	244,42,73,028.00	591,15,60,001.00	5,643,18,11,174.26
Total (i+ii+iii)	**1,74,330,65,01,614.69**	**9,187,49,81,128.00**	**12,742,40,29,621.60**	**1,96,260,55,12,364.29**

* includes premium payable on redemption of zero coupon debentures, interest payable on commercial paper and amount payable on swap.

ANNEXURE 1
TO THE BOARD'S REPORT

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and /or Manager:

Sr. no.	Particulars of Remuneration	Name of MD / WTD / Manager : Shri. Vinay Sah Apr19- July19	Name of MD / WTD / Manager : Shri. Siddhartha Mohanty Aug19- Mar20	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31,70,511.00	17,38,849.00	49,09,360.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	72,143.00	7,94,126.25	8,66,269.25
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	-
2	Stock Option	0.00	0.00	-
3	Sweat Equity	0.00	0.00	-
4	Commission	0.00	0.00	-
	- as % of profit	0.00	0.00	-
	- others, specify...	0.00	0.00	-
5	Others, please specify (like Company contribution)	95,211.76	1,87,606.04	2,82,817.80
	Total (A)	33,37,865.76	27,20,581.29	60,58,447.05
	Ceiling as per the Act	1,64,72,20,119.13		

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors								Total Amount
1	Independent Directors	Jagdish Capoor	Savita Singh	Dr. Dharmendra Bhandari	V K Kukreja	Ameet N Patel	P Koteswara Rao	Kashi Prasad Khandelwal	Sanjay Kumar Khemani	
	Fee for attending Board / Committee meetings	7,80,000.00	2,20,000.00	6,75,000.00	11,25,000.00	4,40,000.00	8,30,000.00	2,90,000.00	6,05,000.00	49,65,000.00
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total	**7,80,000.00**	**2,20,000.00**	**6,75,000.00**	**11,25,000.00**	**4,40,000.00**	**8,30,000.00**	**2,90,000.00**	**6,05,000.00**	**49,65,000.00**
	Total Managerial Remuneration									1,10,23,447.05
	Overall ceiling as per the Act									1,55,73,85,325.26

ANNEXURE 1 TO THE BOARD'S REPORT

C. Remuneration to Key Managerial Personnel other than MD / MANAGER / WTD

Sr. No	Particulars of Remuneration	Name of Key Managerial Personnel			
		Nitin K. Jage, GM & CS	P. Narayanan, CFO April 2019	Sudipto Sil CFO May19- Mar20	Total
1	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	30,48,264.00	9,15,638.00	24,46,351.00	64,10,253.00
	b) Value of perquisites u/s 17(2) of Income tax Act, 1961	7,85,976.15	741.00	4,79,814.20	12,66,531.35
	c) Profits in lieu of salary under section 17(3) of Income tax Act, 1961	Nil	Nil	Nil	Nil
	Stock Option	Nil	Nil	Nil	Nil
2	Sweat Equity	Nil	Nil	Nil	Nil
3	Commission	Nil	Nil	Nil	Nil
4	- as % of profit	Nil	Nil	Nil	Nil
	others, specify	Nil	Nil	Nil	Nil
	Others, please specify (like Company Contribution)	2,67,758.75	19,220.95	1,87,239.25	4,74,218.95
5	Total	41,01,998.90	9,35,599.95	31,13,404.45	81,51,003.30

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority[RD/ NCLT/COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	Nil	Non Compliance of Fair Practice Code for Housing Finance Company u/s 52A of NHB Act, 1956	₹ 11,800/-	National Housing Bank Act, 1987	Nil
Penalty	Nil	Non Compliance of Fair Practice Code for Housing Finance Company u/s 52A of NHB Act, 1956	₹ 5,900/-	National Housing Bank Act, 1987	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

ANNEXURE 2
TO THE BOARD'S REPORT

NOTE ON INTERNAL FINANCIAL CONTROL

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

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

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

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

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

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

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

ANNEXURE 3 TO THE BOARD'S REPORT

RELATED PARTY TRANSACTION POLICY AND PROCEDURES

POLICY:

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

DEFINITIONS:

Related Party: [Section 2(76)]

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

i) A director or his relative;

ii) Key Managerial Personnel or their relative;

iii) A firm in which a director / manager or his relative is a partner;

iv) A private company in which a director or manager is a director or holds alongwith his relatives, more than 2% of its paid-up share capital;

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

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

Relative: [Section 2(77)]

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

i) Father (including step father);

ii) Mother (including step mother);

iii) Son (including step-son);

iv) Son's wife;

v) Daughter;

vi) Daughter's husband;

vii) Brother (including step-brother);

viii) Sister (including step-sister).

Related Party Transaction [Section 188] to be reported are as set below:

Sale, purchase or supply of any goods or materials;

Selling or otherwise disposing of, or buying, property of any kind;

Leasing of property of any kind;

Availing or rendering of any services;

Appointment of any agent for purchase or sale of goods, materials, services or property;

Such related party's appointment to any office or place of profit in the Company, its subsidiary company or associate company;

Underwriting the subscription of any securities or derivatives thereof, of the company;

Key Managerial Personnel: [Section 2(51)]

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

i) The Chief Executive Officer or the Managing Director or the Manager;

ii) The Company Secretary; iii) The Whole-time director; iv) The Chief Financial Officer;

v) And such other officer as may be prescribed.

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

PROCEDURES:

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

ANNEXURE 3
TO THE BOARD'S REPORT

the Audit Committee at the Audit Committee's next regularly scheduled meeting; provided that if ratification is not done, management will make all reasonable efforts to cancel or annul such transaction.

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

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

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

c. Such omnibus approval shall specify the following:

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

d. In such cases where the need for Related Party Transactions cannot be foreseen and details as required above are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹ 10 Crore per transaction;

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

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

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

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

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

APPROVAL OF BOARD OF DIRECTORS:

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

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

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

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

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

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

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

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

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

ANNEXURE 3 TO THE BOARD'S REPORT

PRE-APPROVED TRANSACTIONS:

The Audit Committee has reviewed and pre-approved each of the following types of Related Party Transactions, which will be deemed to be approved or ratified, as applicable under this policy:

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

   or

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

2. **Transactions that are in the Company's ordinary course of business such as the following:**
   a) Borrowing or Raising of funds in the nature of NCD, Bonds (Tier I or II, subordinate etc) for business of the company from the promoter, repayment / payment of interest or principal towards secured or unsecured loans.

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

   b) Accepting and repayment of Public Deposit, payment of interest thereon, to the depositors.

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

DISCLOSURE:

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

OTHER AGREEMENTS:

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

REVIEW & MONITORING OF RELATED PARTY TRANSACTIONS:

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

INTERPRETATION:

This policy is intended to comply with the requirement of the Companies Act, 2013 and Listing Regulations. Notwithstanding anything herein to the contrary, this policy will be interpreted only in such a manner as to comply with the requirement of the Companies Act, 2013 and Listing Regulations in this regard.

ANNEXURE 4
TO THE BOARD'S REPORT

FORM No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

    a) Name(s) of the related party and nature of relationship: N.A.

    b) Nature of contracts/arrangements/transactions: N.A.

    c) Duration of the contracts / arrangements / transactions: N.A.

    d) Salient terms of the contracts or arrangements or transactions including the value if any: N.A

    e) Justification for entering into such contracts or arrangements or transactions: N.A

    f) Date(s) of approval by the Board: N.A

    g) Amount paid as advance, if any: N.A

    h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: N.A.

2. Details of material contracts or arrangements or transactions at arm's length basis:

    a) Name(s) of the related party and nature of relationship: Annexure 6 to this report

    b) Nature of transactions: As per Annexure 6 to this report.

    c) Duration of the transactions: On going basis

    d) Salient terms of the contracts or arrangements or transactions including the value if any: As per Annexure 6 to this report

    e) Date(s) of approval by the Board: 19th June, 2020

    f) Amount paid as advance, if any: Nil

For and on behalf of the Board of Directors

M. R. Kumar
Chairman

Place: Mumbai
Date: 24th August, 2020

ANNEXURE 5 TO THE BOARD'S REPORT

Annual Report on the CSR activities pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013.

1. Brief outline of the Company's CSR policy including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

To actively contribute towards social and economic development of the poor irrespective of caste, creed and religion in areas around which the Company operates. In doing, it aims to bring a dignified and meaningful life to the poor and sense of gratification to stakeholders by making a difference in their lives. The Company's CSR policy has been uploaded on the website of the Company under the web-link: https://www.lichousing.com/Polices&Codes.

2. Composition of the CSR Committee:

Shri Jagdish Capoor	Member	Independent Director
Dr. Dharmendra Bhandari	Member	Independent Director
Shri Siddhartha Mohanty	MD & CEO	Executive Director

3. Average net profit of the Company for last three financial years:

The Average net profit of the Company for the last three financial years (Financial Years 2015-2016, 2016-2017 and 2018-2019) computed as per section 135 of Companies Act 2013 read with Rule 2(1) (f) of The Companies (CSR Policy) Rules, 2014 is ₹ 3,074.61 crore.

4. Prescribed CSR expenditure (two percent of the amount as in item 3 above):

The Company, during the financial year 2019-2020, was required to spend ₹ 61.49 crore towards CSR expenditure.

5. Details of CSR spent during the financial year:

a) Total amount spent for the financial year 2019-2020 is ₹ 21.31 crore and a provision of ₹ 40.18 crore has been made for CSR expenditure by the company as on March 31, 2020

b) Amount unspent, if any: ₹ 40.18 crore. However, the Company has created a suo motu provision and has earmarked the unspent amount for spending exclusively for the CSR activities sanctioned in FY 2019-2020.

c) Manner in which amount spent during the financial year is detailed below:

Sr. No	CSR Project / Activity	Sector	Local area or the State and district	Budget projects / programmes (₹)	Amount spent on the projects or programmes Direct expenditure / Overheads (₹)	Cumulative Expenditure up to the reporting period (₹)	Amount Spent: Direct / implementing agency
1	Support extended to Gramalaya Trust for its project "School Sanitation Program Tamil Nadu" for Construction of 100 toilets in underprivileged government Schools.	Promoting education and Sanitation	Cuddalore, Karur Thanjavur and Thiruchirappalli districts, Tamil Nadu	₹ 2,77,50,000	₹ 2,77,50,000	₹ 2,77,50,000	Through Implementing agency namely Gramalaya Trust
2	Support extended to Mysore Resettlement and Development Agency (MYRADA) for its project "Sustainable Solutions to Enable Water and Food Security through Women Empowerment and Watershed Development in Kelamangalam Block of Krishnagiri District"	Promoting Natural Resource Management and eradicating hunger, poverty, malnutrition and women empowerment.	Krishnagiri District, Tamil Nadu	₹ 1,15,22,724	₹ 1,00,00,000	₹ 1,00,00,000	Through Implementing agency namely Mysore Resettlement and Development Agency (MYRADA)

ANNEXURE 5
TO THE BOARD'S REPORT

Sr. No	CSR Project / Activity	Sector	Local area or the State and district	Budget projects / programmes (₹)	Amount spent on the projects or programmes Direct expenditure / Overheads (₹)	Cumulative Expenditure up to the reporting period (₹)	Amount Spent: Direct / implementing agency
3	Support extended to Shanthi Medical Information Trust for its project "SMIC MENTAL HEALTH AND REHABILITATION CENTRE" towards comprehensive treatment and care facility dedicated to cater to the needs of the people with mental illness	Promoting health care including preventive health care	Palakkad, Kerala	₹ 3,84,64,225	₹ 2,00,00,000	₹ 2,00,00,000	Through Implementing agency namely Shanthi Medical Information
4	Support extended to Action Aid Association for Rebuilding 10 government school, affected due to cyclone in Thiruvarur, Nagapattinum, Tanjore districts of Tamil Nadu	Promoting education	Thiruvarur and Nagapattinum districts of Tamil Nadu	₹ 1,37,98,804	₹ 1,00,00,000	₹ 1,00,00,000	Through Implementing agency namely Action Aid Association
5	Support extended to Sahbhagi Shikshan Kendra for its project "Navparivartan -Promoting Inclusive village development through Sustainable interventions" related to social, educational, financial, heath and infrastructure in 5 villages of Mahuari Panchayat in Hussainabad Block(Japla) of Palamu District in Jharkhand.	Promoting education and Sanitation, Promoting health care including preventive health care, livelihood enhancement projects	Palamu, Jharkhand	₹ 36,24,950	₹ 36,24,950	₹ 36,24,950	Through Implementing agency namely Sahbhagi Shikshan Kendra
6	Support extended to Smile Foundation for its project tilted "SATHI" for enhancing learning outcomes in education for marginalised children in Bharatpur, Rajasthan.	Promoting education	Bharatpur, Rajasthan	₹ 1,30,98,000	₹ 50,59,895	₹ 50,59,895	Through Implementing agency namely Smile Foundation
7	Support extended to Magic Bus India Foundation for its project "Udhyam (Ready for Retail, BFSI & ITES)" for imparting skills to youth through their programmes in Mumbai and Kolkata..	Promoting education through enhancing vocation skills	Mumbai, Maharastra and Kolkata, West Bengal	₹ 67,57,360	₹ 22,52,453	₹ 22,52,453	Through Implementing agency namely Magic Bus India Foundation

ANNEXURE 5
TO THE BOARD'S REPORT

Sr. No	CSR Project / Activity	Sector	Local area or the State and district	Budget projects / programmes (₹)	Amount spent on the projects or programmes Direct expenditure / Overheads (₹)	Cumulative Expenditure up to the reporting period (₹)	Amount Spent: Direct / implementing agency
8	Support extended to Advait Foundation for its project tilted "My Skills My Life" to develop skill of the local rural youth in computer-based interventions, IT and banking related interventions in Gopalnagar Village in Kolkata, West Bengal.	Promoting education through enhancing vocation skills	Kolkata, West Bengal	₹ 44,60,900	₹ 44,60,900	₹ 44,60,900	Through Implementing agency namely Advait Foundation
9	Support extended to Collective Goods Foundation for its project "LIC HFL Vidhyadhan Scholarship" for providing scholarship to 1000 students.	Promoting education	Across all Indian States	₹ 279,75,000	₹ 31,37,000	₹ 31,37,000	Through Implementing agency namely Collective Goods Foundation
10	Support extended to Save The Children India for its project "ATHI (Anti trafficking of Human initiative)" by empowering women in Mumbai, Maharashtra.	Promoting education through imparting employment enhancing vocation skills	Mumbai, Maharashtra.	₹ 71,20,850	₹ 17,80,213	₹ 17,80,213	Through Implementing agency namely Save The Children India
11	Support extended to Grama Vikas for its project "Urban Development Action in Neighbourhoods (UDAN)" to rebuilt 5 cyclone affected village in Bhuneshwar, Odisha.	Promoting Health Care by providing safe drinking water and promoting sustainable agricultural practice	Bhuneshwar, Odisha.	₹ 1,49,95,329	₹ 30,50,993	₹ 30,50,993	Through Implementing agency namely Grama Vikas
12	Support extended to Pratham Mumbai Education Initiative for its project "Community Transformation Hub" to provide education and vocational training to poor youth and parents in Mumbai, Maharashtra.	Promoting education through enhancing vocation skills	Mumbai, Maharashtra	₹ 60,75,800	₹ 18,31,450	₹ 18,31,450	Through Implementing agency namely Pratham Mumbai Education Initiative
13	Support extended to Indo – Global Social Service Society for its project of "Refurbishing of 28 flood affected government schools in four districts of Assam and Bihar" in Chirang and Barpeta district in Assam and Madhubani and Muzaffarpur district in Bihar	Promoting education	Chirang and Barpeta districts in Assam and Madhubani and Muzaffarpur districts in Bihar	₹ 1,97,67,560	₹ 99,69,780	₹ 99,69,780	Through Implementing agency namely Indo – Global Social Service Society

ANNEXURE 5
TO THE BOARD'S REPORT

Sr. No	CSR Project / Activity	Sector	Local area or the State and district	Budget projects / programmes (₹)	Amount spent on the projects or programmes Direct expenditure / Overheads (₹)	Cumulative Expenditure up to the reporting period (₹)	Amount Spent: Direct / implementing agency
14	Support extended to Lok Bharti Education Society for its project "Udhyam" for imparting skill training to unemployed youths in Bangalore, Chennai and Delhi.	Promoting education through enhancing vocation skills	NCR, New Delhi, Bangalore, Karnataka and Chennai, Tamil Nadu	₹ 97,50,000	₹ 97,50,000	₹ 97,50,000	Through Implementing agency namely Lok Bharti Education Society
15	Support extended to Sahbhagi Shikshan Kendra for its project "HRIDAY : Holistic Rural Initiative for Development Action and Yield" to develop a model village by working on all dimensions of development like health, education, WaSH, Livelihood etc in 5 villages of Mahuari Panchayat in Hussainabad Block of Palamu District in Jharkhand	Promoting education and Sanitation, Promoting health care including preventive health care, livelihood enhancement projects	Palamu, Jharkhand	₹ 1,87,68,320	₹ 1,00,00,000	₹ 1,00,00,000	Through Implementing agency namely Sahbhagi Shikshan Kendra
16	Support extended to Sri Shanmukhanada Fine arts and Sangeetha Sabha for its project "Shanmukhanada renal dialysis Centre" for providing cost effective dialysis treatment in Mumbai, Maharashtra	Promoting health care through curative treatment	Mumbai, Maharshtra	₹ 4,00,00,000	₹ 2,00,00,000	₹ 2,50,00,000	Through Implementing agency namely Sri Shanmukhanada Fine arts and Sangeetha Sabha
17	Support extended to Tata Memorial centre - Advanced Centre for Treatment for Research Education in Cancer for its project "Nirnayam (project to procure equipment's for cancer diagnosis and treatment)" for providing Medical Instrument for Service, Education and research in Navi Mumbai, Maharashtra.	Promoting Health care and Research.	Navi Mumbai, Maharashtra.	₹ 3,00,00,000	₹ 3,00,00,000	₹ 3,00,00,000	Through Implementing agency namely Tata Memorial centre - Advanced Centre for Treatment for Research Education in Cancer
18	Support extended to Oxfam India for its project titled "for providing humanitarian response to COVID-19" for extending essential goods for daily living in various districts of Odisha, Bihar, Jharkhand, UP, Chhattisgarh and West Bengal	Providing humanitarian assistance for disaster relief and preventive health care	Odisha, Bihar, Jharkhand, UP, Chhattisgarh and West Bengal	₹ 4,85,00,000	₹ 1,00,00,000	₹ 4,00,00,000	Through Implementing agency namely Oxfam India

ANNEXURE 5
TO THE BOARD'S REPORT

Sr. No	CSR Project / Activity	Sector	Local area or the State and district	Budget projects / programmes (₹)	Amount spent on the projects or programmes Direct expenditure / Overheads (₹)	Cumulative Expenditure up to the reporting period (₹)	Amount Spent: Direct / implementing agency
19	Support extended to Action Aid Association for its project titled "for providing humanitarian response to COVID-19" for extending essential goods for daily living in different districts of Gujarat, Karnataka, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, Madhya Pradesh, Rajasthan and Maharashtra	Providing humanitarian assistance for disaster relief and preventive health care	Gujarat, Karnataka, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, Madhya Pradesh, Rajasthan and Maharashtra	₹ 4,50,00,000	₹ 1,00,00,000	₹ 4,00,00,000	Through Implementing agency namely Action Aid Association
20	Support extended to Sassoon Hospital Denagi Samiti for "setting up of Medical Treatment facilities for Covid -19" for providing better treatment facilities and equipment for health professionals in Pune, Maharashtra.	Promoting health care through curative health care facilities	Pune, Maharashtra	₹ 4,00,00,000	₹ 0	₹ 3,98,17,920	Through Implementing agency namely Sassoon Hospital Denagi Samiti
21	Support extended to Sharma Family Charitable Trust for its project "providing Medical preventive Kit for health workers" in Hyderabad, Telengana.	Providing humanitarian assistance for disaster reilef and preventive health care	Hyderabad, Telengana	₹ 10,55,700	₹ 10,55,700	₹ 10,55,700	Through Implementing agency namely Sharma Family Charitable Trust
22	Support extended to Tarun Bharat Sangh for its project "for providing humanitarian response to COVID-19" for extending essential goods for daily living in Thanagazi Block of the Alwar district of Rajasthan.	Providing humanitarian assistance for disaster reilef and preventive health care	Alwar, Rajasthan	₹ 25,00,000	₹ 25,00,000	₹ 25,00,000	Through Implementing agency namely Tarun Bharat Sangh
23	Support extended to PM Care Fund to fight COVID-19	Providing humanitarian assistance for disaster reilef through PM CARE funds under schedule VII	NA	₹ 1,50,00,000	₹ 1,50,00,000	₹ 1,50,00,000	Direct
24	Support extended to AL Milant Foundation for its project of providing humanitarian response to COVID-19 by distribution of faces mask and sanitizers in 3 districts of Uttar Pradesh.	Providing humanitarian assistance for disaster reilef and preventive health care	Lucknow, Varanasi, Gorakhpur districts of Uttar Pradesh	₹ 75,00,000	₹ 0	₹ 74,31,898	Through Implementing agency namely AL Milant Foundation

ANNEXURE 5
TO THE BOARD'S REPORT

Sr. No	CSR Project / Activity	Sector	Local area or the State and district	Budget projects / programmes (₹)	Amount spent on the projects or programmes Direct expenditure / Overheads (₹)	Cumulative Expenditure up to the reporting period (₹)	Amount Spent: Direct / implementing agency
25	Support extended to Jan Swasthya Sahyog for its project "Nirnayam (supporting infrastructural developments of Public Health Laboratory)" for providing better diagnostic facilities for marginalized communities in Bilaspur, Chhattisgarh.	Promoting health care including preventive health care	Bilaspur, Chhattisgarh	₹ 39,20,000	₹ 0	₹ 0	Through Implementing agency namely Jan Swasthya Sahyog
26	Support extended to Social Upliftment and Development for Health Action (SUDHA) for its project " 'Back to school' " for distribution of school uniforms, school bag and school shoes for the children of 8 tribal schools children in Thane & Palghar districts of Maharashtra	Promoting education	Thane & Palghar districts of Maharashtra	₹ 54,10,317	₹ 0	₹ 0	Through Implementing agency namely Social Upliftment and Development for Health Action
27	Support extended to Parivaar Education Society for its project "Parivaar MP Residential Institution for Tribal Children Project" to promote holistic education for underprivileged students from tribal area in Sehore district, Madhya Pradesh.	Promoting education	Sehore district, Madhya Pradesh	₹ 55,00,000	₹ 0	₹ 0	Through Implementing agency namely Parivaar Education Society
28	Support extended to the Akshaya Patra Foundation for "procurement of Mid-day meal distribution vehicle" to deliver safe hygienic nutrient rich food for underprivileged children in Jaipur, Lucknow, Vadodara and Surat	Promoting education and providing nutrition	Jaipur, Rajasthan Lucknow, Uttar Pradesh Vadodara and Surat, Gujarat	₹ 4,25,00,000	₹ 0	₹ 0	Through Implementing agency namely The Akshaya Patra Foundation
29	Support extended to Gramalaya Trust for its project "School Sanitation Programme" towards construction of 100 sanitation units in Andhra Pradesh and Telegana for government schools for catering to the needs of underprivileged children.	Promoting education and Sanitation	Kurnool and Kadapa, districts of Andhra Pradesh. Kamareddy and Khammam districts of Telangana	₹ 3,80,00,000	₹ 0	₹ 0	Through Implementing agency namely Gramalaya Trust

ANNEXURE 5
TO THE BOARD'S REPORT

Sr. No	CSR Project / Activity	Sector	Local area or the State and district	Budget projects / programmes (₹)	Amount spent on the projects or programmes Direct expenditure / Overheads (₹)	Cumulative Expenditure up to the reporting period (₹)	Amount Spent: Direct / implementing agency
30	Support extended to Evangelical Social Action Forum (ESAF) for its project "rebuilding of flood affected government school in Thrissur Kerala".	Promoting education	Thrissur, Kerala	₹ 59,16,250	₹ 0	₹ 0	Through Implementing agency namely Evangelical Social Action Forum (ESAF) society
31	Support extended to CHETNA for its project "of providing Infrastruture support for classrooms" for building of school infrastructure for specially abled children in Lucknow, Uttar Pradesh.	Promoting education	Lucknow, Uttar Pradesh.	₹ 47,16,403	₹ 0	₹ 0	Through Implementing agency namely CHETNA society
32	Support extended to Teach to lead for its project "Teach For India" for promoting quality education in 20 under privileged government schools through 20 project fellows in Bangalore and Delhi.	Promoting education	Delhi and Bangalore	₹ 92,40,000	₹ 0	₹ 0	Through Implementing agency namely Teach to lead
33	Support extended to Jagriti Sewa Sanathan for its project "of setting –up Jagriti Enterprise Centre" at Eastern Uttar Pradesh, Purvanchal District - Deoria for promotion of entrepreneurial spirit among the rural youth of the country for turning them into Job creators.	Vocational training and entrepreneurship development	Purvanchal District, Uttar Pradesh	₹ 4,00,00,000	₹ 0	₹ 0	Through Implementing agency namely Jagriti Sewa Sanathan
34	Support extended to Angikaar Campaign to bring beneficiaries of Pradhan Mantri Awas Yojana(Urban) into the fold of other central schemes such as Ujjawala and Ayushman Bharat.	Promoting livelihood, health and conservation of natural resources	Across all Indian States	₹ 2,12,088	₹ 2,12,088	₹ 2,12,088	Direct
35	Overhead expenses for monitoring of projects, developing MIS portal and administrative expenses of CSR personals		Across all Indian States	₹ 59,99,421	₹ 16,30,021	₹ 16,30,021	

ANNEXURE 5
TO THE BOARD'S REPORT

The Overhead expenses includes the following:

a) Administrative expenses of ₹ 11.94 lakh constituting the CTC of two employees on the payroll of the Company, for carrying out the CSR function and

b) an amount of ₹ 59.99 lakh sanctioned towards developing MIS portal for CSR project monitoring and reporting by a vendor namely Solace Consulting Pvt. Ltd. out of which ₹ 16.30 lakh has been spent until 31.03.2020.

The Company has created a provision of ₹ 40.18 crore as on 31.03.2020 in respect of the CSR projects/activities which has been sanctioned until 31.03.2020. Subsequent to 31.03.2020 and until the date of this report ₹ 11.22 crore has been spent from the provisioned amount.

6. **In case, the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reason for not spending the amount in its Board report:**

The Company is in the process of gradually building and developing the internal CSR appraisal mechanism, for appraising CSR projects / activities as it intends to contribute towards genuine projects and partner with only reputed implementation agencies with proven track record. The Company has emphasis on periodically monitoring the CSR contribution made by it. During financial year 2019-2020 the Company has sanctioned the entire CSR budget for the approved projects. The Company is committed towards funding genuine CSR activities.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance of CSR objectives and policy of the Company:**

The CSR committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 24th August, 2020

Shri. Siddhartha Mohanty
Managing Director & CEO

Shri. Jagdish Capoor
Chairman-CSR Committee

ANNEXURE 6 TO THE BOARD'S REPORT

Related Party Disclosure

a. Related Party Policy:

Related Party Policy is uploaded on the website of the Company namely www.lichousing.com.

b. Names of related parties:

(i) Enterprise having Significant Influence on the Company

Life Insurance Corporation of India

(ii) Enterprises over which Control exists

LICHFL Care Homes Limited

LICHFL Financial Services Limited

LICHFL Asset Management Company Limited

LICHFL Trustee Company Private Limited

(iii) Associates of the Company

LIC Mutual Fund Asset Management Limited

LIC Mutual Fund Trustee Private Limited

(iv) Key Management Personnel

Key Management Personnel	For the year ended March 31, 2020	For the year ended March 31, 2019
Shri Vinay Sah	MD & CEO (Upto 31.07.2019)	MD & CEO
Shri Siddhartha Mohanty	MD & CEO (From 01.08.2019)	-
Shri Nitin K Jage	Company Secretary	Company Secretary
Shri P Narayanan	Chief Financial Officer (Upto 09.05.2019)	Chief Financial Officer
Shri Sudipto Sil	Chief Financial Officer (From 10.05.2019)	-

(v) Directors (Executive or Otherwise)

Key Management Personnel	For the year ended March 31, 2020	For the year ended March 31, 2019
Shri V K Sharma	-	Chairman (Upto 31.12.2018)
Shri M R Kumar	Chairman	Chairman (From 25.03.2019)
Shri Hemant Bhargava	Non-Executive Nominee Director (Upto 01.08.2019)	Non-Executive Nominee Director
Ms. Usha Sangwan	-	Non-Executive Nominee Director (Upto 29.09.2018)
Shri Vipin Anand	Non-Executive Nominee Director (From 11.11.2019)	-
Shri Jagdish Capoor	Independent Director	Independent Director
Ms. Savita Singh	Independent Director (Re-designated as Independent Director from 01.04.2019)	Non Independent Director
Shri Dharmendra Bhandari	Independent Director	Independent Director
Shri V. K. Kukreja	Independent Director	Independent Director
Shri Ameet Patel	Independent Director	Independent Director
Shri P Koteswara Rao	Non Independent Director (Re-designated as Non Independent from 04.05.2019)	Independent Director
Shri T. V Rao	-	Independent Director (Upto 31.07.2018)
Shri Debabrata Sarkar	-	Independent Director (Upto 12.11.2018)
Shri Kashi Prasad Khandelwal	Independent Director (From 01.07.2019)	-
Shri Sanjay Kumar Khemani	Non Independent Director (From 01.07.2019)	-

ANNEXURE 6
TO THE BOARD'S REPORT

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

(₹ in Crore)

Related Party	Nature of transactions	For the year ended March 31, 2020	For the year ended March 31, 2019
Life Insurance Corporation of India	Repayment of non-convertible debentures	500.00	1,750.00
	Interest expenses on Secured and Unsecured loans	1,461.83	1,531.38
	Dividend Payment	154.62	138.34
	Rent Rates and Taxes	8.12	6.71
	Payment of Electricity Expenses	0.45	0.49
	Payment for Staff training, Conference, etc.	0.02	0.14
	Reimbursement of Gratuity, Mediclaim, GSLI and Pension Fund for staff posted from LIC	1.12	0.98
	Net Contribution to LIC of India, P & GS, for Gratuity premium for employees (Post Employment Benefit Fund with Related Entity)	8.45	24.05
	Outstanding Non- Convertible Debentures (NCDs) as at the year end (Credit)	16,550.00	17,050.00
	Interest Accrued on Non- Convertible Debentures (NCDs) as at the year end (Credit)	452.84	576.66
	Balance as at the year end-Others (Credit)	2.39	2.16
LICHFL Care Homes Limited	Dividend Income	-	0.25
	Investment in Share Capital of LICHFL Care Homes Limited	-	25.00
	Rent Received	0.24	0.14
	Balance as at the year-end (Debit)	-	-
LICHFL Financial Services Limited	Dividend Income	3.80	4.28
	Investment in Public Deposit (PD) by LICHFL Financial Services Ltd in LICHFL	24.00	-
	Accrued Interest on PD	1.52	-
	Commission Expenses on marketing Loans	43.49	47.87
	Commission Expenses on PD	0.30	0.10
	Rent Received	0.46	0.45
	Payment of Expenses	0.20	0.44
	Reimbursement of Expenses	0.20	0.44
	Balance as at the year end for payment of Commission Expense on Loan Business (Credit)	5.10	12.77
	Balance as at the year end for payment of Commission Expense on PD (Credit)	0.01	0.01
	Balance as at the year end towards Public Deposit and Accrued Interest on Public Deposit (Credit)	25.52	-
	Balance as at the year end -Others (Debit)	0.01	0.00
LICHFL Asset Management Company Limited	Dividend Income	2.18	1.74
	Investment in Public Deposit (PD) by LICHFL Asset Management Co. Ltd in LIC HFL	10.63	8.29
	Redemption of PD by LICHFL Asset Management Co. Ltd in LIC HFL	7.15	-
	Accrued Interest on PD of LICHFL	0.77	0.18
	Interest paid on PD of LICHFL	0.45	0.24
	Payment of Expenses	0.19	0.20
	Reimbursement of Expenses	0.19	0.20
	Balance as at the year end for PD and Accrued Interest on PD (Credit)	14.35	10.10
	Balance as at the year end- Others (Debit)	0.01	0.01

ANNEXURE 6 TO THE BOARD'S REPORT

Related Party	Nature of transactions	For the year ended March 31, 2020	For the year ended March 31, 2019
LIC Mutual Fund Asset Management Limited	Dividend Income	0.22	0.43
Shri Siddhartha Mohanty, MD & CEO (From 01.08.2019) & Shri Vinay Sah, MD & CEO (Upto 31.07.2019)	*Managerial remuneration-Total	**0.60	0.57
	Short Term Employment Benefits	0.59	0.56
	Post -Employment Benefits	0.01	0.01
	Outstanding Amount of Loan taken from the Company	0.47	0.35
Shri Nitin K Jage, Company Secretary	*Managerial remuneration-Total	0.41	0.38
	Short Term Employment Benefits	0.41	0.38
	Post Employment Benefits	-	-
	Investment in Public Deposit	0.04	0.21
	Outstanding Amount of Loan taken from the Company	0.08	0.11
Shri P Narayanan, CFO (Upto 10.05.2019) & Shri Sudipto Sil (From 10.05.2019)	*Managerial remuneration-Total	***0.40	0.28
	Short Term Employment Benefits	0.40	0.27
	Post Employment Benefits	0.00	0.01
	Investment in Public Deposit	-	0.28
	Accrued Interest on Public Deposit	-	0.03
	Investment in Public Deposit by Close Members of family	0.48	-
	Accrued Interest on Public Deposit made by Close Members of family	0.06	-
Directors (Executive or Otherwise)	Sitting Fees Paid	0.50	0.46
Shri Hemant Bhargava, Non-Executive Nominee Director (Upto 01.08.2019)	Outstanding Amount of Loan taken from the Company	-	0.04
Shri Jagdish Capoor, Independent Director	Investment in Public Deposit	0.10	-

*As the Provision for Performance Linked Incentive (PLI) and Leave encashment is accrued for the company as a whole and not decided individually, hence not included. However, payment made during the financial year 2019-2020 has been included.

**The amount includes Performance Linked Incentive (PLI) paid to Shri Vinay Sah, MD & CEO (Upto 31.07.2019) during the Financial year 2019-2020 and salary paid to Mr. Siddhartha Mohanty, MD & CEO, (From 01.08.2019) and Shri Vinay Sah, MD & CEO for financial year 2019-2020.

*** The amount includes Performance Linked Incentive (PLI) paid to Shri P Narayanan, CFO (Upto 09.05.2019) during the Financial year 2019-2020 and salary paid to Shri Sudipto Sil, CFO (From 10.05.2019) and Shri P Narayanan, CFO for financial year 2019-2020.

Gratuity attributable to the Company Secretary and CFO (From 10.05.2019) is ₹ 0.20 Crore as a post- employment benefit. For the MD & CEO and CFO (Upto 10.05.2019), an amount of 5% of Basic Salary plus DA is contributed as a post-employment benefit to LIC.

For and on behalf of the Board of Directors

M R Kumar
Chairman

Place: Mumbai
Date: 24th August, 2020

ANNEXURE 7 TO THE BOARD'S REPORT

Form Aoc-1

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

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

Part 'A' Subsidiaries

Amt in ₹

Sl. No.	Name of the Subsidiary Company	Reporting period	Reporting currency	Issued, subscribed and paid up Capital	Reserves & surplus	Total assets	Liabilities (excluding share capital & reserves)	Investments	Turnover	Profit/(Loss) before taxation	Tax Expenses / (Credit)	Profit / (Loss) after taxation	Proposed dividend	% of shareholding
1	LICHFL Care Homes Limited	April 2019-March 2020	INR	50,00,00,000	16,15,15,856	1,33,12,98,669	66,97,82,813	1,14,77,430	11,96,64,295	4,37,31,943	1,76,07,430	2,61,24,513	Nil	100
2	LICHFL Financial Services Limited	April 2019-March 2020	INR	9,50,00,000	47,24,29,584	64,39,02,399	7,64,72,815	Nil	50,44,71,202	15,27,83,775	4,65,30,634	10,62,53,141	25%	100
3	LICHFL Asset Management Company Limited	April 2019-March 2020	INR	9,19,44,000	36,02,53,565	56,28,40,694	11,06,43,129	37,51,73,255	15,88,01,551	10,81,11,408	3,45,68,525	7,35,42,883	27.50%	94.62
4	LICHFL Trustee Company Private Limited	April 2019-March 2020	INR	9,00,000	41,18,234	52,41,222	2,22,988	51,54,854	17,66,071	15,80,529	3,30,269	12,50,260	Nil	100

Part 'B' Associate

1	LIC Mutual Fund Asset Management Company Limited	April 2019-March 2020	INR	11,00,00,000	1,04,87,79,110	1,29,66,07,720	13,78,28,610	48,92,03,720	43,06,08,540	(2,17,26,240)	-	(2,17,26,240)	Nil	39.30
2	LIC Mutual Fund Trustee Private Limited	April 2019-March 2020	INR	1,00,000	24,34,660	26,08,557	73,897	Nil	21,06,612	6,95,488	1,75,054	5,20,434	Nil	35.30

ANNEXURE 8 TO THE BOARD'S REPORT

DIVIDEND DISTRIBUTION POLICY

INTRODUCTION

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

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

DIVIDEND DISTRIBUTION POLICY OF LIC HOUSING FINANCE LIMITED

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

EFFECTIVE DATE

The Policy has come into effect from the date of its adoption by the Board i.e. 16.01.2017.

PURPOSE:

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

OBJECTIVES:

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

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

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

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

SCOPE, LAW AND REGULATION OF DIVIDEND:

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

The Company will adhere to the provisions of Law as stated in above para, as amended from time to time and to the extent applicable.

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

ANNEXURE 8
TO THE BOARD'S REPORT

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

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

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

The Policy shall not apply to:

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

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

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

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

I. GENERAL TERMS

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

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

a) Future expansion plans;

b) Profit earned during the current financial year;

c) Overall financial conditions;

d) Cost of raising funds from alternative sources;

e) Applicable taxes;

f) Money market conditions;

g) Macro-economic situations, etc.

h) Investor's expectation and other relevant factors.

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

Free Reserves:

The word 'Free reserves' has been defined by Section 2(43) of Companies Act, 2013 to mean such reserves which, as per the latest audited balance sheet of a company, are available for distribution as dividend. However, the following shall not be treated as free reserves:

- any amount representing unrealized gains,
- notional gains or revaluation of assets,
- whether shown as a reserve or otherwise, or any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value, shall not be treated as free reserves.

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

Interim dividend:

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

Final Dividend:

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

ANNEXURE 8 TO THE BOARD'S REPORT

Powers to SEBI:

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

Dividend Payout Ratio:

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

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

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

1. Dividend shall be declared or paid only out of:
   - I. Current period profit
     - a) after providing for depreciation in accordance with law;
     - b) after transferring to reserves, such amount of profits as may prescribed under National Housing Bank Act, 1987, Companies Act, 2013 and the rules made thereunder, Income-tax Act, 1961 or under any other laws or statutes.
   - II. The profit from any previous financial year(s):
     - a) after providing for depreciation in accordance with law; and
     - b) out of the amount available for dividend that remains undistributed after prescribed appropriations have been made; or
   - III. Out of I or II or both
2. Before declaring any dividend, the losses, if any, of any previous year(s) must be set off against the profit of the Company for the current year or previous year.
3. In terms of third proviso of Section 123(1) (b) of the Companies Act, 2013, no dividend shall be declared or paid by a company from its reserves other than free reserves.

III. OTHER FINANCIAL PARAMETERS

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

1. Income and profitability parameters:
   - I. Net Interest Income (NII);
   - II. Profit Before Tax (PBT) and Profit After Tax (PAT);
   - III. Return on Assets (RoA);
   - IV. Return on Equity (RoE);
   - V. Earnings Per Share (EPS);
   - VI. Profit growth targets and market expectations.
2. Capitalization level parameters:
   - I. Net Owned Funds (NOF);
   - II. Capital Risk Adequacy Ratio (CRAR), Tier I capital and Tier II capital;
   - III. Gross leverage and net leverage.
3. Portfolio quality parameters:
   - I. Absolute values of gross NPA and net NPA
   - II. Gross NPA and net NPA as percentage of loan assets
   - III. Provisioning levels and provision coverage
   - IV. Change in regulatory provisioning requirements
   - V. Outlook on portfolio quality

IV. FACTORS THAT MAY AFFECT DIVIDEND PAYOUT

A. External Factors

Taxation and other regulatory concern

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

Product/ market expansion plan

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

ANNEXURE 8
TO THE BOARD'S REPORT

Macroeconomic conditions

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

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

B. Internal Factors

The Board and Management may decide to utilize its profit for;

i. Business expansion and growth;

ii. Capital expenditure;

iii. Up-gradation of technology and physical infrastructure;

iv. Creation of contingency fund;

v. Acquisition of brands and businesses;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

VII. MANNER OF DIVIDEND PAYOUT

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

ANNEXURE 8 TO THE BOARD'S REPORT

In case of final dividends

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

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

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

4. In terms of Regulations 29(1) and (2) of the Listing Regulations, an intimation of atleast 2 working days (excluding the date of intimation and date of meeting of the Board) is required to be given to the stock exchanges, prior to the meeting of the Board at which the recommendation of final dividend is to be considered.

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

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

7. In terms of Regulation 42(3) of the Listing Regulations, the Company shall recommend or declare all dividend at least five working days (excluding the date of intimation and the record date) before the record date fixed for the purpose.

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

9. Any dividend payable (Mode of payment of dividend) in cash shall be paid by using any of the electronic mode of payment facility approved by the Reserve Bank of India. Provided that where it is not possible to use electronic mode of payment, 'payable-at-par' warrants or cheques may be issued and in case the dividend amount exceeds ₹ 1500/-, the 'payable-at-par' warrants or cheques shall be sent by speed post.

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

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

10. Dividend distribution tax will be paid as per the applicable laws.

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

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

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

14. The Company shall give atleast a 7 days prior notice by advertisement, stating the dates of closure of its transfer books / record date, at least once in a vernacular newspaper in the principal vernacular language, having a wide circulation in the district in which the registered office of the company is situated,

ANNEXURE 8
TO THE BOARD'S REPORT

and atleast once in English language in an English newspaper, circulating in the district and has wide circulation in the place where the registered office is located, and publish the Notice on the website of the Company in terms of Rule 10 of the Companies (Management and Administration) Rules, 2014.

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

16. A cheque or warrant for payment of Dividend would be valid for three months from the date thereof and, where such cheque or warrant remains unpaid after this initial period of validity, it would be revalidated for not more than three months or a fresh instrument would be issued which would have a validity of three months from date of issue.

17. The Company would revalidate the Dividend warrant or issue a fresh Dividend warrant or a demand draft or pay order or electronic transfer of funds, in lieu thereof, within 30 days of the receipt of a request for revalidation.

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

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

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

In case of interim dividend

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

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

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

4, 5, 6, 7,.....20 of above para i.e. In case of final dividend under VII Manner of Dividend Payout is also applicable to Interim Dividend.

VIII. MANNER OF UTILISATION OF RETAINED EARNINGS

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

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

IX. PARAMETERS FOR VARIOUS CLASS OF SHARES

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

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

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

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

ANNEXURE 8 TO THE BOARD'S REPORT

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

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

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

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

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

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

XI. REVIEW

Dividend Policy shall be reviewed at least once a year. The revised policy, if any shall be placed before the Board for approval.

XII. AMENDMENT

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

ANNEXURE 9
TO THE BOARD'S REPORT

Web links

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

Sr. No.	Name of the policy / code / document	Brief Summary	Web link
1.	Dividend Distribution Policy	The policy details guidelines for dividend distribution for equity shareholders as per Listing Regulations	https://www.lichousing.com/downloads/DividendDistributionPolicy.pdf
2.	Corporate Social Responsibility Policy	The Company recognizes its obligation towards society and therefore the policy lays down its focus areas for contributions, mechanism for implementation, monitoring of the projects / activities towards social and economic development of the underprivileged / economically backward section of the society irrespective of gender, caste, creed and religion in areas around which Company operates.	https://www.lichousing.com/pdf/Corporate_Social_Responsibility_Policy.pdf
3.	Policy For Determining Material Subsidiaries	The policy determines the guidelines for material subsidiaries of the Company and also provides governance framework for material subsidiaries.	https://www.lichousing.com/pdf/POLICY_FOR_DETERMINING_MATERIAL_SUBSIDIARIES.pdf
4.	Policy For Determination of Materiality	The policy determines the requirements for disclosing material events including deemed material events for the Company.	https://www.lichousing.com/pdf/Policy-for-determination-of-materiality-of-an-Event-or-Information.pdf
5.	Governance Guidance	The Governance Guidelines has been prepared to keep abreast with regulatory changes, incorporate best professional practices and enhance board effectiveness.	https://www.lichousing.com/downloads/Governance%20Guidelines.pdf
6.	Whistle Blower Policy	The Company adopted whistleblower mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud.	https://www.lichousing.com/pdf/WhistleblowerPolicy.pdf
7.	Related Party Transaction Policy And Procedures	The policy regulates all the transactions between the Company and its related parties	https://www.lichousing.com/pdf/Related-Party-Transaction-Policy-and-Procedures-new.pdf
8.	Code of conduct for Board of Directors and senior Management	The code details on uncompromising business ethics and compliance program.	https://www.lichousing.com/BODAndSenior_Manager.php
9.	Familiarisation Programme For Independent Directors	The policy is aimed at familiarising Independent directors about their role, rights, responsibilities, business model, etc.	https://www.lichousing.com/downloads/Familiarization_Program_05_03_2020.pdf
10.	Remuneration Policy	The policy details the compensation principles	https://www.lichousing.com/pdf/Remuneration-Policy.pdf
11.	Policy On Archiving Of Information Or Content Hosted On Website	The policy lays the guidelines on archival and retention of records of the Company.	https://www.lichousing.com/pdf/Policy-on-Archival-of-Information-or-Content.pdf
12.	Corporate Disclosure Policy	The policy lays down procedure for disclosure / dissemination of Price Sensitive Information.	https://www.lichousing.com/downloads/Corporate%20Disclosure%20Policy.pdf
13.	Policy On Preservation Of Documents	The policy is as per the Regulation 9 of the Listing Regulations, 2015 and it determines preservation period for records / documents based on their reference value and legal requirements.	https://www.lichousing.com/pdf/Policy-on-Preservation-of-Documents-1.pdf
14.	Board Diversity Policy	The policy sets out the approach to ensure diversity and committed to equality of opportunity in all aspects of its business.	https://www.lichousing.com/pdf/Board-Diversity-Policy.pdf
15.	Corporate Culture Policy	The policy is as part of requirement under Regulation 4(2)(f)(iii) of the Listing Regulations, 2015.	https://www.lichousing.com/pdf/Corporate-Culture-Policy.pdf
16.	Principal and Policies of business responsibility	It is In accordance with Regulation 34(2)(f) of Listing Regulations, 2015, the Company has adopted the nine key principles of Business Responsibility.	https://www.lichousing.com/pdf/Principles-and-Policies-of-Business-Responsibility.pdf
17.	Code Of Internal Procedure And Conduct For Insider Trading-2015	The code is guideline to regulate, monitor and report trading in securities of the Company.	https://www.lichousing.com/pdf/Policy-on-Prohibition-on-Insider-Trading.pdf
18.	Annual Report		https://www.lichousing.com/shareholders_relations.php

ANNEXURE 10 TO THE BOARD'S REPORT

To,
The Members,
LIC Housing Finance Limited

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

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

(2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

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

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

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

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

(7) Due to lock down it was impossible to conduct a physical audit and hence the company has extended virtual data room facility to the Auditor for performing Secretarial Audit.

For M/s N.L. Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
UDIN: F001176B000285966

N.L. Bhatia
Managing Partner
FCS: 1176
CP. No.: 422

Date: May 27, 2020.
Place: Mumbai.

ANNEXURE 10 TO THE BOARD'S REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

To,
The Members,
LIC Housing Finance Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices adopted by LIC Housing Finance Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2020 according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable;

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

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

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

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

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2013 **- Not applicable to the Company during the Financial Year;**

g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 **- Not applicable to the Company during Financial Year;**

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **- Not applicable to the Company during the Financial Year;**

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **- Not applicable to the Company during the Financial Year.**

1. Tax Laws:
   - All applicable provisions of the Central GST laws, respective States SGST laws and IGST laws.
   - Income Tax Act, 1961
2. Indian Stamp Act, 1899 and the State Stamp Acts;
3. The Labour Welfare Fund, Act, 1953;
4. Indian Contract Act, 1872
5. Negotiable Instruments Act, 1881
6. Information Technology Act, 2000

ANNEXURE 10 TO THE BOARD'S REPORT

7. Whistle Blowers Protection Act, 2011
8. Registration Act, 1908;
9. Limitation Act, 1963;
10. The Shops and Establishment Act;
11. Compliance with Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI);
12. Compliance with Insolvency & Bankruptcy Code (IBC);
13. Compliance with Code of Wages, 2019;
14. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI);

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

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

Adequate notice is given to all directors to schedule the Board and Committee Meetings. Agenda and detailed notes on agenda were sent adequately in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were **passed unanimously and with requisite majority in General Meeting**. The decisions at all Board level Committee Meetings were taken unanimously and reason / rational for the decision has also been recorded in the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that the company is in process of implementing the Digital Database under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

At the Annual General Meeting held on August 28, 2019 the Shareholders approved the following by way of Special Resolution:

i. Issuance of Redeemable Non-Convertible Debentures and /Or Other Hybrid Instruments on a Private Placement Basis for cash at par, premium or discount upto ₹ 49, 500/-Crore.

ii. Increase in Limits of Borrowing by the Company not exceeding ₹ 4 lakh crore.

iii. Re-Appointment of Dr. Dharmendra Bhandari (DIN-00041829) as an Independent Director of the Company to hold office for a second term commencing with effect from August 19, 2019 to August 18, 2024 not liable to retire by rotation.

For M/s N.L. Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
UDIN: F001176B000285966

N.L. Bhatia
Managing Partner
FCS: 1176
CP. No.: 422

Date: May 27, 2020.
Place: Mumbai.

ANNEXURE 10 TO THE BOARD'S REPORT

'ANNEXURE A'

Secretarial compliance report of LIC Housing Finance Limited for year ended 31st March, 2020

We, M/s N L Bhatia & Associates, Practicing Company Secretaries, have examined:

a) all the documents and records made available to us and explanation provided by LIC Housing Finance Limited (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 certification;

e) books, papers, minute books, forms and returns filed;

For the year ended 31st March, 2020 in respect of compliance with the provisions of:

a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations,

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-

1) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

2) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

3) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

4) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

5) Securities And Exchange Board Of India (Depositories And Participants) Regulations, 1996/Securities and Exchange Board Of India (Depositories And Participants) Regulations, 2018;

6) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2015;

7) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013

8) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable during the Financial Year**

9) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable during the Financial Year**

10) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; **Not applicable to the Company**

11) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable to the Company during the Financial Year**

and based on the above examination, we hereby report that, for the year ended 31st March, 2020;

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)	Deviations	Observations/ Remarks of the Practicing Company Secretary
None			

b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.

c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Actions taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
None				

d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended...	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
None				

For N. L. Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
UDIN:

N. L. Bhatia
Managing Partner
FCS: 1176
CP. No. 422

Date: May 27, 2020
Place: Mumbai

REPORT ON CORPORATE GOVERNANCE

The corporate governance is a tool through which an organisation directs and controls itself and the people associated with it by established standards and codes of conduct. Through good Corporate Governance it is ensured fair and ethical business decisions are carried out by taking various stakeholder's interest into account. Corporate Governance is the key to integrity of corporations, financial institutions and capital market.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's Corporate Governance is a large spectrum of systems and practices that ensures commitment to values - fairness, transparency, responsibility and ethical behaviour in doing business. The Company transforms theses core values in to business policies and practices aim of sustainable growth for all stakeholders.

The Company endeavours to achieve operational excellence and customer delight in every sphere of business operation through constant awareness about its responsibility in relation to stakeholders, customers, government, employees and society at large. Being a responsible organisation your Company honestly and effectively discharges its obligations to government and strives to empower the employees.

The Company has strong legacy of transparency and ethical governance practices. The Company has adopted code of conduct for its Directors and employees which is hosted on its website. The Company complies with all requirements stipulated under Security Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015), ("SEBI LODR REGULATIONS") and shortened version of Listing Agreement entered into with the Stock Exchanges with regard to Corporate Governance. The Company also complies with the applicable provisions of the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016.

BOARD OF DIRECTORS

Composition

It is our belief that the Board of Directors of the Company needs to have an appropriate mix of executive, non-executive and independent directors to maintain its independence and clearly carve out functions of governance and management. The Listing Regulations mandate that for a company with a non-executive chairman, who is a promoter, at least half of the Board should consist of independent directors. As on 31st March, 2020, the Board of the Company comprised of Eleven members consisting of two Non-Executive Non-Independent Promoter Directors including Chairman, Shri M. R. Kumar, Non-Executive Nominee Director and Shri Vipin Anand, one Executive Nominee Director, Shri Siddhartha Mohanty, who is Managing Director & CEO, two Non-Executive Non Independent Directors and Six Non-Executive Independent Directors include one women Independent Director Smt. Savita Singh, thereby fulfilling the requirement of the Companies Act, 2013 and the Listing Regulations. The Executive and Non-Executive Directors are competent and knowledgeable personalities in their respective fields. None of the Directors on the Board hold Directorship in more than 10 public companies and none of them is a member of more than 10 committees or chairman of more than 5 committees in Companies in which they are Directors. Necessary disclosures in this regard as on 31st March, 2020 have been made by the Directors. The Directors are not related to each other.

The average tenure of members on our Board is 3.3 years as of 31st March, 2020. The average tenure of executive director (whole-time director) is 0.7years, independent directors is 5.25 years and that of the non-executive non-independent directors including chairman is 1.02 years.

The average tenure of Board members in years as on 31st March, 2020 is as follows:

Name of the Director	Original date of appointment	Tenure (in years) as on 31st March, 2020	Earlier of retirement date/ term ending date	Average tenure (in years)
Non-executive Non independent Directors including Chairman				
M. R. Kumar	25.03.2019	1.07	NA	1.02
Vipin Anand	11.11.2019	0.4	NA	
P Koteswara Rao	11.06.2018	1.80	10.06.2023	
Sanjay Kumar Khemani	01.07.2019	0.80	NA	
Executive – Whole-time Director				
Siddhartha Mohanty	01.08.2019	0.7	NA	0.7
Independent Directors				
Jagdish Capoor*	25.05.2012	7.85	23.05.2022	5.25
Dr. Dharmendra Bhandari**	19.08.2014	5.62	18.08.2024	
Ameet N Patel	19.08.2015	4.62	18.08.2020	
V. K. Kukreja	30.06.2015	4.75	30.06.2020	
Ms. Savita Singh*	25.05.2012	7.85	24.05.2023	
Kashi Prasad Khandelwal	01.07.2019	0.80	30.06.2024	

*reappointed for a second term w.e.f 24.05.2017 ** reappointed w.e.f 19.08.2019

REPORT ON CORPORATE GOVERNANCE

The Independent Directors actively take part in the proceedings of the Board and Committee meetings which enables qualitative decision-making. They receive sitting fees for attending the Board and Committee meetings, other than Corporate Social Responsibility Committee meetings and do not have any other material or pecuniary relationship or transactions with the Company, its Promoters, its Directors, Management, Subsidiaries or Associates. In 2018-19, the composition of the Board was in conformity with ("SEBI LODR REGULATIONS") Details of Board Meetings and the last Annual General Meeting attended by Directors, number of other Directorships / Committee membership and chairmanship (viz. Audit Committee and Stakeholders Relationship Committee as per ("SEBI LODR REGULATIONS") held by them as on 31st March, 2020 are tabulated below:

Sr. No.	Directors	Category of Directorship	Attendance at 30th Annual General Meeting	Attendance at the Board meetings (No. of meetings held – 7)	No. of Director-ships of other Companies (other than LIC Housing Finance Ltd.)	No. of Committees Membership / Chairmanship (other than LIC Housing Finance Ltd.)		Directorships in other Listed entities and category
						Member	Chairman	
1.	Shri M. R. Kumar (DIN- 03628755)	Chairman	Present	7	1	-	-	IDBI BANK LIMITED-(Non-Executive Non- Whole time Chairman)
2.	Shri Vipin Anand^ (DIN- 05190124)	Non Executive Non Independent	Not Applicable	2	-	-	-	-
3.	Shri Jagdish Capoor (DIN- 00002516)	Independent and Non-Executive	Present	7	2	2	-	i. SPANDANA SPHOORTY FINANCIAL LIMITED- Independent Director ii. Manappuram Finance Limited- Independent and Non-Executive Chairman
4.	Smt. Savita Singh (DIN-01585328)	Independent and Non Executive	Absent	5	-	-	-	-
5.	Dr. Dharmendra Bhandari (DIN- 00041829)	Independent and Non-Executive	Present	7	-	-	-	-
6	Shri V. K. Kukreja (DIN- 01185834)	Independent and Non Executive	Present	7	-	-	-	-
7.	Shri Ameet N. Patel (DIN- 00726197)	Independent and Non Executive	Present	7	-	-	-	-
8.	Shri Siddhartha Mohanty (DIN- 08058830)	Executive	Present	5	1	1	-	Kesoram Industries Ltd- Non Executive Nominee Director
9.	Shri P Koteswara Rao (DIN- 06389741)	Non-Executive Non Independent	Present	5	-	-	-	-

REPORT ON CORPORATE GOVERNANCE

Sr. No.	Directors	Category of Directorship	Attendance at 30th Annual General Meeting	Attendance at the Board meetings (No. of meetings held – 7)	No. of Director-ships of other Companies (other than LIC Housing Finance Ltd.)	No. of Committees Membership / Chairmanship (other than LIC Housing Finance Ltd.)		Directorships in other Listed entities and category
						Member	Chairman	
10.	Shri Kashi Prasad Khandelwal (DIN -00748523)	Independent and Non-Executive	Present	5	4	4	4	i. Kesoram Industries Ltd-Independent Director ii. GPT Infraprojects Limited-Independent Director iii Balasore Alloys Limited iv.Birla Tyres Ltd-Independent Director
11	Shri Sanjay Kumar Khemani (DIN -00072812)	Non-Executive Non Independent	Present	5			-	
12	Shri Hemant Bhargava* (DIN- 01922717)	Non Executive Non Independent	Not Applicable	2	4	1		i. Voltas Limited-Non-Executive Director ii.The Tata Power Company Limited-LIC Nominee Director iii.Larsen and Toubro Limited-Non-Executive Director iv.ITC Limited-Non-Executive Director
13	Shri Vinay Sah** (DIN- 02425847)	Executive	Not Applicable	2	-	-	-	-

*Shri Hemant Bhargava Resigned on 01.08.2019. ** Shri Vinay Sah Resigned on 31.07.2019 on account of repatriation to LIC of India.

^ Shri Vipin Anand was appointed through resolution by circulation on 11th November, 2019

Note:

1) Excludes Foreign Companies, Private Limited Companies and Companies under Section 8 of Companies Act, 2013, Trusts and Alternate Directorships as per Regulation 26 of the Listing Regulations.

2) Includes only chairmanship / membership of Audit Committee and Stakeholders' Relationship Committee in public companies.

3) None of the Directors are related inter-se.

Role of the Board of Directors:

The primary role of the Board of Directors is that of trusteeship to protect and enhance shareholders' value through strategic direction to the Company. The Board has fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth. The Board carries out its duties with care, skill and diligence and exercises independent judgement. It sets strategic goals and seeks accountability from the management and employees.

Certificate from Company Secretary in practice:

Shri N. L. Bhatia (FCS:1176, CP No.:422), Managing Partner of N. L. Bhatia & Associates, Practicing Company Secretaries (UIN: P1996MH055800) has issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the ("SEBI LODR REGULATIONS") / Ministry of Corporate Affairs or any such statutory authority.

REPORT ON CORPORATE GOVERNANCE

Board appointments / membership criteria:

The Company inducts eminent personalities from diverse fields as Directors on its Board. The Nomination and Remuneration Committee (NRC) works with the entire Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. Board members are expected to possess required qualifications, integrity, expertise and experience for the position and relevant to the Company and also ability to contribute to its growth.

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfil the conditions specified in the Companies Act, 2013 and Listing Regulations and are independent of the Management.

The table below, summarizes the key qualifications, skills and attributes which are taken into consideration while nominating individuals as Board members:

Definitions of director qualification, skills and attributes	
Corporate Governance	Need to have the knowledge to steer the organisation towards achieving its objectives while operating effectively, responsibly, legally and sustainably, adopts best practices in corporate governance, including relevant governance codes, , practices, roles, duties, responsibilities and accountabilities of individual directors and of the Board as a whole.
Leadership and stakeholder relations	Need to understand how to deliver effective leadership, build good stakeholder relations and develop a strategically aligned and value based organisational performance.
Strategy	Demonstrate an understanding of market demands including retail customer needs as well as the importance of customer centric service, good commercial judgement, understanding of the relationship between risk and reward, Company's relative position and challenges and understanding of alternative / disruptive business models.
Finance / Technical	Need to understand how to assess the organisation's financial position and steer its financial performance in order to stay solvent and develop sustainable plans, demonstrate an understanding of how to interpret financial statements and accounts in order to assess the financial health of an organisation, understating of finance in all its facets including housing finance, knowledge of relevant products / schemes, housing, banking, funding through debt and equity, capital markets, regulatory framework and knowledge of relevant legislative issues.
Strategic thinking	Ability to identify opportunities and threats to the organisation, taking account of the internal and external business environment, propose alternative options, present creative and innovative solutions. Identify the potential impact of decisions and offer contingency plans and risk mitigation.
Analysis and use of information	Ability to actively seek reliable, sufficiently detailed and timely information from wide range of sources, assimilate and synthesise financial, technical and qualitative information, simplify complex information.
Decision making	Ability to evaluate proposals using a range of criteria, SOP, existing schemes, etc., identify their advantages and disadvantages, take decisions even in the face of uncertainty, take calculated risks in the context of the organisation's strategy and protecting its commercial interests.
Communication	Ability to communicate effectively , listen dispassionately, carefully, and attentively. Communicate articulately, clearly and concisely.

REPORT ON CORPORATE GOVERNANCE

Definitions of director qualification, skills and attributes	
Leadership	Strong leadership skills enable Directors to solve problems, cope with crisis and change and inspire others to follow them in pursuit of the values and goals of the organisation, display confidence, self-assurance and conviction. Inspire, support and motivate others.
Influencing	Ability to build good network and relationships within and beyond the organisation, persuade and influence others including those of equal, greater or subordinate status and power. Identify the needs, interests and influence of internal and external stakeholders and build appropriate and effective relationships as well as demonstrate shrewdness and political astuteness.
Ethical	Demonstrate behaviour which conforms to high standards of public conduct, place interest of the organisation above self in all business matters, identify and disclose conflicts of interest relating to self and others when these become apparent.
Professional	Need to have professional attitude and outlook towards their role, maintain high standards of skill, care and diligence in professional activities, take responsibility for one's performance and behaviour and that of the organisation, act as an advocate for the organisation, both internally and externally.
Performance oriented	Focus on the goals of the organisation and the priorities agreed by the Board, identify and take opportunities to enhance the organisation's business advantage, set challenging but achievable goals and standards of performance for themselves and others. Encourage a culture of learning in the organisation.
Independent	Should be willing to disagree and take an independent stance in the face of dissenting views and to potential detriment, encourage rigorous discussion and diverse views, adopt an inquisitive approach and actively question assumptions and test propositions. Willing to challenge the status quo and historical ways of doing things.

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted.

	Area of expertise													
Name of Director	**Corporate Governance**	**Leadership and stakeholder**	**Strategy**	**Finance / Technical**	**Strategic**	**Analysis and use of information**	**Decision making**	**Communication**	**Leadership**	**Influencing**	**Ethical**	**Professional**	**Performance oriented**	**Independent**
M R Kumar, Chairman	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Vipin Anand	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Siddhartha Mohanty, MD & CEO	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Jagdish Capoor	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Savita Singh	√	√	√	√	√	√	√	√		√	√	√		√
Dr. Dharmendra Bhandari	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Ameet N Patel	√	√	√	√	√	√	√	√	√	√	√	√	√	√
V. K Kukreja	√	√	√	√	√	√	√	√	√	√	√	√	√	√
P Koteswara Rao	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Kashi Prasad Khandelwal	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Sanjay Kumar Khemani	√	√	√	√	√	√	√	√	√	√	√	√	√	√

REPORT ON CORPORATE GOVERNANCE

EVENTS AFTER BALANCE SHEET DATE:

The Nomination and Remuneration Committee which had considered the report of performance evaluation of Shri V K Kukreja (DIN-01185834), 'Fit and Proper' criteria adopted by the Board on 10th March, 2017 as per NHB notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February, 2017, and had undertaken process of due diligence in the case of Shri V K Kukreja (DIN-01185834), found Shri V K Kukreja (DIN-01185834), to be suitable and eligible based on evaluation, qualification, expertise, track record, integrity and 'fit and proper' criteria, to continue as Independent Director of LIC Housing Finance Limited (the Company) for a further period of five consecutive years with effect from 01st July, 2020 and not liable to retire by rotation. Based on such recommendation, the Board considered and after having thought fit, pursuant to the provisions of the Sections 149, 152, 161 and the Rules made thereunder, read with Schedule IV, approved appointment of Shri V K Kukreja (DIN-01185834) as Additional Director (Independent) of the Company to hold office for a period of five (5) consecutive years, not liable to retire by rotation.

The NRC which had considered the report of performance evaluation of Shri Ameet N Patel (DIN-00726197), 'Fit and Proper' criteria adopted by the Board on 10th March, 2017 as per NHB notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February, 2017, and had undertaken process of due diligence in the case of Shri Ameet N Patel (DIN-00726197), found Shri Ameet N Patel (DIN-00726197), to be suitable and eligible based on evaluation, qualification, expertise, track record, integrity and 'fit and proper' criteria, to continue as Independent Director of the Company, for a further period of five consecutive years with effect from 19th August, 2020 and not liable to retire by rotation. Based on such recommendation, the Board considered and after having thought fit, pursuant to the provisions of the Sections 149, 152, 161 and the Rules made thereunder, read with Schedule IV approved appointment of Shri Ameet N Patel (DIN-00726197) as Additional Director (Independent) of the Company to hold office for a period of five (5) consecutive years, not liable to retire by rotation.

BOARD MEETINGS

The meetings of the Board of Directors are scheduled in advance. The Company Secretary prepares the agenda for the meetings in consultation with the Managing Director & CEO. The detailed agenda and other relevant notes are circulated to the Directors well in advance. The Directors can suggest additional items for deliberation. Members of the Senior Management team are invited in the meetings to provide additional information and clarification, if required. During FY 2019-2020, seven Board meetings were held as listed below:

Sr. no.	Dates on which the Board Meetings were held	Total strength of the Board	No. of Directors present
1	04th May 2019	9	8
2	01st July 2019	9	9
3	03rd August 2019	10	9
4	28th August 2019	10	9
5	19th October 2019	10	9
6	30th January 2020	11	11
7.	06th March 2020	11	11

Directorship term:

The Board constantly evaluates the contribution of members and as and when reappointments are made, the same are updated / hosted on the Company's website. As per the Act /Regulations, two-third of the non-independent directors are liable to retire by rotation and one-third of them should mandatorily retire by rotation every year. Executive Director is appointed by the shareholders for a maximum term of five years or up to the term of superannuation whichever is earlier. An Independent Director shall hold the term of office for five (5) consecutive years on the Board of the Company and would be eligible for reappointment on the passing of a special resolution by the shareholders.

Succession planning:

As part of succession planning and in order to ensure stability and effective implementation of long term business strategies and for smooth transition at MD & CEO level, the Board considered and approved that senior official from LIC of India may be deputed to LIC Housing Finance Limited, at least 4 to 6 months in advance before the retirement / elevation / transfer of MD & CEO, by creating a new position of Chief Operating Officer (COO) who would subsequently take over as MD & CEO on retirement / elevation / transfer of the MD & CEO with a view to ensuring stability and effective implementation of long term business strategies.

NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY DIRECTORS:

Except Shri M R Kumar, and Dr. Dharmendra Bhandari, who hold 300 and 500 equity shares respectively, none of the Directors of the Company are holding any equity shares of the Company. The Company has not issued any convertible instruments till date.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

During the year under review, the Company had provided suitable training to Independent Directors, familiarizing them with the company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates and business model of the company. The details of such familiarisation programme are disclosed on the Company's website https://www.lichousing.com/downloads/Familiarization_Program_05_03_2020.pdf.

REPORT ON CORPORATE GOVERNANCE

SITTING FEE:

Sitting fee is paid to the Directors (other than Shri M. R. Kumar, Chairman, Shri Vipin Anand, Director, Shri Siddhartha Mohanty, Managing Director & CEO), for every Board and Committee meeting; other than Corporate Social Responsibility Committee meetings; attended by them. Remuneration is paid to Shri Siddhartha Mohanty, as applicable to an officer in the cadre of Executive Director of LIC of India and Productivity Linked Incentive as approved by the NRC.

BOARD COMMITTEES:

The Board has constituted various committees to facilitate a more focused attention on important issues. The Committees deliberate and decide on the issues falling within their terms of reference and make recommendations to the Board wherever necessary.

AUDIT COMMITTEE:

The Committee comprises of Four Non-Executive Independent Directors with expertise in finance, accounts, treasury and law. During the year, eight (8) Audit Committee meetings were held. The composition of Audit Committee, the dates on which the Audit Committee meetings were held and the attendance of the members at the said meetings are as under:

Composition

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

Dates of Audit Committee Meetings & Attendance of Members:

Sr. no.	Dates on which Audit Committee meetings were held	Shri Jagdish Capoor	Dr.Dharmendra Bhandari	Shri Ameet N. Patel	Shri Kashi Prasad Khandelwal*
1	03rd May 2019	Attended	Attended	Attended	Not Applicable
2	04th June 2019	Attended	Attended	Attended	Not Applicable
3	26th June 2019	Attended	Attended	Attended	Not Applicable
4	03rd August 2019	Attended	Attended	Attended	Not Applicable
5	18th October 2019	Attended	Attended	Attended	Attended
6	19th December 2019	Attended	Attended	Attended	Attended
7	29th January 2020	Attended	Attended	Attended	Attended
8	5th March 2020	Attended	Attended	Attended	Attended

* Inducted on Committee on 03rd August, 2019.

Shri Nitin K. Jage, General Manager (Taxation) and Company Secretary, acts as Secretary to the Committee.

The Audit Committee possesses adequate powers and its terms of reference enable it to play an effective role as mentioned in ("SEBI LODR REGULATIONS").

Role and Powers of Audit Committee

The terms of reference of the Audit Committee comprise:

Role

i. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, adequate and credible;

ii. Recommendation for appointment, remuneration, and terms of appointment of auditors of the company;

iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause(c) of sub-section 3 of section 134 of the Companies Act, 2013;

   b. Changes, if any, in accounting policies and practices and reasons for the same;

   c. Major accounting entries involving estimates based on the exercise of judgement by management;

d. Significant adjustments made in the financial statements arising out of audit findings;

e. Compliance with listing and other legal requirements relating to financial statements;

f. Disclosure of any related party transactions;

REPORT ON CORPORATE GOVERNANCE

g. Modified opinion(s) in the draft audit report;

v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency on utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

vii. Reviewing and monitoring the Auditor's independence and performance and effectiveness of audit process;

viii. Approval or any subsequent modification of transactions of the company with related parties;

ix. Scrutiny of inter-corporate loans and investments;

x. Valuations of undertakings or assets of the company wherever it is necessary;

xi. Evaluation of Internal Financial Controls and Risk Management systems;

xii. Reviewing, with the management, performance of Statutory and Internal auditors, adequacy of the Internal Control Systems;

xiii. Reviewing the adequacy of Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xiv. Discussion with the Internal Auditors of any significant findings and follow up thereon;

xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

xviii. To review the functioning of the Whistle Blower Mechanism;

xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc of the candidate;

xx. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

xxi. reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

(The term related party transactions shall have the same meaning as provided in ("SEBI LODR REGULATIONS").

Powers

i. To investigate any activity within its terms of reference.

ii. To seek information from any employee.

iii. To obtain external legal or other professional advice.

iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee mandatorily reviews the following:

1. Management discussion and analysis of financial condition and results of operations;

2. Statement of significant related party transactions submitted by management;

3. Management letters / letters of internal control weakness issued by the statutory auditors;

4. Internal audit reports relating to internal control weakness;

5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit committee.

6. Statement of deviations :

   a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable.

   b) Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice.

REPORT ON CORPORATE GOVERNANCE

Meetings are scheduled well in advance. The Audit Committee considers and recommends quarterly and yearly financial results for approval by the Board. The Joint Statutory Auditors and Internal Auditor of the Corporate Office are invited to attend the meeting. The head of the Internal Audit function attends the Audit Committee meetings; the Committee also invites other Heads of the Departments (HODs) to be present as may be necessary.

EXECUTIVE COMMITTEE

The Executive Committee formed by the Board has been empowered with the following:

1) To frame the norms, policies, guidelines, conditions, parameters for all housing loan schemes including Project Finance schemes.

2) To relax / waive / alter the norms/ guidelines/ conditions of the housing loan schemes including Project Finance schemes on case to case basis.

3) To sanction loans to Builders and Developers under Project Loans beyond the limits delegated to Managing Director & CEO as per Financial Power Standing Order, 1990 (as amended up to 4th May, 2019 (FPSO) on recommendation of the HODs Committee as constituted by the Managing Director & CEO from time to time.

4) To sanction loans under Rental Securitization of the loan amount more than the amount delegated to General Managers' Committee as per FPSO.

5) To sanction loans under Individual loan schemes beyond the loan amount delegated to General Managers' Committee as per FPSO.

6) To approve any new loan scheme that the Company may launch.

7) To revise the interest rate in the existing schemes & new schemes of Individual/ Project loans/ Apna Hospital / Unsold Inventory.

8) To modify/ restructure existing and new schemes for Individual / Project loans.

9) To revise terms and conditions of the existing & new Individual/ Project loans.

10) To take over the portfolio of the Housing Loans, subject to the limits as specified by the Board from time to time.

11) To waive Interest, Additional Interest, and other charges beyond the limits delegated to Managing Director & CEO in respect of the One Time Settlement under FPSO.

12) To waive principal amount irrespective of the waiver amount involved in respect of One Time Settlement beyond the limits delegated to Managing Director & CEO under FPSO.

13) To approve the Reserve price under SARFAESI Act, 2002 beyond the limits delegated to Managing Director & CEO under FPSO.

14) To approve LICHFL- PLR and to review & revise the same from time to time.

15) To approve the purchase / construction of the property for office building / staff quarters beyond the limits delegated to Managing Director & CEO, generally on such terms and conditions as it may think fit and in any such purchase or other acquisition to accept such title, as it may believe or may advise to be reasonably satisfactory.

16) To borrow money for the purpose of the business of the Company subject to the limit specified by the Board from time to time.

17) To approve the payment to arrangers for fund mobilization.

18) To approve the payment of processing or any other fees payable to Banks/FIs.

19) To approve the availing of re-finance from National Housing Bank.

20) To delegate to Managing Director & CEO any or all of the powers listed above for a specific period.

21) To approve / ratify relaxation/ waiver/ refund of processing fees, administrative fee, prepayment charges in respect of project finance (including at the time of revalidation).

22) To approve / ratify restructuring / reschedulement of project loan.

23) To approve revision of rate of interest in respect of project loans on case to case basis.

24) To approve/ ratify issue of NOC, release of charge in respect of project loan.

25) To approve the cases under consortium/ Joint financing.

26) To approve takeover of existing project loan/ term loan of other institution/s.

27) To approve loan against unsold inventory.

28) To approve loan against Apna Hospital Scheme.

29) To modify existing schemes.

REPORT ON CORPORATE GOVERNANCE

The Executive Committee meets as and when required for considering and approving loan proposals / offers within the power delegated to it. During the year, twenty six (26) Executive Committee meetings were held. The composition of Executive Committee, the dates of the meetings held and the attendance of the members at the said meetings are as under:

Composition of the Executive Committee:

Shri V.K. Kukreja	Chairman	Independent Director
Shri P. Koteswara Rao	Member	Non-Independent Non- Executive Director
Shri Siddhartha Mohanty **	Member	Managing Director & CEO
Shri Sanjay Kumar Khemani^	Member	Non-Independent Non- Executive Director

Dates of Executive Committee Meetings & Attendance of Members:

Sr. no.	Dates on which Executive Committee meetings were held	Shri V. K. Kukreja	Shri P Koteswara Rao	Shri Vinay Sah*	Shri Siddhartha Mohanty**	Shri Sanjay Kumar Khemani^
1	02nd May 2019	Attended	Attended	Attended	Not Applicable	Not Applicable
2	14th May 2019	Attended	Attended	Attended	Not Applicable	Not Applicable
3	30th May 2019	Attended	Attended	Not Attended	Not Applicable	Not Applicable
4	24th June 2019	Attended	Attended	Attended	Not Applicable	Not Applicable
5	28th June 2019	Attended	Not Attended	Attended	Not Applicable	Not Applicable
6	22nd July 2019	Attended	Attended	Attended	Not Applicable	Not Applicable
7	14th August 2019	Attended	Attended	Not Applicable	Attended	Attended
8	11th September 2019	Attended	Attended	Not Applicable	Attended	Attended
9	17th September 2019	Attended	Not Attended	Not Applicable	Attended	Attended
10	24th September 2019	Attended	Not Attended	Not Applicable	Attended	Attended
11	15th October 2019	Attended	Attended	Not Applicable	Attended	Attended
12	30th October 2019	Attended	Attended	Not Applicable	Attended	Not Attended
13	20th November 2019	Attended	Attended	Not Applicable	Attended	Attended
14	29th November 2019	Attended	Attended	Not Applicable	Attended	Attended
15	10th December 2019	Attended	Attended	Not Applicable	Attended	Not Attended
16	19th December 2019	Attended	Attended	Not Applicable	Attended	Attended
17	27th December 2019	Attended	Attended	Not Applicable	Attended	Attended
18	02nd January 2020	Attended	Attended	Not Applicable	Attended	Attended
19	13th January 2020	Attended	Not Attended	Not Applicable	Attended	Attended
20	23rd January 2020	Attended	Attended	Not Applicable	Attended	Attended
21	31st January 2020	Attended	Attended	Not Applicable	Attended	Attended
22	20th February 2020	Attended	Attended	Not Applicable	Attended	Not Attended
23	28th February 2020	Attended	Attended	Not Applicable	Attended	Attended
24	02nd March 2020	Not Attended	Attended	Not Applicable	Attended	Attended
25	13th March 2020	Attended	Attended	Not Applicable	Attended	Attended
26	17th March 2020	Attended	Attended	Not Applicable	Not Attended	Not Attended

^ Inducted on Committee on 3rd August, 2019.

* Member of the committee upto 31st July, 2019

** inducted on committee on 3rd August, 2019 in place of Shri Vinay Sah.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee (SRC) looks into issues related to shareholders, like transfer / transmission of shares, issue of duplicate share certificate/s, non-receipt of dividend, annual report and other related matters. The Committee also advises to improve investor services and to provide prompt and sufficient information. Further, to expedite share transfers in physical form, the Board has delegated power for approving the share transfers to the Committee of Officers of the Company.

REPORT ON CORPORATE GOVERNANCE

SEBI (LODR) (Amendment) Regulations, 2018, Para 3(g) and Para 3(u)(b)(ii), has modified and extended the roles and responsibilities of SRC to include the following:

The Amendments modify and widen the role and responsibilities of SRC to include the following:

i. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.

ii. Review of measures taken for effective exercise of voting rights by the shareholders.

iii. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

iv. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ Annual Reports / statutory notices by the shareholders of the company.

Further, the Chairman of the SRC is required to be present at the AGMs to answer queries of the security holders.

Composition of the SRC is as follows:

Shri Ameet N Patel	Chairman	Independent Director
Ms. Savita Singh	Member	Independent Director
Shri Siddhartha Mohanty*	Member	Managing Director & CEO
Shri Kashi Prasad Khandelwal*	Member	Independent Director

*Shri Siddhartha Mohanty was inducted in the committee, in place of Shri Vinay Sah; and Shri Kashi Prasad Khandelwal was inducted in the Committee on 3rd August, 2020

During the year, one SRC meeting was held on 5th March, 2020 which was attended by 3 members. Ms. Savita Singh had not attended the meeting.The Board has delegated power to issue duplicate share certificate/s to the Committee of Directors so as to expedite the process of issuing duplicate share certificate/s from time to time to the shareholders in case original share certificate/s is/are lost, upon receipt of necessary documents required for the purpose.

COMPLIANCE OFFICER

Shri Nitin K. Jage, General Manager (Taxation) and Company Secretary, acts as the Compliance Officer.

DETAILS OF SHAREHOLDERS' COMPLAINTS

The details of the shareholder complaints are as under:

Particulars	No. of Complaints
Number of Complaints at the beginning of the Year	3
Number of complaints / requests in respect of non-receipt of Annual Report, Address change, change in ECS details, non-receipt of Duplicate Share Certificate/s, Revalidation of Dividend Warrant etc. received during the year	46
Number of complaints / requests in respect of non-receipt of Annual Report, Address change, change in ECS details, non-receipt of Duplicate Share Certificate/s, Revalidation of Dividend Warrant etc. resolved during the year	48
Number of Complaints at the end of the Year	**1**

Requests pertaining to dematerialisation and transfer of shares:

Nature of request	Requests received	No. of Shares involved
Dematerialisation	661	3,57,105
Transfer of shares	92	53,500

The requests for dematerialisation and transfers were promptly attended and there were no requests pending for approval as on 31st March, 2020.

OTHER COMMITTEES:

Debenture Allotment Committee

The Debenture Allotment Committee is empowered to raise funds by allotting Non-Convertible Debentures (NCDs), to the successful applicants from time to time in different tranches. All tranches are listed on National Stock Exchange (NSE).

Composition of the Debenture Allotment Committee is as follows:

Shri Siddhartha Mohanty	Member	Managing Director & CEO
Shri Jagdish Capoor	Alternate Member	Independent Director
Dr. Dharmendra Bhandari	Alternate Member	Independent Director

REPORT ON CORPORATE GOVERNANCE

Dates of Debenture Allotment Committee Meetings & Attendance of Members:

Sr. no.	Dates on which Debenture Allotment Committee Meetings were held	Shri Siddhartha Mohanty**	Shri Jagdish Capoor (Alternate Member)	Dr. Dharmendra Bhandari (Alternate Member)	Shri Vinay Sah^
1	20th May 2019	Not Applicable	Attended	Not Applicable *	Attended
2	31st May 2019	Not Applicable	Not Applicable *	Attended	Attended
3	12th July 2019	Not Applicable	Attended	Not Applicable *	Attended
4	23rd July 2019	Not Applicable	Attended	Not Applicable *	Attended
5	22nd August 2019	Attended	Attended	Attended	Not Applicable
6	29th August 2019	Attended	Attended	Not Applicable *	Not Applicable
7	09th September 2019	Attended	Attended	Not Applicable *	Not Applicable
8	23rd September 2019	Not Attended	Attended	Attended	Not Applicable
9	18th October 2019	Attended	Attended	Not Applicable *	Not Applicable`
10	04th November 2019	Not Applicable *	Attended	Attended	Not Applicable
11	28th November 2019	Attended	Attended	Not Applicable *	Not Applicable
12	06th December 2019	Attended	Attended	Not Applicable *	Not Applicable
13	20th December 2019	Attended	Attended	Not Applicable *	Not Applicable
14	10th January 2020	Attended	Attended	Not Applicable *	Not Applicable
15	28th January 2020	Attended	Not Applicable *	Attended	Not Applicable
16	06th February 2020	Attended	Attended	Not Applicable *	Not Applicable
17	12th February 2020	Attended	Not Applicable *	Attended	Not Applicable

*being Alternate Member(s)

**Inducted in the Committee on 3rd August 2019 in place of Shri Vinay Sah

^ Member of the Committee upto 31st July, 2019.

Nomination & Remuneration Committee (NRC)

Nomination & Remuneration Committee comprises of three Non-Executive Directors and the Chairman of the Committee is an Independent Director as per ("SEBI LODR REGULATIONS") LODR REGULATIONS").

The terms of reference of the NRC are as follows:

(1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors, a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(2) formulation of criteria for evaluation of performance of independent directors and the board of directors;

(3) devising a policy on diversity of board of directors;

(4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

(5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

(6) recommend to the board, all remuneration, in whatever form, payable to senior management.

Composition of the NRC is as follows:

Shri Jagdish Capoor	Chairman	Independent Director
Shri V K Kukreja	Member	Independent Director
Dr Dharmendra Bhandari	Member	Independent Director
Shri. Sanjay Kumar Khemani *	Member	Non- Independent Non –Executive Director

REPORT ON CORPORATE GOVERNANCE

Dates of NRC Meetings and Attendance of Members:

Sr. no.	Dates on which Nomination & Remuneration Committee meetings were held	Shri Jagdish Capoor	Shri V K Kukreja	Shri Koteswara Rao**	Dr Dharmendra Bhandari *	Shri. Sanjay Kumar Khemani*
1	3rd May, 2019	Attended	Attended	Attended	Not Applicable	Not Applicable
2	1st July, 2019	Attended	Attended	Attended	Not Applicable	Not Applicable
3	3rd August, 2019	Attended	Attended	Attended	Not Applicable	Not Applicable
4	28th August, 2019	Attended	Attended	Not Applicable	Attended	Attended
5	5th March, 2020	Attended	Attended	Not Applicable	Attended	Attended

*Inducted in committee on 3rd August, 2019

**Member of the committee upto 3rd August, 2019.

CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:

The Directors except Shri M R Kumar, Chairman, Shri, Vipin Anand Director, Shri Siddhartha Mohanty, Managing Director & CEO, and Shri Hemant Bhargava Ex-Director and Shri Vinay Sah Managing Director & CEO, were paid sitting fees for attending Board and Committee meetings, other than Corporate Social Responsibility Committee meetings .

During the financial year ended 31st March, 2020, Non-Executive Independent members and Non-Executive Non- Independent members of the Board were paid sitting fees of ₹ 35000/- for attending every Board meeting, ₹ 25000/- for attending every Executive Committee Meeting, ₹ 20000/- for attending every Debenture Allotment Committee / Audit Committee meeting, ₹ 15000/- attending for HR Committee / Risk Management Committee / Nomination & Remuneration Committee / Stakeholder Relationship Committee / Investment Committee Meetings.

The details of sitting fees paid to the Directors during the period from 1st April, 2019 to 31st March, 2020 is mentioned below:

Names of Non–Executive Directors	Sitting fees (In ₹)
Shri Jagdish Capoor	7,80,000/-
Smt. Savita Singh	2,20,000/-
Dr. Dharmendra Bhandari	6,75,000/-
Shri V. K. Kukreja	11,25,000/-
Shri Ameet N. Patel	4,40,000/-
Shri P Koteswara Rao	8,30,000/-
Shri Kashi Prasad Khandelwal	2,90,000/-
Shri Sanjay Kumar Khemani	6,05,000/-

REMUNERATION POLICY

The Company framed this policy in order to align with various provisions under ("SEBI LODR REGULATIONS") vide its circular no.CIR/CFD/Policy Cell/2/2014 dated 17th April 2014 and circular no.CIR/CFD/Policy Cell/7/2014 dated 15th September 2014.

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

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

Remuneration to Non-Executive Directors:

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

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

Remuneration to Non-Executive Nominee Directors:

The Non-Executive Nominee Directors would not be paid any sitting fees for every Board and Committee Meeting they attend. The Non-Executive Nominee Directors are being paid salary and other benefits by LIC of India.

Remuneration to Executive Nominee Director:

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

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

REPORT ON CORPORATE GOVERNANCE

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

Remuneration to Key Managerial Personnel (other than MD & CEO) and other employees:

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

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

The remuneration paid to Managing Director & CEO of Company for Financial Year 2019-2020 is as under:

Particulars	Shri Vinay Sah	Shri Siddhartha Mohanty
	April 2019 to July 2019	August 2019 to March 2020
	Amount In ₹	Amount In ₹
Gross Salary, Sodexo and medical lumpsum	31,70,511.00*	17,38,849.00
Contribution to pension and gratuity funds	95,211.76	1,87,606.04
Perquisites in cash or in kind	72,143.00	7,94,126.25
Total	**33,37,865.76**	**27,20,581.29**

* It may be mentioned here that Performance linked incentive (PLI) for F.Y. 2018-19 was paid during the F.Y. 2019-2020 and calculated as per the performance criteria (like growth in portfolio, recovery ratio, NPA ratio and Profit After Tax) approved by the Board.

The evaluation criteria for performance evaluation of Independent Directors as well as Remuneration Policy laid down by the NRC are appended to this Annual Report.

MEETING OF INDEPENDENT DIRECTORS

Separate meeting of the Independent Directors of the company was held on 5th March, 2020 in which, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole. The Independent Directors reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors.

ANNUAL EVALUATION MADE BY THE BOARD OF ITS OWN PERFORMANCE:

The Board of Directors carried out an annual evaluation of its own performance, Board committees and individual directors, pursuant to the provisions of the Act and as prescribed by ("SEBI LODR REGULATIONS").

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

The committee evaluated its own performance after seeking inputs from the committee members on the basis of criteria such as the composition of committee, effectiveness of committee meetings, functioning, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the Individual Directors on the basis of the criteria such as contribution of individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, presenting views convincingly, being resolute in holding views etc. In addition, the performance of the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of Chairman was evaluated. The performance of the independent directors were evaluated by circulation of the questionnaire, wherein the non-independent directors assigned their comments on various attributes of skill, expertise and experience of the independent directors. In this manner the performance of the entire Board was evaluated during FY 2019-2020.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee monitors implementation of the CSR Policy and apprises the Board accordingly. The CSR Budget of the Company for the F.Y. 2019-2020 was ₹ 61.49 crore out of which the Company spent ₹ 21.31 crore and a provision of ₹ 40.18 crore has been made for CSR proposals sanctioned by the Company during F.Y. 2019-2020. The projects undertaken under CSR expenditure are spread across following sectors viz. health care, education, livelihood development, community development and Natural Resource Management (NRM) etc.

Composition of the CSR Committee is as follows:

Shri Jagdish Capoor	Chairman	Independent Director
Dr. Dharmendra Bhandari	Member	Independent Director
Shri Siddhartha Mohanty*	Member	Managing Director & CEO

REPORT ON CORPORATE GOVERNANCE

Dates of CSR Committee Meetings & Attendance of Members:

Sr. no.	Dates on which CSR Committee Meetings were held	Shri. Jagdish Capoor	Dr. Dharmendra Bhandari	Shri. Vinay Sah**	Shri. Siddhartha Mohanty*
1	4th June, 2019	Attended	Attended	Attended	Not Applicable
2	7th October, 2019	Attended	Not Attended	Not Applicable	Attended
3	28th November, 2019	Attended	Not Attended	Not Applicable	Attended
4	22nd January, 2020	Attended	Attended	Not Applicable	Attended
5	26th February, 2020	Attended	Attended	Not Applicable	Attended
6	30th March, 2020	Attended	Attended	Not Applicable	Attended

* Inducted on Committee on 03rd August, 2019

**Member of the Committee upto 31st July, 2019.

RISK MANAGEMENT COMMITTEE

The Company has set up Risk Management Committee (RMC) to identify the risks impacting the business of the Company and to take appropriate measures to mitigate the same. The terms of reference of RMC shall comprise of:

- review of risk management policy,
- review of the current status of the Risk Management Policy and Report to the Board,
- review the matters on Risk Management and
- review and monitor types of risks the Company is exposed to.

Composition of the RMC is as follows:

Shri V. K. Kukreja	Chairman	Independent Director
Dr. Dharmendra Bhandari	Member	Independent Director
Shri P. Koteswara Rao	Member	Independent Director
Shri Siddhartha Mohanty**	Member	Managing Director & CEO

Dates of RMC Meetings and Attendance of Members:

Sr. no.	Dates on which Risk Management Committee Meetings were held	Shri V. K. Kukreja	Dr. Dharmendra Bhandari	Shri P. Koteswara Rao	Shri Vinay Sah*	Shri Siddhartha Mohanty**
1	03rd May 2019	Attended	Attended	Attended	Attended	Not Applicable
2	02nd August 2019	Attended	Not Attended	Attended	Not Applicable	Attended
3	18th October 2019	Attended	Attended	Attended	Not Applicable	Attended
4	29th January 2020	Attended	Attended	Not Attended	Not Applicable	Attended
5	05th March 2020	Attended	Attended	Attended	Not Applicable	Attended

*Shri Vinay Sah resigned from the Company on 31st July,2019 due to his repatriation to LIC of India.

** Inducted in the committee on 1st August, 2019 in place of Shri Vinay Sah

During the year Ms. N Rangarajan was appointed as the Chief Risk Officer (CRO) in compliance with the Policy Circular No. 95 dated 29th May, 2019 issued by NHB

HR Committee

Composition of the HR Committee is as follows:

Shri V K Kukreja	Chairman	Director
Smt. Savita Singh	Member	Non Executive Director
Shri Vinay Sah	Member	Managing Director & CEO

Dates of HR Committee Meetings and Attendance of Members:

Sr. no.	Dates on which HR Committee meetings were held	Shri V K Kukreja	Smt. Savita Singh	Shri Vinay Sah
1	3rd May, 2019	Attended	Attended	Attended
2	26th June, 2019	Attended	Attended	Attended
3	30th July, 2019	Attended	Attended	Attended

REPORT ON CORPORATE GOVERNANCE

The Board of Directors dissolved this Committee w.e.f 3rd August, 2019 and its functions were delegated to the Nomination & Remuneration Committee.

IT Strategy Committee

As per NHB/ND/DRS/Policy Circular No. 90/2017-18 dated 15th June, 2018, all Housing Finance Companies are mandated to form IT Strategy Committee. Therefore the Board constituted the IT Strategy Committee and prescribed the role of the committee as below:-

(a) Formulating policies pertaining to IT strategies, cyber securities including Cyber Crisis Management Plan (CCMP) , and other interrelated matters to IT governance.

(b) Providing inputs to Board and senior management for implementation.

(c) Review of Policies, strategies, cyber security arrangements, etc., and amendment thereto, as and when required.

(d) Ascertaining that the management has implemented processes and practices to ensure that the deliverables as per the Policies framed are achieved.

(e) Reviewing periodically on the value added to the business by the IT strategies implemented.

(f) Ensuring that IT investments represent a balance of risk and benefits and conduct cost-benefit analysis by evaluating that the budgets are acceptable.

(g) Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.

(h) Ensuring proper balance of IT investments for sustaining Company's growth and becoming aware about exposure towards IT risks and controls.

(i) Carrying out any other function as may be required by other applicable laws and amendments thereto.

Composition of the IT Strategy Committee is as follows:

Dr. Dharmendra Bhandari	Chairman	Independent Director
Shri V K Kukreja	Member	Independent Director
Shri Siddhartha Mohanty**	Member	Managing Director & CEO
Shri Jaspal Singh	Chief Information Officer	Senior Management Personnel
Shri Hitesh Talreja	Chief Technology Officer	Senior Management Personnel

Dates of IT Strategy Committee Meetings and Attendance of Directors:

Sr. no.	Dates on which IT Strategy Committee meetings were held	Dr Dharmendra Bhandari	Shri V K Kukreja	Shri Vinay Sah*	Shri Siddhartha Mohanty**
1	4th April, 2019	Attended	Attended	Attended	Not Applicable
2	1st October, 2019	Not Attended	Attended	Not Applicable	Attended
3	5th March, 2020	Attended	Attended	Not Applicable	Attended

*Shri Vinay Sah resigned from the Company on 31st July,2019 due to his repatriation to LIC of India

** Shri Siddhartha Mohanty was inducted in the committee on 3rd August, 2019 in place of Shri Vinay Sah

SUBSIDIARY COMPANIES

The Company has four subsidiaries, namely LICHFL Care Homes Limited, LICHFL Financial Services Limited, LICHFL Asset Management Company Limited and LICHFL Trustee Company Private Limited.

The Company does not have a 'material non-listed Indian subsidiary'. During the year, the Audit Committee reviewed the financial statements of said unlisted subsidiary companies and in particular the investment made by them.

The minutes of the Board meetings of Subsidiary companies were placed before Audit Committee and the Board. The management also appraised their Boards, the statement of significant transactions entered into by the unlisted subsidiaries of the company.

REPORT ON CORPORATE GOVERNANCE

GENERAL BODY MEETINGS

Annual General Meeting

The details of the location and time of the last three Annual General Meetings are given below:

Year	Location	Date	Time
2016-17	"M. C. Ghia Hall", Bhogilal Hargovindas Building, 4th Floor, 18/20 Kaikhushru Dubash Marg, behind Prince of Wales Museum, Mumbai – 400 001	18th August, 2017	3.00 p.m.
2017-18	"M. C. Ghia Hall", Bhogilal Hargovindas Building, 4th Floor, 18/20 Kaikhushru Dubash Marg, behind Prince of Wales Museum, Mumbai – 400 001	20th August, 2018	3.00 p.m.
2018-19	"M. C. Ghia Hall", Bhogilal Hargovindas Building, 4th Floor, 18/20 Kaikhushru Dubash Marg, behind Prince of Wales Museum, Mumbai – 400 001	28th August, 2019	3.00 p.m.

Special resolutions passed at the three previous Annual General Meetings

2017: Issuance of Redeemable Non-Convertible Debentures and / or other hybrid instruments on a private placement basis.

2018: (i) Issuance of Redeemable Non-Convertible Debentures and / or other hybrid instruments on a private placement basis.

(ii) Approving the increase in limits of borrowing by the Company.

2019: (i) Issuance of Redeemable Non-Convertible Debentures and / or other hybrid instruments on a private placement basis.

(ii) Re-appointment Dr Dharmendra Bhandari as Independent Director of the Company.

(iii) Approving the increase in limits of borrowing by the Company.

During the Year 2019-2020 the Company did not conduct any Postal Ballot.

UNCLAIMED DIVIDENDS AND TRANSFER TO Investor Education and Protection Fund (IEPF):

Pursuant to Section 124 of Companies Act 2013, the Company has transferred the unclaimed final dividend for the financial year 2011-12 on due date to the Investor Education and Protection Funds (uploading of information regarding unpaid and unclaimed amount lying with companies) Rules, 2012. The Company has uploaded the details of unclaimed dividends lying with the Company as on 28th August, 2019 (date of last Annual General Meeting) on the website of the Company namely www.lichousing.com and also on the website of the Ministry of Corporate Affairs. After completion of seven years, no claims shall lie against the said fund or against the company for the amount of Dividend so transferred, nor shall any payment be made in respect of such claims under Companies Act 1956. The Companies Act, 2013 provides for claiming such dividends from the Central Government. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), equity shares in respect of which dividends have not been claimed for seven (7) consecutive financial year from 2012-13 will be transferred to the IEPF Authority in accordance with the aforesaid rules.

DISCLOSURES

None of the transactions with any of the related parties were in conflict with the interests of the Company.

The details of all transactions with related parties in the manner required to be tabled before the Audit Committee as per the ("SEBI LODR REGULATIONS"), were placed before the Audit Committee on quarterly basis during Financial Year 2019-20. The policy on dealing with Related Party transactions and procedures is disclosed on the company's website: https://www.lichousing.com/downloads/CONSOLIDATED%20RELATED%20PARTY%20DISCLOSURE.pdf and Related Party Transactions are appended to the Directors' Report.

There were no instances of non-compliance, penalties, strictures imposed on the Company by the Stock Exchanges or the ("SEBI LODR REGULATIONS") or any statutory authority of any matter related to the capital markets during the last three years.

The Company has laid down the procedures to inform Board members about the risk assessment and minimization procedures and the Board reviews the Risk Management report on quarterly basis.

The Company has a Code of Conduct for prevention of insider trading known as "LICHFL Code of Conduct for Prevention of Insider Trading" in the shares and securities of the Company by its Directors and designated employees.

The Company has a Code of Conduct for its Directors and the Senior Management. The code includes the duties of Independent Directors as laid down in the Companies Act, 2013.

REPORT ON CORPORATE GOVERNANCE

The above Codes are hosted on the Company's website https://www.lichousing.com/downloads/Code%20of%20Conduct%20for%20Board%20Members%20and%20Senior%20Management.pdf and has been circulated to all the members of the Board and Senior management and the compliance of the same has been affirmed by them. A declaration confirmed by Managing Director and CEO is given below:

Compliance with Code of Conduct for

I confirm that for the year under review, directors and senior management have affirmed their adherence to the provisions of the Code of Conduct.

For LIC Housing Finance Limited

Siddhartha Mohanty
Managing Director & CEO

Mumbai, 24th August, 2020

The Company has a whistleblower policy – a Vigil Mechanism for employees to report to the management any concerns about unethical behaviour, actual or suspected fraud or violation of the rules and regulations. The Board confirms that no personnel were denied access to the Audit Committee.

The Company does not have an Employee Stock Option Scheme.

In the preparation of financial statements no treatment materially different from that prescribed in the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and applicable in respect of these financial statements has been followed.

Directors confirm that the Company has adequate resources to continue its business and, therefore, financial statements are prepared on a going concern basis.

The Company has formulated policy for determining 'material' subsidiaries. The same has been hosted on the website of the Company namely www.lichousing.com/Polices & Codes/Policy for Determining Material Subsidiaries. However, none of the Company's subsidiaries' income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth of the listed holding company (LIC Housing Finance Limited) and its subsidiaries in the F.Y. 2019-2020.

The Company has also adopted Policy on archiving of information or content hosted on website (www.lichousing.com/Policies & Codes/Policy on Archiving of Information or Content) and Policy for Preservation of Documents (www.lichousing.com/Policies & Codes/Policy on Preservation of Documents).

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. Number of complaints filed during the year: One

b. Number of complaints disposed of during the financial year: One

c. Number of complaints pending as on end of the financial year: NIL

POLICY ON FIT AND PROPER CRITERIA FOR THE DIRECTORS

The Company has formulated and adopted a Policy on Fit and Proper Criteria for the Directors, in accordance with NHB CG Directions which inter-alia, lay down the fit and proper criteria of the Directors at the time for their appointment/reappointment and on a continuing basis.

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part

Total fees for all services paid by the Company on a consolidated basis, to the Statutory Auditors, is given below:

Particulars	For the year ended March 31, 2020 Amount (₹ In crore)
As auditor	0.31
Tax Audit	0.08
For Quarterly Limited Reviews	0.15
In any other manner (Certification work)	0.07
Reimbursement of Expenses to Auditors	0.06
Total	**0.67***

REPORT ON CORPORATE GOVERNANCE

- The present joint statutory auditors namely Gokhale & Sathe, Chartered Accountants [Firm Registration No. (FRN) 103264W] and M.P. Chitale & Co. , Chartered Accountant (FRN 101851W) were appointed in the 30th Annual General Meeting held on 28.08.2019. The erstwhile statutory auditors namely Shah Gupta & Co., Chartered Accountants (FRN 109574W) and Chokshi & Chokshi LLP , Chartered Accountants (FRN 101872W / W100045) held the office of the statutory auditors until the date of Annual General Meeting and retired due to operation of Section 139 (2) (b) of the Companies Act, 2013. The Total Fees includes the fees paid to the erstwhile joint statutory Auditors.

Total fees for all services paid by the Subsidiary Company and Associate Company on a consolidated basis, to the Statutory Auditors, is given below:

Sr. No.	Name of Subsidiary Company and Associate Company	Total Fees paid (₹ In Lakh)
	Subsidiary	
1	LICHFL Financial Services Limited	13.86*
	Associates	
1	LIC Mutual Fund Asset Management Company Limited	6.00#
2	LIC Mutual Fund Trustee Private Limited	0.50#

*One of the network firms of one of the erstwhile Joint Statutory Auditor namely Chokshi & Chokshi LLP, Chartered Accountants (FRN 101872W / W100045) is the statutory auditor of this subsidiary.

M.P. Chitale & Co. , Chartered Accountant (FRN 101851W) are the statutory auditors of this associate Company.

INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

The Company has formulated and adopted the Internal Guidelines on Corporate Governance in accordance with Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 which lay down the Corporate Governance practices of the Company and the same is available on the website of the Company at the URL:

http://www.lichousing.com/downloads/Governance%20Guidelines.pdf

CEO / CFO certification

As required by ("SEBI LODR REGULATIONS"), the Managing Director & CEO / CFO certificate is appended in the Annual Report.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE:

As required by ("SEBI LODR REGULATIONS"), Certificate from P.S. Gupchup, Practicing Company Secretary, on compliance of the conditions of Corporate Governance is appended in the Annual Report.

MANDATORY / NON-MANDATORY REQUIREMENTS:

During Financial Year 2019-2020, the Company has duly complied with all mandatory requirements of ("SEBI LODR REGULATIONS"). The Company is in compliance with all the Non – Mandatory requirements listed in ("SEBI LODR REGULATIONS") except that half-yearly financial results including summary of significant events are presently not being sent to the shareholders. However, the quarterly, half-yearly as well as the annual results are published in the newspapers.

FINANCIAL CALENDAR FOR 2020-21 (PROVISIONAL)

a.	Unaudited Financial Result for the first quarter ending 30th June, 2020	In the month of August, 2020
b.	Unaudited Financial Result for the second quarter ending 30th September, 2020	In the month of October, 2020
c.	Unaudited Financial Result for the third quarter ending 31st December, 2020	In the month of January, 2021
d.	Audited Financial Result for the fourth quarter & year ending 31st March, 2021	In the month of June, 2021
e.	Annual General Meeting for the year ending March, 2021	In the month of September, 2021

MEANS OF COMMUNICATION

The channels of communication include informative Annual Report containing Directors' Report, Report on Corporate Governance, Management's Discussion and Analysis Report and the audited Financial Statements (standalone & consolidated).

The Company also communicates with the shareholders through its website, www.lichousing.com. The quarterly and annual financial results as well as shareholding pattern and Memorandum and Articles of Association of the Company, Code of Conduct for Board of Directors and Senior Management and Code of Conduct for Insider Trading are hosted on the Company's website for information of its shareholders.

The audited/ unaudited financial results were published in leading newspapers namely Business Standard-English (all editions), Business Line (all editions), The Free Press Journal (all editions), Navshakti (all editions) and Business Standard-Hindi (all editions).

The audited financial statements viz., Balance sheet, Profit and Loss Account, Cash-Flow Statement including schedules and notes thereon, press releases and presentations made to analysts were hosted on the Company's website. All material information about the Company, including quarterly and yearly financial results, limited review reports, shareholding pattern are promptly sent to the stock exchanges where the Company's shares are listed. Besides, this the Company disseminates information through press and investors' meet.

REPORT ON CORPORATE GOVERNANCE

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report forms part of the Directors' Report.

GENERAL SHAREHOLDER INFORMATION

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65922MH1989PLC052257.

a) Annual General Meeting :

Date and time: 28th September, 2020 at 3.00 pm.

Venue: "Through Video Conference (VC)/ Other Audio Visual Means (OAVM)".

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

c) Book closure : From, 20th September, 2020 to, 28th September, 2020 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend, if approved by the Members.

d) Dividend payment date: On or after 28th September, 2020 but within 30 days from the date of declaration.

e) The shares of the Company are listed on the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and the Luxembourg Stock Exchange.

f) Stock Exchanges:

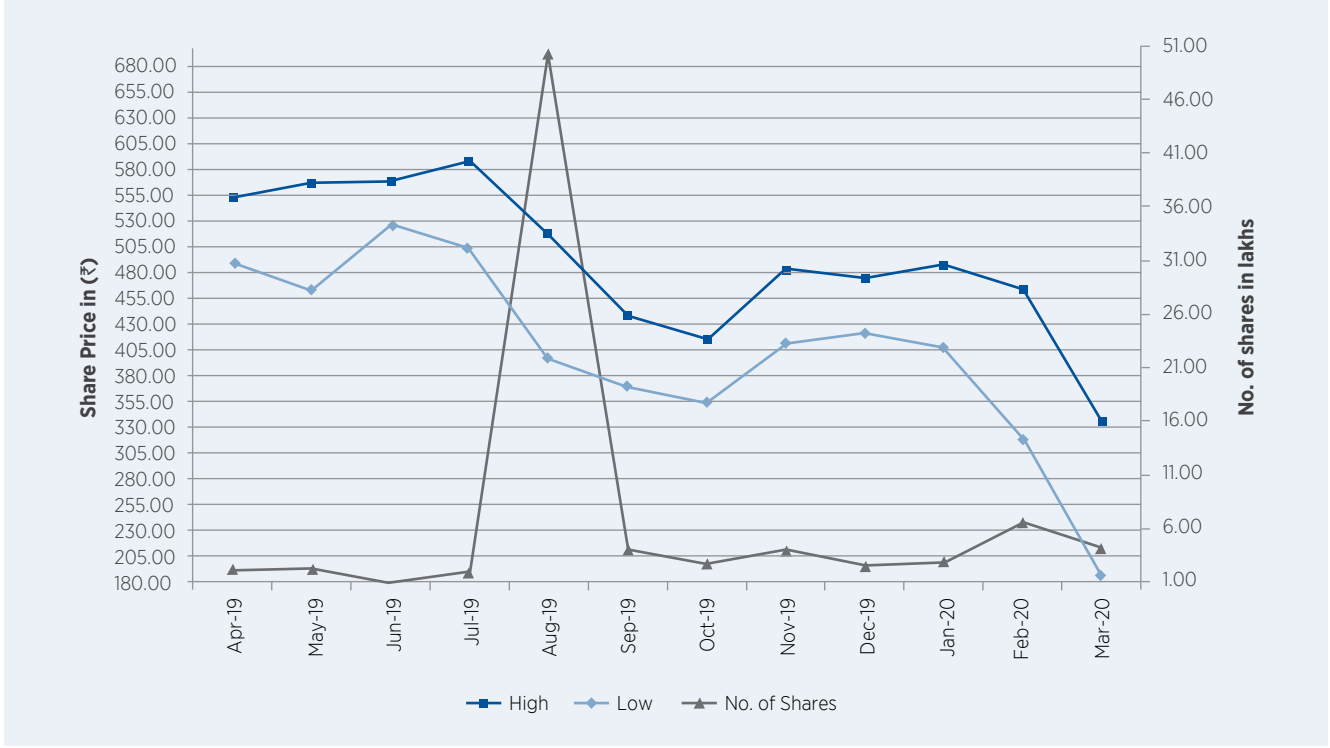
Name of Stock Exchanges	Address	Stock Code
Bombay Stock Exchange Ltd.	Phiroze Jeejeebhoy Towers, Dalal Stree, Mumbai – 400001. Tel.Nos. : 022-22721233 / 22721234 Fax Nos. : 022-22721919. ebsite : www.bseindia.com	500253
National Stock Exchange of India Ltd.	Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra – East, Mumbai – 400051. Tel Nos: 022-26598100-114. Fax Nos. : 022-26598120 Website : www.nseindia.com	LICHSGFIN EQ LICHSGFIN(Debt)
Luxembourg Stock Exchange	35A Boulevard Joseph II, L-1840 Luxembourg. Tel: (352) 47 79 36 – 1. Fax: (352) 47 32 98 Website : www.bourse.lu	US50186U2033

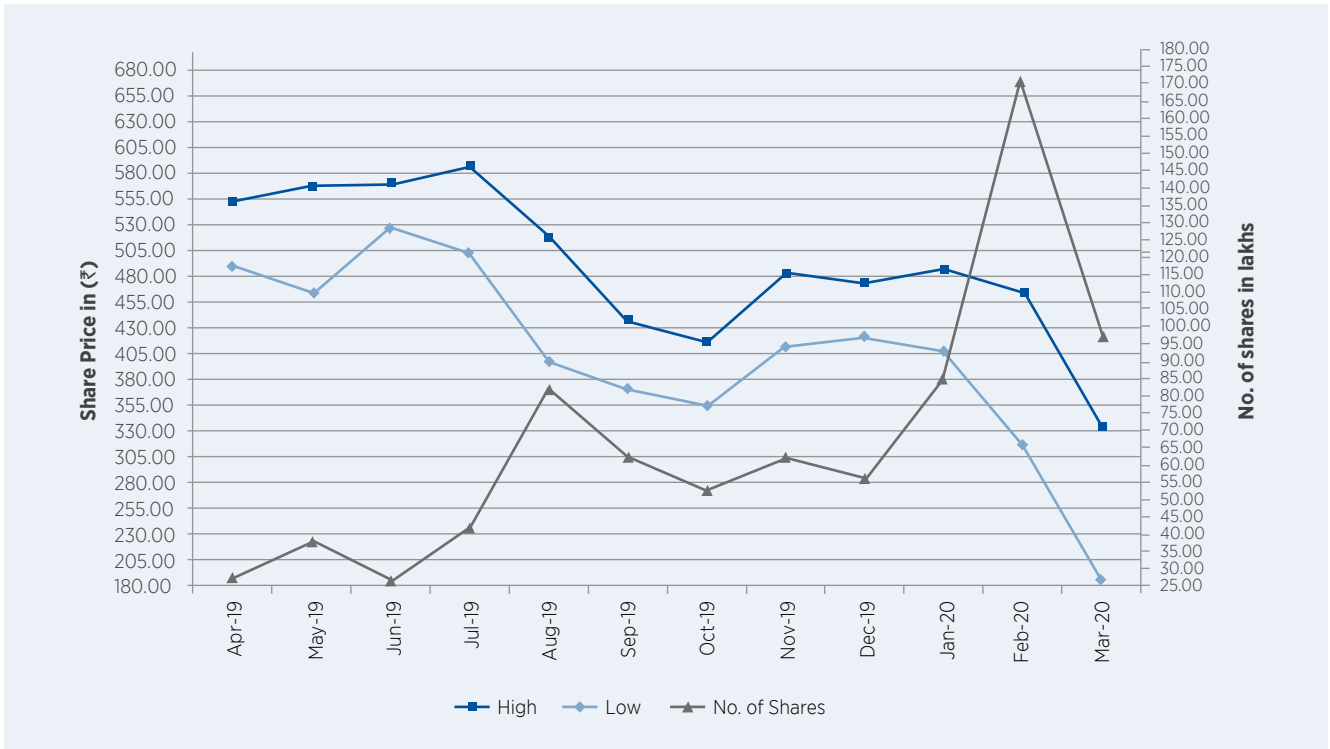
g) International Securities Identification Number (ISIN): INE115A01026

h) Market price data: The monthly high and low stock quotations during the last financial year on BSE and NSE were:

Month	BSE			BSE Sensex		NSE		
	Company's share price (₹)		Volume of shares (Nos.)			Company's share price (₹)		Volume of shares (Nos.)
	High	Low		High	Low	High	Low	
Apr-19	553.00	488.40	20,79,581	39,487.45	38,460.25	553.30	488.30	2,75,14,223
May-19	566.35	464.70	22,35,370	40,124.96	36,956.10	566.80	464.20	3,73,72,687
Jun-19	569.50	525.50	9,02,208	40,312.07	38,870.96	569.80	526.00	2,64,28,382
Jul-19	586.80	501.50	18,46,768	40,032.41	37,128.26	587.00	501.00	4,19,75,407
Aug-19	518.40	396.00	5,02,10,830	37,807.55	36,102.35	518.55	396.00	8,23,46,071
Sep-19	437.45	370.00	41,00,170	39,441.12	35,987.80	437.65	370.00	6,25,10,190
Oct-19	415.50	354.00	27,21,784	40,392.22	37,415.83	416.05	353.85	5,27,30,207
Nov-19	482.80	411.20	39,99,612	411,63.79	40,014.23	482.80	411.10	6,21,44,783
Dec-19	474.40	421.30	25,50,451	41,809.96	40,135.37	474.50	421.00	5,57,20,408
Jan-20	486.40	409.40	28,45,479	42,273.87	40,476.55	486.75	408.25	8,46,96,288
Feb-20	463.75	317.40	66,04,851	41,709.30	38,219.97	463.95	317.25	17,11,90,936
Mar-20	335.60	186.00	41,38,588	39083.17	25,638.90	335.50	185.25	9,62,86,903

REPORT ON CORPORATE GOVERNANCE





REPORT ON CORPORATE GOVERNANCE

i) Details of Shareholders holding more than 1% of the share capital of the Company as at 31st March, 2020 are given below :

Sr. No.	Name of the shareholders	No. of shares held	% to share capital
1.	LIFE INSURANCE CORPORATION OF INDIA	203442495	40.313
2	ICICI PRUDENTIAL S&P BSE 500 ETF	24320678	4.819
3	BANK MUSCAT INDIA FUND	11496000	2.278
4	GOVERNMENT PENSION FUND GLOBAL	11068745	2.193
5	NPS TRUST - A/C LIC PENSION FUND SCHEME	10937708	2.167
6	HDFC LIFE INSURANCE COMPANY LIMITED	7573785	1.501
7	FIDELITY INVESTMENT TRUST FIDELITY SERIES EMERGING	7517822	1.490
8	ABU DHABI INVESTMENT AUTHORITY- MONSOON	7174287	1.422
9	HIGHCLERE INTERNATIONAL INVESTORS EMERGING MARKETS	5601710	1.110

Distribution of shareholding as at 31st March, 2020

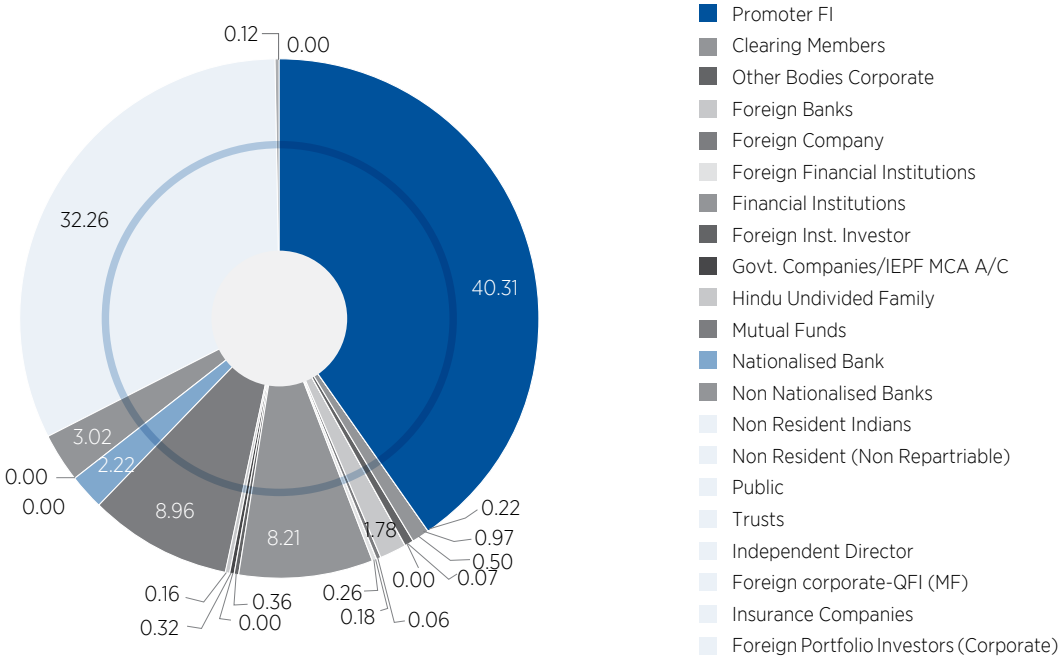
No. of equity shares held	Folio / Shareholders		Shares	
	Number	Percentage	Number	Percentage
Up to 5,000	235864	99.045	73433872	7.276
5,001-10,000	1089	0.457	7999044	0.793
10,001-20,000	449	0.189	6514762	0.645
20,001-30,000	141	0.059	3556706	0.352
30,001-40,000	87	0.037	3063202	0.303
40,001-50,000	58	0.024	2642352	0.262
50,001-1,00,000	152	0.064	10726146	1.063
1,00,001 and Above	299	0.126	901389916	89.306
Total	**238139**	**100.000**	**1009326000**	**100.000**

Details of shareholding based on category as on 31st March, 2020:

Category	Physical Securities	Physical Holders	Demat Securities	Demat Holders	Total Securities	Total Holders	%-Issued Capital
Promoter FI	0	0	203442495	1	203442495	1	40.3125
Clearing Members	0	0	1127098	332	1127098	332	0.2233
Other Bodies Corporate	53000	29	4824017	1325	4877017	1354	0.9664
Foreign Banks	0	0	2547054	2	2547054	2	0.5047
Foreign Company	0	0	337684	3	337684	3	0.0669
Foreign Financial Institutions	12500	3	0	0	12500	3	0.0025
Financial Institutions	0	0	9000553	5	9000553	5	1.7835
Foreign Inst. Investor	0	0	307736	2	307736	2	0.0610
Govt. Companies/ IEPF MCA A/C	0	0	906072	1	906072	1	0.1795
Hindu Undivided Family	3500	3	1321917	4233	1325417	4236	0.2626
Mutual Funds	9000	2	41401983	75	41410983	77	8.2057
Nationalised Banks	0	0	1821088	4	1821088	4	0.3609
Non Nationalised Banks	10500	2	6623	3	17123	5	0.0034
Non Resident Indians	500	1	1634492	3592	1634992	3593	0.3240
Non Resident (Non Repatriable)	0	0	799000	1797	799000	1797	0.1583
Public	2821191	5306	42374745	227078	45195936	232384	8.9557
Trusts	1000	1	11218041	49	11219041	50	2.2231
Independent Director	0	0	800	2	800	2	0.0002
Foreign Corporate-QFI (MF)	5500	1	0	0	5500	1	0.0011
Insurance Companies	5500	1	15239069	26	15244569	27	3.0207
Foreign Portfolio Investors (Corporate)	0	0	162823054	506	162823054	506	32.2637
Alternate Investment Funds	0	0	599587	2	599587	2	0.1188
NBFCs registered with RBI	0	0	7701	5	7701	5	0.0015
Total :	**2922191**	**5349**	**501740809**	**239043**	**504663000**	**244392**	**100.0000**

REPORT ON CORPORATE GOVERNANCE

Details of Shareholding



j) Global Depository Shares (GDS):

Of the total 5,00,000 GDS issued by the Company, 826 GDSs were outstanding as on 31st March, 2020.

k) Plant location: The Company is mainly engaged in providing housing finance and as such does not have any manufacturing plant.

l) Address for correspondence:

Investors and shareholders can correspond with the Company at following address:

A) The Company Secretary
LIC Housing Finance Limited
Corporate Office,
131 Maker Tower, "F" Premises, 13th Floor,
Cuffe Parade,
Mumbai - 400 005.
Phones: (91-22) 22178600 / 22178700 / 22178611.
Fax: (91-22) 22178777.
CIN: L65922MH1989PLC052257.

and / or

B) the Registrar and Transfer Agent of the Company at its following address:
Sharex Dynamic (India) Pvt. Limited
C-101, 247 Park, L.B.S. Marg ,
Vikroli (West), Mumbai - 400 083 ,
Phones: (91-22) 28515606 / 28515644.
Fax: (91-22) 28512885.

m) Share transfer system:

All the share transfers are processed by the Registrar and Transfer agent, namely, Sharex Dynamic (India) Pvt. Limited and approved by the Committees of the Officers of the Company constituted for this purpose. The Committee meets as and when required to approve share transfers received in physical form.

n) Dematerialisation of shares and liquidity:

The shares of the Company are compulsorily traded in dematerialised form and are available for trading under both the Depository Systems — National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2020, 501740809 equity shares i.e., 99.42% of the Company's share capital were dematerialised.

o) Debt Securities:

The Secured Redeemable Non-Convertible Debentures and Un-secured Redeemable Non-Convertible Debentures issued by the Company are listed for trading on the Wholesale Debt Market Segment of the NSE.

Debenture Trustees:

IDBI Trusteeship Services Ltd - Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai 400 001. Phones : 022- 40807000, Email : itsl@idbitrustee.com, Website : www.idbitrustee.co.in

REPORT ON CORPORATE GOVERNANCE

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

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

SBICAP Trustee Company Limited - 202, Maker Tower, 'E', Cuffe Parade, Mumbai- 4000 05. Phone:022-43026629 Email : corporate@sbicaptrustee.com

Catalyst Trusteeship Limited- Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400098. Phone 022-49220555 Website:- www.catalysttrustee.com

p) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.

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

Total Bank Loan Facilities Rated	₹ 40059.88 crore
Long Term Rating	CRISIL AAA/Stable (Reaffirmed)
Short Term Rating	CRISIL A1+ (Reaffirmed)
₹ 25000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 25000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 25000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 5000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 15000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 10000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 5000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 5976 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 15000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 15000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 20000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 33833 crore Non-Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
₹ 1600 crore Upper Tier II Bond	CRISIL AAA/Stable (Reaffirmed)
₹ 1750 crore Tier II Bond	CRISIL AAA/Stable (Reaffirmed)
Fixed Deposits Programme	FAAA/Stable (Reaffirmed)
₹ 17500 crore Commercial Paper	CRISIL A1+ (Reaffirmed)

CARE Ratings had assigned its 'CARE AAA; Stable' rating to the ₹ 35000 crore non-convertible issue of LIC Housing Finance Limited and reaffirmed its 'CARE AAA; Stable'. The unutilised amount as on 30.06.2020 was ₹ 20997.90 crore.

ICRA Limited had reaffirmed ICRA A1+ rating to the ₹ 17,500 crore commercial paper issue of LIC Housing Finance Limited and has reaffirmed its ICRA A1+.

q) Listing Fees:

The Company has paid listing fees to Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd., (NSE) for listing of equity shares on BSE and NSE for Financial Year 2019-2020. The Company has also paid listing fees for listing of Non-Convertible Debenture on Wholesale Debt market segment on NSE for Financial Year 2019-2020.In respect of GDS listed on' Luxembourg Stock Exchange, the Company has paid the listing fees to the Luxembourg Stock Exchange.

REPORT ON CORPORATE GOVERNANCE

r) Demat Suspense Account / Unclaimed Suspense Account:

There are no shares lying under Demat Suspense Account / Unclaimed Suspense Account and hence the Company does not have any Demat Suspense Account / Unclaimed Suspense Account.

s) Foreign Exchange Risk and hedging Activities:

The Company has foreign exchange exposure and hedging is done for a significant portion of the same.

t) Details of non-compliance by listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years;

During 2019-20, the Company has complied with requirements of the National Housing Bank Act, 1987 and Housing Finance Companies (NHB) Directions 2010 except for two instance detailed below:

(1) National Housing Bank (NHB) has vide Letter NHB(ND)/HFC/DRS/Sup./A-3576/2019 dated 11th April, 2019 has imposed an aggregate penalty of ₹ 11,800/- (inclusive of GST @ 18%) under the Provisions of Section 52A of the National Housing Bank Act, 1987 due to Non Compliance of Fair Practice Code and the same was paid.

(2) National Housing Bank (NHB) has vide Letter NHB(ND)/HFC/DRS/Sup./A-13610/2019 dated 19th December, 2019 has imposed an aggregate penalty of ₹ 5,900/- (inclusive of GST @ 18%) under the Provisions of Section 52A of the National Housing Bank Act, 1987 due to Non Compliance of Fair Practice Code and the same was paid.

(u) Details of compliance with mandatory requirements:

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and all the applicable clauses of Regulation 46(2) (b) to (i) of the SEBI LODR REGULATIONS.

This Corporate Governance Report of the Company for the FY2019-20 and as on March 31, 2020 are in compliance with the requirements of Corporate Governance under SEBI LODR REGULATIONS.

(v) CEO/CFO Certificate:

The Compliance Certificate of the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) to the board of directors as specified in Part B of Schedule II of the SEBI (LODR) has been annexed as Annexure 1 and 2 to this report.

(w) Certification from Company Secretary in Practice:

i) Shri Navnitlal Bhatia, M/s. N. L. Bhatia & Associates, Practicing Company Secretaries, (PCS) FCS: 1176 has conducted Secretarial Audit in respect of the FY 2019-2020, as per the provisions of Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and as per Regulation 24A of the SEBI (LODR), 2015 as amended by SEBI (LODR) (Amendment) Regulations, 2018 and the Secretarial Audit Report in Form MR-3 provided by the PCS has been submitted to stock exchanges and annexed to the Board's Report ; and the same would be forwarded to the Ministry of Corporate Affairs at the time of submitting this Annual Report.

ii) The Company has also obtained the Annual Secretarial Compliance Report from the PCS as required by Capital Market Regulator, SEBI as per Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019, which is to be submitted by a PCS to the listed entity on an annual basis, regarding compliance of all applicable SEBI Regulations and Circulars/ Guidelines issued thereunder.

iii) The PCS has also issued a certificate as required under Regulation 34(3) and Schedule V Para C clause (10) (i) of the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority. The said certificate of non-disqualification of directors has been annexed herewith in Annexure-3.

The certificates mentioned in (i) and (ii) above has been enclosed with the Report of Directors as Annexure-10.

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of,
LIC Housing Finance Limited,

1. I have examined the compliance of conditions of Corporate Governance by LIC Housing Finance Limited ("the Company"), for the year ended on March 31, 2020, as stipulated in Regulations 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. In my opinion and to the best of my information and according to my examination of the relevant records electronically; due to enforcement of lockdown consequent to COVID 19 pandemic; and to the explanations given to me and the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

P.S. GUPCHUP
Practising Company Secretary
ACS: 4631
CP No.: 9900
UDIN: A004631B000608069

Place: Mumbai
Date: 24th August, 2020

CEO AND CFO CERTIFICATE

Annexure-1

The Board of Directors,
LIC Housing Finance Limited.,
Bombay Life Building, 2nd Floor,
45/47, Veer Nariman Road,
Mumbai – 400 001.

Date: 19th June, 2020

ANNUAL CERTIFICATION

We the undersigned Siddhartha Mohanty, Managing Director & CEO and Sudipto Sil, Chief Financial Officer hereby certify that for the financial year ended 31st March 2020, we have reviewed annual accounts, financial statement and the cash flow statement and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

3. There are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct;

4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of some internal control system of the Company and we have disclosed to the auditors and the Audit Committee the deficiencies, of which we are aware, in the design or operation of the internal control systems and we have taken the steps to rectify these deficiencies.

5. We further certify that:
   (a) there have been no significant changes in internal control during this year.
   (b) there have been no significant changes in accounting policies during this year except as mentioned in the significant accounting policies and notes to accounts.
   (c) there have been some instances of fraud though not significant. There were no involvement of management and there would not have been involvement of employees having a significant role in the Company's internal control system.

Sd/-
Managing Director & CEO

Sd/-
Chief Financial Officer

CEO AND CFO CERTIFICATE

Annexure-2

The Board of Directors,
LIC Housing Finance Limited.,
Bombay Life Building, 2nd Floor,
45/47, Veer Nariman Road,
Mumbai – 400 001.

Date: 19th June, 2020

CERTIFICATION

We the undersigned Siddhartha Mohanty, Managing Director & CEO and Sudipto Sil Chief Financial Officer hereby certify that for the Quarter ended 31st March 2020, we have reviewed the financial results and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

Sd/-
Managing Director & CEO

Sd/-
Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Annexure-3

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i)
of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members of
LIC Housing Finance Limited.,
Bombay Life Building, 2nd Floor,
45/47, Veer Nariman Road,
Mumbai – 400 001.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of LIC Housing Finance Limited having CIN: L65922MH1989PLC052257 and having its registered office at Bombay Life Building, 2nd Floor, 45/47, Veer Nariman Road, Mumbai- 400 001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of appointment in Company
1.	Jagdish Capoor	00002516	25/05/2012
2.	Dharmendra Bhandari	00041829	19/08/2014
3.	Sanjay Kumar Khemani	00072812	01/07/2019
4.	Ameet Navinchandra Patel	00726197	19/08/2015
5.	Kashi Prasad Khandelwal	00748523	01/07/2019
6.	Vipan Kumar Kukreja	01185834	30/06/2015
7.	Savita Param Bir Singh	01585328	25/05/2012
8.	Mangalam Ramasubramanian Kumar	03628755	25/03/2019
9.	Vipin Anand	05190124	11/11/2019
10.	Pottimutyala Koteswara Rao	06389741	11/06/2018
11.	Siddhartha Mohanty	08058830	01/08/2019

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

For N. L. Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
UDIN: F001176B000285878

N. L. Bhatia
Managing Partner
FCS: 1176
CP. No.: 422

Date: May 27, 2020
Place: Mumbai

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company:** L65922MH1989PLC052257
2. **Name of the Company:** LIC Housing Finance Limited
3. **Registered Address:** Bombay Life Building, 2nd Floor, 45/47, Veer Nariman Road, Fort, Mumbai 400001.
4. **Corporate Office:** 131, Maker Tower "F" Premises, 13th Floor, Cuffe Parade, Mumbai 400 005.
5. **Website:** www.lichousing.com
6. **E-mail id:** lichousing@lichousing.com
7. **Phone:** (+91) 22 2217 8600
8. **Fax:** (+91) 22 2217 8777
9. **Financial Year Reported:** 1st April, 2019 to 31st March, 2020.

The Company is engaged in the business of providing housing loans to customers (Industrial Activity Code 59225). The motto of the Company is "Sagrahiya arthasahay" which means, enabling individuals to own a house by providing them financial assistance. The Company believes that, every individual shall have their own house. Based on this belief the Company makes efforts to enable individuals to own their house by way of extending loans at competitive rates and follows it up with customer friendly services. The company started its operations in the year 1989 and since then has emerged as a key player in the Housing Finance Sector, as it has enabled millions of individuals to own their dream homes. Accordingly the main thrust of the business of the Company lies in extending loans to individuals for purchase or construction of house. The Company has till 31st March, 2020 enabled around 27,84,916 individuals to acquire their dream home. Out of this 6,38,027 have women, as first or sole owners and 21,46,889 have men, as first or sole owners. The Company also provides loans to builders and professionals.

The Company has also extended its operations outside India and has one representative office each in Dubai and Kuwait which has been setup in order to cater to the needs of NRI customers staying in the Middle East. In India, the Company has a top-down structure with the Corporate office at its helm. At the operational level the Company has Nine (9) Regional offices, 25 Back Offices, 282 marketing offices and One Customer Service Point. Further, the Company has around 13,577 marketing intermediaries who guide the customers through the loan processes. The Company also accords Online Home loan approvals through our website www.lichousing.com and through the HOMY application which was launched on 14th February, 2020.

The Corporate office frames policies with the guidance of the Board of directors and monitors the overall activities of other offices. The Data Centre (the IT wing of the Company) is a part of the Corporate Office and is responsible for providing and safeguarding data. The Regional Offices oversees the functions of the Area Offices lying under their jurisdictions and the Back Offices are the Accounting units which provide support to the Regional Offices and the Area Offices within their preview.

Section B: Financial Details of the Company

1. **Paid up Capital:** ₹ 100.99 crore
2. **Revenue from Operations:** ₹ 19,696.69 crore
3. **Profit after Taxes (PAT):** ₹ 2,401.84 crore
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** 0.89 per cent (Disbursed amount in ₹ 21.31 crore). The CSR spend during FY 2019-2020 aggregates to ₹ 21.31 crore, however, the total amount committed by the Company for CSR activities during FY 2019-2020 is ₹ 61.49 crore, which turns out to be 2.56 % of the PAT. (The Company has sanctioned the funds aggregating to ₹ 61.49 crore, which is the total amount that the Company is required to spend as per Section 135 of the Companies Act, 2013 and accordingly has made a provision of ₹ 40.18 crore, although the Company is not mandated to do the same. As on the date of this report ₹ 11.22 crore has been spent out of the provided amount.).
5. **List of activities in which expenditure in 4 above has been incurred:**

The activities towards which the company has contributed are hereunder:

i) Promoting education including special education:
   - (a) Through enhancing vocational skills.
   - (b) By imparting employment enhancing vocational skills
   - (c) Through livelihood enhancement projects
   - (d) Through Vocational training and entrepreneurship development
   - (e) By providing scholarships

ii) Promoting Healthcare:
   - (a) including preventive health care.
   - (b) through assisting in curative treatment
   - (c) through research
   - (d) by providing safe drinking water and promoting sustainable agricultural practices

BUSINESS RESPONSIBILITY REPORT

iii) Providing humanitarian assistance for disaster relief including contribution towards COVID-19 relief, PM CARES Fund

iv) Promoting livelihood, health and conservation of natural resources

v) Promoting Natural Resource Management (NRM) and eradicating hunger, poverty & malnutrition; and women empowerment.

vi) Promoting Sanitation

Further details in respect of the above are provided in Annexure 5 to the Board's Report which is a part of this Annual Report.

Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies?**

   The Company has four (4) subsidiaries namely LICHFL Care Homes Limited, LICHFL Asset Management Company Limited, LICHFL Financial Services Limited and LICHFL Trusteeship Company Limited.

2. **Do the Subsidiary Company/ Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such subsidiary companies.**

   The Subsidiary Companies have their own BR Initiatives. However, one of the subsidiary Company namely LICHFL Care Homes Limited was floated by the Company, in order to cater to the needs of senior citizens and for providing them with better amenities which would serve their old age related needs. The Subsidiary/(ies) also has their own CSR budget.

3. **Do any other entity/ entities (e.g. suppliers, distributors etc) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30 percent, 30-60 percent, More than 60 percent]**

   The Subsidiary companies, to a certain extent, plan their CSR contributions based on the experience of their holding Company with the various implementation agencies. Further, as regards the participation of the suppliers in the BR initiative of the Company is concerned, the Company has various 'code of conduct' in respect of various categories of suppliers of services and strict adherence to such 'codes of conduct' is mandatory to remain empanelled with the Company. Some of the codes have been listed below:

   i) Code of Conduct for Recovery Agents

   ii) Fair Practices Code

   iii) Code of Conduct for Marketing Intermediaries

   iv) Policy on Valuation and appointment of Valuers for valuation of properties to be mortgaged with the Company

Section D: BR Information

1. **Details of Director/ Directors responsible for BR**

   a. Details of the Director/ Directors responsible for implementation of the BR policy/ policies:

   The Board of the Company is collectively responsible for the implementation of the BR policies of the Company.

   b. Details of the BR head:

Sr no.	Particulars	Details
1.	DIN Number	08058830
2.	Name	Shri Siddhartha Mohanty*
3.	Designation	MD & CEO
4.	Telephone number	022-22178602/603
5.	E-mail id	pa.mdceo@lichousing.com

Until 31.07.2019 Shri Vinay Sah (DIN 02425847) was the MD & CEO and the BR Head. Thereafter, he was repatriated to LIC of India.

2. **Principle – wise (as per NVGs) BR Policy/ policies (Reply in Y/N):**

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. The gist of the guidelines is enlisted below:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses, should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

BUSINESS RESPONSIBILITY REPORT

Sr no.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for the above principles	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	All the operations of the Company are carried out in compliance with all the applicable statutes, rules and regulations. The Company frames the policies as per the various regulatory requirements and as per the advice of the Board, based on the requirements of the day-to-day operations of the Company. Thereafter, the said policies are reviewed on an ongoing basis. At the time of formulation and review of the policies, the Company ensures that the policies reflect and address the needs, requirements, benefit and overall wellbeing of its stakeholders.								
3.	Does the policy conform to any national / international standards?	All the policies adopted by the Company are in line with the best practices in the industry and are in compliance with the various statutes governing the Company.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	http://www.lichousing.com/policies_codes.php								
7.	Has the policy/policies been formally communicated to all relevant internal and external stakeholders?	Yes, the policy/policies have been communicated to concerned stakeholders. The Company ensures that the communication is an on going process. Further, the said policy/policies have also been hosted on the Company's website and are available in the public domain.								
8.	Does the company have in-house structure to implement the policy / policies?	Yes, the Company has an in-house structure to implement the policy / polices and the Board of Directors review the same at regular intervals.								
9.	Does the company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Yes, the company has a grievance redressal mechanism to address grievances of different stakeholders at different level of its organizational structure.								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The various policies of the Company have been framed keeping in mind the overall good of various stakeholders. All the policies of the Company are reviewed on a yearly basis. The Company undergoes various Audits both by internal team of auditors and also by external auditors. During the course of such audit(s), it verifies whether all the policies are in place and whether or not they have been properly reviewed. Further, the Company has engaged an external agency for Monitoring and Evaluation (M & E) of one of the CSR projects pertaining to Dementia Care center and has also assigned the task to the same agency to design an MIS platform for M & E. The Company also calls for quarterly monitoring report in respect of the ongoing projects from the various implementation agencies.								

Note-1:

BUSINESS RESPONSIBILITY REPORT

Governance related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

  The Board of Directors reviews the Principles and Policies of Business Responsibility on an annual basis. However, both the external as well as the internal auditors review the documents pertaining to the CSR activities on a quarterly basis and their overall review report/audit report is placed before the Board and its Committees for review. Also, Six (6) CSR Committee meetings were held during the FY 2019-2020 on 4th June, 2019, 7th October, 2019, 28th November, 2019, 22nd January, 2020, 26th February, 2020 and 30th March, 2020. The said Committee reviewed the CSR assistance extended by the Company. The minutes of these CSR meetings were also placed before the Board for review and noting.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

  Business Responsibility Report forms part of the Annual Report and is published annually. The said Annual Report is also hosted on the Website of the Company.

Principle-wise performance are as under:

Principle 1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relate to ethics, bribery and corruption cover only the company?**

   The policies relating to ethics, bribery and corruption not only covers the Company, its employees but also its Agents and other relevant Business Partners.

   Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

   The policy relating to ethics, bribery and corruption extends to the suppliers such as agents, valuers etc. These suppliers have to abide by the provisions of the policies governing them and any deviation from the same would result into discontinuance of their services with the Company. Further, at the time of appraisal of CSR projects all efforts are made to ensure that the implementation agency (NGO) to whom the contribution is being extended, has an established track record in carrying out similar projects.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

   There were 66 unresolved stakeholder complaints (pertaining to depositors, investors including shareholders and customers) at the beginning of financial year 2019-2020 and 15,250 complaints were received during the financial year 2019-2020, from various stakeholders. Out of the total 15,316 complaints, 15,247 complaints, working out to 99.55 percent have been satisfactorily resolved. At the end of the year 69 complaints remained unresolved.

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List upto 3 products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.**

   It is the constant endeavor of the Company to provide products and services that meet customer requirements. These have been designed in such a manner that they fulfil the expectations of the customer and contribute positively to socio-economic development. Preference is given to local suppliers for specialized products and services. The Company has a focus on creating value for customers and the biggest social responsibility of helping people to have their own shelter, is the main objective of the Company and thus, the motto "Sagrihay Arthasahy". To facilitate the same, the Company has been providing loans to home buyers at competitive rates of interest through its various schemes. The Company through this social objective has enabled the healthy growth of households and has also optimized their investment opportunities, thereby creating an environment conducive to a positive outlook in society.

   The Following are the initiative taken by the Company in this regard:

   (i) The Company continues to be committed to inclusive housing finance and also in facilitating the 'Housing for All' initiative of the Government. The Company aim at addressing the housing finance needs of the customers belonging to the informal sector of the society who have sufficient income, but limited documentation. In this regard the Company has also partnered with Indian Mortgage and Credit Guarantee Corporation (IMGC), who against reasonable premium would provide guarantee for fixed part of the loan extended by the Company to the Customers satisfying prescribed criteria, who would otherwise not be eligible to avail housing loan facility.

   (ii) The Company encourages small and upcoming housing finance companies by extending credit lines to them at competitive rates of interest, as these housing finance companies carter to the requirements of small and medium households including self-employed persons in tier II and III cities, in such location where the Company does not have presence.

BUSINESS RESPONSIBILITY REPORT

The Company recognises the need to work with real estate developers that use innovative technologies such as green buildings and other energy efficient measures for construction of their projects. The Company encourages the usage of environmental friendly building materials from local building centers as a part of its low income housing initiatives.

(iii) During the year the Company introduced the following scheme(s)/Product(s) which incorporated social or environmental concerns, risks and/ or opportunities:

a) Scheme for cyclone affected areas of Odisha

b) Scheme for Doctors- Dhanvantari

c) Various products under Pradhan Mantri Awas Yojana.

a) Scheme for cyclone affected areas of Odisha: The destructive cyclone in several parts of Odisha displaced large segments of the population and resulted in large scale destruction of property. With the objective of improving the flow of housing finance at concessional rates to the residents of cyclone affected districts of Odisha to help them in reconstruction, repairs, renovation and up-gradation of the existing dwelling units, a special scheme for cyclone affected areas of Odisha was announce on 21.05.2019.

b) Scheme for Doctors- Dhanvantari

In order to honour the Doctors, who work in the frontline as life protectors and are the country's lifeline and to recognize their special contribution in nation building, an exclusive scheme "Dhanvantari" for practicing doctors was launched. Under this scheme a special ROI was offered.

c) Apna Ghar (Scheme on the lines of Pradhan Mantri Awas Yojana):

In line with Government of India, the Pradhan Mantri Awas yogana- Credit Linked Subsidy Scheme (PMAY- CLSS) has been introduced to finance those customers who have no pucca house in any part of India and whose household income is upto ₹ 18 Lakhs p.a. Under this Scheme, interest subsidy is provided by Government of India through NHB upto a maximum of ₹ 2.67 Lakhs per borrower. Further, the Credit Linked Subsidy Scheme (CLSS) for MIG- I, II has been extended till 31.03.2021 as per Govt. directives.

2. For each product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)

Since the Company is not involved in any manufacturing activity, the reporting on use of energy, water, raw material etc. is not applicable. However, while considering financing housing project these factors are given due importance.

Further, the Company minimises the consumption of electrical energy and natural resources and tries to prevent pollution of air, water and land. The Company uses energy efficient products wherever it is required and encourages paperless methods in order to limit the use of paper to the extent practicable and also reuse waste paper wherever possible. In line with the national vision of making a plastic free India the Company at its Corporate Office level banned all plastic bottles and replaced them with Glass Bottles.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

Since the Company is not involved in any manufacturing activity, the reporting on sustainable sourcing is not applicable. Further, during the year, the Company had explored the possibility of accessing the Government E-Marketplace Portal (GeM) for procuring ambulances for carrying out its CSR initiatives, however since the Company is a private entity the said procurement channel was not available for it.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

In today's competitive scenario, the company is utilizing multiple channels and touch points to source business. They are the distribution channels viz. Home loan agents, Customer Relationship Associates and Direct Selling Agents. In addition, the Company has developed alternate distribution channels called Direct Marketing Executive (DME). This channel was conceptualized during 2017-18 and has contributed incremental business of around 5% to the Company. DMEs are paid fixed stipend on achievement of the prescribed threshold business levels. During the year the Company has initiated another Incentive Based Marketing Assignment Scheme (IBMAS) whereby Senior Business Associates (SBAs) are engaged, with an intent to reach the customers in Tier III and IV cities including sub-urban areas of the metros. Individuals between 21 to 40 years of age and also retired employees of the Company are eligible for appointment as SBAs.

In line with the emerging trends, the Company has introduced HOMY, an app-based home loan solutions which takes care of digital onboarding of customers besides providing post disbursement services without physically visiting the offices.

The company has a training policy aimed at capacity building of the marketing teams and distribution channels. There are external agencies empanelled for the purpose

BUSINESS RESPONSIBILITY REPORT

of training. Programs are conducted through classrooms and virtual platforms. During the year, 12 training sessions were held covering 374 trainees.

Further, since a large portion of the Company's service providers and vendors are individuals, the management decided that all the payments in respect of their commission, fees etc. be released immediately and on a priority basis, inspite of the COVID-19 lockdown.

Further, the Marketing department of the Company publishes 3 monthly magazines pertaining to DMEs, PMAY and another magazine pertaining to the Marketing team. The Compliance department of the Company publishes a monthly magazine namely 'Anvesha'. All these magazines, which are for internal circulation, contains information pertaining to market intelligence and appreciation for the top performers in the respective region and segment.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5 percent, 5-10 percent, >10 percent). Also, provide details thereof, in about 50 words or so.

Since the Company is not involved in any manufacturing activity, the reporting on recycle mechanism is not applicable. However, the IT wastes are outsourced to an agency which disposes off the wastes as per proper waste disposal mechanism. Also, the old papers and documents are scrapped in a manner such that they may be recycled.

Principle 3

Businesses should promote the wellbeing of all employees

1. Please indicate the total number of employees:

Total number of employees as on 31st March, 2020 is 2,392.

2. Please indicate the total number of employees hired on temporary/contractual/ casual basis:

During the financial year 2019-2020, 158 individuals were hired on a contractual basis. The Company also has the policy of absorbing the contractual staff, who had been serving the Company on contractual basis for a reasonable period, as a reward for their loyalty, integrity and good performance.

3. Please indicate the number of permanent women employees:

Out of the total employee strength of 2,392 permanent employees as on 31st March, 2020, 769 are women employees as compared to 715 women employees on 31st March, 2019. This constitutes 32.15 per cent of the total strength as against 30.97 per cent as on 31st March, 2019.

4. Please indicate the number of permanent employees with disabilities:

Four (4) permanent employees with disabilities are engaged with the company as on 31st March, 2020.

5. Do you have an employee association that is recognized by the management?

There is no management recognized employee association. However, mechanisms are in place for employees to represent their issues, if any, and those are resolved amicably. The Company also has a proper whistle blower mechanism in place.

6. What percentage of your permanent employees are members of this recognized employee association?

Not applicable.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr no.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/ forced labour/ involuntary labour	LICHFL does not hire child labour, forced labour or involuntary labour – No reported case	Not Applicable
2.	Sexual harassment	One (1)	None
3.	Discriminatory employment	None	Not Applicable

8. What safety & skill up-gradation training was provided in the last year?

- Permanent employees
- Permanent Women employees
- Casual/ Temporary/ Contractual employees
- Employees with disabilities

BUSINESS RESPONSIBILITY REPORT

During the year 2019-2020, twenty two (22) training programmes for upgrading the skills were conducted in house and the employees of the Company participated in twenty six (26) training programmes conducted by external entities. In these 48 training programmes a total of 1,010 employees of the Company were trained and updated. The Company has the culture of conducting, department wise in-house training, each quarter by the respective departments. The Company believes in providing the best quality of training to the employees at all levels in order to uplift their working as well as professional knowledge and enable them to gather various skill sets.

The Company has also adopted a policy with regard to prevention of Sexual Harassment at work place which is in line with the applicable Act and has in place the prescribed mechanism to deal with the incidents pertaining to Sexual Harassment at work place at the Corporate office level and at the Regional office level. The Company has also setup Internal Complaints Committee (ICC) at the Corporate office and all Regional Offices, which oversees the Sexual Harassment related complaints received from the Area Offices under its jurisdiction. The Service Rules of the company considers Sexual Harassment at work place as misconduct and has also prescribed consequences in case an employee is found guilty of such misconduct. The Management of the Company provides all required support to the ICC to conduct its functions and constantly endeavours for a safe and secure working environment for women.

With regard to employees with disabilities and employees with medical illness, the company provides the facility of paid Sick Leave upto a certain period. Further, any absenteeism beyond that period of leave is allowed, without termination of employment based on the merits of the case. The Company has always been sympathetic towards the employees in these matters and the office in-charges have the discretion and liberty to provide relaxed working hours and work allocation to such employees. Also as regards appointment of handicapped employees is concerned the company does not have a specific quota in this regard, however as reported, there are four employees with disabilities on the payroll and the Company has made all efforts in order to ensure a conducive working environment to such employees.

Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. Has the company mapped its internal and external stakeholders?

The Company's key stakeholders include promoters, employees, customers, business associates, marketing Agents, recovery agents, investors, suppliers, regulatory agencies, CSR implementation agencies and local communities around its sites of operations. The Investors comprise of shareholders (including Institutional Investors, corporate bodies, domestic and foreign institutional investors, foreign bodies etc.).

The Company values the support of its stakeholders and respects the interests and concerns they have towards it. The Company and its employees strive to provide value-based services to the stakeholders.

The Company has continuous interaction with its various stakeholders in order to understand their concerns and assess their requirements and respond to their needs in an effective manner.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders?

The Company considers the entire Country as its work station and thus considers all citizens of the Country as its stakeholders. The Company, during the financial year 2019-2020 has partnered with 32 Implementation Agencies (NGOs) through its CSR activities and has through its various initiatives, in the fields of Education, Health care, Vocational Skill Development, Sanitation, Making Available Safe Drinking Water, Natural Resource Management, undertaken several steps to engage with and ensure sustainable development of the marginalised groups in the local communities around its sites of operations. In the course of carrying on the above initiatives, the Company's CSR Team ensured that the Implementation Agency (NGOs) properly identified the disadvantaged, vulnerable and marginalised stakeholders and extended support to them.

1. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

The Company believes in inclusive growth. All the activities mentioned in Section B (5) are initiatives taken by the Company in partnership with various implementation agencies, with the objective of reaching the disadvantaged, vulnerable and marginalised stakeholders, in order to uplift them and bring them into the main stream by way of extending medical support; supporting them in skill development and making them employable; creation of better infrastructure for them in order to enable them to avail health care and education free of cost or at nominal rates; making safe drinking water and sanitation facilities available to them; rebuilding their lives after natural disasters; making them self-sufficient by way of engaging them in self-help groups and community development programmes; helping local communities in natural resource management and water harvesting.

BUSINESS RESPONSIBILITY REPORT

Further, the philanthropic philosophy of the company is deep rooted in inclusive growth of all, with equitable approach for economically weaker sections. Corporate citizenship initiatives of the Company are carried through partnerships with various non-profit entities and departments/ business units of the company.

The company has announced flagship educational scholarship program named as LIC HFL Vidyadhan scholarship. Through this educational scholarship 1,000 students from economically weaker section in the country covering 28 states and 8 union territories were benefited.



Depending on the educational level students from Class 8th till post-graduation will get scholarship amount from ₹ 10,000/- to ₹ 30,000/- per academic year. Being the first year LIC HFL Vidyadhan scholarship had received overwhelming responses across India and 85,427 students had applied for the scholarship and 68% of the scholarship applicants were from rural and semi-rural background. By rigorous screening process, 34,790 students were shortlisted and through telephonic interview 1,000 students were selected and awarded scholarship.



The Company has also engaged in youth development and employability enhancement of economically weaker sections. Through LIC HFL UDYAM program, the company funded skill development programs and also took initiative in creating infrastructure for imparting skill training implemented by Magic Bus India Foundation and has extended the support of ₹ 67.57 Lakhs towards implementing skill development program for 450 unemployed youth in retail, Business Processing Outsourcing (BPO), Banking & Financial Services Insurance (BFSI), in Mumbai, Maharashtra and Kolkata, West Bengal.



Further, the company has actively contributed towards humanitarian response to COVID-19. An amount of ₹ 15.95 crores has been earmarked for combating COVID-19. Various efforts in extending humanitarian assistance were taken up by the Company, such as distribution of sanitizers, face masks, Personal Protective Equipments (PPE) kits, facilities for isolation wards and critical care units, dry ration for migrant workers, daily labours and destitute.



LIC HFL Humanitarian assistance for COVID-19 has covered 17 states and 5 union territories by reaching out to 94,681 households and touching the lives of more than 4 lakhs individuals during the distribution of dry ration, faces mask, sanitizes etc.

BUSINESS RESPONSIBILITY REPORT

Does the policy related to protection and making efforts to restore the environment cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?

The Company is determined to focus its attention towards achieving the goal of "Reduce, Reuse and Recycle" in its entire operation and process for sustainable development. The Company is committed to put efforts towards renewable resources to avoid depletion of natural resources wherever possible during the course of carrying on its day to day operations. The Company complies with all legal / regulatory requirements related to environment protection, management and sustainable development.

As a responsible corporate citizen, the company is fully aware of the direct and indirect environmental impact of its operations and considers it as a major criterion in all its decisions. The Company being in the business of granting housing loans encourages housing projects which are environmentally safe and secure. In FY2019-2020 the company has contributed a part of CSR Contribution towards projects in the field of natural resource management and sustainable water management. Apart from the above, there have been many more initiatives by the Company during the Financial Year 2019-2020 which has been mentioned in Section B (5).

Principle 5

Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

   All the policies of the Company have been drafted and adopted keeping in mind the creation of stakeholders value. The policies and code of conduct in respect of fair practices also cover the suppliers of the Company such as the home loan and recovery agents etc. No act of the Company has resulted into violation of Human Rights of any stakeholders and all the practices of the Company have been based on the principles of justice and equity grounds.

2. **How many stakeholder complaints pertaining to violation of Human Rights have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   No such instance has been reported during the Financial Year 2019-2020.

Principle 6

Businesses should respect, protect and make efforts to restore the environment

1. **Does the policy relate to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?**

   The Company, commits itself to take all necessary initiatives towards optimization and continual reduction in utilization of natural resources and also manmade resources. The Company is determined to focus its attention towards achieving the goal of "Reduce, Reuse and Recycle" in its entire operation / process for sustainable development. The Company is committed to put efforts towards renewable resources to avoid depletion of natural resources wherever possible, during the course of carrying on its day to day operations. The Company complies with all legal / regulatory requirements related to environment protection, management and sustainable development.

2. **Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming etc.?**

   This section has limited applicability in respect of the Company since the Company is engaged in providing finance for construction / purchase of house / flat. However, as part of its CSR initiative the Company intends to appraise such projects which are in line with the principles of environmental sustainability and comply with all the environmental norms.

   However, it may be mentioned here that the Company has opted for efficient processes in order to minimize adverse impact on the environment. High priority is given towards energy efficiency for selecting or changing over to new systems to reduce carbon emission.

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

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



Utmost priority is given towards CSR initiative which are in line with the principles of environmental sustainability.

BUSINESS RESPONSIBILITY REPORT

In Financial year 2019-2020 the Company has joined hands with Mysore Resettlement and Development Agency (MYRADA) for transformation of Bettamugilalam Panchayat in Krishnagiri district, Tamil Nadu under CSR project for promoting sustainable water management utilizing quality time and resource in the area of rainwater harvesting and restoration of the ground water levels, soil conservation and sustainable farming.

In the past the Company has actively funded projects under its CSR Initiative in the area of water conservation, water harvesting and restoration of ground water levels which is an important contribution towards climate change, global warming.

3. **Does the company identify and assess potential environmental risks?**

   The Company being in the business of granting housing loans, encourages housing projects which are environmentally safe and secure. However, given the limited applicability, LICHFL is fully aware of the direct and indirect environmental impacts of its operations and considers it as a major criterion, in all its decisions and acts responsibly while funding Housing projects. Further, the CSR Committee of the Company has been active in funding environmentally sustainable projects, as it intends to do its bit, in addressing the issue pertaining to environmental sustainability.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   The Company under its CSR initiative has been instrumental in funding projects pertaining to water harvesting, environmental protection, management of natural resources and providing clean and safe drinking water. These projects contribute towards the sustainable development of local communities.

   The Company is not required to file any environmental compliance report.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc? Y/N. If yes, please give hyperlink for web page etc.**

   The Company is engaged in providing loans for housing projects. At the time of appraisal of the Projects, it is mandatory for the builders etc. to ensure that the projects are environmentally viable and sustainable; the same is also reflected in the valuation report which forms part of the company's SOP guidelines (Standard Operating Procedures Guidelines). Any major deviations from the construction norms of the local authority is looked into in detail and in cases where the deviation is serious, the proposal for loan is aborted. Thus, the Company associates itself, only with environmentally safe projects.

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

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

6. **Are the Emissions/ Waste generated by the company within the permissible limits given by CPSB/ SPCB for the financial year being reported?**

   Since the company has been engaged in the business of extending housing loans the above question is not applicable to the Company. However, as mentioned above the Company is determined to focus its attention to achieve the goal of "Reduce, Reuse and Recycle" in its entire operation / process for sustainable development.

7. **Number of show cause/ legal notices received from CPSB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   The Company has not received any such Legal notices as the same is not applicable to the Company.

Principle 7

Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association?**

   Although the Company has not secured the membership of any trade and chamber or association, it has close ties with top developer associations like CREDAI, NAREDCO, MCHI and chambers such as ASSOCHAM and FICCI. The Company partners with these associations for their initiatives related to Real Estate.

2. **Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   The Company conducts property fairs, wherein it brings the builders and the home buyers to a common platform by acting as a link between them. Through this initiative the Company helps in the growth of the housing as well as housing finance industry. Also by way of better liaisoning with NHB and creation of a separate cell in the Corporate

BUSINESS RESPONSIBILITY REPORT

Office, the Company could receive subsidy of more than ₹ 670 Crore and distributed to over more than 29000 beneficiaries during the year.

The Company has also participated in the campaign for change management for PMAY (U) beneficiaries which was launched on 29th August, 2019 by Hon'ble Minister, Housing and Urban Affairs, with the objective to address issues that arise from life transformation after moving into affordable houses. This was followed by the Angikaar campaign being launched across all PMAY(U) cities of the country on 2nd October, 2019. The campaign focuses on adopting best practices for sustainable living through community mobilisation and Information Education Communication (IEC) activities for PMAY (U) beneficiaries on:

- Health
- Water, Sanitation and Hygiene (WASH)
- Waste management and energy conservation

The main Objective of the campaign Angikaar, is

i) To build capacities with financial literacy through Primary Lending Institutes (PLIs) as per the extant norms of Ministry of Finance (MoF), Reserve Bank of India (RBI), National Housing Bank (NHB) etc. in coordination with Central Nodal Agency (CNAs).

ii) To build capacities of beneficiaries under the BLC, AHP and ISSR verticals with financial literacy, information on various financial schemes of Government of India; such as the Pradhan Mantri MUDRA Yojana (PMMY), Start-up India scheme etc.

Principle 8

Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof:

The Company has made efforts towards inviting proposals from various Non-profit Organisations which are rigorously working towards the upliftment of the Society. Through CSR appraisal mechanism, the company has provided CSR funding to some of the NGOs working in the areas of education, health care and natural resource management. The details in respect thereof have been provided in Section B of this Report. The core of these CSR project contributions has been to ensure that, there should be equitable growth and inclusive development.



During the year, the Company has partnered with Smile foundation for refurbishment and enhancement of learning outcomes in 9 government schools in marginalised block of Bharatpur district namely Kaman in the state of Rajasthan.

The company has also partnered with non-profitable organisation called Gram Vikas for implementing Urban Development Action in Neighbourhoods (UDAN) project which aims at upliftment of urban poor families affected by severe cyclone Fani during May, 2019. The project, works with 7 habitations located in the periphery of Bhubaneswar Municipal Corporation in Odisha since October, 2019. It facilitates processes and practices for livelihood enhancement and improved WASH behaviour through community participation. It has a reached out to 714 families including 80% tribal families which belongs to Munda and Santal tribe.

2. Are the programmes/ projects undertaken through in-house team/ own foundation / external NGO / Government structures / and any other organisation?

The Company carries on its CSR activities through various implementation agencies (NGOs) which are identified by its in-house CSR team and evaluated by the Board Level CSR Committee. The Company also engaged an external agency to design an MIS for Monitoring and Evaluation of the projects, in order to analyse the progress of the sanctioned projects. The company has also conducted an impact analysis of the ongoing and the past CSR projects, through an external agency, which has submitted its report to the board level CSR Committee. Further, the Company's wholly owned subsidiary namely, LICHFL Care Homes Limited has the main objective to build assisted living centres for the elderly people and provide them with a roof at a competitive price, for a peaceful and enjoyable retired life, thus supporting growth and inclusive development.

BUSINESS RESPONSIBILITY REPORT

3. Have you done any impact assessment of your initiative?

The Company has conducted the impact assessments of the CSR contributions made by till 2016-17 and the report in respect of the same has been deliberated upon by Company's CSR Committee and has been taken note of by the Board of Directors of the Company. Further, the Company also calls for quarterly monitoring reports from the implementation agencies, of all its ongoing CSR projects in order to analyse the impact on a regular basis. In FY2019-2020, the Company has empanelled an external agency, for continuous monitoring and evaluation of ongoing CSR projects to increase accountability and transparency standard of projects implemented by CSR partners.

4. What is your company's direct contribution to community development projects – Amount in INR and the details of the project undertaken?

Through stringent CSR on-boarding process, the Company ensures that the benefits of CSR initiatives will be directly available for poor/ marginalised and the local community at large. Many of the projects sanctioned during the year pertain to working with self-help groups, farmers group, village development committee etc. in order to develop the quality of lives of the local community of the project area.



One of the major projects undertaken by the company in this reporting period is HRIDAY (Holistic Rural Initiative for Development Action & Yield) project, implemented by Sahbhagi Shikshan Kendra in 5 villages of Mahauri Panchayat in Palamu, District, Jharkhand. The said project has commenced from December 2019 for a period of 12 months with a project budget of ₹ 1.88 crore.

The project is designed to improve the social condition of the people residing in the selected villages, by focusing on different aspects of development related to empowerment such as social, educational and financial, heath and infrastructure. Various project initiatives are taken up under the HRIDAY project such as functional literacy centres, malnutrition screening, famers tool bank, goat bank, income generation program through self-help groups. Through various CSR interventions LIC HFL's focus is to develop a sustainable model village, by working on all dimensions of development.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

From the project designing stage, the company has taken utmost care of sustainability of project initiatives. To safeguard the development plan of the village, community engagement is ensured from the project planning through Participatory Rural Appraisal (PRA) and Focus Group Discussion (FGD). By introducing village development committee beneficiary, selection criteria were formulated by villagers itself and right individuals were selected for project initiatives, which increased community oneness and better engagement of the community, various community strengthening activities are planned to ensure better sustainability of project activities and effective withdrawal strategy.

Apart from the strategic practices, the Company calls for quarterly monitoring reports from the implementation agencies to ensure the proper utilization of funds. Added to this the Company analyses the ongoing projects, deliverables and required correction in existing project intervention plan at regular intervals. Further, the company has engaged an external agency to continuously monitor and evaluate ongoing projects for better outcome and to increase accountability. Through all these initiatives, the company ensures that this community development initiative is successfully adopted by the community.

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/ consumer cases are pending as on the end of the financial year?

There are Eight (8) customer complaints that are pending as on 31st March, 2020, as 12,290 complaints out of the 12,298 received during FY 2019-2020 has been resolved, by the in-house Customer Relationship Management team of the Company. The Company has also enhanced its resources in order to adhere to the resolution of Customer Complaints by way of engaging tele callers who attend to Customer Calls as an endeavour for speedy resolution.

BUSINESS RESPONSIBILITY REPORT

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

LICHFL is a housing finance company and hence this question has limited applicability. However, all terms and conditions of housing loan schemes are disclosed to the applicant before financing. The Company also displays the information pertaining to the basket of products at a conspicuous location at each of its operating offices across India. Further the Most Important Terms and Conditions (MITC) are part of the loan kit and the provisions relating thereto, are also explained to the Customer before disbursement. All the above mentioned information, along with much more additional information is also displayed on the Company's website. The Company also has a Comprehensive notice board on its website.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

There is no such instance during the reporting period.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company has not carried out any consumer survey/ consumer satisfaction trends directly, however the Company has an 'Input Committee', consisting of experienced senior employees, having considerable experience in grass root operations of the Company. This committee brings out the customer sentiments and expectations before the 'Product Committee', which is a committee at the Corporate Office responsible for designing a new product. The 'Product Committee' considers the suggestions of the 'Input Committee' while designing a new product and incorporates therein the requirements and expectations of the customers and also makes all efforts to keep the product at par with the market trends and sentiments of the customers.

INDEPENDENT AUDITOR'S REPORT

To the Members of LIC Housing Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of LIC Housing Finance Limited (hereinafter referred to as "the Company"), which comprise the Standalone Balance Sheet as at 31st March 2020, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and Standalone Cash Flow Statement for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020 and profit, total comprehensive income, changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 37.4 to the Standalone Financial Statements, which explains the uncertainties and management's assessment of the financial impact due to the lockdown and other restrictions imposed by the Government and condition related to the COVID-19 pandemic situation, for which definitive assessment of the impact would highly depend upon circumstances as they evolve in the subsequent periods.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key Audit Matter	How the matter was addressed in our audit
Expected Credit Loss – Impairment of carrying value of loans and advances Under Ind AS 109, Expected Credit Loss (ECL) is required to be determined for recognising impairment loss on financial assets which are stated at amortised cost or carried at fair value through other comprehensive income. The calculation of impairment loss or ECL is based on significant management judgement and considers the historical default and loss ratios of the loan portfolio and, to the extent possible, forward-looking analysis. The significant areas in the calculation of ECL where management estimates and judgements are required as under: 1. Judgements about credit risk characteristics, taking into account instrument type, class of borrowers, credit risk ratings, date of initial recognition, remaining term to maturity, property valuations, industry and other relevant factors for collective evaluation of impairment under various stages of ECL. 2. Loan staging criteria 3. Calculation of probability of default and loss given default. 4. Consideration of probability weighted scenarios and forward looking macro-economic factors	**We performed audit procedures set out below** • We understood and assessed the Company's process on timely recognition of impairment in the loan portfolio, both retail loans and project loans. This included assessing the accuracy of the system generated reports of ageing and defaults. • We also performed a test check of the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge and management review controls over measurement of impairment allowances and disclosures in the Standalone Financial Statements. • We have discussed with the management and the external specialists to test the working of the ECL model and reasonableness of assumptions used, more specifically in the light of the RBI moratorium and its probable ramifications. • We performed substantive procedures over validating completeness and correctness of the data and reasonableness of assumptions used in the ECL model including capturing of PD and LGD in line with historical trends of the portfolio and evaluation of whether the results support the appropriateness of the PDs at the portfolio level.;

INDEPENDENT AUDITOR'S REPORT

Key Audit Matter	How the matter was addressed in our audit
5. For Project loans, assessment based on a borrower's financial performance, solvency, liquidity and industry outlook. The Company has also appointed a domain specialist to assist it in arriving at the ECL provisions required to be recognised. Further, the COVID-19 pandemic situation and the lockdown in the country coupled with the moratorium granted by RBI has cast an uncertainty on the timing and manner in which the Company would be able to collect the contractual cashflows in the form of repayments from its borrowers. In our opinion this is considered as a Key Audit Matter in view of the criticality of the item to the Standalone Financial Statements and the complex nature of assumptions and judgements exercised by the management. Refer Note 2.14 A(f), "Impairment of Financial Assets" and Note 37.4.2.3, "Impairment Assessment" and 37.4.2.4, "ECL model and assumptions considered in the ECL model", to the Standalone Financial Statements. Refer Note 3.1, "Determination of Expected Credit Loss" to the Standalone Financial Statements and Refer Note 9, "Loans" to the Standalone Financial Statements	• We performed cut off procedures on a sample basis relating to recoveries at year end that would impact staging of loans; • We test checked the basis of collateral valuation in the determination of ECL provision. • We have relied upon the work done by other experts like Independent Valuers, Lawyers, Legal Experts and other such professionals who have rendered services to the company • We have also obtained management representations wherever considered necessary
Evaluation of uncertain tax positions The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Note 40(b), "Contingent Liabilities" to the Standalone Financial Statements.	**Our procedures included:** • We obtained details of completed tax assessments and demands for the year ended March 31, 2020 from the management. • We assessed the management's underlying assumptions in estimating the tax provision in light of the amendments in the taxation laws and the possible outcome of the disputes. We have also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. • Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2019 to evaluate whether any change was required to management's position on these uncertainties.
IT Systems and controls The company has separate software applications for management of its loan portfolio from origination to servicing and closure and for the routine accounting. Transfer of data from / to these softwares is critical for accurate compilation of financial information. Adequate supervision over these IT controls is required to ensure that these IT applications process data as expected, updates and changes are made in an appropriate manner and confidentiality, availability and integrity is maintained. Such controls mitigate the risk of incorrect financial reporting. Our audit outcome is dependent on the effective functioning of such IT controls.	We have carried out the following procedures to verify the effectiveness of IT controls: a. We have planned, designed and carried out the desired audit procedures and sample checks which in our opinion are adequate to provide reasonable assurance on the adequacy of IT controls in place. b. In addition, we have relied on IS and other related audit reports provided by the management, wherever available. c. We also tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit and performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the Standalone Financial Statements. d. We have also obtained management representations wherever considered necessary.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matter	How the matter was addressed in our audit
Impact of COVID-19 pandemic Due to the national lockdown in India, the information necessary for conducting the audit was provided by the Company remotely through a secure connection and suitable IT systems were made available to us. As a result, we have relied completely on digital or electronic evidence as a part of our audit process effective from the date of the lockdown till the date of this report.	We have carried out the validation of the electronic evidence provided by the management by performing the following procedures: a. We reviewed the steps taken by various Departments of the Company to ensure that the controls and operations were functioning effectively in the period of the lockdown. b. We have correlated the electronic evidence obtained with the financial information to ensure consistency and accuracy. c. We have obtained management representations wherever considered necessary.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Director's report and Management Discussion & Analysis (MD&A) report, but does not include the Standalone Financial Statements and our auditor's report thereon. The Director's report and MD&A report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Management's Responsibilities for the Standalone Financial Statements

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i. Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud

INDEPENDENT AUDITOR'S REPORT

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

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

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

v. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the financial year ended 31st March 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The Standalone Financial Statements of the Company for the year ended March 31, 2019 were audited by other auditors who expressed an unmodified opinion on those Standalone Financial Statements vide their report dated 4th May 2019.

Our opinion on the Standalone Financial Statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:
   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c. the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   d. in our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
   e. on the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act;

INDEPENDENT AUDITOR'S REPORT

f. with respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";

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

   i. the Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 40(b) to the Standalone Financial Statements.

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   ii. there has been no delay in transferring amounts, required to be transferred, to the Investor, Education and Protection Fund by the Company.

3. As required by Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

For **Gokhale & Sathe**
Chartered Accountants
Firm Regn. No. 103264W

Rahul Joglekar
Partner
Membership No.: 129389
UDIN: 20129389AAAADZ2735

Place: Mumbai
Date: June 19, 2020

For **M. P. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 101851W

Ashutosh Pednekar
Partner
Membership No.: 041037
UDIN: 20041037AAAABM6277

Place: Mumbai
Date: June 19, 2020

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of LIC Housing Finance Limited of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of property, plant and equipment by which property, plant and equipment are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examine by us and based on the examination of the registered sale deed/ transfer deed /conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and acquired buildings which are freehold, are held in the name of the Company as at the balance sheet date.

In respect of immovable properties of buildings that have been taken on lease and disclosed as property, plant and equipment in the Standalone Financial Statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) The nature of the Company's business is such that it is not required to hold any inventories and, hence, reporting under paragraph 3 (ii) of the order is not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Hence, reporting under paragraph 3 (iii) (a), (b) and (c) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the provisions of Section 185 of the Companies Act, 2013 are not applicable to the Company. The Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186.

(v) As per the Ministry of Corporate Affairs notification dated 31st March 2014, the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company and, hence, reporting under Clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us and to the best of our knowledge, the Central Government has not prescribed the maintenance of cost records under sub-section 1 of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, as amended for the services of the Company, and, hence, reporting under paragraph 3 (vi) of the order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us, and on the basis of examination of the books of account of the company examined by us, in our opinion, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, goods and service tax, cess and other material statutory dues applicable to it. According to information and explanations given to us, no undisputed amounts payable were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, goods and service tax, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government and dues to debenture holders. The Company has not taken loans or borrowings from government.

(ix) According to the information and explanations given to us, and on the basis of our examination of the books of account of the Company, money raised by way of debt instruments and term loans have been applied by the Company during the year for the purpose for which they were raised, other than temporary deployment in fixed deposits with Banks pending application of proceeds. Apart from money raised by way of debt instruments, the Company has neither raised any moneys by way of initial public offer / further public offer nor were such proceeds pending to be applied, during the current year.

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

(x) According to the information and explanations given to us, no material fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and on the basis of our examination of the records, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and hence, reporting under paragraph 3 (xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records, the Company is in compliance with Section 177 and 188 of the Act where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with directors. Hence, reporting under paragraph 3(xv) of the Order is not applicable.

(xvi) In our opinion and according to information and explanation given to us, the Company is not required to be registered under section 45-IA Reserve Bank of India Act, 1934.

For **Gokhale & Sathe**
Chartered Accountants
Firm Regn. No. 103264W

Rahul Joglekar
Partner
Membership No.: 129389
UDIN: 20129389AAAADZ2735

Place: Mumbai
Date: June 19, 2020

For **M. P. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 101851W

Ashutosh Pednekar
Partner
Membership No.: 041037
UDIN: 20041037AAAABM6277

Place: Mumbai
Date: June 19, 2020

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of LIC HOUSING FINANCE LIMITED of even date)

Report on the internal financial controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 (the 'Act')

We have audited the internal financial controls with reference to financial reporting of **LIC Housing Finance Limited** (hereinafter referred to as "the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

Meaning of Internal Financial Controls with reference to Standalone Financial Statements.

A Company's internal financial control 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls With reference to 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 control 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, to the best of our information and according to the explanations given to us, the Company has, in all material

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Gokhale & Sathe**
Chartered Accountants
Firm Regn. No. 103264W

Rahul Joglekar
Partner
Membership No.: 129389
UDIN: 20129389AAAADZ2735

Place: Mumbai
Date: June 19, 2020

For **M. P. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 101851W

Ashutosh Pednekar
Partner
Membership No.: 041037
UDIN: 20041037AAAABM6277

Place: Mumbai
Date: June 19, 2020

BALANCE SHEET
AS AT MARCH 31, 2020

(₹ in crore)

		Note	As at March 31, 2020	As at March 31, 2019
	Assets			
(1)	**Financial Assets**			
	(a) Cash and Cash Equivalents	5	1,365.72	2,801.80
	(b) Bank Balance other than (a) above	6	613.23	211.71
	(c) Derivative Financial Instruments	7	80.48	26.98
	(d) Receivables	8		
	(I) Trade Receivables		-	-
	(II) Other Receivables		-	-
	(e) Loans	9	2,07,987.97	1,92,992.74
	(f) Investments	10	5,496.37	3,595.06
	(g) Other Financial Assets	11	21.41	13.89
	Total Financial Assets		**2,15,565.18**	**1,99,642.18**
(2)	**Non-Financial Assets**			
	(a) Current Tax Assets (Net)	12	354.07	178.05
	(b) Deferred Tax Assets (Net)	13	520.04	553.37
	(c) Property, Plant and Equipment	14.1	134.62	132.97
	(d) Capital Work in Progress	14.3	0.33	-
	(e) Right of Use Assets	14.4	117.45	-
	(f) Other Intangible Assets	14.2	1.98	2.88
	(g) Other Non-Financial Assets	15	111.92	74.02
	Total Non-Financial Assets		**1,240.41**	**941.29**
	Total assets		**2,16,805.59**	**2,00,583.47**
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	**Financial Liabilities**			
	(a) Derivative Financial Instruments	7	22.90	25.79
	(b) Lease Liabilities		125.86	-
	(c) Payables	16		
	(A) Trade Payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		34.57	79.94
	(B) Other Payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
	(d) Debt Securities	17	1,32,082.26	1,34,615.67
	(e) Borrowings (Other than Debt Securities)	18	45,140.43	26,383.91
	(f) Deposits	19	12,608.99	7,667.43
	(g) Subordinated Liabilities	20	1,500.00	2,000.00
	(h) Other Financial Liabilities	21	6,728.49	13,289.42
	Total Financial Liabilities		**1,98,243.50**	**1,84,062.16**
(2)	**Non-Financial Liabilities**			
	(a) Provisions	22	145.33	113.39
	(b) Other Non-Financial Liabilities	23	223.66	148.65
	Total Non-Financial Liabilities		**368.99**	**262.04**
(3)	**EQUITY**			
	(a) Equity Share Capital	24	100.99	100.99
	(b) Other Equity	25	18,092.10	16,158.28
	Total Equity		**18,193.09**	**16,259.27**
	TotalLiabilities and Equity		**2,16,805.59**	**2,00,583.47**

See accompanying notes forming part of the Standalone Financial Statement 1-57

As per our report of even date attached

For and on behalf of the Board of Directors

For Gokhale & Sathe
Chartered Accountants
FRN 103264W

Rahul Joglekar
Partner
M.No.129389

For M.P. Chitale & Co.
Chartered Accountants
FRN 101851W

Ashutosh Pednekar
Partner
M. No. 41037

M. R. Kumar
Chairman
DIN: 03628755

Jagdish Capoor
Director
DIN: 00002516

Siddhartha Mohanty
Managing Director &
Chief Executive Officer
DIN : 08058830

Nitin K. Jage
General Manager (Tax.)
& Company Secretary
FCS No. 8084

Sudipto Sil
CFO

B. K. Unhelkar
General Manager
(Accounts)

Place: Mumbai
Date: June 19, 2020

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

		Note	Year ended March 31, 2020	Year ended March 31, 2019
(1)	**REVENUE FROM OPERATIONS**			
	(i) Interest Income	26	19,605.35	17,256.11
	(ii) Fees and Commission Income	27	39.42	34.83
	(iii) Net gain on Derecognition of Financial Instruments under amortised cost category	28	5.86	10.66
	(iv) Others	29	46.06	56.19
Total Revenue from Operations (1)			**19,696.69**	**17,357.79**
(2)	**Other Income** (includes Dividend of ₹ 6.19 crore) (Previous year ₹ 6.70 crore)	30	(26.93)	6.78
(3)	**Total Income (1+2)**		**19,669.76**	**17,364.57**
(4)	**Expenses**			
	(i) Finance Costs	31	14,783.86	12,891.54
	(ii) Fees and Commission Expenses	32	60.56	21.08
	(iii) Net Loss on Derecognition of Financial Instruments under Amortised Cost Category	33	47.49	267.71
	(iv) Impairment on Financial Instruments (Expected Credit Loss)	34	952.73	350.35
	(v) Employee Benefits Expenses	35	299.09	247.88
	(vi) Depreciation, Amortization and Impairment	14.1, 14.2 & 14.4	48.07	11.73
	(vii) Others Expenses	36	208.97	194.73
Total Expenses (4)			**16,400.77**	**13,985.02**
(5)	**Profit Before Tax (3-4)**		**3,268.99**	**3,379.55**
(6)	**Tax Expense:**			
	(1) Current Tax		828.98	1,059.43
	(2) Deferred Tax		38.17	(110.85)
Total Tax Expenses (6)			**867.15**	**948.58**
(7)	**Net Profit after Tax (5-6)**		**2,401.84**	**2,430.97**
(8)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to Profit or (Loss)		(11.68)	(0.71)
	(ii) Income Tax relating to items that will not be reclassified to Profit or (Loss)		4.83	0.25
Other Comprehensive Income			**(6.85)**	**(0.46)**
(9)	**Total Comprehensive Income for the period**		**2,394.99**	**2,430.51**
(10)	**Earnings per Equity Share**			
	Basic (₹)		47.59	48.17
	Diluted (₹)		47.59	48.17

See accompanying notes forming part of the Standalone Financial Statement 1 - 57

As per our report of even date attached

For and on behalf of the Board of Directors

For Gokhale & Sathe
Chartered Accountants
FRN 103264W

Rahul Joglekar
Partner
M.No.129389

For M.P. Chitale & Co.
Chartered Accountants
FRN 101851W

Ashutosh Pednekar
Partner
M. No. 41037

M. R. Kumar
Chairman
DIN: 03628755

Jagdish Capoor
Director
DIN: 00002516

Siddhartha Mohanty
Managing Director &
Chief Executive Officer
DIN : 08058830

Nitin K. Jage
General Manager (Tax.)
& Company Secretary
FCS No. 8084

Sudipto Sil
CFO

B. K. Unhelkar
General Manager
(Accounts)

Place: Mumbai
Date: June 19, 2020

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2020

A. EQUITY SHARE CAPITAL

(₹ in crore)

Balance as at April 1, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019
100.99	-	100.99

Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
100.99	-	100.99

B. OTHER EQUITY

(₹ in crore)

	Reserve and Surplus							Other Comprehensive Income		Total Equity
	Statutory Reserves	Capital Reserve	Securities Premium	General Reserve	Special Reserve I	Special Reserve II	Retained Earnings	Other items (Acturial Gain/ (Loss)	Cash Flow Hedge Reserve	
Balance as at April 1, 2018	**0.14**	**0.48**	**1,705.29**	**5,282.97**	**38.98**	**4,354.35**	**2,755.37**	**2.62**	**-**	**14,140.19**
Add: Total Comprehensive Income for the year	-	-	-	-	-	-	2,430.97	(0.46)	-	2,430.51
Less: Dividend of ₹ 6.80/- per equity share of ₹ 2 /- each (including Tax on Dividend of ₹ 69.25 crore)	-	-	-	-	-	-	(412.42)	-	-	(412.42)
Transfer to Statutory Reserves	0.01	-	-	-	-	-	(0.01)	-	-	-
Transfer to General Reserves	-	-	-	600.00	-	-	(600.00)	-	-	-
Transfer to Special Reserve II	-	-	-	-	-	749.99	(749.99)	-	-	-
Balance as at March 31, 2019	**0.15**	**0.48**	**1,705.29**	**5,882.97**	**38.98**	**5,104.34**	**3,423.92**	**2.16**	**-**	**16,158.28**
Balance as at April 1, 2019	**0.15**	**0.48**	**1,705.29**	**5,882.97**	**38.98**	**5,104.34**	**3,423.92**	**2.16**	**-**	**16,158.28**
Add: Total Comprehensive Income for the year	-	-	-	-	-	-	2,401.84	(6.85)	-	2,394.99
Add: Gain on ECB Cross Currency Swap	-	-	-	-	-	-	-	-	48.62	48.62
Less: Loss due to Exchange Rate Fluctuation on ECB	-	-	-	-	-	-	-	-	(48.62)	(48.62)
Less: Dividend of ₹ 7.60/- per equity share of ₹ 2 /- each (including Tax on Dividend of ₹ 77.61 crore)	-	-	-	-	-	-	(461.17)	-	-	(461.17)
Transfer to Statutory Reserves	0.01	-	-	-	-	-	(0.01)	-	-	-
Transfer to General Reserves	-	-	-	600.00	-	-	(600.00)	-	-	-
Transfer to Special Reserve II	-	-	-	-	-	749.99	(749.99)	-	-	-
Balance as at March 31, 2020	**0.16**	**0.48**	**1,705.29**	**6,482.97**	**38.98**	**5,854.33**	**4,014.59**	**(4.69)**	**-**	**18,092.10**

See accompanying notes forming part of the Standalone Financial Statement 1 - 57

As per our report of even date attached

For and on behalf of the Board of Directors

For Gokhale & Sathe
Chartered Accountants
FRN 103264W

Rahul Joglekar
Partner
M.No.129389

For M.P. Chitale & Co.
Chartered Accountants
FRN 101851W

Ashutosh Pednekar
Partner
M. No. 41037

M. R. Kumar
Chairman
DIN: 03628755

Jagdish Capoor
Director
DIN: 00002516

Siddhartha Mohanty
Managing Director &
Chief Executive Officer
DIN : 08058830

Nitin K. Jage
General Manager (Tax.)
& Company Secretary
FCS No. 8084

Sudipto Sil
CFO

B. K. Unhelkar
General Manager
(Accounts)

Place: Mumbai
Date: June 19, 2020

CASH FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2020

(₹ in crore)

		Year ended March 31, 2020	Year ended March 31, 2019
A.	**Cash Flow from Operating Activities**		
	Profit Before Tax	3,268.99	3,379.55
	Adjustments for		
	Depreciation, Amortization and Impairment (other than Financial Instruments)	48.07	11.73
	Impairment on Financial Instruments (Expected Credit Loss)	952.73	350.35
	Loss/(Gain) on disposal of Property, Plant and Equipment	(0.12)	(0.09)
	Dividend and Interest Income classified as Investing Cash Flows	(6.27)	(14.81)
	Unwinding of discount	(262.53)	(373.64)
	Interest Expense	14,783.82	12,891.55
	Interest Income	(19,461.95)	(17,162.80)
	Adjustments for		
	Movements in Provisions and Gratuity	(11.68)	(0.46)
	(Increase) / Decrease in Other Financial Assets	(414.52)	1.46
	(Increase) / Decrease in Other Non Financial Assets	(32.94)	154.18
	Increase / (Decrease) in Other Financial Liabilities	(5,972.50)	1,955.08
	Increase / (Decrease) in Other Non Financial Liabilities	132.17	34.31
	Interest Paid	(15,473.91)	(12,763.45)
	Interest Received	19,058.02	16,831.12
	Cash generated from Operations	**(3,392.62)**	**5,294.08**
	Income Tax paid	(1,005.00)	(1,054.49)
	Net Cash Outflow from Operations	**(4,397.62)**	**4,239.59**
	Loans Disbursed (Net of repayments)	(15,280.43)	(26,613.76)
	Public Deposits (Net of repayments)	4,963.13	845.47
	Net Cash Outflow from Operating Activities (A)	**(14,714.92)**	**(21,528.70)**
B.	**Cash Flow from Investing Activities**		
	Payments for Purchase of Property, Plant and Equipment	(13.95)	(50.50)
	Proceeds from Sale of Property, Plant and Equipment	0.16	0.14
	Payments for Purchase of Investments	(1,875.10)	(1,638.53)
	Proceeds from Sale of Investments	3.62	18.23
	Dividends Received	6.19	6.70
	Interest Received	0.08	8.12
	Net Cash (Outflow)/ Inflow from Investing Activities (B)	**(1,879.00)**	**(1,655.84)**

CASH FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2020

(₹ in crore)

		Year ended March 31, 2020	Year ended March 31, 2019
C.	**Cash Flow from Financing Activities**		
	Proceeds from Borrowings	1,69,252.97	1,54,790.50
	Repayment of Borrowings	(1,53,593.63)	(1,30,300.29)
	Payments towards Lease Liability	(39.36)	-
	Transfer to Investor Protection Fund	(0.98)	(0.82)
	Dividends paid to Company's Shareholders	(383.55)	(342.14)
	Dividend Distribution Tax paid	(77.61)	(69.25)
	Net Cash Inflow from Financing Activities (C)	**15,157.84**	**24,078.00**
	Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(1,436.08)	893.46
	Cash and Cash Equivalents at the beginning of the period	2,801.80	1,908.34
	Cash and Cash Equivalents at the end of the period	**1,365.72**	**2,801.80**
	Cash and Cash Equivalents as per above comprise of the following		
	(i) Cash on hand	1.37	6.61
	(ii) Balances with Banks (of the nature of cash and cash equivalents)	1,282.15	2,470.27
	(iii) Cheques, drafts on hand	82.20	324.92
	Balances as per Statement of Cash Flows	**1,365.72**	**2,801.80**

As per our report of even date attached

For Gokhale & Sathe
Chartered Accountants
FRN 103264W

Rahul Joglekar
Partner
M.No.129389

For M. P. Chitale & Co.
Chartered Accountants
FRN 101851W

Ashutosh Pednekar
Partner
M. No. 41037

Place: Mumbai
Date: June 19, 2020

For and on behalf of the Board of Directors

M. R. Kumar
Chairman
DIN: 03628755

Nitin K. Jage
General Manager (Tax.)
& Company Secretary
FCS No. 8084

Jagdish Capoor
Director
DIN: 00002516

Sudipto Sil
CFO

Siddhartha Mohanty
Managing Director &
Chief Executive Officer
DIN : 08058830

B. K. Unhelkar
General Manager
(Accounts)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 1: CORPORATE INFORMATION:

LIC Housing Finance Limited ("the Company") is a Public Limited Company, having corporate identification number CIN: L65922MH1989PLC052257, is incorporated under the provisions of the Companies Act, 1956 (as amended by the Companies Act, 2013). The shares of the Company are listed on the Bombay Stock Exchange, the National Stock Exchange and the Luxemburg Stock Exchange.

The Company is engaged in the business of providing finance for purchase, construction, repairs, renovation of houses/buildings. The Company's Registered Office and Corporate Office is at Mumbai with a wide network of Operating Offices in India and Representative Offices at Dubai and Kuwait.

The Standalone Financial Statements for the year ended March 31, 2020 were authorized for issuance in accordance with resolution of the Board of Directors on June 19, 2020.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

(A) Significant Accounting Policies:

2.1 Statement of Compliance

Standalone Financial Statements of the Company have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards ("the Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the guidelines issued by the National Housing Bank ("NHB") and Reserve Bank of India (RBI) to the extent applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The Company presents its Balance Sheet in the order of liquidity.

2.2 Basis of preparation of Ind-AS Financial Statements

The Company has prepared these Standalone Financial Statements, which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2020, and accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements" or "Financial Statements") on the historical cost basis except for certain financial instruments and certain employee benefit assets, which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crore except when otherwise stated.

2.3 Revenue Recognition

The Company has recognised revenue pursuant to a contract (other than a contract listed in paragraph 5 of Ind AS 115) only if the counterparty to the contract is a customer. A customer is a party that has contracted with an entity to obtain services that are an output of the entity's ordinary activities in exchange for consideration.

i. Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is accrued on a timely basis, by reference to the principal outstanding and at applicable effective interest rate (EIR). The effective interest method is a method of calculating the amortised cost of a financial asset and allocating interest income over the relevant period. The

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

ii. Dividend Income:

Dividend income from investment is recognised when the Company's right to receive the payment has been established provided that it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably.

iii. Fees and Commission Income:

Fees and commission income includes fees other than those that are an integral part of EIR. The Company recognises the fees and commission income in accordance with the terms of the relevant contracts / agreements and when it is probable that the Company will collect the consideration.

iv. Other Income:

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

2.4 Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019 and has reassessed the existing lease contracts on the date of initial application date, i.e. 01.04.2019 for application of Ind AS 116. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated. As permitted by para C8(c)(ii) of Ind AS 116, at the date of initial application, the right to use asset has been measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. As a result there is no cumulative effect of initial application which is required to be recognised in retained earnings at April 1, 2019.

As Lessee

The Company, as lessee has recognised lease liabilities and right-of-use assets, has applied the following approach to all of its leases (a) measured the lease liability at the date of transition to Ind AS by measuring that lease liability at the present value of the remaining lease payments and discounted using the lessee's incremental borrowing rate at the date of transition to Ind AS 116. Lease arrangements entered during the year are measured at incremental borrowing rate computed at the beginning of the year. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if there is change to its assessment whether it will exercise an extension or a termination option. (b) Right Of Use assets are recognized and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of restoration costs and any initial direct costs incurred by lessee. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right of Use Assets are depreciated from the commencement date on a straight- line basis over the shorter of the lease term or useful life of the underlying asset. They are evaluated for recoverability whenever events or changes indicate that their carrying amounts may not be recoverable.

The Company has not applied Ind AS 116 to Short Term Leases, which are defined as leases with a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

As a Lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interest in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

2.5 Functional Currency and Foreign Exchange Transactions

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The Company has accordingly assessed INR as its functional currency.

The transactions in currencies other than the entity's functional currency are recognised at the rate of exchange prevailing at the date when the transaction first qualifies for recognition.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value was determined. Non-monetary items measured at historical cost are not translated.

Exchange difference arising on monetary items is recognised in the Statement of Profit and Loss in the year in which they arise.

2.6 Borrowing Costs

Borrowing costs include interest, commission/brokerage on deposits and exchange differences arising from foreign currency borrowings to the extent they are regarded as adjustment to interest cost. Interest expenses are accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate (EIR) applicable. The effective interest method is a method of calculating the amortised cost of a financial liability and allocating interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

2.7 Employee Benefits

Retirement benefit cost and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the year of a plan amendment or when the Company recognises corresponding restructuring cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the Company recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits to employees in respect of wages and salaries, annual leave, sick leave and short-term employee benefits in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.8 Taxes

Income tax expense represents the sum of current tax and deferred tax.

Current Taxes

Current income tax is the amount of expected tax payable based on taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of Income Tax Act, 1961.

Deferred Taxes

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which give future economic benefits in the form of adjustment to future income tax liability, is considered as a deferred asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company.

Current and Deferred Tax for the year

Current and Deferred tax are recognised in profit or loss, except when they are relating to items that are recognised in the other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.9 Property, Plant and Equipment

Property, Plant and Equipment are recorded at their cost of acquisition, net of refundable taxes or levies, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. Property, plant and equipment except freehold land held for use for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight - line method as per the useful life prescribed in the Schedule II to the Companies Act, 2013, except in respect of Vehicles (Motor cars) where useful life is estimated as 5 years based on estimated usage of the assets.

Type of Asset	Useful Lives (in years)
Building	60
Furniture & Fixture	10
Vehicles	5
Office Equipment	5
Computers	3
Servers And Networks Equipment	6

Depreciation on additions to Fixed Assets is provided on pro-rata basis from the date of acquisition or installation. Depreciation on assets whose cost individually does not exceed ₹ 5,000/- is fully provided in the year of purchase. Depreciation on Assets sold, discarded, demolished or scrapped, is provided upto the date on which the said Asset is sold, discarded, demolished or scrapped.

The Company has applied depreciation requirements as per Ind AS 116 in depreciating the right of use assets. The Right of Use Asset is depreciated for the life of the lease term.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.10 Intangible Assets and amortisation thereof

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis based on their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses, if any.

Computer software is amortised over the period of three to five years on a straight-line basis.

An item of Intangible Asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Capital Work in Progress

Capital Work in Progress includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses less accumulated impairment losses, if any.

2.11 Impairment of Property, Plant & Equipment and Intangible Assets

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The Company has applied Ind AS 36, Impairment of Assets, to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

2.12 Provisions and Contingent Liabilities

Provisions involving substantial degree of estimation in measurement are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent Liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events that may, but probably will not, require an outflow of resources.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Both provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes. A contingent asset is disclosed in the Financial Statements, where an inflow of economic benefits is probable.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.13 Investment in Subsidiaries and Associates

Investment in subsidiaries and associates are recognized and carried at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

2.14 Financial Instruments

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value through Profit or Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at Fair Value through Profit or Loss are recognised immediately in Statement of Profit and Loss.

A. Financial Assets

a) Recognition and initial measurement

The Company initially recognises loans and advances, deposits and debt securities purchased on the date on which they originate. Purchases and sale of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value except investment in subsidiaries and associates. In the case of financial assets not recorded at FVTPL, transaction costs that are directly attributable to its acquisition of financial assets are included therein.

b) Classification of Financial Assets and Subsequent Measurement

On initial recognition, a financial asset is classified to be measured at –

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) – debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) – equity investment; or
- Fair Value through Profit or Loss (FVTPL)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However,

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, on sale/disposal the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on re-measurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognised when:

- The Company's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the Company,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

c) Business Model Test

The Company determines its business model at the level that best reflects how it manages a group of financial assets to achieve its business objective.

The Company's business model is not assessed on instrument to instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed.

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model.

d) Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding

The Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount)

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors.

Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

e) Derecognition of Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Modification of contractual cash flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified, and the renegotiation or modification does not result in the derecognition of that financial asset, the Company recalculates the gross carrying amount of the financial asset and shall recognise a modification gain or loss in profit or loss. The gross carrying amount of the financial asset shall be recalculated as at the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets) or, when applicable, the revised effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

f) Impairment of Financial Assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. The Company applies a three-stage approach for measuring ECL for the following categories of financial assets that are not measured at Fair Value through Profit or Loss:

- debt instruments measured at amortised cost and Fair Value through Other Comprehensive Income; and
- financial guarantee contracts.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

No ECL is recognised on equity investments,classified as FVTPL.

Expected credit losses is the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

Financial assets migrate through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

The Company assesses ECL on exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. For these exposures, the Company recognises as a collective provision the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months. The Company does not conduct an individual assessment of exposures in Stage 1 as there is no evidence of one or more events occurring that would have a detrimental impact on estimated future cash flows.

Stage 2: Lifetime ECL – not credit impaired

The Company collectively assesses ECL on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Company recognises as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset). Similar to Stage 1, the Company does not conduct an individual assessment on Stage 2 exposures as the increase in credit risk is not, of itself, an event that could have a detrimental impact on future cash flows.

Stage 3: Lifetime ECL – credit impaired

The Company identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events, that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised as a collective or specific provision, and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Determining the stage for impairment

At each reporting date, the Company assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for impairment losses reverts from lifetime ECL to 12-months ECL. Exposures that have not deteriorated significantly since origination are considered to have a low credit risk. The provision for impairment losses for these financial assets is based on a 12-months ECL. When an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the income statement.

The Company assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, class of borrowers, credit risk ratings, date of initial recognition, remaining term to maturity, industry and other relevant factors.

Measurement of ECL

ECL are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses is a portion of the life-time expected credit losses and represents the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.

  For further details on how the Company calculates ECL including the use of forward looking information, refer to the Credit quality of financial assets in Note 37.4 Financial risk management.

  ECL is recognised using a provision for impairment losses in Statement of Profit and Loss. In the case of debt instruments measured at Fair Value through Other Comprehensive Income, the measurement of ECL is based on the three-stage approach as applied to financial assets at amortised cost. The Company recognises the provision charge in profit and loss, with the corresponding amount recognised in other comprehensive income, with no reduction in the carrying amount of the asset in the Balance Sheet.

  Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

g) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL and Interest income is recognised in Statement of Profit and Loss.

h) Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

B. Financial Liabilities and Equity Instruments

a) Classification as Debt or Equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of directly attributable transaction costs.

c) Financial Liabilities

Financial liabilities are classified as measured at amortised cost or 'FVTPL'.

A Financial Liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

d) Other Financial Liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

e) Derecognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.15 Hedge Accounting

The Company uses derivative instruments to manage exposures to interest rate and foreign currency risks.

The hedging transactions entered into by the Company is within the overall scope of the Derivative Policy and within the Risk Management framework of the company as approved by the Board from time to time and for the risks identified to be hedged in accordance with the same policies. All derivative contracts are recognised on the Balance Sheet and measured at fair value. Hedge accounting is applied to all the derivative instruments as per Ind AS 109. Hedge effectiveness is ascertained periodically on a forward looking basis and is reviewed at each reporting period. Hedge effectiveness is measured by the degree to which changes in the fair value or cash flows of the hedged item that are attributed to the hedged risk are offset by changes in the fair value or cashflows of the hedging instrument.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

Fair Value Hedges

Fair value hedge is a hedge of the exposure to changes in fair value of a recognized asset or liability or unrecognized commitment, or a component of any such item, that is attributable to a particular risk and could affect profit or loss. The cumulative change in the fair value of a hedging derivative is recognised in the Statement of Profit and Loss in net gain on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item is recorded as part of the carrying value of the hedged item in the Balance Sheet and is also recognized as net gain on fair value changes in the Statement of Profit and Loss. The Company classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationship is fixed rate debt issued and other borrowed funds. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Company discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the Statement of Profit and Loss.

Cash Flow Hedges

Cash flow hedge is a hedge of the exposure to variability in the cash flows of a specific asset or liability, or of a forecasted transaction, that is attributable to a particular risk. It is possible to only hedge the risks associated with a portion of an asset, liability, or forecasted transaction, as long as the effectiveness of the related hedge can be measured. The accounting for a cash flow hedge will be to recognize the effective portion of any gain or loss in Other Comprehensive Income (OCI), and recognize the ineffective portion of any gain or loss in Finance cost in the Statement of Profit and Loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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.

2.16 Cash and Cash Equivalent

Cash and cash equivalent in Balance Sheet comprise of cash at bank, cash and cheques on hand and short-term deposits with an original maturity of three months or less which are subject to insignificant risk of changes in value.

2.17 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events including a bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares divided by weighted average no of equity shares year which are adjusted for the effects of all dilutive potential equity shares.

2.18 Statement of Cash Flow

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities are segregated based on the activities of the Company.

2.19 Commitments

Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows:

i. The estimated amount of contracts remaining to be executed on capital account and not provided for; and

ii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

2.20 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

The Managing Director & CEO is identified as the Chief Operating Decision Maker (CODM) by the management of the Company. CODM has identified only one operating segment of providing loans for purchase, construction, repairs renovation etc. and has its operations entirely within India.

3. KEY ESTIMATES AND JUDGEMENTS:

The preparation of the financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Revisions to accounting estimates are recognised prospectively. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

3.1 Determination of Expected Credit Loss ("ECL")

The measurement of impairment losses (ECL) across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows based on Company's historical experience and collateral values when determining impairment losses along with the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

Elements of the ECL models that are considered accounting judgements and estimates include:

- Bifurcation of the financial assets into different portfolios when ECL is assessed on collective basis.
- Company's criteria for assessing if there has been a significant increase in credit risk.
- Development of ECL models, including choice of inputs / assumptions used.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The various inputs used and process followed by the Company in measurement of ECL has been detailed in Note 37.4.2.3

3.2 Fair Value Measurements

In case of financial assets and financial liabilities recorded or disclosed in financial statements the company uses the quoted prices in active markets for identical assets or based on inputs which are observable either directly or indirectly for determining the fair value. However in certain cases, the Company adopts valuation techniques and inputs which are not based on market data. When Market observable information is not available, the Company has applied appropriate valuation techniques and inputs to the valuation model.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Information about the valuation techniques and inputs used in determining the fair value of Investments are disclosed in Note 37.3.

3.3 Income Taxes

The Company's tax jurisdiction is in India. Significant judgements are involved in determining the provision for direct and indirect taxes, including amount expected to be paid/recovered for certain tax positions.

3.4 Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding ("SPPI") and the business model test. The Company determines the business model at a level that reflects how the Company's financial instruments are managed together to achieve a particular business objective.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

3.5 Provisions and Liabilities

Provisions and liabilities are recognised in the period when they become probable that there will be an outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires judgment to existing facts and circumstances which may be subject to change.

4. RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 5
CASH AND CASH EQUIVALENTS

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Cash on hand	1.37	6.61
(ii) Balances with Banks *	1,282.15	2,470.27
(iii) Cheques, drafts on hand	82.20	324.92
Total	**1,365.72**	**2,801.80**

* Balances with Banks includes EMD amount of ₹ 0.40 crore (FY 2018-19 ₹ 0.16 crore)

NOTE 6
BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Earmarked balances with banks*	7.85	7.97
(ii) Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments**	605.38	203.74
Total	**613.23**	**211.71**

* Balance with Banks includes unclaimed dividend of ₹ 7.85 crore (FY 2018-19 ₹ 7.97 crore)

**Fixed Deposits with Banks includes earmarked deposits created in favour of trustees for depositors towards maintaining Statutory Liquid Ratio amounting to ₹ 196.50 crore (FY 2018-19 ₹ 177.25 crore); ₹ 8.14 crore (FY 2018-19 ₹ 7.89 crore) created for excess sale proceeds recovered under SARFAESI Act 2002. Fixed deposit placed with banks earns interest at fixed rate.

NOTE 7
DERIVATIVE FINANCIAL INSTRUMENTS

(₹ in crore)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Notional Amount	Fair Value - Assets	Fair Value - Liabilities	Notional Amount	Fair Value - Assets	Fair Value - Liabilities
Part I						
I. Currency Derivatives						
i) Forwards	-	-	-	-	-	-
ii) Currency Swaps (interest/ Principal/ both)	1,425.73	48.62	-	-	-	-
II. Interest Rate Derivatives						
i) Interest Rate Swaps	396.00	31.86	22.90	396.00	26.98	25.79
TOTAL (I)	**1,821.73**	**80.48**	**22.90**	**396.00**	**26.98**	**25.79**
Part II						
i) Fair Value Hedge						
- Currency Derivatives	-	-	-			
- Interest Rate derivatives	396.00	31.86	22.90	396.00	26.98	25.79
ii) Cash Flow Hedge						
- Currency Derivatives	1,425.73	48.62	-	-	-	-
- Interest Rate derivatives	-	-	-	-	-	-
TOTAL (II)	**1,821.73**	**80.48**	**22.90**	**396.00**	**26.98**	**25.79**

NOTE 8
RECEIVABLES:

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Trade Receivables	-	-
(i) Secured, considered good	-	-
(ii) Unsecured, considered good	-	-
(iii) Allowance for Impairment Loss	-	-
(iv) Debts due by directors or other officers of the NBFC or any of them either severally or jointly with any other person or debts due by firms including limited liability partnerships (LLPs), private companies respectively in which any director is a partner or a director or a member	-	-
Total	**-**	**-**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 9
LOANS - AT AMORTISED COST

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(A)		
(i) Term Loans *		
- Individual	1,61,842.22	1,48,083.01
- Others	34,498.03	33,486.19
- Corporate Bodies/ Builders	14,237.42	13,077.15
(ii) Others		
- Loans to staff	6.15	4.86
- Loans against Public Deposit	15.43	1.01
- Finance Lease Receivables	1.17	-
Total - Gross (A)	**2,10,600.42**	**1,94,652.22**
Less: Impairment Loss Allowance (Expected Credit Loss)	2,612.45	1,659.48
Total - Net (A)	**2,07,987.97**	**1,92,992.74**
(B)		
(i) Secured by tangible assets	2,09,670.37	1,93,937.94
(ii) Secured by intangible assets	630.59	277.42
(iii) Unsecured	299.46	436.86
Total - Gross (B)	**2,10,600.42**	**1,94,652.22**
Less: Impairment Loss Allowance (Expected Credit Loss)	2,612.45	1,659.48
Total - Net (B)	**2,07,987.97**	**1,92,992.74**
(C)		
(i) Loans in India		
Individual	1,61,864.96	1,48,088.88
Commercial Real Estate Sector	14,133.76	13,858.44
Commercial Real Estate Sector- Others	20,364.28	19,627.75
Builder Loans	9,870.52	9,633.47
Corporate Loans	3,736.31	3,169.01
Other Housing Finance Companies	630.59	274.67
Total - Gross (C) (i)	**2,10,600.42**	**1,94,652.22**
Less: Impairment Loss Allowance (Expected Credit Loss)	2,612.45	1,659.48
Total - Net (C) (i)	**2,07,987.97**	**1,92,992.74**
(ii) Loans outside India	-	-
Less: Impairment Loss Allowance (Expected Credit Loss)	-	-
Total - Net (C) (ii)	**-**	**-**
Total (C) (i+ii)	**2,07,987.97**	**1,92,992.74**

* Loans including interest and installment outstanding due from directors amounts to ₹ Nil (FY 2018-19 ₹ 0.04 crore) and other related parties ₹ 0.55 crore (FY 2018-19 ₹ 0.48 crore)

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

a) Equitable / Registered Mortgage of Property.

b) Assignment of Life Insurance Policies, NSC, KVP, FD of Nationalized Bank.

c) Assignment of Lease Rent Receivables.

d) Company Guarantees or Personal Guarantees.

e) Negative lien.

f) Undertaking to create a security.

g) Loans to employees other than for Housing are secured by lien over Provident Fund balances and / or Hypothecation of Vehicles.

Loan Portfolio includes loans amounting to ₹ 440.78 crore (FY 2018-19 ₹ 201.17 crore) against which the company has taken possession of the properties under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and held such properties for disposal. The value of assets possessed against the loan is ₹ 425.66 crore (FY 2018-19 ₹ 106.59 crore), being lower of the Fair Value of the asset possessed and the outstanding as at March 31, 2020.

For detail disclosures relating to Credit Risk, Impairment Losses, Movement of Impairment Losses refer Note No 37.4.2 of Standalone Financial Statements.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 10
INVESTMENTS

(₹ in crore)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Amortised cost	Deemed Cost	At Fair Value Through profit or loss	Total	Amortised cost	Deemed Cost	At Fair Value Through profit or loss	Total
Mutual Funds	-	-	3,562.94	3,562.94	-	-	2,227.29	2,227.29
Government Securities*	1,814.63	-	-	1,814.63	1,248.12	-	-	1,248.12
Equity Instruments	-	-	-	-	-	-	1.10	1.10
Subsidiaries*	-	68.29	-	68.29	-	68.29	-	68.29
Associates*	-	29.71	-	29.71	-	29.71	-	29.71
Real Estate Venture Fund	-	-	29.97	29.97	-	-	30.55	30.55
Total - Gross (A)	**1,814.63**	**98.00**	**3,592.91**	**5,505.54**	**1,248.12**	**98.00**	**2,258.94**	**3,605.06**
(i) Investments outside India	-	-	-	-	-	-	-	-
(ii) Investments in India	1,814.63	98.00	3,592.91	5,505.54	1,248.12	98.00	2,258.94	3,605.06
Total (B)	**1,814.63**	**98.00**	**3,592.91**	**5,505.54**	**1,248.12**	**98.00**	**2,258.94**	**3,605.06**
Less: Allowance for Impairment loss (Expected Credit Loss) (C)	-	-	(9.17)	(9.17)	-	-	(10.00)	(10.00)
Total – Net (D)= (A)-(C)	**1,814.63**	**98.00**	**3,583.74**	**5,496.37**	**1,248.12**	**98.00**	**2,248.94**	**3,595.06**

* The Company has not recognised any provision under Expected Credit Loss on Investments made in Government Securities, Subsidiaries & Associates.

(₹ in crore)

Investment in Mutual Funds carried at Fair Value through Profit & Loss Account	No. of Units as at		Amount as at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Aditya Birla Sun Life Liquid Fund - Growth - Regular Plan	1,07,23,403.31	26,78,430.33	340.73	80.09
Axis Liquid Fund - Regular Growth	9,12,063.28	4,36,338.42	200.12	90.11
Baroda Liquid Fund - Plan A Growth	-	3,74,470.21	-	80.09
BNP Paribas Liquid Fund Growth	-	1,40,209.18	-	40.04
Canara Robeco Liquid Fund - Regular Growth	-	1,77,753.19	-	40.04
DSP Liquidity Fund - Regular Plan - Growth	2,48,150.72	3,38,851.77	70.03	90.09
Edelweiss Liquid Fund - Regular Plan - Growth	-	1,67,722.39	-	40.04
Franklin India Liquid Fund - Super IP - Growth	-	1,79,543.91	-	50.06
HDFC Liquid Fund - Regular Plan - Growth	5,15,505.53	3,28,170.16	200.20	120.12
HSBC Cash Fund - Growth	3,55,569.12	2,69,639.36	70.03	50.04
ICICI Prudential Liquid Fund - Growth	1,16,51,465.07	36,34,613.74	340.81	100.10
IDBI Liquid Fund - Regular Plan - Growth	-	2,51,491.89	-	50.05
IDFC Cash Fund - Growth - Regular Plan	2,92,878.82	3,54,769.89	70.03	80.09
Invesco India Liquid Fund - Growth	2,57,931.61	3,90,687.77	70.02	100.08
Kotak Liquid Regular Plan Growth	8,51,828.66	3,18,336.83	340.77	120.10
L & T Liquid Fund - Regular Growth	7,38,384.77	3,13,619.63	200.16	80.09
LIC MF Liquid Fund - Regular Plan - Growth	17,01,410.62	12,63,442.43	608.43	425.43
Mahindra Liquid Fund - Regular - Growth	-	4,14,812.15	-	50.06
Mirae Asset cash Management Fund - Regular Growth Plan	2,41,633.56	2,56,645.00	50.02	50.05
Nippon India Liquid Fund - Growth Plan	4,15,020.45	2,20,530.96	200.14	100.10
SBI Liquid Fund - Regular Growth	11,01,011.33	4,11,992.65	340.61	120.15
Sundaram Money Fund Regular Growth	1,20,10,396.20	1,27,61,580.50	50.01	50.06
Tata Liquid Fund Regular Plan - Growth	2,24,908.62	4,09,796.32	70.03	120.09
UTI - Liquid Cash Plan - Regular Plan - Growth	10,52,707.09	3,28,272.04	340.80	100.12
Total			**3,562.94**	**2,227.29**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Investments in Government Securities - Quoted, Fully paid up* carried at Amortized Cost	No. of Shares / Units		Amount as at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
8.33% GOI STOCK 2036	30,000	30,000	0.31	0.31
8.28% GOI STOCK 2032	8,28,000	8,28,000	8.09	8.07
7.35% GOI STOCK 2024	16,00,000	16,00,000	16.30	16.28
8.14% MAHARASHTRA SDL 2019	-	1,50,000	-	1.50
8.24% GOI STOCK 2027	11,00,000	11,00,000	11.08	11.07
8.28% GOI STOCK 2027	5,00,000	5,00,000	5.00	5.00
8.12% GOI STOCK 2020	10,00,000	10,00,000	10.28	10.32
8.35% GOI STOCK 2022	20,000	20,000	0.20	0.20
8.83% GOI STOCK 2023	25,00,000	25,00,000	25.92	25.94
8.83% GOI STOCK 2023	17,00,000	17,00,000	17.92	18.00
8.32% GOI STOCK 2032	20,00,000	20,00,000	20.46	20.46
7.80% GOI STOCK 2020	65,00,000	65,00,000	67.07	66.89
8.24% GOI STOCK 2033	30,00,000	30,00,000	32.20	32.22
8.60% GOI STOCK 2028	45,00,000	45,00,000	50.33	50.64
8.60% GOI STOCK 2028	79,50,000	79,50,000	89.55	90.17
7.59% GOI STOCK 2029	85,00,000	85,00,000	87.22	87.30
6.57% GOI STOCK 2033	1,05,00,000	1,05,00,000	104.99	104.81
7.35% GOI STOCK 2024	1,00,00,000	1,00,00,000	104.06	104.45
6.79% GOI STOCK 2029	1,10,00,000	1,10,00,000	110.98	110.84
6.68% GOI STOCK 2031	40,00,000	40,00,000	38.38	38.27
6.68% GOI STOCK 2031	1,10,00,000	1,10,00,000	100.89	100.34
7.59% GOI STOCK 2026	20,00,000	20,00,000	19.91	19.85
7.17% GOI STOCK 2028	60,00,000	60,00,000	59.82	59.67
7.40% GOI STOCK 2035	90,00,000	90,00,000	87.67	87.50
7.26% GOI STOCK 2029	60,00,000	60,00,000	60.58	60.51
7.95% GOI STOCK 2032	60,00,000	60,00,000	61.90	61.92
6.57% GOI STOCK 2033	60,00,000	60,00,000	55.83	55.57
7.57% GOI STOCK 2033	40,00,000	-	40.72	-
7.61% GOI STOCK 2030	30,00,000	-	31.79	-
7.40% GOI STOCK 2035	30,00,000	-	30.59	-
7.95% GOI STOCK 2032	40,00,000	-	42.56	-
7.88% GOI STOCK 2030	30,00,000	-	31.56	-
7.40% GOI STOCK 2035	5,00,000	-	5.16	-
7.57% GOI STOCK 2033	45,00,000	-	48.10	-
7.95% GOI STOCK 2032	55,00,000	-	59.10	-
7.57% GOI STOCK 2033	50,00,000	-	53.57	-
7.95% GOI STOCK 2032	50,00,000	-	54.21	-
7.88% GOI STOCK 2030	65,00,000	-	69.24	-
6.68% GOI STOCK 2031	25,00,000	-	24.59	-
7.40% GOI STOCK 2035	50,00,000	-	51.90	-
6.68% GOI STOCK 2031	25,00,000	-	24.59	-
Total			**1814.63**	**1248.12**

* Kept with designated bank for repayment to depositors

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Investments in Equity Instruments - Unquoted, Fully paid up	No. of Shares / Units		Amount as at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
In Subsidiaries - Carried at Demeed cost				
LICHFL Care Homes Limited (Face Value ₹ 10/- each)	5,00,00,000	5,00,00,000	50.00	50.00
LICHFL Financial Services Limited (Face Value ₹ 10/- each)	95,00,000	95,00,000	9.50	9.50
LICHFL Trustee Company Private Limited (Face Value ₹ 10/- each)	90,000	90,000	0.09	0.09
LICHFL Asset Management Company Limited (Face Value ₹ 10/- each)	87,00,000	87,00,000	8.70	8.70
In Associates - Carried at Demeed cost				
LIC Mutual Fund Asset Management Limited (Face Value ₹ 10,000/- each)	4,323	4,323	29.69	29.69
LIC Mutual Fund Trustee Private Limited (Face Value ₹ 10/- each)	3,530	3,530	0.02	0.02
Others				
Goods and Service Tax Network (Face Value ₹ 10/- each)	-	11,00,000	-	1.10
Total			**98.00**	**99.10**

(₹ in crore)

Investments carried at Fair value through Profit & Loss Account	No. of Shares / Units		Amount as at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Contribution to Trust			**0.002**	**0.002**
Other investments-Unquoted, Fully paid up				
(i) Real Estate Venture Fund:**				
CIG Realty Fund - 1 (Face Value ₹ 10/- each)	91,71,429	97,14,286	9.17	9.71
Less : Provision for diminuition			9.17	10.00
			-	**(0.29)**
			0.002	**(0.28)**
Other investments-Unquoted, Partly paid up				
(i) Real Estate Venture Fund:**				
LICHFL Urban Development Fund (Face Value ₹ 10,000/- each)	50,000	50,000	18.81	19.29
LICHFL Housing and Infrastructure Fund (Face Value ₹ 100/- each)	1,98,476	1,54,309	1.98	1.54
			20.79	20.83
			20.80	**20.55**

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

NOTE 11
OTHER FINANCIAL ASSETS

(₹ in crore)

Particulars		As at March 31, 2020	As at March 31, 2019
(i)	Interest Accured But not due on Fixed Deposits with Banks	5.54	0.01
(ii)	Security Deposits	10.24	8.85
(iii)	Other Deposits	0.80	0.69
(iv)	Dues from Subsidiaries/Associates	0.52	0.57
(v)	Other dues from Staff	1.91	1.55
(vi)	Fees Receivable	2.40	2.22
Total		**21.41**	**13.89**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 12
CURRENT TAX ASSETS (NET)

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Provision under Income Tax	283.55	107.53
(ii) Tax Paid under Protest	70.52	70.52
Total	**354.07**	**178.05**

NOTE 13
DEFERRED TAX ASSETS (NET)

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Deferred Tax Assets	2,049.42	2,082.75
(ii) Deferred Tax Liabilities	(1,529.38)	(1,529.38)
Total	**520.04**	**553.37**

NOTE 14.1
PROPERTY, PLANT & EQUIPMENT

The changes in carrying value of the Property, Plant & Equipment for the year ended March 31, 2020 are as follows:-

(₹ in crore)

Particulars	Freehold Land	Building	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross carrying value as of April 1, 2019	**0.97**	**107.66**	**9.74**	**8.22**	**0.37**	**4.37**	**17.97**	**149.30**
Additions	-	7.01	0.92	0.84	-	1.39	3.15	13.31
(Deductions)	-	-	(0.00)	(0.01)	-	(0.09)	(0.01)	(0.11)
Gross carrying value as of March 31, 2020	**0.97**	**114.67**	**10.66**	**9.05**	**0.37**	**5.67**	**21.11**	**162.50**
Accumulated Depreciation as of April 1, 2019	**-**	**2.92**	**2.41**	**1.85**	**0.18**	**1.46**	**8.29**	**17.11**
Depreciation	-	1.52	2.09	1.29	0.07	1.17	4.73	10.87
(Accumulated Depreciation on Deductions)	-	-	-	(0.01)	-	(0.08)	(0.01)	(0.10)
Accumulated Depreciation as of March 31, 2020	**-**	**4.44**	**4.50**	**3.13**	**0.25**	**2.55**	**13.01**	**27.88**
Carrying Value as of March 31, 2020	**0.97**	**110.23**	**6.16**	**5.92**	**0.12**	**3.12**	**8.10**	**134.62**

The Debentures are secured by mortgage on an immovable Property Owned by the Company valuing approx ₹ 0.72 crore (Book Value ₹ 0.13 crore).

The changes in carrying value of the Property, Plant & Equipment for the year ended March 31, 2019 are as follows:-

(₹ in crore)

Particulars	Freehold Land	Building	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross carrying value as of April 1, 2018	**0.04**	**74.81**	**6.44**	**4.76**	**0.21**	**3.17**	**12.54**	**101.97**
Additions	-	33.78	4.33	3.47	0.16	1.24	5.43	48.41
(Deductions)	-	-	(0.06)	(0.01)	-	(0.04)	(0.00)	(0.11)
Gross carrying value as of March 31, 2019	**0.04**	**108.59**	**10.71**	**8.22**	**0.37**	**4.37**	**17.97**	**150.27**
Accumulated Depreciation as of April 1, 2018	**-**	**1.28**	**0.72**	**0.67**	**0.10**	**0.52**	**3.97**	**7.26**
Depreciation	-	1.64	1.92	1.18	0.08	0.96	4.32	10.10
(Accumulated Depreciation on Deductions)	-	-	(0.03)	(0.00)	-	(0.03)	-	(0.06)
Accumulated Depreciation as of March 31, 2019	**-**	**2.92**	**2.61**	**1.85**	**0.18**	**1.45**	**8.29**	**17.30**
Carrying Value as of March 31, 2019	**0.04**	**105.67**	**8.10**	**6.37**	**0.19**	**2.92**	**9.68**	**132.97**

The Debentures are secured by mortgage on an immovable Property Owned by the Company valuing approx ₹ 1.31 crores (Book Value ₹ 0.09 crore).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 14.2
OTHER INTANGIBLE ASSETS

The changes in carrying value of the Intangible Assets for the year ended March 31, 2020 are as follows :-

(₹ in crore)

Particulars	Software License	Total
Gross Carrying Value as of April 1, 2019	**6.31**	**6.31**
Additions	0.31	0.31
(Deductions)	(0.03)	(0.03)
Gross Carrying Value as of March 31, 2020	**6.59**	**6.59**
Accumulated Depreciation as of April 1, 2019	**3.43**	**3.43**
Depreciation for the year	1.19	1.19
(Accumulated Depreciation on Deductions)	(0.01)	(0.01)
Accumulated Depreciation as of March 31, 2020	**4.61**	**4.61**
Carrying Value as of March 31, 2020	**1.98**	**1.98**

The changes in carrying value of the Intangible Assets for the year ended March 31, 2019 are as follows :-

(₹ in crore)

Particulars	Software License	Total
Gross Carrying Value as of April 1, 2018	**4.21**	**4.21**
Additions	2.10	2.10
(Deductions)	-	-
Gross Carrying Value as of March 31, 2019	**6.31**	**6.31**
Accumulated Depreciation as of April 1, 2018	**1.80**	**1.80**
Depreciation for the year	1.63	1.63
(Accumulated Depreciation on Deductions)	-	-
Accumulated Depreciation as of March 31, 2019	**3.43**	**3.43**
Carrying Value as of March 31, 2019	**2.88**	**2.88**

NOTE 14.3
CAPITAL WORK IN PROGRESS

The changes in carrying value of Capital Work in Progress for the year ended March 31, 2020 are as follows :-

(₹ in crore)

Particulars	Capital Work in Progress	Total
Gross Carrying Value as of April 1, 2019	**0.00**	**0.00**
Additions	0.33	0.33
(Deductions)	-	-
Gross Carrying Value as of March 31, 2020	**0.33**	**0.33**
Accumulated Depreciation as of April 1, 2019	**-**	**-**
Depreciation for the year	-	-
(Accumulated Depreciation on Deductions)	-	-
Accumulated Depreciation as of March 31, 2020	**-**	**-**
Carrying Value as of March 31, 2020	**0.33**	**0.33**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 14.4

The changes in carrying value of the Right of Use Assets for the year ended March 31, 2020 :-

(₹ in crore)

Particulars	Right of Use Asset
Opening Value of Right of Use Asset as of April 1, 2019 due to initial recognition as per Ind AS 116	**103.98**
Additions	49.48
(Disposals)	(3.21)
Gross Carrying Value as of March 31,2020	**150.25**
Accumulated Depreciation as of April 1,2019	**-**
Depreciation for the year	36.01
(Accumulated Depreciation on Disposals)	(3.21)
Accumulated Depreciation as of March 31,2020	**32.80**
Carrying Value as of March 31, 2020	**117.45**

The changes in the opening carrying value of the tangible fixed assets for the year ended March 31, 2019 due to implementation of IND AS 116 for assets leased to Subsidiaries as on 01.04.2019:-

(₹ in crore)

Particulars	Freehold Land	Building	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross carrying value as of April 1, 2019	0.04	108.59	10.71	8.22	0.37	4.37	17.97	150.27
Gross carrying value of Assets Subleased to Subsidiaries	-	-	0.97	0.00	-	0.00	-	0.97
Gross carrying value as of April 1, 2019 net of Assets subleased	**0.04**	**108.59**	**9.74**	**8.22**	**0.37**	**4.37**	**17.97**	**149.30**
Accumulated Depreciation as of April 1, 2019	-	2.92	2.61	1.85	0.18	1.45	8.29	17.30
Depreciation on Assets Sub leased to Subsidiaries	-	-	0.20	-	-	0.00	-	0.21
Accumulated Depreciation as of March 31, 2020 net of Depreciation on Assets subleased to subsidiaries	**-**	**2.92**	**2.41**	**1.85**	**0.18**	**1.45**	**8.29**	**17.10**

NOTE 15
OTHER NON -FINANCIAL ASSETS

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Capital Advances	2.62	1.48
(ii) Statutory Dues	73.94	46.04
(iii) Prepaid Expenses	33.00	25.45
(iv) Sundry Advances	2.29	0.98
(v) Others	0.07	0.07
Total	**111.92**	**74.02**

NOTE 16
PAYABLES

(₹ in crore)

Trade Payables	As at March 31, 2020	As at March 31, 2019
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises*	34.57	79.94
Total	**34.57**	**79.94**

* Includes payable to a related party ₹ 5.10 crore (FY 2018-19 ₹ 12.78 crore)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Other Payables		As at March 31, 2020	As at March 31, 2019
(i)	Total outstanding dues of micro enterprises and small enterprises	-	-
(ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Total		**-**	**-**

NOTE 17
DEBT SECURITIES - AT AMORTISED COST

(₹ in crore)

Particulars		As at March 31, 2020	As at March 31, 2019
(1)	**SECURED:**		
	Non Convertible Debentures (Refer Note 17.1)	1,20,413.62	1,18,860.06
	Zero Coupon Debentures (Refer Note 17.2)	4,044.50	8,615.50
(2)	**UNSECURED:**		
	Commercial Paper (Refer Note 17.3)	7,624.14	7,140.11
Total (A) (1+2)		**1,32,082.26**	**1,34,615.67**
Debt securities in India		1,32,082.26	1,34,615.67
Debt securities outside India		-	-
Total		**1,32,082.26**	**1,34,615.67**

NOTE 17.1

Secured by a negative lien on the assets of the Company (excluding current and future receivables and book-debt of whatsoever nature of the Company on which a first pari-pasu floating charge by way of hypothecation to secure the borrowings of the company outstanding as on March 31, 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on March 31, 2015), with a minimum asset cover of 100%. Further the Company shall be entitled to dispose off, transact or otherwise deal, in the ordinary course of business upto 5% of the Specific Assets, including by way of a securitization transaction and as may be required under any law, regulations, guidelines or rules. In addition to above the Debentures would be secured by mortgage on an Immovable Property owned by the Company valuing approx ₹ 0.72 crore (Book Value ₹ 0.13 crore).

The Details of Non Convertible Redeemable Debentures (NCD) are as under:-

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2020
11200 NCD's of ₹ 1000000/- each	28-Jan-30	7.9700%	-	1,119.40
25000 NCD's of ₹ 1000000/- each	12-Jul-29	7.9900%	12-Jul-21	2,500.00
34000 NCD's of ₹ 1000000/- each	23-Mar-29	8.7000%	-	3,400.00
13650 NCD's of ₹ 1000000/- each	25-Jan-29	8.8000%	-	1,365.00
16060 NCD's of ₹ 1000000/- each	8-Dec-28	8.7500%	-	1,606.00
2749 NCD's of ₹ 1000000/- each	17-Nov-28	8.9700%	-	274.90
9120 NCD's of ₹ 1000000/- each	10-Oct-28	9.0800%	-	912.00
6305 NCD's of ₹ 1000000/- each	24-Sep-28	9.1000%	-	630.50
14770 NCD's of ₹ 1000000/- each	29-Jan-28	7.9500%	27-Aug-21	1,477.00
5300 NCD's of ₹ 1000000/- each	23-Nov-27	7.7500%	-	530.00
5000 NCD's of ₹ 1000000/- each	14-Jul-27	7.5600%	-	500.00
7000 NCD's of ₹ 1000000/- each	17-May-27	7.8600%	-	700.00
6000 NCD's of ₹ 1000000/- each	26-Mar-27	7.9500%	-	600.00
10000 NCD's of ₹ 1000000/- each	16-Dec-26	7.1600%	-	1,000.00
10000 NCD's of ₹ 1000000/- each	23-Oct-26	7.4800%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	25-Sep-26	7.8300%	26-Nov-20	500.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2020
2000 NCD's of ₹ 1000000/- each	18-Aug-26	7.9000%	-	200.00
4724 NCD's of ₹ 1000000/- each	10-Jul-26	8.4300%	-	472.40
5000 NCD's of ₹ 1000000/- each	29-Jun-26	8.4800%	-	500.00
3488 NCD's of ₹ 1000000/- each	29-Jun-26	8.4800%	-	348.80
3570 NCD's of ₹ 1000000/- each	15-Jun-26	8.4700%	-	357.00
4950 NCD's of ₹ 1000000/- each	10-Jun-26	8.4700%	-	495.00
5100 NCD's of ₹ 1000000/- each	22-May-26	8.4500%	-	510.00
3000 NCD's of ₹ 1000000/- each	27-Apr-26	8.3200%	-	300.00
10000 NCD's of ₹ 1000000/- each	3-Mar-26	8.5700%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	26-Feb-26	8.5300%	-	500.00
7500 NCD's of ₹ 1000000/- each	28-Jan-26	8.4200%	-	750.00
7500 NCD's of ₹ 1000000/- each	28-Jan-26	8.4300%	-	750.00
15224 NCD's of ₹ 1000000/- each	24-Dec-25	8.7000%	-	1,522.40
10000 NCD's of ₹ 1000000/- each	12-Dec-25	8.4000%	-	1,000.00
10000 NCD's of ₹ 1000000/- each	13-Nov-25	8.2000%	-	1,000.00
3810 NCD's of ₹ 1000000/- each	23-Oct-25	8.2500%	-	381.00
2100 NCD's of ₹ 1000000/- each	8-Oct-25	8.3400%	-	210.00
3000 NCD's of ₹ 1000000/- each	29-Aug-25	8.5000%	-	300.00
2000 NCD's of ₹ 1000000/- each	29-Aug-25	8.4800%	24-Dec-20	200.00
5000 NCD's of ₹ 1000000/- each	14-Aug-25	8.5500%	-	500.00
3000 NCD's of ₹ 1000000/- each	1-Aug-25	8.5800%	-	300.00
1950 NCD's of ₹ 1000000/- each	18-Jul-25	8.5700%	-	195.00
2050 NCD's of ₹ 1000000/- each	4-Jun-25	8.5000%	-	205.00
10000 NCD's of ₹ 1000000/- each	29-May-25	8.5500%	-	1,000.00
10000 NCD's of ₹ 1000000/- each	31-Mar-25	8.2200%	-	1,000.00
4250 NCD's of ₹ 1000000/- each	3-Mar-25	8.5200%	-	425.00
6000 NCD's of ₹ 1000000/- each	24-Feb-25	8.5000%	-	600.00
15100 NCD's of ₹ 1000000/- each	12-Feb-25	7.3300%	-	1,509.18
100 NCD's of ₹ 1000000/- each	30-Jan-25	8.4000%	-	10.00
10000 NCD's of ₹ 1000000/- each	8-Jan-25	8.6100%	-	1,000.00
27000 NCD's of ₹ 1000000/- each	18-Oct-24	7.7900%	-	2,699.32
5000 NCD's of ₹ 1000000/- each	16-Oct-24	9.2200%	-	500.00
6500 NCD's of ₹ 1000000/- each	30-Sep-24	9.2400%	-	650.00
10000 NCD's of ₹ 1000000/- each	6-Sep-24	7.4000%	-	1,000.00
7700 NCD's of ₹ 1000000/- each	29-Aug-24	7.7800%	-	770.00
5000 NCD's of ₹ 1000000/- each	25-Aug-24	9.4700%	-	500.00
10000 NCD's of ₹ 1000000/- each	25-Aug-24	9.3900%	-	1,000.00
14550 NCD's of ₹ 1000000/- each	23-Jul-24	7.7500%	-	1,454.45
6050 NCD's of ₹ 1000000/- each	5-Jul-24	9.2900%	-	605.00
16740 NCD's of ₹ 1000000/- each	31-May-24	8.3300%	-	1,674.00
2500 NCD's of ₹ 1000000/- each	8-May-24	7.9000%	-	250.00
10000 NCD's of ₹ 1000000/- each	19-Mar-24	9.8000%	-	1,000.00
3150 NCD's of ₹ 1000000/- each	5-Mar-24	8.7900%	-	315.00
15000 NCD's of ₹ 1000000/- each *	5-Mar-24	8.7900%	-	1,499.36
1373 NCD's of ₹ 1000000/- each	8-Feb-24	8.5800%	-	137.30
10000 NCD's of ₹ 1000000/- each	22-Dec-23	7.2500%	-	1,000.00
7750 NCD's of ₹ 1000000/- each	8-Dec-23	8.7500%	-	775.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2020
4480 NCD's of ₹ 1000000/- each	17-Oct-23	9.0800%	-	448.00
2000 NCD's of ₹ 1000000/- each	19-Sep-23	7.8600%	-	200.00
2720 NCD's of ₹ 1000000/- each	9-Jun-23	8.4800%	-	272.00
16630 NCD's of ₹ 1000000/- each	6-Jun-23	9.1900%	-	1,663.00
9000 NCD's of ₹ 1000000/- each	21-May-23	8.3700%	-	900.00
5000 NCD's of ₹ 1000000/- each	25-Apr-23	8.8900%	-	500.00
5250 NCD's of ₹ 1000000/- each	9-Apr-23	9.0000%	-	525.00
5000 NCD's of ₹ 1000000/- each	12-Mar-23	9.1300%	-	500.00
32500 NCD's of ₹ 1000000/- each	10-Feb-23	7.4500%	-	3,249.23
4900 NCD's of ₹ 1000000/- each	19-Jan-23	8.5800%	-	490.00
9100 NCD's of ₹ 1000000/- each	13-Jan-23	7.4450%	-	909.71
7500 NCD's of ₹ 1000000/- each	1-Jan-23	9.2500%	-	750.00
5000 NCD's of ₹ 1000000/- each	17-Dec-22	9.3000%	-	500.00
12050 NCD's of ₹ 1000000/- each	16-Dec-22	7.8500%	-	1,205.00
2000 NCD's of ₹ 1000000/- each	13-Dec-22	9.2300%	-	200.00
3000 NCD's of ₹ 1000000/- each *	22-Nov-22	7.6000%	-	303.07
11650 NCD's of ₹ 1000000/- each	22-Nov-22	7.6000%	-	1,165.00
4000 NCD's of ₹ 1000000/- each	12-Nov-22	9.2500%	-	400.00
3350 NCD's of ₹ 1000000/- each	25-Oct-22	9.0500%	-	335.00
10000 NCD's of ₹ 1000000/- each	17-Oct-22	7.4500%	-	1,000.00
2500 NCD's of ₹ 1000000/- each *	23-Sep-22	7.8500%	-	254.01
12000 NCD's of ₹ 1000000/- each	23-Sep-22	7.8500%	-	1,200.00
5000 NCD's of ₹ 1000000/- each	14-Sep-22	9.3000%	-	500.00
10500 NCD's of ₹ 1000000/- each *	30-Aug-22	7.3900%	-	1,053.42
10000 NCD's of ₹ 1000000/- each	30-Aug-22	7.3900%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	24-Jul-22	9.3500%	-	500.00
11000 NCD's of ₹ 1000000/- each	15-Jul-22	7.4200%	-	1,100.00
20350 NCD's of ₹ 1000000/- each	20-Jun-22	8.5000%	-	2,035.00
5000 NCD's of ₹ 1000000/- each	10-Jun-22	7.4800%	-	500.00
3000 NCD's of ₹ 1000000/- each	23-May-22	7.7800%	-	300.00
2500 NCD's of ₹ 1000000/- each	3-May-22	7.8000%	-	250.00
6518 NCD's of ₹ 1000000/- each	19-Apr-22	8.6850%	-	651.80
5000 NCD's of ₹ 1000000/- each	24-Mar-22	7.9500%	-	500.00
4950 NCD's of ₹ 1000000/- each	24-Mar-22	9.1700%	-	495.00
2000 NCD's of ₹ 1000000/- each	10-Feb-22	9.4300%	-	200.00
3000 NCD's of ₹ 1000000/- each	30-Jan-22	9.4500%	-	300.00
25000 NCD's of ₹ 1000000/- each	14-Jan-22	8.5950%	-	2,500.00
5000 NCD's of ₹ 1000000/- each	13-Jan-22	7.5700%	-	500.00
19350 NCD's of ₹ 1000000/- each	28-Dec-21	7.0300%	-	1,934.89
7500 NCD's of ₹ 1000000/- each	19-Nov-21	7.2200%	-	749.84
2000 NCD's of ₹ 1000000/- each	11-Nov-21	9.9000%	-	200.00
1400 NCD's of ₹ 1000000/- each	21-Oct-21	7.6600%	-	140.00
3000 NCD's of ₹ 1000000/- each	19-Oct-21	7.8100%	-	300.00
4970 NCD's of ₹ 1000000/- each	14-Oct-21	7.5900%	-	497.00
5000 NCD's of ₹ 1000000/- each	19-Sep-21	9.4000%	-	500.00
16750 NCD's of ₹ 1000000/- each	17-Sep-21	8.2534%	-	1,675.00
2000 NCD's of ₹ 1000000/- each	27-Aug-21	7.7500%	-	200.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2020
15950 NCD's of ₹ 1000000/- each	23-Aug-21	7.2400%	-	1,594.78
5000 NCD's of ₹ 1000000/- each	29-Jul-21	7.6700%	-	500.00
1050 NCD's of ₹ 1000000/- each	27-Jul-21	8.1900%	-	105.00
5000 NCD's of ₹ 1000000/- each	15-Jul-21	8.3000%	-	500.00
3400 NCD's of ₹ 1000000/- each	13-Jul-21	6.5700%	-	339.97
4350 NCD's of ₹ 1000000/- each	7-Jul-21	8.4700%	-	435.00
5000 NCD's of ₹ 1000000/- each	7-Jun-21	9.8000%	-	500.00
5010 NCD's of ₹ 1000000/- each	4-Jun-21	6.9500%	-	500.89
2500 NCD's of ₹ 1000000/- each	21-May-21	8.4500%	-	250.00
5000 NCD's of ₹ 1000000/- each	11-May-21	9.4000%	-	500.00
5050 NCD's of ₹ 1000000/- each	10-May-21	8.3700%	-	505.00
6000 NCD's of ₹ 1000000/- each	8-Mar-21	8.7500%	-	600.00
2500 NCD's of ₹ 1000000/- each	7-Mar-21	9.6000%	-	250.00
3670 NCD's of ₹ 1000000/- each	26-Feb-21	8.6000%	-	367.00
12500 NCD's of ₹ 1000000/- each	18-Feb-21	7.5700%	-	1,250.00
7500 NCD's of ₹ 1000000/- each	12-Feb-21	8.7500%	-	750.00
3270 NCD's of ₹ 1000000/- each	28-Jan-21	7.8800%	-	327.00
10000 NCD's of ₹ 1000000/- each	18-Jan-21	9.0000%	-	1,000.00
3500 NCD's of ₹ 1000000/- each	5-Jan-21	8.5000%	-	350.00
1500 NCD's of ₹ 1000000/- each	5-Jan-21	8.5000%	-	150.00
1070 NCD's of ₹ 1000000/- each	4-Jan-21	9.3500%	-	107.00
4560 NCD's of ₹ 1000000/- each	28-Dec-20	8.6000%	-	456.00
25000 NCD's of ₹ 1000000/- each	24-Dec-20	8.8000%	-	2,500.00
7500 NCD's of ₹ 1000000/- each	21-Dec-20	8.7500%	-	750.00
32000 NCD's of ₹ 1000000/- each	3-Dec-20	9.0200%	-	3,200.00
3660 NCD's of ₹ 1000000/- each	23-Nov-20	9.0000%	-	366.00
3500 NCD's of ₹ 1000000/- each	17-Nov-20	7.6500%	-	350.00
6500 NCD's of ₹ 1000000/- each	23-Oct-20	8.3500%	-	650.00
4650 NCD's of ₹ 1000000/- each	13-Oct-20	8.8800%	-	465.00
5000 NCD's of ₹ 1000000/- each	12-Oct-20	8.1400%	-	500.00
2000 NCD's of ₹ 1000000/- each	7-Oct-20	7.5400%	-	200.00
4400 NCD's of ₹ 1000000/- each	24-Sep-20	8.5250%	-	440.00
5550 NCD's of ₹ 1000000/- each	24-Sep-20	9.2500%	-	555.00
2050 NCD's of ₹ 1000000/- each	15-Sep-20	8.6500%	-	205.00
5030 NCD's of ₹ 1000000/- each	15-Sep-20	8.6500%	-	503.00
10000 NCD's of ₹ 1000000/- each	25-Aug-20	8.6700%	-	1,000.00
2500 NCD's of ₹ 1000000/- each	18-Aug-20	7.4000%	-	250.00
2500 NCD's of ₹ 1000000/- each	14-Aug-20	7.4000%	-	250.00
6300 NCD's of ₹ 1000000/- each	10-Aug-20	8.9000%	-	630.00
7500 NCD's of ₹ 1000000/- each	29-Jul-20	8.6000%	-	750.00
6050 NCD's of ₹ 1000000/- each	22-Jul-20	8.6000%	-	605.00
3000 NCD's of ₹ 1000000/- each	13-Jul-20	7.4700%	-	300.00
7500 NCD's of ₹ 1000000/- each	13-Jul-20	8.4000%	-	750.00
5000 NCD's of ₹ 1000000/- each	24-Jun-20	7.7800%	-	500.00
2000 NCD's of ₹ 1000000/- each	19-Jun-20	7.7900%	-	200.00
20000 NCD's of ₹ 1000000/- each	19-Jun-20	9.1106%	-	2,000.00
5000 NCD's of ₹ 1000000/- each	11-Jun-20	7.5850%	-	500.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2020
5000 NCD's of ₹ 1000000/- each	5-Jun-20	7.7400%	-	500.00
2960 NCD's of ₹ 1000000/- each	31-May-20	8.6000%	-	296.00
7000 NCD's of ₹ 1000000/- each	22-May-20	7.7000%	-	700.00
4000 NCD's of ₹ 1000000/- each	15-May-20	7.9800%	-	400.00
3500 NCD's of ₹ 1000000/- each	11-May-20	7.5200%	-	350.00
3000 NCD's of ₹ 1000000/- each	28-Apr-20	8.4900%	-	300.00
5000 NCD's of ₹ 1000000/- each	27-Apr-20	7.8130%	-	500.00
5750 NCD's of ₹ 1000000/- each	24-Apr-20	7.2000%	-	575.00
TOTAL				**1,20,413.62**

* Reissue premium (₹ 11.01 Crs.)/ discount (₹ 0.64 Crs.).
Transactions of amount ₹ 15550 crore are with related party

The Details of Non Convertible Redeemable Debentures (NCD) are as under:-

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2019
34000 NCD's of ₹ 1000000/- each	23-Mar-29	8.7000%	-	3,400.00
13650 NCD's of ₹ 1000000/- each	25-Jan-29	8.8000%	-	1,365.00
16060 NCD's of ₹ 1000000/- each	8-Dec-28	8.7500%	-	1,606.00
2749 NCD's of ₹ 1000000/- each	17-Nov-28	8.9700%	-	274.90
9120 NCD's of ₹ 1000000/- each	10-Oct-28	9.0800%	-	912.00
6305 NCD's of ₹ 1000000/- each	24-Sep-28	9.1000%	-	630.50
14770 NCD's of ₹ 1000000/- each	29-Jan-28	7.9500%	-	1,477.00
2500 NCD's of ₹ 1000000/- each	22-Jan-28	7.9000%	22-Aug-19	250.00
5300 NCD's of ₹ 1000000/- each	23-Nov-27	7.7500%	-	530.00
5000 NCD's of ₹ 1000000/- each	14-Jul-27	7.5600%	-	500.00
7000 NCD's of ₹ 1000000/- each	17-May-27	7.8600%	-	700.00
6000 NCD's of ₹ 1000000/- each	26-Mar-27	7.9500%	-	600.00
10000 NCD's of ₹ 1000000/- each	16-Dec-26	7.1600%	-	1,000.00
10000 NCD's of ₹ 1000000/- each	23-Oct-26	7.4800%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	25-Sep-26	7.8300%	-	500.00
2000 NCD's of ₹ 1000000/- each	18-Aug-26	7.9000%	-	200.00
4750 NCD's of ₹ 1000000/- each	10-Jul-26	8.4300%	12-Jul-19	475.00
5000 NCD's of ₹ 1000000/- each	29-Jun-26	8.4800%	19-Aug-19	500.00
3488 NCD's of ₹ 1000000/- each	29-Jun-26	8.4800%	-	348.80
3700 NCD's of ₹ 1000000/- each	15-Jun-26	8.4700%	15-Jul-19	370.00
5000 NCD's of ₹ 1000000/- each	10-Jun-26	8.4700%	28-Jun-19	500.00
5350 NCD's of ₹ 1000000/- each	22-May-26	8.4500%	23-Oct-19	535.00
3000 NCD's of ₹ 1000000/- each	27-Apr-26	8.3200%	-	300.00
10000 NCD's of ₹ 1000000/- each	3-Mar-26	8.5700%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	26-Feb-26	8.5300%	-	500.00
7500 NCD's of ₹ 1000000/- each	28-Jan-26	8.4200%	-	750.00
7500 NCD's of ₹ 1000000/- each	28-Jan-26	8.4300%	-	750.00
15224 NCD's of ₹ 1000000/- each	24-Dec-25	8.7000%	-	1,522.40
10000 NCD's of ₹ 1000000/- each	12-Dec-25	8.4000%	-	1,000.00
10000 NCD's of ₹ 1000000/- each	13-Nov-25	8.2000%	-	1,000.00
3810 NCD's of ₹ 1000000/- each	23-Oct-25	8.2500%	-	381.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2019
2100 NCD's of ₹ 1000000/- each	8-Oct-25	8.3400%	-	210.00
3000 NCD's of ₹ 1000000/- each	29-Aug-25	8.5000%	-	300.00
2000 NCD's of ₹ 1000000/- each	29-Aug-25	8.4800%	-	200.00
5000 NCD's of ₹ 1000000/- each	14-Aug-25	8.5500%	-	500.00
3000 NCD's of ₹ 1000000/- each	1-Aug-25	8.5800%	-	300.00
1950 NCD's of ₹ 1000000/- each	18-Jul-25	8.5700%	-	195.00
2050 NCD's of ₹ 1000000/- each	4-Jun-25	8.5000%	-	205.00
10000 NCD's of ₹ 1000000/- each	29-May-25	8.5500%	-	1,000.00
10000 NCD's of ₹ 1000000/- each	31-Mar-25	8.2200%	-	1,000.00
4250 NCD's of ₹ 1000000/- each	3-Mar-25	8.5200%	-	425.00
6000 NCD's of ₹ 1000000/- each	24-Feb-25	8.5000%	-	600.00
100 NCD's of ₹ 1000000/- each	30-Jan-25	8.4000%	-	10.00
10000 NCD's of ₹ 1000000/- each	8-Jan-25	8.6100%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	16-Oct-24	9.2200%	-	500.00
6500 NCD's of ₹ 1000000/- each	30-Sep-24	9.2400%	-	650.00
10000 NCD's of ₹ 1000000/- each	6-Sep-24	7.4000%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	25-Aug-24	9.4700%	-	500.00
10000 NCD's of ₹ 1000000/- each	25-Aug-24	9.3900%	-	1,000.00
6050 NCD's of ₹ 1000000/- each	5-Jul-24	9.2900%	-	605.00
2500 NCD's of ₹ 1000000/- each	8-May-24	7.9000%	-	250.00
10000 NCD's of ₹ 1000000/- each	19-Mar-24	9.8000%	-	1,000.00
3150 NCD's of ₹ 1000000/- each	5-Mar-24	8.7900%	-	315.00
15000 NCD's of ₹ 1000000/- each *	5-Mar-24	8.7900%	-	1,499.36
1373 NCD's of ₹ 1000000/- each	8-Feb-24	8.5800%	-	137.30
10000 NCD's of ₹ 1000000/- each	22-Dec-23	7.2500%	-	1,000.00
7750 NCD's of ₹ 1000000/- each	8-Dec-23	8.7500%	-	775.00
4480 NCD's of ₹ 1000000/- each	17-Oct-23	9.0800%	-	448.00
2000 NCD's of ₹ 1000000/- each	19-Sep-23	7.8600%	-	200.00
2720 NCD's of ₹ 1000000/- each	9-Jun-23	8.4800%	-	272.00
16630 NCD's of ₹ 1000000/- each	6-Jun-23	9.1900%	6-Feb-20	1,663.00
9000 NCD's of ₹ 1000000/- each	21-May-23	8.3700%	-	900.00
5000 NCD's of ₹ 1000000/- each	25-Apr-23	8.8900%	-	500.00
5250 NCD's of ₹ 1000000/- each	9-Apr-23	9.0000%	-	525.00
5000 NCD's of ₹ 1000000/- each	12-Mar-23	9.1300%	-	500.00
4900 NCD's of ₹ 1000000/- each	19-Jan-23	8.5800%	19-Jun-19	490.00
7500 NCD's of ₹ 1000000/- each	1-Jan-23	9.2500%	-	750.00
5000 NCD's of ₹ 1000000/- each	17-Dec-22	9.3000%	-	500.00
12050 NCD's of ₹ 1000000/- each	16-Dec-22	7.8500%	-	1,205.00
2000 NCD's of ₹ 1000000/- each	13-Dec-22	9.2300%	-	200.00
4000 NCD's of ₹ 1000000/- each	12-Nov-22	9.2500%	-	400.00
3350 NCD's of ₹ 1000000/- each	25-Oct-22	9.0500%	-	335.00
10000 NCD's of ₹ 1000000/- each	17-Oct-22	7.4500%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	14-Sep-22	9.3000%	-	500.00
10000 NCD's of ₹ 1000000/- each	30-Aug-22	7.3900%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	24-Jul-22	9.3500%	-	500.00
11000 NCD's of ₹ 1000000/- each	15-Jul-22	7.4200%	-	1,100.00
5000 NCD's of ₹ 1000000/- each	10-Jun-22	7.4800%	-	500.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2019
3000 NCD's of ₹ 1000000/- each	23-May-22	7.7800%	-	300.00
2500 NCD's of ₹ 1000000/- each	3-May-22	7.8000%	-	250.00
6518 NCD's of ₹ 1000000/- each	19-Apr-22	8.6850%	-	651.80
5000 NCD's of ₹ 1000000/- each	24-Mar-22	7.9500%	-	500.00
4950 NCD's of ₹ 1000000/- each	24-Mar-22	9.1700%	-	495.00
2000 NCD's of ₹ 1000000/- each	10-Feb-22	9.4300%	-	200.00
3000 NCD's of ₹ 1000000/- each	30-Jan-22	9.4500%	-	300.00
25000 NCD's of ₹ 1000000/- each	14-Jan-22	8.5950%	-	2,500.00
5000 NCD's of ₹ 1000000/- each	13-Jan-22	7.5700%	-	500.00
2000 NCD's of ₹ 1000000/- each	11-Nov-21	9.9000%	-	200.00
1400 NCD's of ₹ 1000000/- each	21-Oct-21	7.6600%	-	140.00
3000 NCD's of ₹ 1000000/- each	19-Oct-21	7.8100%	-	300.00
4970 NCD's of ₹ 1000000/- each	14-Oct-21	7.5900%	-	497.00
5000 NCD's of ₹ 1000000/- each	19-Sep-21	9.4000%	-	500.00
16750 NCD's of ₹ 1000000/- each	17-Sep-21	8.2534%	-	1,675.00
2000 NCD's of ₹ 1000000/- each	27-Aug-21	7.7500%	-	200.00
5000 NCD's of ₹ 1000000/- each	29-Jul-21	7.6700%	-	500.00
1050 NCD's of ₹ 1000000/- each	27-Jul-21	8.1900%	-	105.00
5000 NCD's of ₹ 1000000/- each	15-Jul-21	8.3000%	-	500.00
4350 NCD's of ₹ 1000000/- each	7-Jul-21	8.4700%	-	435.00
5000 NCD's of ₹ 1000000/- each	7-Jun-21	9.8000%	-	500.00
2500 NCD's of ₹ 1000000/- each	21-May-21	8.4500%	-	250.00
5000 NCD's of ₹ 1000000/- each	11-May-21	9.4000%	-	500.00
5050 NCD's of ₹ 1000000/- each	10-May-21	8.3700%	-	505.00
6000 NCD's of ₹ 1000000/- each	8-Mar-21	8.7500%	-	600.00
2500 NCD's of ₹ 1000000/- each	7-Mar-21	9.6000%	-	250.00
3670 NCD's of ₹ 1000000/- each	26-Feb-21	8.6000%	-	367.00
12500 NCD's of ₹ 1000000/- each	18-Feb-21	7.5700%	-	1,250.00
7500 NCD's of ₹ 1000000/- each	12-Feb-21	8.7500%	-	750.00
3270 NCD's of ₹ 1000000/- each	28-Jan-21	7.8800%	-	327.00
10000 NCD's of ₹ 1000000/- each	18-Jan-21	9.0000%	-	1,000.00
3500 NCD's of ₹ 1000000/- each	5-Jan-21	8.5000%	-	350.00
1500 NCD's of ₹ 1000000/- each	5-Jan-21	8.5000%	-	150.00
1070 NCD's of ₹ 1000000/- each	4-Jan-21	9.3500%	-	107.00
4560 NCD's of ₹ 1000000/- each	28-Dec-20	8.6000%	-	456.00
25000 NCD's of ₹ 1000000/- each	24-Dec-20	8.8000%	-	2,500.00
7500 NCD's of ₹ 1000000/- each	21-Dec-20	8.7500%	-	750.00
32000 NCD's of ₹ 1000000/- each	3-Dec-20	9.0200%	-	3,200.00
3660 NCD's of ₹ 1000000/- each	23-Nov-20	9.0000%	-	366.00
3500 NCD's of ₹ 1000000/- each	17-Nov-20	7.6500%	-	350.00
6500 NCD's of ₹ 1000000/- each	23-Oct-20	8.3500%	-	650.00
4650 NCD's of ₹ 1000000/- each	13-Oct-20	8.8800%	-	465.00
5000 NCD's of ₹ 1000000/- each	12-Oct-20	8.1400%	-	500.00
2000 NCD's of ₹ 1000000/- each	7-Oct-20	7.5400%	-	200.00
4400 NCD's of ₹ 1000000/- each	24-Sep-20	8.5250%	-	440.00
5550 NCD's of ₹ 1000000/- each	24-Sep-20	9.2500%	-	555.00
2050 NCD's of ₹ 1000000/- each	15-Sep-20	8.6500%	-	205.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2019
5030 NCD's of ₹ 1000000/- each	15-Sep-20	8.6500%	-	503.00
10000 NCD's of ₹ 1000000/- each	25-Aug-20	8.6700%	-	1,000.00
2500 NCD's of ₹ 1000000/- each	18-Aug-20	7.4000%	-	250.00
2500 NCD's of ₹ 1000000/- each	14-Aug-20	7.4000%	-	250.00
6300 NCD's of ₹ 1000000/- each	10-Aug-20	8.9000%	-	630.00
7500 NCD's of ₹ 1000000/- each	29-Jul-20	8.6000%	-	750.00
6050 NCD's of ₹ 1000000/- each	22-Jul-20	8.6000%	-	605.00
3000 NCD's of ₹ 1000000/- each	13-Jul-20	7.4700%	-	300.00
7500 NCD's of ₹ 1000000/- each	13-Jul-20	8.4000%	-	750.00
5000 NCD's of ₹ 1000000/- each	24-Jun-20	7.7800%	-	500.00
2000 NCD's of ₹ 1000000/- each	19-Jun-20	7.7900%	-	200.00
20000 NCD's of ₹ 1000000/- each	19-Jun-20	9.1106%	-	2,000.00
5000 NCD's of ₹ 1000000/- each	11-Jun-20	7.5850%	-	500.00
5000 NCD's of ₹ 1000000/- each	5-Jun-20	7.7400%	-	500.00
2960 NCD's of ₹ 1000000/- each	31-May-20	8.6000%	-	296.00
7000 NCD's of ₹ 1000000/- each	22-May-20	7.7000%	-	700.00
4000 NCD's of ₹ 1000000/- each	15-May-20	7.9800%	-	400.00
3500 NCD's of ₹ 1000000/- each	11-May-20	7.5200%	-	350.00
3000 NCD's of ₹ 1000000/- each	28-Apr-20	8.4900%	-	300.00
5000 NCD's of ₹ 1000000/- each	27-Apr-20	7.8130%	-	500.00
5750 NCD's of ₹ 1000000/- each	24-Apr-20	7.2000%	-	575.00
5950 NCD's of ₹ 1000000/- each	30-Mar-20	8.6800%	-	595.00
2200 NCD's of ₹ 1000000/- each	19-Mar-20	7.8000%	-	220.00
2200 NCD's of ₹ 1000000/- each	18-Mar-20	7.8000%	-	220.00
2200 NCD's of ₹ 1000000/- each	17-Mar-20	7.8000%	-	220.00
15000 NCD's of ₹ 1000000/- each	12-Mar-20	8.4500%	-	1,500.00
6500 NCD's of ₹ 1000000/- each	28-Feb-20	7.5800%	-	650.00
2500 NCD's of ₹ 10000000/- each	21-Feb-20	7.7700%	-	250.00
5000 NCD's of ₹ 1000000/- each	18-Feb-20	8.0200%	-	500.00
2050 NCD's of ₹ 1000000/- each	14-Feb-20	8.4800%	-	205.00
2000 NCD's of ₹ 1000000/- each	11-Feb-20	7.9700%	-	200.00
8000 NCD's of ₹ 1000000/- each	21-Jan-20	8.4700%	-	800.00
4500 NCD's of ₹ 1000000/- each	14-Jan-20	8.7500%	-	450.00
3500 NCD's of ₹ 1000000/- each	14-Jan-20	8.7300%	-	350.00
10000 NCD's of ₹ 1000000/- each	19-Dec-19	8.6100%	-	1,000.00
3000 NCD's of ₹ 1000000/- each	18-Dec-19	7.9000%	-	300.00
3000 NCD's of ₹ 1000000/- each	12-Dec-19	7.9600%	-	300.00
15020 NCD's of ₹ 1000000/- each	6-Dec-19	9.2200%	-	1,502.00
7150 NCD's of ₹ 1000000/- each	28-Nov-19	8.7200%	-	715.00
16650 NCD's of ₹ 1000000/- each	22-Nov-19	7.9300%	-	1,665.00
5500 NCD's of ₹ 1000000/- each	18-Nov-19	8.5937%	-	550.00
6000 NCD's of ₹ 1000000/- each	8-Nov-19	8.7000%	-	600.00
5000 NCD's of ₹ 1000000/- each	29-Oct-19	8.9700%	-	500.00
7700 NCD's of ₹ 1000000/- each	18-Oct-19	8.3500%	-	770.00
10000 NCD's of ₹ 1000000/- each	3-Oct-19	8.3700%	-	1,000.00
3500 NCD's of ₹ 1000000/- each	30-Sep-19	9.2400%	-	350.00
2500 NCD's of ₹ 1000000/- each	10-Sep-19	9.4500%	-	250.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2019
10000 NCD's of ₹ 1000000/- each	30-Aug-19	9.4400%	-	1,000.00
11750 NCD's of ₹ 1000000/- each	28-Aug-19	7.8950%	-	1,175.00
5750 NCD's of ₹ 1000000/- each	19-Aug-19	9.3500%	-	575.00
10000 NCD's of ₹ 1000000/- each	24-Jul-19	9.5100%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	12-Jul-19	7.5850%	-	500.00
3000 NCD's of ₹ 1000000/- each	26-Jun-19	8.6900%	-	300.00
6000 NCD's of ₹ 1000000/- each	19-Jun-19	7.0650%	-	600.00
3000 NCD's of ₹ 1000000/- each	13-Jun-19	8.6000%	-	300.00
3000 NCD's of ₹ 1000000/- each	13-Jun-19	8.3700%	-	300.00
5000 NCD's of ₹ 1000000/- each	21-May-19	7.4000%	-	500.00
2000 NCD's of ₹ 1000000/- each	17-May-19	8.6900%	-	200.00
13000 NCD's of ₹ 1000000/- each	15-May-19	7.8125%	-	1,300.00
4100 NCD's of ₹ 1000000/- each	10-May-19	7.7900%	-	410.00
3950 NCD's of ₹ 1000000/- each	30-Apr-19	8.2800%	-	395.00
7500 NCD's of ₹ 1000000/- each	23-Apr-19	7.0850%	-	750.00
2000 NCD's of ₹ 1000000/- each	5-Apr-19	8.6900%	-	200.00
TOTAL				**1,18,860.06**

Note 17.2

The ZCDs are redeemable at Premium. The ZCDs issued after March 31, 2015 are secured by a negative lien on the assets of the Company (excluding current and future receivables and book-debt of whatsoever nature of the Company on which a first pari-pasu floating charge by way of hypothecation to secure the borrowings of the Company outstanding as on March 31, 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on March 31, 2015), with a minimum asset cover of 100%. Further the Company shall be entitled to dispose off, transact or otherwise deal, in the ordinary course of business upto 5% of the Specific Assets, including by way of a securitization transaction and as may be required under any law, regulations, guidelines or rules. In addition to above the Zero Copupon Debentures are secured by mortgage on an Immovable Property owned by the Company valuing approx ₹ 0.72 crore (Book Value ₹ 0.13 crore).

The details of Zero Coupon Debentures are as under:

(₹ in crore)

Description	Date of Redemption		Earliest Put/ Call Option Date	As at March 31, 2020
5295 ZCD's of ₹ 1000000/- each	4-May-22	*	-	529.50
16220 ZCD's of ₹ 1000000/- each	25-Feb-22	**	-	1,622.00
11730 ZCD's of ₹ 1000000/- each	25-Mar-21	***	-	1,173.00
7200 ZCD's of ₹ 1000000/- each	18-May-20	****	-	720.00
TOTAL				**4,044.50**

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

** Maturity Value of ₹ 13,27,103/- per Debenture including premium.

*** Maturity Value of ₹ 12,70,200/- per Debenture including premium.

**** Maturity Value of ₹ 11,14,676/- per Debenture including premium.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The details of Zero Coupon Debentures are as under:

(₹ in crore)

Description	Date of Redemption		Earliest Put/ Call Option Date	As at March 31, 2019
5295 ZCD's of ₹ 1000000/- each	4-May-22	*	-	529.50
16220 ZCD's of ₹ 1000000/- each	25-Feb-22	**	-	1,622.00
11730 ZCD's of ₹ 1000000/- each	25-Mar-21	***	-	1,173.00
7200 ZCD's of ₹ 1000000/- each	18-May-20	****	-	720.00
13500 ZCD's of ₹ 1000000/- each	25-Feb-20	*****	-	1,350.00
10000 ZCD's of ₹ 1000000/- each	23-Jan-20	******	-	1,000.00
9000 ZCD's of ₹ 1000000/- each	10-Sep-19	*******	-	900.00
10000 ZCD's of ₹ 1000000/- each	2-Sep-19	********	-	1,000.00
3210 ZCD's of ₹ 1000000/- each	9-Apr-19	*********	-	321.00
TOTAL				**8,615.50**

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

** Maturity Value of ₹ 13,27,103/- per Debenture including premium.

*** Maturity Value of ₹ 12,70,200/- per Debenture including premium.

**** Maturity Value of ₹ 11,14,676/- per Debenture including premium.

***** Maturity Value of ₹ 11,58,017/- per Debenture including premium.

******Maturity Value of ₹ 11,65,320/- per Debenture including premium.

******* Maturity Value of ₹ 15,56,727/- per Debenture including premium.

******** Maturity Value of ₹ 15,66,016/- per Debenture including premium.

********* Maturity Value of ₹ 12,83,584/-per Debenture including premium.

Note 17.3

The details of Commercial Papers are as under:

(₹ in crore)

Particulars	Date of Maturity	Discounting Rate	As at March 31, 2020
19000 Units of ₹ 500000 each	10-Mar-21	6.03%	898.69
15000 Units of ₹ 500000 each	9-Feb-21	6.20%	711.85
17000 Units of ₹ 500000 each	22-Jan-21	6.50%	807.32
6000 Units of ₹ 500000 each	19-Nov-20	6.37%	288.35
7000 Units of ₹ 500000 each	11-Nov-20	6.38%	336.85
13000 Units of ₹ 500000 each	11-Nov-20	6.38%	625.57
17500 Units of ₹ 500000 each	11-Sep-20	6.50%	850.44
3000 Units of ₹ 500000 each	10-Sep-20	6.50%	145.82
22000 Units of ₹ 500000 each	20-Aug-20	6.80%	1,072.15
4000 Units of ₹ 500000 each	16-Jul-20	7.49%	195.82
14000 Units of ₹ 500000 each	8-Jun-20	5.32%	693.09
20200 Units of ₹ 500000 each	28-May-20	7.75%	998.19
Total			**7,624.14**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Particulars	Date of Maturity	Discounting Rate	As at March 31, 2019
15000 Units of ₹ 500000 each	10-Feb-20	8.27%	699.96
20000 Units of ₹ 500000 each	30-Jan-20	8.28%	935.25
10000 Units of ₹ 500000 each	12-Dec-19	8.29%	472.44
9000 Units of ₹ 500000 each	28-Nov-19	8.91%	425.19
20000 Units of ₹ 500000 each	12-Jun-19	7.90%	984.67
10000 Units of ₹ 500000 each	28-May-19	8.65%	493.39
5000 Units of ₹ 500000 each	28-May-19	8.65%	246.69
10000 Units of ₹ 500000 each	20-May-19	7.43%	495.05
20000 Units of ₹ 500000 each	2-May-19	8.68%	992.77
14000 Units of ₹ 500000 each	24-Apr-19	8.60%	696.27
14000 Units of ₹ 500000 each	12-Apr-19	7.46%	698.43
Total			**7,140.11**

NOTE 18
BORROWINGS (OTHER THAN DEBT SECURITIES) - AT AMORTISED COST

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
SECURED (Refer Note 18.1)		
(a) Term Loans		
(i) from Banks (Rupee Term Loans) **	25,622.55	16,079.23
(ii) National Housing Bank (Refinance) **	1,882.17	1,310.68
(iii) Other Financial Institutions **	-	200.00
(b) Loans repayable on demand from Banks (Rupee Term Loans) **	16,140.00	8,794.00
Total (A) Borrowings in India	**43,644.72**	**26,383.91**
(a) Term Loans		
(i) from Banks (ECB) **	1,495.71	-
Total (B) Borrowings out side India	**1,495.71**	**-**
Total Borrowings (A) + (B)	**45,140.43**	**26,383.91**

NOTE 18.1

Negative lien on the assets of the Company (excluding current and future receivables and book-debt of whatsoever nature of the Company on which a first pari-pasu floating charge by way of hypothecation to secure the borrowings of the company outstanding as on March 31, 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on March 31, 2015), with a minimum asset cover of 100%. Further the Company shall be entitled to dispose off, transact or otherwise deal, in the ordinary course of business upto 5% of the Specific Assets, including by way of a securitization transaction and as may be required under any law, regulations, guidelines or rules and Immovable Property acquired by Company on or after September 26, 2001.

**** Maturity Profile of Term Loans, ECB, Loan from Other Financial institutions and National Housing Bank (Refinance)**

(₹ in crore)

Particulars	As at March 31, 2020			
	Term Loans Banks (ROI 6.00% - 7.95%)	External Commercial Borrowings (ECB) (ROI 7.52%)	National Housing Bank (Refinance) (ROI 6.80% - 8.75%)	Total
Within 12 months	20,930.77	-	537.00	21,467.77
Over 1 year to 3 years	9,967.33	1,495.71	788.15	12,251.19
Over 3 to 5 years	7,168.62	-	419.52	7,588.14
Over 5 to 7 years	2,778.33	-	137.50	2,915.83
Over 7 Years	917.50	-	-	917.50
Total	**41,762.55**	**1,495.71**	**1,882.17**	**45,140.43**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Particulars	As at March 31, 2019			
	Term Loans from Banks (ROI 7.40% - 8.75%)	Loan from Other Financial Institutions (ROI 8.25%)	National Housing Bank (Refinance) (ROI 6.80% - 8.75%)	Total
Within 12 months	10,889.10	40.00	302.05	11,231.15
Over 1 year to 3 years	7,600.79	80.00	614.68	8,295.47
Over 3 to 5 years	4,715.67	80.00	352.89	5,148.56
Over 5 to 7 years	1,507.67	-	41.06	1,548.73
Over 7 Years	160.00	-	-	160.00
Total	**24,873.23**	**200.00**	**1,310.68**	**26,383.91**

NOTE 19
DEPOSITS - AT AMORTISED COST

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
UNSECURED:		
(i) Public Deposits	6,868.80	3,932.17
(ii) Corporate Deposits	5,740.19	3,735.26
Total	**12,608.99**	**7,667.43**

The Company has designated liquid assets for the purpose of maintaining Statutory Liquid Ratio and Floating Charge on Fixed Deposits with banks has been created in favour of the Trustees for Depositors

NOTE 20
SUBORDINATED LIABILITIES - AT AMORTISED COST

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
UNSECURED:		
(i) Subordinated Bonds	500.00	500.00
(ii) Upper Tier II Bonds	1,000.00	1,500.00
Total (A)	**1,500.00**	**2,000.00**
Subordinated Liabilities in India	1,500.00	2,000.00
Subordinated Liabilities outside India	-	-
Total (B)	**1,500.00**	**2,000.00**

The details of Subordinated Bonds are as under:

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2020
5000 Bonds of ₹ 1,000,000 each	15-Sep-20	8.95%	-	500.00
Total				**500.00**

These Bonds are subordinated to present and future senior indebtedness of the Company and qualify as Tier II capital under National Housing Bank (NHB) guidelines for assessing capital adequacy. Based on the balance term to maturity as at March 31, 2020, 0% (FY 2018-19 - 20%) of the book value of the subordinated debt is considered as Tier II capital for the purpose of capital adequacy computation.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The details of Subordinated Bonds are as under:

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2019
5000 Bonds of ₹ 1,000,000 each	15-Sep-20	8.95%	-	500.00
Total				**500.00**

The details of Upper Tier II Bonds are as under:

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2020
5000 Bonds of ₹ 1,000,000 each*	29-Nov-25	9.00%	29-Nov-20	500.00
5000 Bonds of ₹ 1,000,000 each*	26-Oct-25	8.90%	26-Oct-20	500.00
Total				**1,000.00**

Bonds of amount ₹ 1000 crore are with related party

The details of Upper Tier II Bonds are as under:

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2019
5000 Bonds of ₹ 1,000,000 each*	29-Nov-25	9.00%	29-Nov-20	500.00
5000 Bonds of ₹ 1,000,000 each*	26-Oct-25	8.90%	26-Oct-20	500.00
5000 Bonds of ₹ 1,000,000 each*	31-Mar-25	8.70%	31-Mar-20	500.00
Total				**1,500.00**

Bonds of amount ₹ 1500 crore are with related party

*Redemption and call option excercisable with prior approval of National Housing Bank.

NOTE 21
OTHER FINANCIAL LIABILITIES

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Interest accrued		
- Non-Convertible Debentures	4,177.70	4,100.15
- Zero Coupon Debentures	535.26	1,421.32
- Term Loan	66.43	46.96
- Subordinated Bonds	58.79	102.20
- Deposits	599.15	481.55
(ii) Unclaimed Dividends *	7.85	7.97
(iii) Unpaid Matured Deposits	93.17	86.16
(iv) Book Overdraft [Refer Note 43]	682.54	6,909.46
(v) Pre-received Interest Liability on NCD Reissuance	38.76	1.08
(vi) Miscellaneous Liabilities	468.84	132.57
Total	**6,728.49**	**13,289.42**

* As required under Section 125 of the Companies Act 2013, the Company has transferred ₹ 0.98 crores (FY 2018-19 ₹ 0.82 crores) to the Investor Education and Protection Fund (IEPF) during the year.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 22
PROVISIONS

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Provision for Employee Benefits	144.91	112.97
(ii) Other Provisions	0.42	0.42
Total	**145.33**	**113.39**

NOTE 23
OTHER NON-FINANCIAL LIABILITIES

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Outstanding Expenses	88.92	44.48
(ii) Statutory Dues	70.20	51.60
(iii) Earnest Money Deposit	0.40	0.16
(iv) Others	64.14	52.41
Total	**223.66**	**148.65**

NOTE 24
SHARE CAPITAL

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
AUTHORISED		
750,000,000 Equity Shares of ₹ 2/- each (Previous year 750,000,000 Equity Shares of ₹ 2/- each)	150.00	150.00
ISSUED, SUBSCRIBED AND PAID-UP		
504,663,000 Equity Shares of ₹ 2/- each (Previous Year 504,663,000 Equity Shares of ₹ 2/- each) fully paid up	100.93	100.93
Add: Forfeited shares as per Note. 23(d) below	0.06	0.06
	100.99	**100.99**

NOTE 24 (a): RECONCILIATION OF NUMBER OF SHARES OUTSTANDING AND AMOUNT OF SHARE CAPITAL AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD

Equity Shares	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
Equity Shares outstanding as at the beginning of the year	50,46,63,000	100.93	50,46,63,000	100.93
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Equity Shares outstanding as at the end of the year	**50,46,63,000**	100.93	50,46,63,000	100.93

NOTE 24 (b): RIGHTS ATTACHED TO EQUITY SHARES

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion to their shareholdings.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 24 (c): DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARE IN THE COMPANY ARE GIVEN BELOW

Equity Shares	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Life Insurance Corporation of India	20,34,42,495	40.31	20,34,42,495	40.31

NOTE 24 (d): FORFEITED SHARES

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Amount received on forfeited shares	0.06	0.06
Total	**0.06**	**0.06**

NOTE 25
OTHER EQUITY

(₹ in crore)

Particulars			As at March 31, 2020	As at March 31, 2019
(i)	**(a)**	**Capital Reserve**		
		As per last Balance Sheet	**0.48**	**0.48**
(ii)		**Securities Premium Account**		
		As per last Balance Sheet	**1,705.29**	**1,705.29**
(iii)		**Cash Flow Hedge Reserve**		
		Opening Balance	-	-
		Add: Gain on ECB Cross Currency Swap	48.62	-
		Less : Loss due to Exchange Rate Fluctuation on ECB	48.62	-
		Closing Balance	-	-
(iv)		**Special Reserve - I**		
		In terms of Section 36(1)(viii) of Income-Tax, 1961 and Section 29C of National Housing Bank (NHB) Act,1987 (Upto financial year 1996-97)		
		As per last Balance Sheet	**38.98**	**38.98**
(v)		**Other Statutory Reserves including Special Reserve- II**		
		Balance at the beginning of the year		
	(i)	Statutory Reserve u/s 29C of the NHB Act, 1987	0.15	0.14
	(ii)	Amount of Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account for purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	5,104.34	4,354.35
		Total	**5,104.49**	**4,354.49**
		Addition / Appropriation / Withdrawal during the year		
		Add :		
	(i)	Amount transferred u/s 29C of the NHB Act, 1987	0.01	0.01
	(ii)	Amount of Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account for purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	749.99	749.99
		Less :		
	(i)	Amount appropriated from Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
	(ii)	Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account which has been taken into account for purpose of provision u/s 29C of the NHB Act, 1987	-	-
		Balance at the end of the year		
	(i)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	0.16	0.15
	(ii)	Amount of Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account for purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	5,854.33	5,104.34
		Total	**5,854.49**	**5,104.49**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(vi) General Reserve		
Opening Balance	5,882.97	5,282.97
Add: Transferred during the year	600.00	600.00
Closing Balance	**6,482.97**	**5,882.97**
(vii) Surplus in the Statement of Profit and Loss		
Opening balance	3,426.07	2,757.98
Add: Total Comprehensive Income for the year	2,394.99	2,430.51
Less: Appropriations		
Dividend Paid and Tax on Dividend Paid	461.17	412.42
Transfer to General Reserve	600.00	600.00
Transfer to Special Reserve - II	749.99	749.99
Transfer to Statutory Reserve u/s 29C of the NHB Act, 1987	0.01	0.01
Closing Balance	**4,009.89**	**3,426.07**
Total	**18,092.10**	**16,158.28**

Nature and purpose of each reserve

Securities Premium Reserve

"Securities Premium Reserve" is used to denote the Share premium received on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Cash Flow Hedge Reserve

It represents the effective portion of cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

Special Reserve – I:

Special Reserve – I has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company. The amounts of Special Reserve account represents, the reserve created in terms of the provision of Section 36(1)(viii) read together with the proviso thereof, from time to time. Special Reserve No. I relates to the amounts transferred upto the Financial Year 1996-97 (Assessment Year 1997-98) when the word was 'created' only was used in the said section and not 'created and maintained'. Admittedly, the position has changed after the amendment made in Section 36(1)(viii) by the Finance Act 1997 with effect from Assessment year 1998-99, when the mandatory requirement of 'maintaining' the special reserve created was inserted. Accordingly, it was interpreted that the Special Reserve created upto Assessment Year 1997-98 need not be 'maintained'. As a logical corollary, it is construed that upto Assessment Year 1997-98, the amounts carried to special reserve ought to be understood as amounts created by transferring to the credit of special reserve from time to time.

Special Reserve – II:

Special Reserve – II has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company transferred from Financial Year 1997-98 (Assessment Year 1998-99). In the FY 2019-20 ₹ 749.99 crore (FY 2018-19 ₹ 749.99 crore) has been transferred to Special Reserve No. II in terms of Section 36(1)(viii) of the Income tax Act, 1961.

Statutory Reserves under Section 29C (Regulatory Capital) of NHB:

Upto financial year 1996-97: The Company being regulated by NHB had to mandatorily transfer an amount as per Section 29C of NHB Act, 1987 on the similar lines as that of for Special Reserve – I which has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961 and it relates to the amounts transferred upto the Financial Year 1996-97(Assessment Year 1997-98).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

After financial year 1996-97: The Company being regulated by NHB has to mandatorily transfer an amount as per Section 29C of NHB Act, 1987 on the similar lines as that of for Special Reserve – II which has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961. For the year under review an amount of ₹.1,00,000.00 (FY 2018-19 ₹ 1,00,000.00) has been transferred to Statutory Reserve under Section 29C the NHB Act.

General Reserve:

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

However, since the Company utilises the deduction available to Housing Finance Companies registered with National Housing Bank as provided in Section 36(1)(viii) of the Income tax Act, 1961, wherein the proviso of the Section stipulates that the amount carried to such reserve account from time to time exceeds twice the amount of the paid up share capital and general reserves of the Company, the rebate is restricted to the twice of the aggregate of paid up capital and the general reserve. Therefore, the Company transfers funds to General Reserve in order to avail the full benefit of Section 36(1)(viii). For the year, the Company has transferred an amount of ₹ 600 crore to General Reserve. (FY 2018-19 ₹ 600 crore).

NOTE 26
INTEREST INCOME

(₹ in crore)

Particulars		On Financial Assets measured at Amortised Cost	
		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Interest on Loans & Advances	19,461.95	17,162.80
ii)	Interest Income from Investments	110.54	78.37
iii)	Interest on Deposits with Banks	33.45	13.60
iv)	Other Interest Income (Net)	(0.59)	1.34
Total		**19,605.35**	**17,256.11**

NOTE 27
FEES & COMMISSION INCOME

(₹ in crore)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Fees & Commission Income	39.42	34.83
Total		**39.42**	**34.83**

NOTE 28
NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS - UNDER AMORTISED COST CATEGORY

(₹ in crore)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Gain on Derecognition of Financial Instruments	5.86	10.66
Total		**5.86**	**10.66**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 29
OTHERS

(₹ in crore)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Net gain on Derecognition of Financial Instruments measured at Fair Value through Profit & Loss Account	21.66	21.06
ii)	Miscellaneous Income	24.40	35.13
Total		**46.06**	**56.19**

NOTE 30
OTHER INCOME

(₹ in crore)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Dividend Income from Subsidiaries	5.97	6.27
ii)	Dividend Income from Associates	0.22	0.43
iii)	Income from subleasing right-of-use assets	0.12	-
iv)	Net gain/(loss) on derecognition of property, plant and equipment	0.12	0.08
v)	Net gain or (loss) on foreign currency translation	(33.36)	-
Total		**(26.93)**	**6.78**

NOTE 31
FINANCE COSTS

(₹ in crore)

Particulars		On Financial Liabilities measured at Amortised Cost	
		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Interest on deposits	878.06	586.83
ii)	Interest on borrowings	2,333.32	1,741.90
iii)	Interest on debt securities	11,383.78	10,372.02
iv)	Interest on subordinated liabilities	177.84	190.79
v)	Interest on Lease Liability	10.86	-
Total		**14,783.86**	**12,891.54**

NOTE 32
FEES AND COMMISSION EXPENSE

(₹ in crore)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Fees & Commission	60.56	21.08
Total		**60.56**	**21.08**

NOTE 33
NET LOSS ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTIZED COST CATEGORY

(₹ in crore)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Loans Written Off	35.71	265.66
ii)	Loss on Derecognition of Financial Instruments	11.78	2.05
Total		**47.49**	**267.71**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 34
IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in crore)

Particulars		On Financial Instruments measured at Amortised Cost	
		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Loans	952.91	350.35
ii)	Others	(0.18)	(0.00)
Total		**952.73**	**350.35**

The details relating to movment in Impairment on Loans (Expected Credit Loss) is disclosed in Note 37.4.2.4

NOTE 35
EMPLOYEE BENEFITS EXPENSES

(₹ in crore)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Salaries and Wages	229.92	193.43
ii)	Contribution to Provident and Other Funds [Refer Note 48]	29.75	25.29
iii)	Staff Welfare Expenses	39.42	29.16
Total		**299.09**	**247.88**

NOTE 36
OTHER EXPENSES

(₹ in crore)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Rent, Rates and Taxes	13.93	40.58
ii)	Repairs and Maintenance - Building	1.39	1.12
iii)	Repairs and Maintenance - Others	8.53	8.81
iv)	Communication Costs	10.69	12.33
v)	Printing and Stationery	6.53	7.57
vi)	Advertisement & Publicity Expenses	44.73	42.03
vii)	Director's fees, allowances and expenses	0.62	0.63
viii)	Auditor's fees and expenses [Refer Note 44]	0.67	0.62
ix)	Legal and Professional charges	5.80	4.22
x)	Insurance Charges	0.14	0.13
xi)	Travelling and Conveyance	13.22	12.59
xii)	Competition Prizes & Conference Expenses	6.41	13.10
xiii)	Electricity Expenses	5.61	5.59
xiv)	Service Charges for Safe Custody of Documents	10.68	9.71
xv)	Contribution towards CSR activites [Refer Note 53]	61.49	18.78
xvi)	Miscellaneous Expenses	18.53	16.92
Total		**208.97**	**194.73**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

37. FINANCIAL INSTRUMENTS

37.1 Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of National Housing Bank (NHB). The adequacy of the Company's capital is monitored using, among other measures, the guidelines issued by NHB.

The Company's objective, when managing Capital, is to safeguard the ability of the Company to continue as a going concern, maintain strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder's value.

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to maximize the shareholder's value. The capital of the Company comprises of Equity Share Capital and a mix of debt securities, borrowings (other than debt securities), deposits and subordinated liabilities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The Management of the Company monitors the Regulatory capital by overviewing Debt Equity Ratio and makes use of the same for framing the business strategies.

The Debt Equity Ratio of the Company is calculated as below:

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Debt Securities	1,32,082.26	1,34,615.67
Borrowings (Other than Debt Securities)	45,140.43	26,383.91
Deposits	12,608.99	7,667.43
Subordinated Liabilities	1,500.00	2,000.00
A) Total Debt	1,91,331.68	1,70,667.02
B) Total Equity-Shareholder's Funds	18,193.09	16,259.27
C) Debt Equity Ratio (A/B)	10.52	10.50

37.1.1 Regulatory Capital

For regulatory and supervisory purposes including various types of reporting to NHB extant provisions of NHB Act and Housing Finance Companies (NHB Directions) have been considered. Accordingly, regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings including current year profit. The other component of regulatory capital is Tier 2 Capital Instruments, which includes upper tier II and subordinated bonds.

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Equity Tier 1 capital	15,616.76	14,332.29
Other Tier 2 capital	2,176.54	2,403.41
Total Capital	17,793.30	16,735.70
Risk weighted assets	1,28,125.92	1,16,525.68
Tier 1 capital adequacy ratio	12.19%	12.30%
Total capital adequacy ratio	13.89%	14.36%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

37.2 Categories of Financial Instruments:

(₹ in crore)

Particulars	As at March 31, 2020			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Financial Assets				
Cash and Cash Equivalents	1,365.72	-	-	1,365.72
Bank Balance other than above	613.23	-	-	613.23
Derivative Financial Instruments	-	80.48	-	80.48
Loans	2,07,987.97	-	-	2,07,987.97
Investments	1,814.63	3,583.74	98.00	5,496.37
Other Financial Assets	21.41	-	-	21.41
Total	**2,11,802.96**	**3,664.22**	**98.00**	**2,15,565.18**
Financial Liabilities				
Derivative Financial Instruments	-	22.90	-	22.90
Lease Liability	125.86	-	-	125.86
Trade Payables	34.57	-	-	34.57
Debt Securities	1,32,082.26	-	-	1,32,082.26
Borrowings (Other than Debt Securities)	45,140.43	-	-	45,140.43
Deposits	12,608.99	-	-	12,608.99
Subordinated Liabilities	1,500.00	-	-	1,500.00
Other Financial Liabilities	6,728.49	-	-	6,728.49
Total	**1,98,220.60**	**22.90**	**-**	**1,98,243.50**

(₹ in crore)

Particulars	As at March 31, 2019			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Financial Assets				
Cash and Cash Equivalents	2,801.80	-	-	2,801.80
Bank Balance other than above	211.71	-	-	211.71
Derivative Financial Instruments	-	26.98	-	26.98
Loans	1,92,992.74	-	-	1,92,992.74
Investments	1,248.12	2,248.94	98.00	3,595.06
Other Financial Assets	13.89	-	-	13.89
Total	**1,97,268.26**	**2,275.92**	**98.00**	**1,99,642.18**
Financial Liabilities				
Derivative Financial Instruments	-	25.79	-	25.79
Trade Payables	79.94	-	-	79.94
Debt Securities	1,34,615.67	-	-	1,34,615.67
Borrowings (Other than Debt Securities)	26,383.91	-	-	26,383.91
Deposits	7,667.43	-	-	7,667.43
Subordinated Liabilities	2,000.00	-	-	2,000.00
Other Financial Liabilities	13,289.42	-	-	13,289.42
Total	**1,84,036.37**	**25.79**	**-**	**1,84,062.16**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

37.3 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The Company evaluates the significance of financial instruments and material accuracy of the valuations incorporated in the financial statements as they involve a high degree of judgement and estimation uncertainty in determining the carrying values of financial assets and liabilities at the balance sheet date. Fair value of financial instruments is determined using valuation techniques and estimates which, to the extent possible, use market observable inputs, but in some cases use non-market observable inputs. Changes in the observability of significant valuation inputs can materially affect the fair values of financial instruments. In determining the valuation of financial instruments, the Company makes judgements on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 instruments, and the significant valuation judgements in respect of Level 3 instruments.

Fair Value Hierarchy

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained below.

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the observability of the significant inputs used to determine the fair values. Changes in the observability of significant valuation inputs during the reporting period may result in a transfer of assets and liabilities within the fair value hierarchy. The Company recognises transfers between levels of the fair value hierarchy when there is a significant change in either its principal market or the level of observability of the inputs to the valuation techniques as at the end of the reporting period.

Level 1: Fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Fair value measurements are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable

Level 3: Fair value measurements are those where at least one input which could have a significant effect on the instrument's valuation is not based on observable market data

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

(₹ in crore)

Particulars	Fair Value			Fair Value Hierarchy	Valuation Technique	Key Inputs for Level 2 & Level 3	Significant unobservable input(s) for Level 3
	Category	As at March 31, 2020	As at March 31, 2019				
Financial Assets							
Mutual funds	FVTPL	3,562.94	2,227.29	Level 1	Quoted Market Price for Mutual Funds	NA	NA
Derivative financial instruments	FVTPL	31.86	26.98	Level 2	On the basis of traded swap yields published	Published yields	NA
	FVTPL	48.62	-	Level 2	Mark-to-Market of the derivative	Valuation received from counterparty	NA
Initial Settlers Contribution Under Indenture Trust	FVTPL	0.002	0.002	Level 3	Book Value	Refer Note below	Refer Note below
Goods Services Tax Network	FVTPL	-	1.10	Level 3	Others	Refer Note below	Refer Note below
LICHFL Urban Development Fund	FVTPL	18.82	19.01	Level 3	NAV as on reporting date declared by the Fund	Refer Note below	Refer Note below
LICHFL Housing And Infrastructure Fund	FVTPL	1.98	1.54				
Financial Liabilities							
Derivative Financial Instruments	FVTPL	22.90	25.79	Level 2	On the basis of traded swap yields published	Published yields by counterparty	NA

There were no transfers between Level 1, Level 2 and Level 3 during the year.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Valuation Techniques

Equity instruments

The equity instruments that are actively traded on public stock exchanges are valued at readily available active prices on a regular basis. Such instruments are classified as Level 1.

Units held in funds having quoted market price are fair valued considering Level 1 inputs. Others which are measured based on their net asset value (NAV) as on reporting date, taking into account redemption and/or other restrictions. Such instruments are generally fair valued considering Level 3 inputs.

Equity instruments in non-listed entities including investment in private equity funds are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case basis and classified as Level 3. In respect of Goods and Service Tax Network, valuation has been considered on indicative buyback price in the financial year 2018-19. The shares have been bought back this year pursuant to the decision of the GST Council and Union Cabinet for conversion of GSTN into a 100% Government-owned entity.

Interest rate derivatives and Cross Currency Swaps

Interest rate derivatives include interest rate swaps. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations by estimating future cash flows and discounting them with the appropriate yield curves incorporating funding costs relevant for the position.

The fair value of a cross currency swap is calculated by determining the future cash flows on both legs (i.e. the receiving leg and the paying leg), and discounting these cash flows using an appropriate discount factor curve.

These contracts are generally Level 2 unless adjustments to yield curves or credit spreads are based on significant non-observable inputs, in which case, they are Level 3.

Valuation adjustments and other inputs and considerations

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 financial assets does not have a significant impact in its value.

No valuation adjustments have been made to the prices/yields provided for valuation.

Financial Instruments not measured using Fair Value, i.e. measured using Amortized Cost/Cost

The following table is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair value of non-financial assets and non-financial liabilities.

(₹ in crore)

Particulars	Carrying Value	Fair Value Hierarchy	Fair Value
As at March 31, 2020			
Financial Assets			
Government Securities	1,814.63	Level 1	1,874.25
Investment in subsidiaries and associates	98.00	Level 3	98.00
As at March 31, 2019			
Financial Assets			
Government Securities	1,248.12	Level 1	1,214.35
Investment in subsidiaries and associates	98.00	Level 3	98.00

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Government debt securities

Government debt securities are financial instruments issued by sovereign governments and include long term bonds with fixed rate interest payments. These instruments are generally highly liquid and traded in active markets resulting in a Level 1 classification. When active market prices are not available, the Company uses discounted cash flow models with observable market inputs of similar instruments and bond prices to estimate future index levels and extrapolating yields outside the range of active market trading, in which instances the Company classifies those securities as Level 2. The Company does not have Level 3 government securities where valuation inputs would be unobservable.

Investment in subsidiaries and associates

In the opinion of the Company, in case of subsidiaries and associates, the carrying value approximates the fair value.

Other Financial Assets and Liabilities

With respect to Bank Balances and Cash and Cash Equivalents, Other Financial Assets, Trade Payables and Other Financial Liabilities, the carrying value approximates the fair value.

37.4 Financial Risk Management

Introduction

The Company has operations in India and representative offices in Kuwait & Dubai. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating, regulatory and competition risks.

Impact of Covid-19 (Global Pandemic)

In March 2020, the World Health Organization (WHO) declared COVID-19 as a global pandemic. The basic presumption contained in the Financial Statements is that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of its operations. The said presumption has been made due to the fact that the Company has been able to draw funds from the market and it is expected that the Company would be able to generate as well as access sufficient cash flows and funds in the future so that its operations will yield positive cash flows as well as profitability. Although, the financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to inability to reliably predict the outcome of the pace at which the outbreak expands and the high level of uncertainties arising therefrom, the management has considered all available information about the future, which was obtained after March 31, 2020, including the impact of the COVID-19 outbreak on customers, agents and staff, as well as actual and projected foreseeable impact from various factors. The management has concluded that there has been no significant impact on the Company's profitability position, fair value estimates and this COVID-19 event is not expected to have an immediate material impact on the business operations.

However, Management will continue to monitor the situation closely and will assess the need for additional measures in case the period of disruption becomes prolonged.

Risk Management Framework

The Company has a formal risk assessment program to proactively identify the risks and ensure all possible strategies to control & mitigate in pursuit of achieving the Company's objective. Every department is responsible for identification of their risks and putting it in their Risk Registers. The consolidated Risk Register is analyzed at various Committees.

At present, the risks faced by the Company are broadly categorized as below:-

- Liquidity Risk
- Credit Risk
- Market Risk

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

- Interest Rate Risk
- Operational Risk
  - A. Compliance Risk
  - B. Legal Risk
- Regulatory Risk
- Competition Risk
- Currency Risk

Committees

In order to bring the collective knowledge in decision making, the Company has undertaken a Committee approach to deal with the major risks arising in the organization. Committees, their formation and the roles are provided below.

Top Level Committee

Risk Management Committee of Board (RMCB)

Company has a Risk Management Committee of Board in place which consists of Independent Directors and the MD & CEO of the Company.

The role of the Committee is as follows-:

- Review of Risk Management Policy
- Review of the current status on the risk limits in the Risk Management Policy and Report to the Board
- Review the matters on Risk Management
- Review and monitor the risks to which the Company is exposed
- Review the Anti-Fraud Policy

Internal Committee

Risk Management Committee and Operational Risk Group (RMC & ORG)

Company has an internal Risk Management Committee and Operational Risk Group whose major function include review of Risk Registers submitted on a monthly basis by all departments. It comprises of HODs of Risk Management, Finance, Project Finance, Credit Monitoring, IT, and as nominated by MD & CEO of the Company. A list off functions performed by RMC & ORG is given below -:

- Review of Risk Management Policy
- Review of monthly Risk Register submitted by various depts.
- Review of the current status on the outer limits prescribed in the Risk Policy and submitting the report to RMCB & Board
- Assessment of risks in the Company and suggesting control/mitigation measures thereof

The Company has exposure to following risks arising from the financial instruments:

37.4.1 Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources in addition to its core deposit base and adopted a policy of managing assets with liquidity in mind and

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

monitoring future cash flows and liquidity on a daily basis. The Company has developed internal control processes and contingency plans for managing liquidity risk.

Housing Finance being the core business, maintaining the liquidity for meeting the growth perspective in the business as also to honor the committed repayments is the fundamental objective of the Asset Liability Management (ALM) framework. Investments, including investments as a part of liquid asset requirement, also forms part of ALM requirement and it is imperative to constantly monitor the liquidity of the investments to achieve the core objective.

Internal Control Process & Liquidity Management

Being in the business of Housing Loans, funds are required to be raised by the Company ahead of loan disbursements so that there is no liquidity crunch. Funds are required to be raised not only for the incremental housing loan assets but also for meeting the committed/due repayments of the earlier borrowings and/or Interest payments on the borrowings. Funds therefore are raised with a reasonable cushion over and above the committed repayments, committed disbursements and unutilized sanctions in pipeline and the expected business targets.

The Company ensures that funds are available from various investor pools and banks. Liquid funds are available in the form of Non-Convertible Debentures and other Market Instruments, Bank Loans, Refinance from NHB and Foreign Currency Loans. In case of Public Deposits accepted by the Company, a prescribed percentage (as defined by NHB from time to time) is to be invested in approved securities in terms of Liquid Asset Requirement (u/s. 29B of NHB Act, 1987). On the assets side, the Company has loan products broadly classified under individual retail loans and project finance loans with varying repayment structures depending upon the nature of product.

The liquidity is managed at the Corporate Office of the Company with Back Offices providing their liquidity requirements. The surplus funds available with the Back Offices are pooled and funds from the market are arranged for the Back Offices having a deficit of funds. Only surplus funds arrived at after deducting the committed/confirmed outflows (including projected disbursements of loans) from the available resources - both from internal accretions as well as borrowed funds, would be considered as Surplus available for Investment in approved instruments on day-to-day basis. The Company can place surplus funds in Fixed Deposits with selected Scheduled / Commercial / Foreign Banks and / or Financial Institutions within overall exposure limit fixed for each Bank / FI from time to time by the Board. Considering the market risk and the mark-to-market requirements of the debt mutual funds, currently Company is making Investments only in liquid Mutual Fund schemes. Exposure limits for each Investment instrument is approved by the Board and reviewed from time to time as per the requirements.

ALCO Committee

Roles & Responsibilities

The Asset Liability Management (ALM) Committee presents the Structural and Dynamic Liquidity Report to the Risk Management Committee on a quarterly basis and meetings are held every month. The ALM Committee formulates the ALM Policy which is reviewed at least once a year. If any change is required, then, the revised policy along with desired change and rationale for the same shall be put up to the Risk Management Committee or any Other Committee constituted by the Board. Consequent to the recommendation of the Risk Management Committee, the reviewed policy would be put up to the Board for its approval.

Composition

ALCO Committee is headed by the MD & CEO of the Company. Other members of the Committee comprise HODs of Departments Finance, Credit Appraisal, Project Finance, Taxation, Accounts, Marketing, IT, Risk Management, Credit Monitoring and as nominated by MD & CEO of the Company.

Changes from previous period

There are no significant changes in the Financial Policies.

Liquidity Ratios during the year

1) The structural liquidity (as defined by NHB) negative gap upto one year has not exceeded 15% of the cumulative cash outflows up to one year.

2) The structural liquidity (as defined by NHB) negative gap upto 14 days as also over 14 days and upto one month has not exceeded 15% of the cash outflows during those respective durations.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Contractual Maturities of Financial Liabilities as at March 31, 2020

(₹ in crore)

	On demand	Up to 3 months	Above 3 months to 12 months	Above 1 Year -3 Years	Above 3 Years -5 Years	Above 5 Years-10 Years	Above 10 Years	TOTAL
Financial Liabilities								
Derivative Financial Instruments	-	22.90	-	-	-	-	-	**22.90**
Lease Liability	-	11.66	28.35	69.26	26.50	23.16	-	**158.93**
Trade Payables	34.57	-	-	-	-	-	-	**34.57**
Debt Securities	-	9,251.00	29,309.00	42,469.30	24,883.67	26,435.00	-	**1,32,347.97**
Borrowings (Other than Debt Securities)	-	879.63	20,582.12	12,181.21	7,588.15	3,839.34	-	**45,070.45**
Deposits	-	889.36	5,257.25	4,545.25	1,948.56	-	-	**12,640.42**
Subordinated Liabilities	-	-	500.00	-	-	1,000.00	-	**1,500.00**
Other Financial Liabilities	102.15	2,607.71	3,545.22	446.00	50.25	-	-	**6,751.33**
Total	**136.72**	**13,662.26**	**59,221.94**	**59,711.02**	**34,497.13**	**31,297.50**	**-**	**1,98,526.57**

Contractual Maturities of Financial Liabilities as at March 31, 2019

(₹ in crore)

	On demand	Up to 3 months	Above 3 months to 12 months	Above 1 Year -3 Years	Above 3 Years -5 Years	Above 5 Years-10 Years	Above 10 Years	TOTAL
Financial Liabilities								
Derivative Financial Instruments	-	25.79	-	-	-	-	-	**25.79**
Trade Payables	79.94	-	-	-	-	-	-	**79.94**
Debt Securities	-	10,226.00	26,862.00	42,464.00	19,945.41	35,328.15	-	**1,34,825.56**
Borrowings (Other than Debt Securities)	8,794.00	618.19	1,819.77	8,230.00	5,193.98	1,727.96	-	**26,383.90**
Deposits	-	573.13	3,836.26	2,668.63	606.29	-	-	**7,684.31**
Subordinated Liabilities	-	-	-	500.00	-	1500.00	-	**2,000.00**
Other Financial Liabilities	180.28	11,164.19	1,400.27	391.29	48.23	77.92	-	**13,262.18**
Total	**9,054.22**	**22,607.30**	**33,918.30**	**54,253.92**	**25,793.91**	**38,634.03**	**-**	**1,84,261.68**

37.4.2 Credit Risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has defined Loan selection principles for establishing creditworthiness of the counterparties and criteria for determining the quantum of loan. The Company has adopted a policy of dealing with creditworthy counter parties and obtaining sufficient collateral as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored.

The carrying amount of loans as at March 31, 2020 is ₹ 2,10,600.42 crore (FY 2018- 19 ₹ 1,94,652.22 crore) which best represent the maximum exposure to credit risk, the related Expected credit loss amount to ₹ 2,612.45 crore (FY 2018-19 ₹ 1,659.48 crore). The Company has right to sell or pledge the collateral in case borrower defaults. The carrying amount of loans as at March 31, 2020 includes ₹ 22.75 crore towards Loans to Staff, Loans against Public Deposit and Finance Lease Receivables.(FY 2018-19 ₹ 5.87 crore).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

37.4.2.1 Credit Risk Mitigation measures

Independent internal legal and technical evaluation team in the Company makes credit decisions more robust and in line to manage collateral risk. The in-house Credit team conducts a credit check and verification procedure on each customer, ensuring consistent quality standards to minimize future losses. To review the adherence to laid down policies and quality of appraisal, Company's independent internal audit team conducts a regular review of files on a sample basis. A dedicated collection and recovery team manages lifecycle of transactions and monitors the portfolio quality.

Credit Norms: - Certain credit norms and policies are being followed by the Company to manage credit risk, including a standard credit appraisal policy based on customer credit worthiness. These criteria change between loan products and typically include factors such as profile of applicant, income and certain stability factors such as the employment and dependency detail, other financial obligations of the applicant, Loan to value and the loan-to-cost ratio. Standardized credit approval process including a comprehensive credit risk assessment is in place which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower.

The Credit Policy defines parameters such as Borrower's ability to pay, Reputation of Employer, Nature of employment/ Self-employed, Qualification of Applicants, Stability of Residence, Family size and dependence on Applicants income, Insufficient sales proceeds to pay the dues in case of Project Loans due to project slowdown etc. to ensure consistency of credit quality.

Retail lending:

For retail lending, credit risk management is achieved by considering various factors like:

- Assessment of borrower's capability to pay – a detailed assessment of borrower's capability to pay is conducted. The approach of assessment is laid down in the credit policy of the Company. Various factors considered for assessment are credit information report, analysis of bank account statement and valuation of property.

- Security cover – Analysing the value of the property which is offered as security for the loan is essential for the overall underwriting of the loan. It is essential that it is valued before the disbursement of loan to arrive at a clear idea about its cost, valuation, marketability and loan to property ratio.

- Additional Security – Additional Security can be by way of pledge of acceptable Additional Collaterals such as LIC Policies or other Securities like NSCs, FDs, Kisan Vikas Patra, etc. is considered. This is taken depending on nature of loan proposal and amount of risk involved.

- Geographical region – The Company monitors loan performance in a particular region to assess if there is any stress due to natural calamities etc. impacting the performance of the loan in a particular geographic region.

Project lending:

For project lending, credit risk management is achieved by considering various factors like:

- **Promoter's strength –** a detailed assessment of borrower's capability to pay is conducted. Various factors considered for promoter's assessment are the financial capability, past track record of repayment, management and performance perspective.

- **Credit information report –** It is very essential to check the Creditworthiness of an Applicant & the Credit History of Borrower for Consumer or Commercial Loans. The Company uses this Report for taking a Decision on Credit Sanction by getting details of the Credit History of a Borrower. For Project Loans, reports from independent institutions are referred so as to get the marketability report of the project and its neighbourhood analysis.

- **Security cover –** Analysing the value of the property which is offered as security for the loan is essential for the overall underwriting of the loan. With respect to project loans, the main security taken is underlying land and structure there on. Technical appraisals are conducted to establish the life, soundness, marketability and value of the security.

- **Additional Security –** Additional Security is taken depending on nature of loan proposal and amount of risk involved. In some cases, the hypothecation of receivables from the loan is taken. The Negative lien is marked on the flats in the project

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

to the extent of 1.5 times or more as per merits of the case. The Company endeavours to maintain the security cover of at least 1.5 times. Personal Guarantee of promoter directors / corporate guarantee of Company is also obtained as Security. In some cases, the Additional Collateral in the form of Fixed Deposits are also accepted. In case of Higher Risk, Debt Service Recovery Account is also maintained. The Charge on the security / Additional Collateral security is also registered in Central Registry / ROC.

- **Geographical region –** The Company monitors loan performance in a particular region to assess if there is any stress due to natural calamities etc. impacting the performance of the loan in that geographic region.

  The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

Derivative financial instruments:

Interest rate swaps –

The exposure of the Company to Derivatives contracts is in the nature of interest Rate Swaps and currency swaps to manage risk associated with interest rate movement and fluctuation in currency exchange rate.

Derivative policy of the Company specifies the exposure norms with respect to single counterparty and the total underlying amount at the time of entering into the new derivative contract.

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

The gain realized on early termination of swap is amortized over the balance tenor of the swap or underlying liability whichever is less. Loss if any on early termination is charged to revenue in the same year. The carry difference, between coupon rate liability and the swap contract rate is accounted quarterly on accrual basis.

37.4.2.2 Collateral and other credit enhancements

With respect to loan cases the main security taken is underlying land and structure there on. Apart from the main security additional collaterals are also sought depending upon merits of the case. In some cases the hypothecation of receivables for the loan is also taken.

The Company after exploring all the possible measures, initiates action under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) against the mortgaged properties as a last resort to recover. Company follows the due procedure as laid down in the SARFAESI Act 2002 and accordingly takes the possession of the properties for its logical conclusion.

As the procedure involved under SARFAESI is to be followed in a time-bound manner, different loan accounts will be at various stages of SARFAESI proceedings.

Loan Portfolio includes loans amounting to ₹ 440.78 crore (FY 2018-19 ₹ 201.17 crore) against which the company has taken possession of the properties under SARFAESI and hold such properties for disposal. The value of assets possessed against the loan is ₹ 425.66 crore (F. Y. 2018-19 ₹ 106.59 crore), being lower of the fair value of the asset possessed and the outstanding as at March 31, 2020.

37.4.2.3 Impairment Assessment

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Definition of Default

The Company considers a financial instrument as defaulted when the borrower becomes 90 days past due on its contractual payments. Such instruments are considered as Stage 3 (credit-impaired) for ECL calculations.

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

Stage wise Categorisation of Loan Assets

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

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

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

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

Retail Loans:

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

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

Project Loans:

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

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

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

(₹ in crore)

	Stage 1		Stage 2		Stage 3		Total	
	Amount	Impairment	Amount	Impairment	Amount	Impairment	Amount	Impairment
As At March 31, 2020	1,94,678.78	0.10	9,605.48	0.15	6,316.16	2,612.20	2,10,600.42	2,612.45
As At March 31, 2019	1,83,135.46	23.91	8,564.12	111.53	2,952.64	1,524.04	1,94,652.22	1,659.48

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

37.4.2.4 ECL Model and Assumptions considered in the ECL model

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

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

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

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

Probability of Default

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

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

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

Exposure at default

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

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

Loss given default

Value of collateral property: The loans are secured by adequate property. The present value of such collateral property is considered while calculating the Expected Credit Loss. The Company initiates recovery process of Non Performing accounts within the statutory time limit as per SARFAESI and other applicable laws and accordingly the realizable period has been considered for computing the Present Value of Collateral.

Forward looking information

The Company has extended moratorium for repayment of EMIs due from 1st March 2020 till 31st August 2020 to all its borrowers in line with the Covid-19 package announced by RBI. The assumptions and estimates on the basis of which, the Expected Credit Losses (ECL) of the loan portfolio have been identified, are primarily based on the historical performance of the loan portfolio, updated to reflect current conditions of pandemic and moratorium as well as forecasts of future economic conditions. Ageing of the loan accounts ,which were Standard / under ECL Stage 2 as on 29th February 2020 and have been considered for moratorium & moving into ECL Stage 3 as per Ind AS 109, has been determined having reference to the position of such accounts as on 29th February 2020. Owing to the prevailing situation, additional sensitivity scenarios have been considered in the ECL calculations by assigning suitable weights as under for arriving at the impairment provisions required under IND AS 109.

The extent to which the Covid-19 pandemic will impact the Company's business and financial performance in the future periods is uncertain. The company will continue to closely monitor any further changes to the business processes, the financial impact due to Covid-19 and other business related events. The definitive assessment of the impact would be dependent upon circumstances as they evolve in the subsequent period.

Covid 19 can impact the ability of the Borrowers, whether Corporate or Individuals, to meet their obligations under loan relationships. Individual and Corporate Borrowers may have a particular exposure to the economic impacts in their geography and industry sector. More broadly, reductions in forecast in economic growth increase the probability of default across many borrowers and loss given default rate may increase due to fall in value of collateral evident more generally by fall in prices of assets.

The Company is into secured lending business where primary collateral security is mostly residential/commercial properties. As stipulated by Regulator, lending is done against part value of security with remaining portion acting as a buffer to absorb fall in property prices. Due to Covid-19 detrimental impact on economy, property prices in general are expected to fall, but the fall will likely be asymmetric across locations and will depend upon many micro factors including type of property, location, stage/type/age of construction, local micro market, etc.

Scenario 1 is the base scenario without any perturbance. This is assigned a weightage of 20%.

Scenario 2 is based on the forecasted macro-economic parameters and is assigned a weightage of 15%.

Scenario 3 is considered taking perturbed scenario and is assigned a weightage of 15%

COVID – 1 & 2, estimating the property price change due to Covid-19. Apart from Company's historic data on property prices in Portfolio Segments IHL – Metro and Non-Metro, various press releases / media statement / research report were considered.

COVID – 3 is based on ratio of Principal Outstanding amount to Present value of collateral.

COVID – 4 is based on availing moratorium.

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Based on the above, the Company has assumed the following scenarios with the respective weights for ECL computation:

Scenario	Weight
Scenario 1	20 %
Scenario 2	15 %
Scenario 3	15 %
COVID 1	10 %
COVID 2	15 %
COVID 3	15 %
COVID 4	10 %

Write off policy

The Company has over the period has established a well-defined Credit Monitoring Mechanism for follow up of the default / delinquent accounts.

A multi-faceted approach is adopted in Credit Monitoring activities which involves participation of In-House employees as well as outsourced agencies. Each loan account is analysed based on the causative factors of becoming default and appropriate follow-up activity is undertaken. In spite of adopting an appropriate follow-up activity, some accounts continue to be delinquent. Sufficient time, as per Law, is given to the Borrowers to regularize their repayments and if still the accounts continue to be under the Non-Performing bracket, legal recourse is adopted.

However, there could be accounts wherein no recovery would be forthcoming despite the best efforts put in by the Company. Such accounts are critically examined on case to case basis and if there is no merit of recovery, such accounts are recommended for write-off to/through internal committees as per the policy approved by the Board. Write-off is a de-recognition of a loan the Company has no reasonable expectations of recovering the contractual inflows.

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Assets written off but are still subjected to enforcement activity	499.55	472.86

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

(₹ in crore)

	Stage 1		Stage 2		Stage 3		Total	
	Amount	Impairment	Amount	Impairment	Amount	Impairment	Amount	Impairment
Gross Carrying Amount -01.04.2018	**1,59,794.34**	**284.00**	**6,386.32**	**116.71**	**1,290.79**	**908.42**	**1,67,471.45**	**1,309.13**
Net change in exposures	28,116.15	(273.63)	(464.85)	29.89	(119.81)	860.46	27,531.49	616.72
Transfer to Stage 1	2,062.90	53.08	(2,027.41)	(37.82)	(35.49)	(15.26)	-	-
Transfer to Stage 2	(5,609.50)	(4.60)	5,655.17	20.58	(45.67)	(15.97)	-	-
Transfer to Stage 3	(1,145.04)	(34.92)	(984.18)	(17.82)	2,129.22	52.74	-	-
Changes in contractual cash flows due to modifications not resulting in derecognition	(83.39)	(0.01)	(0.93)	(0.01)	(0.04)	-	(84.36)	(0.02)
Amounts Written Off	-	-	-	-	(266.36)	(266.36)	(266.36)	(266.36)
Gross Carrying Amount-31.03.2019	**1,83,135.46**	**23.92**	**8,564.12**	**111.53**	**2,952.64**	**1,524.03**	**1,94,652.22**	**1,659.48**
Net change in exposures	1,62,522.37	313.43	(1,46,484.69)	496.51	57.94	179.28	16,095.62	989.22
Transfer to Stage 1	2,121.01	(71.36)	(2,015.07)	31.82	(105.94)	39.54	-	-
Transfer to Stage 2	(1,51,624.40)	21.07	1,51,868.08	(110.05)	(243.68)	88.98	-	-
Transfer to Stage 3	(1,376.32)	(286.96)	(2,315.65)	(529.66)	3,691.97	816.62	-	-
Changes in contractual cash flows due to modifications not resulting in de-recognition	(99.34)	-	(11.31)	-	(0.52)	-	(111.17)	-
Amounts Written Off	-	-	-	-	(36.25)	(36.25)	(36.25)	(36.25)
Gross Carrying Amount -31.03.2020	**1,94,678.78**	**0.10**	**9,605.48**	**0.15**	**6,316.16**	**2,612.20**	**2,10,600.42**	**2,612.45**

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The movement within the tables is a combination of quarterly movements over the year. The credit impairment charge in the Statement of Profit & Loss comprises of the amount in Total column.

Transfers – transfers between stages are deemed to occur at the beginning of a quarter based on prior quarters closing balances

Net re-measurement from stage changes – the re-measurement of credit impairment provisions arising from a change in stage is reported within the stage that the assets are transferred to.

Net changes in exposures – comprises new disbursements less repayments in the year.

37.4.2.5 Modified Loans

Where the contractual terms of a financial instrument have been modified, and this does not result in the instrument being derecognised, a modification gain or loss is recognised in the Statement of Profit and Loss representing the difference between the original cash flows and the modified cash flows, discounted at the effective interest rate. If the modification is credit-related or where the Company has granted concessions that it would not ordinarily consider, then it will be considered credit-impaired. Modifications that are not credit related will be subject to an assessment of whether the asset's credit risk has increased significantly since origination by comparing the remaining lifetime probability of default (PD) based on the modified terms to that on the original contractual terms.

37.4.3 Market Risk

Market risk is the risk of losses in positions taken by the company which arises from movements in market prices. Any item in the balance sheet which needs re-pricing at frequent intervals and whose pricing is decided by the market forces will be a component of market risk. There are number of items in the Company's balance sheet which exposes it to market risk like Housing loans at floating rate, loans to developers at floating rate, Non-Convertible Debentures (NCDs) with options, bank loans with option, Foreign Currency Bank Loans, Coupon Swaps, etc. The Company is generally exposed to Interest Rate Risk.

37.4.4 Interest Rate Risk

Interest Rate Risk refers to the risk associated with the adverse movement in the interest rates. Adverse movement would imply rising interest rates on liabilities and falling interest yields on the assets. This is the biggest risk which the company faces. It arises because of maturity and re-pricing mismatches of assets and liabilities.

In order to mitigate the impact of this risk, the Company should track the composition and pricing of assets and liabilities on a continuous basis. For the same purpose, the Company has constituted the ALCO Committee which should actively monitor the ALM position and guide appropriately.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed Rate Borrowings	62%	68%
Floating Rate Borrowings	38%	32%
Total Borrowings	100%	100%

The impact of 10 bps change in interest rates on liabilities on the Profit after tax for the year ended March 31, 2020 is ₹ 72.27 crore (FY 2018-19 ₹ 46.73 crore).

37.4.5 Operational Risk

Operational risk is "the risk of a change in value caused by the fact that actual losses, incurred for inadequate or failed internal processes, people and systems, or from external events (including legal risk), differ from the expected losses". It can be subdivided into the following categories:

A. Compliance risk is defined as the risk of legal sanctions, material financial loss, or loss to reputation the Company may suffer as a result of its failure to comply with laws, its own regulations, code of conduct, and standards of best/good practice.

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The Company is regulated by NHB and RBI with effect from August 2019, registered with SEBI and has listing agreements with stock exchanges, i.e. BSE & NSE and Luxembourg. In order to ensure compliance with applicable laws, the Company has put in place adequate processes.

B. Legal risk is the cost of litigation due to cases arising out of lack of legal due diligence. Litigation can also arise out of failure or frauds in the course of business.

The main business is of lending money for/against mortgage loans and is therefore exposed to legal risk. For handling the same, there are robust legal systems for title verification and legal appraisal of related documents. Company has standards of customer delivery and the operational mechanism to adhere to such standards aimed at minimum instances of customers' grievances.

37.4.6 Regulatory Risk

Regulatory risk is the risk that a change in laws and regulations will materially impact the Company. Changes in law or regulations made by the government or a regulatory body can increase the costs of operating the business, and/or change the competitive landscape.

Regulatory risk can arise due to change in prudential rules/norms by the regulators viz; NHB, SEBI, RBI etc. In order to mitigate the effects of same, the Company keeps a track of all regulatory changes and quickly adapts to the change.

37.4.7 Competition Risk

Competition Risk is the risk to the market share and profitability arising due to competition. It is present across all the businesses and across all the economic cycle with the intensity of competition risk varying due to several factors, like, barriers to entry, industry growth potential, degree of competition, etc.

The Company's business environment is characterized by increased youth population, growing economy, increased urbanization, Government incentives, acceptability of credit in society and rise in nuclear families. Due to all these reasons, the Housing Finance industry has seen a higher growth rate than overall economy and several other industries since past several years. This has led to increase in competition and in turn increased pressure on the existing Companies to maintain/grow market share and profitability. In order to mitigate the risk arising due to competition, the Company has customer centric approach coupled with state of art infrastructure including IT interface.

37.4.8 Currency Risk and mitigation

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company manages itself against currency risk by taking out foreign currency swaps and converting the exposures into Indian Rupees. The Company applies cash flow hedge accounting to the foreign currency element of its floating rate dollar-denominated External Commercial Borrowings and associated cross currency interest rate swaps.

The Company converts ECB into fixed rate Indian Rupee exposures with the floating rate and principal of the hedged item matched by those of the hedging instrument. The Company considers the hedge as a hedge of more than one risk and does not split the interest rate from the principal for hedge accounting purposes.

Hedge Accounting

In December 2019 the company raised an ECB of US$ 200 million in the form of a syndicated loan facility. The tenor of the facility is 3 years. The proceeds are being utilized in accordance with the approval granted by RBI under automatic route and is in conformity with the applicable ECB Guidelines.

As a part of its risk management, the Company has identified a series of risk categories with corresponding hedging strategies using derivative instruments.

When a hedging relationship meets the specified hedge accounting criteria set out in Ind AS 109, the Company applies one of three types of hedge accounting: fair value hedges; cash flow hedges; or hedges of a net investment in a foreign operation.

Transactions that are entered into in accordance with the Company's hedging objectives but do not qualify for hedge accounting, are referred to in these financial statements as economic hedge relationships.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The nature of risk that is needed to be hedged, the risk management objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship at inception and on an ongoing basis is recorded with reference to the economic relationship between the hedged item and the hedging instrument.

Every hedge relationship is required to be tested to assess whether the hedge relationship meets the hedge effectiveness requirements at the inception of the hedging relationship, and on an on-going basis at each reporting date. This assessment relates to expectations about hedge effectiveness and is therefore only forward looking.

Cash Flow Hedge

Cash flow hedge is a hedge of the exposure to variability in the cash flows of a specific asset or liability, or of a forecasted transaction, that is attributable to a particular risk. It is possible to only hedge the risks associated with a portion of an asset, liability, or forecasted transaction, as long as the effectiveness of the related hedge can be measured. The accounting for a cash flow hedge will be to recognize the effective portion of any gain or loss in other comprehensive income, and recognize the ineffective portion of any gain or loss in Finance cost in the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

Impact of Covid 19 on Hedge Accounting and Interest Rate Swap

Hedge Accounting is purely an accounting exercise – even though now it is dove tailed into the risk management policies of the company – to minimise the impact of fluctuations in the profit & loss account caused primarily due to 'accounting mismatch'. As such we do not see any COVID-19 impact on hedge accounting.

Hedge Ratio

The hedge ratio is consistent with that used for risk management purposes without a deliberate imbalance to derive an inappropriate accounting outcome.

The Company economically hedges the risk of volatility in floating interest rate on US$ External Commercial Borrowings and the Currency Risk on the principal with a Cross Currency Swap with matched terms and matched US$ notional. This actual hedge ratio does not reflect an imbalance (that could result in an accounting outcome that would be inconsistent with the purpose of the hedge accounting) and hence represents an eligible hedge ratio.

Maturity interest rate risk profiles

The following table shows the maturity and interest rate risk profiles of the company's hedging instruments used in its cash flow hedges. As the Company applies one-to-one hedging ratios, the below table effectively shows the outcome of the cash flow hedges:

(₹ in crore)

Maturity of cross currency swaps						
March 31, 2020	**Less than 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
Micro cash flow hedges						
Cross currency interest rate swaps						
Notional principal	-	-	-	1,425.73	-	1,425.73
Average fixed rate	0.00%	0.00%	0.00%	7.52%	0.00%	
Average INR/$ Rate				86.20		

March 31, 2019	**Within 1 Year**	**1-3 years**	**3-8 years**	**Over 8 years**
Micro cash flow hedges				
Cash outflows	-	-	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Carrying Value of Derivatives used in Cash Flow Hedges

(₹ in crore)

March 31, 2020	Carrying value assets	Carrying value liabilities	Notional amount
Derivatives used as cash flow hedges			
Cross-currency interest rate swaps	48.62	-	1,425.73
Total derivative financial instruments	**48.62**	**-**	**1,425.73**

March 31, 2019	Carrying value assets	Carrying value liabilities	Notional amount
Derivatives used as cash flow hedges			
Cross-currency interest rate swaps	-	-	-
Total derivative financial instruments	**-**	**-**	**-**

Hedge Instrument
Fair Value of Hedging Instrument

(₹ in crore)

	Carrying value			Changes in fair value of hedging instruments used for measuring hedge ineffectiveness			Reclassified into income statement
	Notional amount	Assets	Liabilities	In Total	Effective portion Recognised in OCI	Hedge Ineffectiveness Recognised in profit & loss account	
Micro cash flow hedges							
Cross currency interest rate swaps	1,425.73	48.62	-	48.62	48.62	-	48.62
Total	**1,425.73**	**48.62**	**-**	**48.62**	**48.62**	**-**	**48.62**

Fair Value of Hedged Item

(₹ in crore)

	Change in fair value of hedged item in the year used for ineffectiveness measurement	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
March 31, 2020			
Micro cash flow hedges			
Floating rate US$ notes	48.62	-	-
Total	**48.62**	**-**	**-**

	Change in fair value of hedged item in the year used for ineffectiveness measurement	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
March 31, 2019			
Micro cash flow hedges			
Floating rate US$ notes	-	-	-
Total	**-**	**-**	**-**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Movement of Cash Flow Hedge

(₹ in crore)

Movement of cash flow hedges	March 31, 2020	March 31, 2019
Hedging net gains/(losses) arising during the year	48.62	-
Less: Recognised in the income statement	(48.62)	-
Income tax related to the above	0	-
Movement on cash flow hedges	-	-

Impact of Cash Flow Hedge on Balance Sheet

(₹ in crore)

Impact of cash flow hedge on balance sheet and financial result - hedging instruments	For the year ended March 31, 2020	For the year ended March 31, 2019
Nominal value	1,425.73	
Carrying amount – assets	48.62	-
Carrying amount – liabilities	-	-
Balance Sheet item in which hedging instrument is reported	Hedging Instruments	NA
Change in the fair value of the hedging instrument used for estimating hedge ineffectiveness	48.62	-
Amount of hedge ineffectiveness recognised in the income statement	-	-
Profit & Loss item in which hedge ineffectiveness is reported	No ineffectiveness reported	NA

Impact of cash flow hedge on balance sheet and financial result - hedged items	For the year ended March 31, 2020	For the year ended March 31, 2019
Amount of change in the fair value of the hypothetical derivative representing the hedged item used for estimating the hedge ineffectiveness in the reporting period	48.62	-
Revaluation reserve due to cash flow hedge accounting for relationships for which hedge accounting will be continued after the end of the reporting period	-	-
Revaluation reserve due to cash flow hedge accounting for relationships for which hedge accounting is no longer applied	-	-

37.5 Maturity Analysis of Assets and Liabilities:

The Table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled:

As at March 31, 2020

(₹ in crore)

Particulars	Upto 12 months	More than 12 months	Total
ASSETS			
Financial Assets			
Cash and Cash Equivalents	1,365.72	-	1,365.72
Bank Balance other than above	528.00	85.23	613.23
Derivative Financial Instruments	80.48	-	80.48
Loans	14,904.17	1,93,083.80	2,07,987.97
Investments	3,663.29	1,833.08	5,496.37
Other Financial Assets	9.86	11.55	21.41
Non-Financial Assets			
Current Tax Assets (Net)	-	354.07	354.07
Deferred Tax Assets (Net)	-	520.04	520.04

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Upto 12 months	More than 12 months	Total
Property, Plant and Equipment	-	134.62	134.62
Capital Work in Progress	0.33	-	0.33
Right of Use Assets	-	117.45	117.45
Other Intangible Assets	-	1.98	1.98
Other Non-Financial Assets	111.92	-	111.92
Total Assets	**20,663.77**	**1,96,141.82**	**2,16,805.59**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Derivative Financial Instruments	22.90	-	22.90
Lease Liabilities	34.42	91.44	125.86
Payables			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	34.57	-	34.57
Debt Securities	37,164.14	94,918.12	1,32,082.26
Borrowings (Other than Debt Securities)	21,467.77	23,672.66	45,140.43
Deposits	6,139.06	6,469.93	12,608.99
Subordinated Liabilities	500.00	1,000.00	1,500.00
Other Financial Liabilities	6,247.26	481.23	6,728.49
Non-Financial Liabilities			
Provisions	68.58	76.75	145.33
Other Non-Financial Liabilities	223.66	-	223.66
Total Liabilities	**71,902.36**	**1,26,710.13**	**1,98,612.49**
NET	**(51,238.60)**	**69,431.69**	**18,193.09**

As at March 31, 2019

(₹ in crore)

Particulars	Upto 12 months	More than 12 months	Total
ASSETS			
Financial Assets			
Cash and Cash Equivalents	2,801.80	-	2,801.80
Bank Balance other than above	174.16	37.55	211.71
Derivative Financial Instruments	26.98	-	26.98
Loans	13,445.36	1,79,547.38	1,92,992.74
Investments	2,244.98	1,350.08	3,595.06
Other Financial Assets	4.07	9.82	13.89
Non-Financial Assets			
Current Tax Assets (Net)	-	178.05	178.05
Deferred Tax Assets (Net)	-	553.37	553.37
Property, Plant and Equipment	-	132.97	132.97
Other Intangible Assets	-	2.88	2.88
Other Non-Financial Assets	74.02	-	74.02
Total Assets	**18,771.37**	**1,81,812.10**	**2,00,583.47**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Upto 12 months	More than 12 months	Total
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Derivative Financial Instruments	25.79	-	25.79
Payables	-	-	-
Trade Payables	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	79.94	-	79.94
Debt Securities	36,878.11	97,737.56	1,34,615.67
Borrowings (Other than Debt Securities)	11,231.45	15,152.46	26,383.91
Deposits	4,554.81	3,112.62	7,667.43
Subordinated Liabilities	-	2,000.00	2,000.00
Other Financial Liabilities	12,877.55	411.87	13,289.42
Non-Financial Liabilities			
Provisions	57.16	56.23	113.39
Other Non-Financial Liabilities	148.65	-	148.65
Total Liabilities	**65,853.46**	**1,18,470.74**	**1,84,324.20**
NET	**(47,082.09)**	**63,341.36**	**16,259.27**

38. SEGMENT REPORTING:

The Company is engaged in the business of providing finance for purchase, construction, repairs, renovation of house/ buildings. As such, there are no separate reportable segments, as per Ind AS 108 on 'Segment Reporting'.

39. COMMITMENTS:

a) Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 0.38 crore (FY 2018-19 ₹ 0.40 crore).

b) Other Commitments: Uncalled liability of ₹ 1.14 crore (FY 2018-19 ₹ 1.14 crore) in respect of commitment made for contribution to LICHFL Urban Development Fund by subscription of 50,000 units (FY 2018-19 50,000 units) of ₹ 10,000/- face value each, paid up value being ₹ 3,761.71 (FY 2018-19 ₹ 3,857.34/-) each.

The Company had committed for an upfront investment of ₹ 37.50 crore subject to a maximum of 10% of aggregate Capital Commitment but not exceeding ₹ 100.00 crore in LICHFL Infrastructure Fund managed by one of the Subsidiary of the Company, namely LICHFL Asset Management Company Limited. The outstanding investment in LICHFL Infrastructure Fund as on 31st March, 2020 is ₹ 1.98 crore (FY 2018-19 ₹ 1.54 crore).

40. CONTINGENT LIABILITIES IN RESPECT OF:

a) Claims against the Company not acknowledged as debts ₹ 1.98 crore (FY 2018-19 ₹ 0.91 crore).

b) On completion of income tax assessment, the Company had received a demand of ₹ 3.48 crore - (including interest of ₹ 0.20 crore) for A.Y. 2003-04, ₹ 22.17 crore (including interest of ₹ 7.22 crore) for A.Y. 2004-05 against which the Company received refund of ₹ 2.20 crore , ₹ 35.72 crore (including interest of ₹ 6.68 crore) against which ₹ 19.51 crore was paid under protest for A.Y. 2005-06, ₹ 23.85 crore (including interest of ₹ 1.38 crore against which the Company received refund of ₹ 1.37 crore for A.Y. 2006-07 and ₹ 15.03 crore (including interest of ₹ 6.34 crore) for A.Y. 2007-08. The said amounts are disputed and the Company has preferred an appeal against the same. The amounts for the respective years have been paid to the credit of the Central Govt. under protest.

c) The Management has assessed there are no executory contracts which have become onerous due to the adverse impact of COVID -19.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

41. MOVEMENT IN PROVISION FOR CONTINGENCIES AS UNDER:

a. Provision includes:

i. Provision for doubtful advances and provision for probable loss on account of bank reconciliation differences.

(₹ in crore)

Provision for Doubtful Advances	Year Ended March 31, 2020	Year Ended March 31, 2019
Opening balance	0.42	0.42
Add: Additional provisional for doubtful advances	-	-
Less: Amounts utilized during the year / provision written back for doubtful advances	-	-
Less: Reversal of provision for doubtful advances	-	-
Closing balance	**0.42**	**0.42**

42. Fixed Deposits with Banks includes earmarked deposits created in favour of trustees for depositors towards maintaining Statutory Liquid Ratio amounting to ₹ 196.50 crore (FY 2018-19 ₹ 177.25 crore). The Company has beneficial interest on the income earned from these deposits.

43. Temporary Book Overdraft of ₹ 682.54 crore (FY 2018-19 ₹ 6,909.46 crore) represents cheques issued towards disbursements to borrowers for ₹ 675.71 crore (FY 2018-19 ₹ 6,894.71 crore) and cheques issued for payment of expenses of ₹ 6.82 crore (FY 2018-19 ₹ 14.75 crore), but not encashed as at March 31, 2020.

44. AUDITOR'S REMUNERATION*:

(₹ in crore)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
As auditor	0.31	0.32
Tax Audit	0.08	0.08
For Quarterly Limited Reviews	0.15	0.17
In any other manner (Certification work)	0.07	0.03
Reimbursement of Expenses to Auditors	0.06	0.02
Total	**0.67**	**0.62**

* Excluding GST

45. EXPENDITURE IN FOREIGN CURRENCIES:

(₹ in crore)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Travelling Expenses	0.04	0.17
Professional Fees	0.08	0.07
Fees for filing returns and Trade License fees	0.09	0.04
Salary to Overseas Staff	0.85	0.68
Rent for Overseas Staff Residence	0.45	0.59
Annual Fees	1.22	0.72
Commission	0.06	0.08
Other Expenses	0.09	0.08
Total	**2.88**	**2.43**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

46. Proposed Dividend

(₹ in crore)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Dividends not recognised at the end of reporting period		
The directors have recommended final dividend of ₹ 8.00 per fully paid equity share (₹ 7.60 for March 31, 2019). This proposed dividend is subject to approval of shareholders in ensuing Annual General Meeting.	403.73	383.54
Tax on Proposed Dividend	-	77.61

Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source under section 194K from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.

47. The Company is in the continuous process of obtaining confirmation from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. The disclosure relating to unpaid amount as at the year-end together with interest paid / payable as required under the said Act have been given to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under MSMED Act, 2006. No interest has been paid/payable by the Company during the current year to the parties covered under the Micro, Small and Medium Enterprises Development Act, 2006.

48. DISCLOSURE IN RESPECT OF EMPLOYEE BENEFITS:

In accordance with the Indian Accounting Standard on (Ind AS-19) – "Employee Benefits" the following disclosures have been made:

Provident Fund and Pension Fund Liability

The Company has recognised ₹ 17.98 crore (Previous year ₹ 15.23 crore) in the Statement of Profit and Loss towards contribution to Provident fund in respect of company employees. In respect of LIC employees on deputation who have opted for pension, ₹ 0.51 crore (previous year ₹ 0.43 crore) have been contributed towards LIC of India (Employees) Pension Rules, 1995.

(₹ in crore)

Changes in the Present Value of Projected Benefit Obligation:	2019-20	2018-19
Present Value of Benefit Obligation at the Beginning of the Year	75.33	70.06
Interest Cost	5.87	5.50
Current Service Cost	4.13	3.51
Past Service Cost	-	-
Benefit Paid from the Fund	(0.85)	(1.24)
Actuarial Loss/(Gain) on obligations	9.95	(2.50)
Present Value of Benefit Obligation at the End of the Year	**94.43**	**75.33**

(₹ in crore)

Fair Value of the Plan Assets:	2019-20	2018-19
Fair Value of Plan Asset at the Beginning of the Year	66.75	42.70
Interest Income	5.20	3.35
Contributions by the Employer	9.07	25.15
Benefit Paid from the Fund	(0.85)	(1.24)
Actuarial Gain / (Loss) on Plan Assets	(1.73)	(3.21)
Fair value of Plan Assets at the End of the Year	78.44	66.75
Total Actuarial Loss/(Gain) to be Recognised	**8.22**	**0.71**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Actual Return on Plan Assets:	2019-20	2018-19
Expected Return on Plan Assets	5.20	3.35
Actuarial Gain / (Loss) on Plan Assets	(1.73)	(3.21)
Actual Return on Plan Assets	**3.47**	**0.14**

(₹ in crore)

Amount Recognised in the Balance Sheet:	2019-20	2018-19
Liability at the end of the year	(94.43)	(75.33)
Fair Value of Plan Assets at the end of the year	78.44	66.75
Funded Status (Surplus/(Deficit))	(15.99)	(8.58)
Amount recognised in the Balance Sheet	**(15.99)**	**(8.58)**

(₹ in crore)

Net Interest Cost for Current Year:	2019-20	2018-19
Present Value of Benefit Obligation at the Beginning of the Year	75.33	70.06
Fair value of Plan Assets at the Beginning of the Year	66.75	42.70
Net Liability/(Asset) at the Beginning of the Year	8.58	27.37
Interest Cost	5.87	5.50
Interest Income	(5.20)	(3.35)
Net Interest Cost for Next Year	**0.67**	**2.15**

(₹ in crore)

Expense Recognised in the Statement of Profit and Loss for Current Year:	2019-20	2018-19
Current Service Cost	4.13	3.51
Interest Cost	0.67	2.15
Expected Return on Plan Assets	-	-
Past Service Cost	-	-
Expense recognised in the Statement of Profit and Loss under staff expenses	**4.80**	**5.66**

(₹ in crore)

Expense Recognised in Other Comprehensive Income (OCI) for Current Year:	2019-20	2018-19
Actuarial Loss/(Gain) on obligations	9.95	(2.50)
Return on Plan Assets, excluding Interest Income	1.73	3.21
Change in Asset Ceiling	-	-
Net (Income)/Expense for the year recognised in OCI	**11.68**	**0.71**

(₹ in crore)

Reconciliation of the Liability recognised in the Balance Sheet:	2019-20	2018-19
Opening Net Liability	8.58	27.37
Expenses recognised in the Statement of Profit & Loss	4.80	5.66
Expenses recognised in OCI	11.68	0.71
Contribution by the Company	(9.07)	(25.15)
Amount recognised in the Balance Sheet under "Provision for Retirement Benefits"	**15.99**	**8.59**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Net Interest Cost for Next Year:	2019-20	2018-19
Present Value of Benefit Obligation at the End of the Year	94.43	75.33
Fair value of Plan Assets at the End of the Year	78.44	66.75
Net Liability/(Asset) at the End of the Year	15.99	8.58
Interest Cost	6.46	5.87
Interest Income	(5.37)	(5.20)
Net Interest Cost for Next Year	**1.09**	**0.67**

(₹ in crore)

Expense Recognised in the Statement of Profit and Loss for Next Year:	2019-20	2018-19
Current Service Cost	5.76	4.13
Net Interest Cost	1.09	0.67
Expense recognised in the Statement of Profit and Loss under staff expenses	**6.85**	**4.80**

(₹ in crore)

Maturity Analysis of the Benefit Payments : From the Fund	2019-20	2018-19
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	4.14	2.64
2nd Following Year	3.86	2.84
3rd Following Year	6.69	4.53
4th Following Year	6.55	6.21
5th Following Year	6.57	6.10
Sum of Years 6 to 10	48.18	44.89
Sum of Years 11 and above	**134.91**	**117.92**

(₹ in crore)

Sensitivity Analysis	2019-20	2018-19
Projected Benefit Obligation on Current Assumptions	94.43	75.33
Delta Effect of +1% Change in Rate of Discounting	(8.28)	(6.39)
Delta Effect of -1% Change in Rate of Discounting	9.62	7.41
Delta Effect of +1% Change in Rate of Salary Increase	4.32	3.48
Delta Effect of -1% Change in Rate of Salary Increase	(4.56)	(3.69)
Delta Effect of +1%Change in Rate of Employee Turnover	0.38	0.75
Delta Effect of -1%Change in Rate of Employee Turnover	(0.41)	(0.82)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Assumptions:	31.03.2020	31.03.2019
Discount Rate	6.84%	7.79%
Rate of Return on Plan Assets	6.84%	7.79%
Salary Escalation	8.00%	8.00%
Attrition Rate	2.00%	2.00%

Gratuity Contribution is paid to LIC of India under Gratuity Scheme of LIC.

Actuarial Gains/Losses are recognised in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary Escalation and Attrition Rate are considered as advised to the Company by the Actuary; they are in line with the industry practice considering promotion and demand and supply of the employees.

Maturity Analysis of Benefit payments is undiscounted cash flows considering future salary, attrition and death in respective year for members as mentioned above.

The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest Risk: A fall in the discount rate which is linked to the Government Security. Rate will increase the present value of the requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule l0l of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

The Company's best estimate of contributions expected to be paid to the plan during the annual period beginning after April 1, 2020 is ₹ 13.84 crore (Previous Year ₹ 11.47 crore).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Leave Encashment

(₹ in crore)

Changes in the Benefit Obligation:	**2019-20**	**2018-19**
Liability at the Beginning of the year	47.80	41.84
Interest Cost	3.72	3.29
Current Service Cost	2.31	1.70
Benefit Paid	(2.49)	(2.66)
Actuarial (Gain) / Loss on obligations	13.22	3.63
Liability at the end of the year	**64.56**	**47.80**

(₹ in crore)

Amount Recognised in the Balance Sheet:	**2019-20**	**2018-19**
Liability at the end of the year	64.56	47.80
Fair Value of Plan Assets at the end of the year	-	-
Amount recognised in the Balance Sheet*	**(64.56)**	**(47.80)**

(₹ in crore)

Expense Recognised in the Statement of Profit and Loss:	**2019-20**	**2018-19**
Current Service Cost	2.31	1.70
Interest Cost	3.72	3.29
Expected Return on Plan Assets	-	-
Net Actuarial (Gain) / Loss to be recognised	13.22	3.63
Expense recognised in the Statement of Profit and Loss under staff expenses	**19.25**	**8.62**

(₹ in crore)

Reconciliation of the Liability recognised in the Balance Sheet:	**2019-20**	**2018-19**
Opening Net Liability	47.80	41.84
Expense recognised	19.25	8.62
Contribution/Benefit Paid by the Company	(2.49)	(2.66)
Amount recognised in the Balance Sheet under "Provision for Retirement Benefits"	**64.56**	**47.80**

Assumptions:	**2019-20**	**2018-19**
Retirement Age	58 Years	58 Years
Discount Rate	6.84%	7.79%
Salary Escalation	8.00%	8.00%
Attrition Rate	2.00%	2.00%

The estimates of future salary increases, considered in actuarial valuation, include inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the actuary and relied upon by the Auditors.

*Exclusive of Amount ₹ 0.06 crore (previous year ₹ 0.08 crore) towards additional provision made for LIC employees.

Sick Leave

The Company has recognised ₹ 2.72 crore (Previous year ₹ 1.24 crore) in the Statement of Profit and Loss towards sick leave in respect of company employees.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

49. RELATED PARTY DISCLOSURE:

a. Related Party Policy:

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

b. Names of related parties:

(i) Enterprise having Significant Influence on the Company

Life Insurance Corporation of India

(ii) Enterprises over which Control exists

LICHFL Care Homes Limited

LICHFL Financial Services Limited

LICHFL Asset Management Company Limited

LICHFL Trustee Company Private Limited

(iii) Associates of the Company

LIC Mutual Fund Asset Management Limited

LIC Mutual Fund Trustee Private Limited

(iv) Key Management Personnel

Key Management Personnel	For the year ended March 31,2020	For the year ended March 31,2019
Shri Vinay Sah	MD & CEO (Upto 01.08.2019)	MD & CEO
Shri Siddhartha Mohanty	MD & CEO (From 01.08.2019)	-
Shri Nitin K Jage	Company Secretary	Company Secretary
Shri P Narayanan	Chief Financial Officer (Upto 10.05.2019)	Chief Financial Officer
Shri Sudipto Sil	Chief Financial Officer (From 10.05.2019)	-

(v) Directors (Executive or Otherwise)

Key Management Personnel	For the year ended March 31,2020	For the year ended March 31,2019
Shri V K Sharma	-	Chairman (Upto 31.12.2018)
Shri M R Kumar	Chairman	Chairman (From 25.03.2019)
Shri Hemant Bhargava	Non-Executive Nominee Director (Upto 01.08.2019)	Non-Executive Nominee Director
Smt. Usha Sangwan	-	Non-Executive Nominee Director (Upto 29.09.2018)
Shri Vipin Anand	Non-Executive Nominee Director (From 11.11.2019)	-
Shri Jagdish Capoor	Independent Director	Independent Director
Smt. Savita Singh	Independent Director (Re-designated as Independent Director from 01.04.2019)	Non Independent Director
Shri Dharmendra Bhandari	Independent Director	Independent Director
Shri V. K. Kukreja	Independent Director	Independent Director
Shri Ameet Patel	Independent Director	Independent Director

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Key Management Personnel	For the year ended March 31,2020	For the year ended March 31,2019
Shri P Koteswara Rao	Non Independent Director (Re-designated as Non Independent from 04.05.2019)	Independent Director
Shri T. V Rao	-	Independent Director (Upto 31.07.2018)
Shri Debabrata Sarkar	-	Independent Director (Upto 12.11.2018)
Shri Kashi Prasad Khandelwal	Independent Director (From 01.07.2019)	-
Shri Sanjay Kumar Khemani	Non Independent Director (From 01.07.2019)	-

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

(₹ in crore)

Related Party	Nature of transactions	For the year ended March 31, 2020	For the year ended March 31, 2019
Life Insurance Corporation of India			
	Repayment of non-convertible debentures	500.00	1,750.00
	Interest expenses on Secured and Unsecured loans	1,461.83	1,531.38
	Dividend Payment	154.62	138.34
	Rent Rates and Taxes	8.12	6.71
	Payment of Electricity Expenses	0.45	0.49
	Payment for Staff training, Conference, etc.	0.02	0.14
	Reimbursement of Gratuity, Mediclaim, GSLI and Pension Fund for staff posted from LIC	1.12	0.98
	Net Contribution to LIC of India, P & GS, for Gratuity premium for employees (Post Employment Benefit Fund with Related Entity)	8.45	24.05
	Balance as at the year end towards non convertible debentures (Credit)	16,550.00	17,050.00
	Balance as at the year end towards Interest Accrued on non convertible debentures (Credit)	452.84	576.66
	Balance as at the year end-Others (Credit)	2.39	2.16
LICHFL Care Homes Limited			
	Dividend Income	-	0.25
	Investment in Share Capital of LICHFL Care Homes Limited	-	25.00
	Rent Received	0.24	0.14
	Balance as at the year-end (Debit)	-	-
LICHFL Financial Services Limited			
	Dividend Income	3.80	4.28
	Investment in Public Deposit by LICHFL Financial Services Ltd in LICHFL	24.00	-
	Accrued Interest on PD	1.52	-
	Commission Expenses on Loan Business	43.49	47.87
	Commission Expenses on Public Deposit	0.30	0.10
	Rent Received	0.46	0.45
	Payment of Expenses	0.20	0.44
	Reimbursement of Expenses	0.20	0.44
	Balance as at the year end towards payment of Commission Expense on Loan Business (Credit)	5.10	12.77
	Balance as at the year end towards payment of Commission Expense on Public Deposit (Credit)	0.01	0.01

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Related Party	Nature of transactions	For the year ended March 31, 2020	For the year ended March 31, 2019
	Balance as at the year end towards Public Deposit and Accrued Interest on Public Deposit (Credit)	25.52	-
	Balance as at the year end -Others (Debit)	0.01	0.00
LICHFL Asset Management Company Limited			
	Dividend Income	2.18	1.74
	Investment in Public Deposit by LICHFL Asset Management Co. Ltd in LIC HFL	10.63	8.29
	Redemption of Public Deposit by LICHFL Asset Management Co. Ltd in LIC HFL	7.15	-
	Accrued Interest on Public Deposit BY LICHFL	0.77	0.18
	Interest paid on Public Deposit by LICHFL	0.45	0.24
	Payment of Expenses	0.19	0.20
	Reimbursement of Expenses	0.19	0.20
	Balance as at the year end towards Public Deposit and Accrued Interest on Public Deposit (Credit)	14.35	10.10
	Balance as at the year end- Others (Debit)	0.01	0.01
LIC Mutual Fund Asset Management Limited			
	Dividend Income	0.22	0.43
Shri Siddhartha Mohanty, MD & CEO (From 01.08.2019) & Shri Vinay Sah, MD & CEO (Upto 01.08.2019)	*Managerial remuneration-Total	**0.60	0.57
	Short Term Employment Benefits	0.59	0.56
	Post -Employment Benefits	0.01	0.01
	Outstanding Amount of Loan taken from the Company	0.47	0.35
Shri Nitin K Jage, Company Secretary	*Managerial remuneration-Total	0.41	0.38
	Short Term Employment Benefits	0.41	0.38
	Post Employment Benefits	-	-
	Investment in Public Deposit	0.04	0.21
	Outstanding Amount of Loan taken from the Company	0.08	0.11
Shri P Narayanan, CFO (Upto 10.05.2019) & Shri Sudipto Sil (From 10.05.2019)	*Managerial remuneration-Total	***0.40	0.28
	Short Term Employment Benefits	0.40	0.27
	Post Employment Benefits	0.00	0.01
	Investment in Public Deposit	-	0.28
	Accrued Interest on Public Deposit	-	0.03
	Investment in Public Deposit by Close Members of family	0.48	-
	Accrued Interest on Public Deposit made by Close Members of family	0.06	-
Directors (Executive or Otherwise)	Sitting Fees Paid	0.50	0.46
Shri Hemant Bhargava, Non-Executive Nominee Director (Upto 01.08.2019)	Outstanding Amount of Loan taken from the Company	-	0.04
Shri Jagdish Capoor, Independent Director	Investment in Public Deposit	0.10	-

* As the Provision for Performance Linked Incentive (PLI) and Leave encashment is accrued for the company as a whole and not decided individually, hence not included. However payment made during the financial year 2019-2020 has been included.

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

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

Gratuity attributable to the Company Secretary and CFO (From 10.05.2019) is ₹ 0.20 crore as a post employment benefit. For the MD & CEO and CFO (Upto 10.05.2019), an amount of 5% of Basic Salary plus DA is contributed as a post employment benefit to LIC.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

50. Leases:

a. The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows:

(₹ in crore)

Particulars	Amount
Increase in Finance Cost	10.68
Increase in ROU	150.25
Increase in Depreciation	32.80
Increase in Lease Liability	125.86
Increase/Decrease in Deferred Tax	-
Decrease in Property, Plant & Equipment due to Assets Subleased to Subsidiaries	0.77

b. Actual Payment of Rent from 01.04.2019 to 31.03.2020 is ₹ 40.06 crore

c. The following is the breakup of Current and non-current portion of Lease Liability as on 31.03.2020:

(₹ in crore)

Particulars	Amount
Current	34.42
Non-Current	91.44
Total Lease Liability as on 31.03.2020	**125.86**

d. The following is the movement of Lease Liability as on 31.03.2020:

(₹ in crore)

Particulars	Amount
Opening Value of Lease Liability as of April 1, 2019 due to initial recognition as per Ind AS 116	105.58
Additions	49.48
Interest Expense on Lease Liability	10.68
Actual Payment of Rent	(40.06)
Provision on Disposals	0.19
Closing Value of Lease Liability as of March 31, 2020	**125.86**

e. The Carrying Value of Right of Use Asset as of March 31, 2020:

(₹ in crore)

Particulars	Amount
Opening Value of Right of Use Asset as of April 1, 2019 due to initial recognition as per Ind AS 116	103.98
Additions	49.48
Disposals	3.21
Gross carrying value as of March 31, 2020	**150.25**
Accumulated Depreciation as of April 1, 2019	**-**
Depreciation	36.01
Accumulated Depreciation on Disposals	3.21
Accumulated Depreciation as of March 31, 2020	**32.80**
Carrying Value as of March 31, 2020	**117.45**

f. The following represents the Contractual Maturity of the Lease Liability as on 31.03.2020 on an undiscounted basis:

(₹ in crore)

Particulars	Amount
On demand	-
Upto 3 months	11.66
Above 3 months to 12 months	28.35
Above 1 Year -3 Years	69.26
Above 3 Years-5 Years	26.50
Above 5 Years-10 Years	23.15
Above 10 Years	-
Total	**158.93**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

g. Reconciliation between Ind AS 17 and Ind AS 116:

(₹ in crore)

As at 1 April 2019	Amount
Off-balance sheet lease obligations as of 31 March 2019	-
Current leases with lease term of 12 months or less (short-term leases)	-
Leases of low value assets (low-value leases)	-
Variable lease payments	-
Others	-
Operating lease obligations as of 1 April 2019 (gross without discounting)	199.17
Effect from discounting at the incremental borrowing rate as at 1 April 2019	(44.11)
Lease liabilities as at 1 April 2019	**155.06**
Non-lease components (if any) (net of discount)	-
Lease liabilities due to initial application of Ind AS 116 as at 01 April 2019	-
Lease liabilities from finance leases as at 01 April 2019	-
Total lease liabilities as of 01 April 2019	**155.06**

As a Lessee:

Amount recognised in Statement of Profit and Loss:

(₹ in crore)

Particulars	For the year ended March 31, 2020
Interest on lease Liabilities	10.68
Variable payments not included in measurement of lease liability	-
Income from subleasing ROU assets	(0.12)
Expenses relating to short term leases	-
Expenses relating to leases of low value assets, excluding short term leases of low value assets	-
Total amount recognised in the Statement of Profit and Loss	**10.56**

Amount recognised in the Statement of Cash Flow:

(₹ in crore)

Particulars	For the year ended March 31, 2020
Total amount of cash outflows for leases (net of rental inflows)	39.36

As a Lessor :

Operating Lease

The Company has entered into operating leases on its furniture to its subsidiaries. These leases have a term of three years. All leases include a clause to enable upward revision on rental charge every three years according to the prevailing market conditions. Future minimum lease rentals receivable under non-cancellable operating leases as at 31.03.2020 are, as follows:

(₹ in crore)

Particulars	For the year ended March 31, 2020
Within one year	0.02
After one year but not more than five years	0.02
More than five years	-
Total	**0.04**

An impairment loss on furniture and other office equipment of ₹ 0.65 crores is recognised in the Statement of Profit and Loss, on account of the current fair value of the lease being less than the net investment in the lease.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Finance Lease

The Company has finance leases for furniture leased to its subsidiaries and subleased premises to subsidiaries. The company's obligations under Finance lease are secured by lessor's title to leased assets. Future minimum lease payments under finance lease s together with present value of the net minimum lease payments are, as follows:

(₹ in crore)

Particulars	As at March 31, 2020
Within one year	0.72
After one year but not more than five years	0.54
More than five years	-
Total minimum lease payments	1.26
Less: Finance charges	0.09
Present value of minimum lease payments	**1.18**

Due to COVID-19 situations, no changes have been made in the terms of lease arrangements, neither have lessors given any concession to the lessee with respect to lease payments. None of the lease agreements have become onerous. The incremental borrowing rate of the Company, used to determine the present value of new lease liabilities has not been impacted due to COVID-19 situation.

51. EARNINGS PER SHARE:

Earnings per share is calculated by dividing the profit attributable to the equity (ordinary) shareholders by the weighted average number of equity (ordinary) shares outstanding during the year as under:

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Profit after tax attributable to equity shareholders	(₹ in crore)	2,401.84	2,430.97
Weighted average number of equity shares outstanding during the year	Nos.	50,46,63,000	50,46,63,000
Basic and Diluted Earnings per equity share	₹	47.59	48.17
Face value per equity share	₹	2/-	2/-

52. TAXES ON INCOME:

Movement in Deferred Tax Assets / Liabilities

(₹ in crore)

Particulars	As at April 1, 2019	Profit or Loss	Other Comprehensive Income	Total	As at March 31, 2020
Property, plant and equipment	(3.60)	(28.41)	-	(28.41)	(32.01)
Expected credit losses	579.89	24.46	-	24.46	604.35
Provisions other than those pertaining to Expected credit loss	23.83	0.13	-	0.13	23.96
Financial assets at fair value through profit or loss	-	2.31	-	2.31	2.31
Re-measurements of employee benefits through OCI	(1.14)	-	4.83	4.83	3.69
Adjustments pertaining to Income and expense recognition based on Expected Interest rate	(111.04)	1.48	-	1.48	(109.56)
Income recognition on NPA cases	(7.96)	(23.52)	-	(23.52)	(31.48)
Others	73.38	(14.62)		(14.62)	58.76
Total	**553.37**	**(38.17)**	**4.83**	**(33.34)**	**520.03**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Movement in Deferred Tax Assets / Liabilities

(₹ in crore)

Particulars	As at April 1, 2018	Profit or Loss	Other Comprehensive Income	Total	As at March 31, 2019
Property, plant and equipment	(3.43)	(0.17)	-	(0.17)	(3.60)
Expected credit losses	457.46	122.43	-	122.43	579.89
Provisions other than those pertaining to Expected credit loss	29.56	(5.73)	-	(5.73)	23.83
Financial assets at fair value through profit or loss	3.49	(3.49)	-	(3.49)	-
Re-measurements of employee benefits through OCI	(1.39)	-	0.25	0.25	(1.14)
Adjustments pertaining to Income and expense recognition based on Expected Interest rate	(102.68)	(8.36)	-	(8.36)	(111.04)
Income recognition on NPA cases	(7.96)	-	-	-	(7.96)
Others	67.21	6.17	-	6.17	73.38
Total	**442.28**	**110.85**	**0.25**	**111.10**	**553.37**

Income Tax recognised in Statement of profit and loss:

(₹ in crore)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Tax		
In respect of Current Year	828.98	1,059.43
In respect of prior years	-	-
Deferred Tax		
In respect of Current Year	38.17	(110.85)
Total Income Tax expense recognised in the current year	**867.15**	**948.58**

Reconciliation of income tax expense of the year to the accounting profit is as follows:

(₹ in crore)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Standalone Profit before tax	3,268.99	3,379.55
Income tax expense calculated at 25.168% (Previous Year 34.944%)	822.74	1,180.95
Effect of expenses that are not deductible in determining taxable profit	193.15	112.71
Effect of incomes which are exempt from tax	(1.56)	(2.34)
Effect on deferred tax balances due to the changes in income tax rate	154.81	-
Deduction under section 36(1)(viii) of the Income tax Act, 1961	(185.36)	(232.05)
Others	(116.63)	(110.69)
Income tax expense recognised in statement of profit and loss	**867.15**	**948.58**

The tax rate used for the reconciliations above is the corporate tax rate of 25.168% for the year 2019-2020 and the rate of 34.944% for the year 2018-19 payable by the Company in India on taxable profits under tax law in Indian jurisdiction.

While recognising provision for income tax for the year ended March 31, 2020, the Company has exercised the option of lower tax rate permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. The Company has adopted new tax rate of 22% plus applicable surcharge and cess as per the said Section 115BAA.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The new effective tax rate, applicable under section 115BAA is 25.168%.

In the current COVID 19 situation, the Company has re-assessed the recognised deferred tax assets. The Company has recognised previously unrecognised deferred tax assets/ liabilities to the extent that it has become reasonably certain and is of view that sufficient future taxable income will be available against which such deferred tax assets can be realised. The Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

53. CORPORATE SOCIAL RESPONSIBILITY

Establishment and Other expenses includes ₹ 61.49 crore for the year ended March 31, 2020 (Previous year ₹ 18.78 crore) for contribution towards Corporate Social Responsibility (CSR) in accordance with Companies Act, 2013.

Details of CSR expenditure during the financial year

a) Gross amount required to be spent by the company during the year is ₹ 61.49 crore (Previous Year ₹ 57.49 crore).

b) Amount spent during the year:

(₹ in crore)

Sl. No	Particulars	In cash	Yet to be paid	Total
(i)	Construction/acquisition of any asset	14.77 (13.00)	25.47 (-)	40.24 (13.00)
(ii)	On purposes other than (i) above	6.54 (5.78)	14.71 (-)	21.25 (5.78)

Figures in bracket are in respect of the Previous Year

c) Details of related party transactions as per Indian Accounting Standard (Ind AS-24), "Related Party Disclosures"-Nil

d) Provision of ₹ 40.18 crore has been made for CSR expenditure unspent by the company as on March 31, 2020 (Previous Year Nil).

54. TRANSFER TO SPECIAL RESERVES

Special Reserve has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company. Special Reserve No. I relates to the amounts transferred upto the Financial Year 1996-97, whereas Special Reserve No. II relates to the amounts transferred thereafter. In the current financial year ₹ 749.99 crore (FY 2018-19 ₹ 749.99 crore) has been transferred to Special Reserve No. II in terms of Section 36(1)(viii) of the Income tax Act, 1961 and an amount of ₹ 0.01 crore (FY 2018-19 ₹ 0.01 crore) to Statutory Reserve under Section 29C the NHB Act.

As per National Housing Bank's (NHB) circular vide circular NHB(ND)/DRS/Pol. 62/2014 dated 27th May, 2014, the Company has adjusted the opening balance of reserves for creation of Deferred Tax Liability (DTL) on the Special Reserve as at 1st April, 2014 created under Section 36(1)(viii) of the Income tax Act, 1961.

55. DISCLOSURE REQUIRED BY NATIONAL HOUSING BANK

The following disclosures have been given in terms of Notification no. NHB.HFC.CG DIR.1/MD&CEO/2016 dated February 9, 2017 issued by the National Housing Bank. These figures are not traceable to the Financial Statements as at March 31, 2020. The differences are arising as the disclosures are made as per the regulatory requirement vis á vis the financial statements prepared as per Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013.

Comparative numbers in these disclosures have been provided as per the audited financial statements as at and for the year ended March 31, 2019.

Minimum Disclosure Requirements

The following additional disclosures have been given in terms of Notification no. NHB.HFC.CG-DIR.1/ MD&CEO/2016 dated February 9, 2017 issued by the National Housing Bank.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Summary of Significant Accounting Policies

The accounting policies regarding key areas of operations are disclosed as note 1 to 4 to the Standalone Financial Statement for the year ended March 31, 2020.

1. Advances

Disclosure regarding provisions made for substandard, doubtful and loss assets as per the Prudential Norms contained in the Housing Finance Companies (NHB) Directions, 2010 as amended are as under:

a. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC

As per NHB Directions Housing Finance Companies shall not lend more than 15% of its owned fund to Single borrower and 25% of its owned fund to any single group of borrowers. The Company has not exceeded prudential exposure limits during the year.

b. Unsecured Advances

(₹ in crore)

Particulars	Outstanding amount	Tangible Security	Unsecured		Nature of Security
			Intangible Security	Unsecured	
Loan given to HFC's	627.98 (276.67)	- (-)	627.98 (276.67)	- (-)	Book debt on specific assets
Loan given under Lease Rental Discounting	122.66 (122.66)	29.28 (29.28)	93.38 (93.38)	- (-)	Rights over receivables
Loan given to Individuals	529.36 (157.50)	373.73 (99.49)	- (-)	155.63 (58.01)	Immovable Property
Loan Against Deposit	15.32 (0.79)	- (-)	15.32 (0.79)	- (-)	Fixed Deposit Receipt
Total	**1,295.32 (557.62)**	**403.01 (128.77)**	**736.68 (370.84)**	**155.63 (58.01)**	

Figures in bracket are in respect of the Previous Year.

- As per the NHB Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016, for determining the amount of unsecured advances the rights, licenses, authorization, etc., charged to the HFCs as collateral in respect of projects (including infrastructure projects) financed by them, should not be reckoned as tangible security. Hence such advances are reckoned as unsecured.

c. Housing Loans and Non-Housing Loans

(₹ in crore)

Asset Classification	Housing		Non-Housing	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Standard Assets				
a) Total Outstanding Amount				
(i) Total Outstanding Amount	1,66,484.79	1,54,474.02	36,032.97	35,775.58
(ii) Accrued Interest*	1,274.14	985.82	364.53	248.91
b) Provisions made	744.00	559.55	432.54	243.86
Sub-Standard Assets				
a) Total Outstanding Amount	2,319.85	1,390.67	839.57	417.47
b) Provisions made	355.14	208.60	125.94	62.62

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Asset Classification	Housing		Non-Housing	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Doubtful Assets – Category-I				
a) Total Outstanding Amount	928.82	268.62	163.36	101.47
b) Provisions made	236.95	67.15	40.84	25.37
Doubtful Assets – Category-II				
a) Total Outstanding Amount	646.80	310.51	399.56	134.04
b) Provisions made	259.17	124.20	159.83	53.62
Doubtful Assets – Category-III				
a) Total Outstanding Amount	275.26	129.40	240.36	113.09
b) Provisions made	275.26	129.40	240.36	113.09
Loss Assets				
a) Total Outstanding Amount	132.35	88.75	21.97	17.68
b) Provisions made	132.35	88.75	21.97	17.68
Total				
a) Total Outstanding Amount				
(i) Total Outstanding Amount of the Portfolio	**1,70,787.87**	**1,56,661.97**	**37,697.79**	**36,559.33**
(ii) Accrued interest*	**1,274.14**	**985.82**	**364.53**	**248.91**
b) Provisions made	**2,002.87**	**1,177.65**	**1,021.48**	**516.24**

* Accrued Interest includes Interest Accrued but not due and Interest Accrued and due.

d. Movement of NPAs

(₹ in crore)

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
(I)	Net NPAs to Net Advances (%)	1.99%	1.08%
(II)	Movement of NPAs (Gross)		
	a) Opening balance	2,971.70	1,303.60
	b) Additions during the year	3,544.44	2,188.90
	c) Reductions during the year	548.23	520.80
	d) Closing balance	5,967.90	2,971.70
(III)	Movement of Net NPAs		
	a) Opening balance	2,081.20	711.66
	b) Additions during the year	2,552.07	1624.74
	c) Reductions during the year	513.18	255.20
	d) Closing balance	4,120.10	2,081.20
(IV)	Movement of Provisions for NPAs (excluding provisions on standard assets)		
	a) Opening balance	890.48	591.94
	b) Provisions made during the year	992.37	564.16
	c) Write-off/write-back of excess provisions	35.05	265.62
	d) Closing balance	1,847.80	890.48

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2. There were no loans given against collateral of gold jewellery.

3. Investments

(₹ in crore)

Particulars			As at March 31, 2020	As at March 31, 2019
A.	**Value of Investments**			
	i)	Gross value of Investments	5,433.29	3,561.81
		(a) In India	5,433.29	3,561.81
		(b) Outside India	-	-
	ii)	Provisions for Depreciation	9.17	10.00
		(a) In India	9.17	10.00
		(b) Outside India	-	-
	iii)	Net value of Investments	5,424.12	3,551.81
		(a) In India	5,424.12	3,551.81
		(b) Outside India		
B.	**Movement of provisions held towards depreciation on investments**			
	(i)	Opening balance	10.00	10.00
	(ii)	Add: Provisions made during the year	-	-
	(iii)	Less: Write-off / Written-back of excess provisions during the year	0.83	-
	(iv)	Closing Balances	9.17	10.00

4. Derivative Instruments:

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

(₹ in crore)

Particulars		As at March 31, 2020	As at March 31, 2019
i)	The notional principal of swap agreements	1,821.73	396.00
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	53.87	5.34
iii)	Collateral required by the HFC upon entering into swaps	-	-
iv)	Concentration of credit risk arising from the swaps	53.87	5.34
v)	The fair value of the swap book	53.87	5.34

(a) Interest Rate Swaps for hedging underlying liability aggregate to ₹ 1821.73 crore (Previous Year ₹ 396.00 crore).

(b) Foreign currency exposure in respect of coupon linked with LIBOR that are not hedged by derivative instruments as on March 31, 2020 amount to ₹ NIL crore (Previous Year ₹ NIL crore).

Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The exposure of the Company to Derivatives contracts is in the nature of Interest Rate Swaps and Currency Swaps to manage risk associated with interest rate movement and fluctuation in currency exchange rate.

Derivative policy of the Company specifies the exposure norms with respect to single counterparty and the total underlying amount at the time of entering into the new derivative contract.

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The gain realized on early termination of swap is amortized over the balance tenor of the swap or underlying liability whichever is less. Loss if any on early termination is charged to revenue in the same year. The carry difference, between coupon rate liability and the swap contract rate is accounted quarterly on accrual basis.

B. Quantitative Disclosure

(₹ in crore)

Particulars		Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)	1,425.73	396.00
(ii)	Marked to Market Positions		
	(a) Assets (+)	48.62	5.25
	(b) Liability (-)	-	-
(iii)	Credit Exposure	-	-
(iv)	Unhedged Exposures	-	-

5. Break up of 'Provisions and Contingencies' pursuant to NHB norms

(₹ in crore)

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
1.	Provisions for depreciation on Investment		
	Provisions for depreciation on Investment	-	-
	Long term investment written off (Non Trade)	24.34	1.45
	Less-Provision for Investments written back	(0.83)	-
2.	Provision made towards Income tax	828.98	1,059.43
3.	Provision towards NPA		
	(i) Provision towards NPA	992.37	564.16
	Less - Provision for loans written back	(35.05)	(265.62)
	(ii) Loans written off	35.71	265.66
	Less - Loans written off recovered	(8.37)	(13.22)
4.	Provision for Standard Assets* (with details like teaser loan, CRE, CRE-RH, etc.)	373.13	146.55
5.	Other Provision and Contingencies:		
	(i) Provision For Other Doubutful Asset Receivable	(0.00)	-
	(ii) Provisions for Contingency Written Back	-	-
	(iii) Provision For Other Doubutful Asset Written Back	-	-
	(iv) Provision for Loan Against Public Deposit	0.06	-
	(v) Amounts written off Others	(0.06)	-
Total		**2,210.28**	**1,758.41**

* Provision on Standard Asset includes provision on Individual Housing Loan ₹ NIL crore (Previous Year ₹(NIL), CRE-RH (₹ 24.36) crore (Previous Year ₹ 32.80 crore), CRE ₹ 3.25 crore (Previous Year ₹ 122.33 crore) and CRE Others of ₹ 1.52 crore (Previous Year ₹ 8.58 crore) and Covid Moratorium Cases ₹ 392.71 crore (Previous Year NIL).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

6. Concentration of Public Deposits, Advances, Exposures and NPAs

6.1 Concentration of Public Deposits

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Deposits of twenty largest Public depositors	2,469.28	1,415.05
Percentage of Deposits of twenty largest Public depositors to Total Deposits of the Company	35.80%	35.85%

6.2 Concentration of Loans & Advances

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Loans & Advances to twenty largest borrowers	8,356.96	8,040.10
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the Company	4.01%	4.16%

6.3 Concentration of all Exposure (including off-balance sheet exposure)

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Exposure to twenty largest borrowers / customers	8,520.47	8,569.08
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	3.91%	3.89%

6.4 Concentration of NPAs

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Total Exposure to top ten NPA accounts	1,771.44	785.31

6.5 Sector-wise NPAs

Sr. No	Sector	Percentage of NPAs to Total Advances in that sector
A.	**Housing Loans:**	
1	Individuals	1.18%
2	Builders/Project Loans	23.02%
3	Corporates	-
4	Others (specify)	-
B.	**Non-Housing Loans:**	
1	Individuals	2.95%
2	Builders/Project Loans	3.27%
3	Corporates	6.85%
4	Others (Commercial)	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

7. Exposure

7.1 Exposure to Real Estate Sector

(₹ in crore)

Category			As at March 31, 2020	As at March 31, 2019
a)	**Direct exposure**			
	(i)	Residential Mortgages –		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented ; Individual Housing Loans upto ₹ 15 lakh : ₹ 41,287.76 crore (FY 2018-19 ₹ 41,067.59 crore)	1,90,104.37	1,75,766.62
	(ii)	Commercial Real Estate –		
		Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	17,504.30	17,037.28
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures –		
		(a) Residential (PTC-B)	-	-
		(b) Commercial Real Estate	-	-
b)	**Indirect Exposure**			
		Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	627.98	276.67

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

7.2 Exposure to Capital Market

(₹ in crore)

Particulars		As at March 31, 2020	As at March 31, 2019
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt; *	98.00	99.10
(ii)	advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	bridge loans to companies against expected equity flows / issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	29.96	30.54
Total Exposure to Capital Market		**127.96**	**129.64**

* includes Investment in Subsidiary Companies and Investment in Associate Companies & other Company.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Capital to Risk Assets Ratio (CRAR)

Particulars		As at March 31, 2020	As at March 31, 2019
i.	CRAR (%)	13.89%	14.36%
ii.	CRAR - Tier I capital (%)	12.19%	12.30%
iii.	CRAR - Tier II Capital (%)	1.70%	2.06%
iv.	Amount of subordinated debt raised as Tier- II Capital (₹ in crore)	1500.00	2000.00
v.	Amount raised by issue of Perpetual Debt Instruments (₹ in crore)	-	-

8. Asset Liability Management

Maturity pattern of certain items of assets and liabilities is as under:

(₹ in crore)

Particulars	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities											
Deposit	176.42	154.76	558.18	1,751.48	3,505.77	4,545.25	1,948.56	-	-	-	12,640.42
Borrowings from banks	70.00	26.78	563.46	804.98	19,459.55	11,393.21	7,168.62	2,784.33	917.35	-	43,188.28
Market Borrowings***	1,485.16	3,476.00	5,009.23	8,230.30	21,396.29	43,257.45	25,303.19	16,534.10	11,038.40	-	1,35,730.12
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances*	2,107.08	2,212.27	2,435.23	8,053.63	21,190.95	19,651.33	18,852.08	21,980.12	34,994.73	71,040.08	2,02,517.50
Investments**	2,000.00	1,627.94	-	-	10.00	19.01	158.00	31.00	539.50	1,068.56	5,454.01
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

* Net of Provisions

** Net of Investment diminutions and G-Sec taken at face value.

*** Commercial Paper & Zero Coupon Bond taken at face value.

9. Disclosure regarding penalty or adverse comments as per Housing Finance Companies (NHB) Directions, 2010 during the current year:

a. In respect of two loan accounts, pursuant to the letter from NHB dated 11.04.2019, the company paid a penalty of ₹ 10,000/- plus GST at the rate of 18% in relation to Breach of Para 4.1 (iv) (e) of Master Circular on Fair Practice Code date 10.07.2016.

b. In respect of one loan account, pursuant to the letter from NHB dated 19.12.2019, the company paid a penalty of ₹ 5,000/- plus GST at the rate of 18%, in relation to Breach of Para 4.1 (iv) (e) of Master Circular on Fair Practice Code date 10.07.2016.

c. The observations from NHB inspection reports with reference to Company's position as on 31.03.2018 and 31.03.2019 have been suitably addressed and replied to NHB.

d. During the financial year the Company has reported fraud in eighty seven loan accounts with outstanding amount of ₹ 40.64 crore.

10. Indian Accounting Standard 24 - Related Party Transactions

Details of all material transactions with related parties are disclosed in Note 49.

11. Indian Accounting Standard 110- Consolidated Financial Statements

Refer to the Consolidated Financial Statements for the relevant disclosures.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

12. Draw Down from Reserves

The Company has not drawn any amount from Reserves created in terms of Section 36(1) (viii) of the Income Tax Act, 1961 and Statutory Reserve under Section 29C of the NHB Act.

13. Overseas Assets

(₹ in crore)

Asset Description	As at March 31, 2020	As at March 31, 2019
Total Tangible Assets	0.01	0.01
Balance in Dubai Foreign Account	0.45	0.45

14. Disclosure of Complaints

Customers Complaints

Particulars		As at March 31, 2020	As at March 31, 2019
a)	No. of complaints pending at the beginning of the year	-	-
b)	No. of complaints received during the year	12,298	11,656
c)	No. of complaints redressed during the year	12,290	11,656
d)	No. of complaints pending at the end of the year	8	-

15. Miscellaneous

15.1 Registration obtained from other financial sector regulators

The Company was incorporated under the Companies Act, 1956 on 19th June, 1989 and is governed by Companies Act, 2013. It is regulated by NHB and registered under section 29A of the NHB Act, 1987. Apart from this, the Company is not registered under any other financial regulators. The regulators of Housing Finance Companies is transferred to RBI from August 2019. Hence, no fresh registration is required to be obtained from RBI.

15.2 Rating assigned by Credit Rating Agencies and migration of rating during the year

"CRISIL AAA/ Stable" by CRISIL, "CARE AAA" by CARE & "ICRA A1+" by ICRA. This rating indicates the highest degree of safety regarding timely payment of interest and principal. There is no change in rating during the year.

Sr. No.	Particulars	CRISIL Ratings
1	Non-Convertible Debentures	CRISIL AAA/STABLE
2	Upper Tier II Bonds	CRISIL AAA/STABLE
3	Tier II Bond	CRISIL AAA/STABLE
4	Commercial Paper	CRISIL A1+
5	Fixed Deposits Programme	FAAA/STABLE
6	Bank Loan Facilities(Long Term)	CRISIL AAA/STABLE
7	Bank Loan Facilities(Short Term)	CRISIL A1+

Sr. No.	Particulars	CARE Ratings
1	Non-Convertible Debentures	CARE AAA/STABLE
2	Lower Tier II Bonds	CARE AAA/STABLE
3	Upper Tier II Bonds	CARE AAA/STABLE

Sr. No.	Particulars	ICRA Ratings
1	Commercial Paper	ICRA A1+

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

15.3 Remuneration of Directors

The Independent Directors of the Company receive only sitting fees for attending the Board / Committee meetings and they do not have any other material or pecuniary relationships or transaction with the Company, its Promoters, its Directors, Management, Subsidiaries or Associate.

The details of sitting fees paid to Non-Executive Directors (other than LIC Nominee Directors) has been mentioned in Corporate Governance Report forming part of the Annual Report.

15.4 Management Discussion and Analysis

Management Discussion and Analysis report containing Industry structure and developments, opportunities and threats, segment-wise or product-wise performance, outlook, risks and concerns, internal control systems and their adequacy, discussion on financial performance with respect to operational performance, material developments in HR/Industrial Relations including number of people employed, etc., forming part of a separate section of the Annual Report.

15.5 Revenue Recognition

Revenue recognition is as per the Accounting Policy mentioned under Significant Accounting Policies. Refer Note 2.3

16. Reserve Fund u/s 29C of NHB Act, 1987

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act,1987	0.15	0.14
b) Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	5,104.34	4,354.35
Total	**5,104.49**	**4,354.49**
Addition / Appropriation / Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	0.01	0.01
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	749.99	749.99
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987.	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	0.16	0.15
b) Amount of special reserve u/s 36(1)(viii)of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	5,854.33	5,104.34
Total	**5,854.49**	**5,104.49**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

17. Exchange Traded Interest Rate (IR) Derivative

(₹ in crore)

Particulars		Amount
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-
	(a)	-
	(b)	-
	(c)	-
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2019 (instrument-wise)	
	(a)	-
	(b)	-
	(c)	-
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
	(a)	-
	(b)	-
	(c)	-
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	
	(a)	-
	(b)	-
	(c)	-

18. Securitisation

18.1

(₹ in crore)

	Particulars	No./Amount
1.	No of SPVs sponsored by the HFC for securitisation transactions	-
2.	Total amount of securitised assets as per books of the SPVs sponsored	-
3.	Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet	
	(i) Off-balance sheet exposures towards Credit Enhancements	
	(a)	-
	(b)	-
	(ii) On-balance sheet exposures towards Credit Enhancements	
	(a)	-
	(b)	-
4.	Amount of exposures to securitization transactions other than MRR	
	(i) Off-balance sheet exposures towards Credit Enhancements	
	(a) Exposure to own securitizations	
	i)	-
	ii)	-
	(b) Exposure to third party securitisations	
	i)	-
	ii)	-
	(ii) On-balance sheet exposures towards Credit Enhancements	
	(a) Exposure to own securitizations	
	i)	-
	ii)	-
	(b) Exposure to third party securitisations	
	i)	-
	ii)	-

18.2 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction:

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) No. of accounts	-	-
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(iii) Aggregate consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain / loss over net book value	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

18.3 Details of Assignment transactions undertaken by HFCs:

(₹ in crore)

Particulars		As at March 31, 2020	As at March 31, 2019
(i)	No. of accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts assigned	-	-
(iii)	Aggregate consideration	-	-
(i)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

18.4 Details of non-performing financial assets purchased or sold

A. Details of non-performing financial assets purchased:

(₹ in crore)

	Particulars		As at March 31, 2020	As at March 31, 2019
1.	(a)	No. of accounts purchased during the year	-	-
	(b)	Aggregate outstanding	-	-
2.	(a)	Of these, number of accounts restructured during the year	-	-
	(b)	Aggregate outstanding	-	-

B. Details of Non-performing Financial Assets sold:

(₹ in crore)

	Particulars	As at March 31, 2020	As at March 31, 2019
1.	No. of accounts sold	-	-
2.	Aggregate outstanding (₹ in crore)	-	-
3.	Aggregate consideration received (₹ in crore)	-	-

19.1 Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items that have impact on the current year's profit and loss.

19.2 Off-balance Sheet SPVs sponsored

Name of the SPV sponsored	
Domestic	Overseas
-	-

56. The additional Information pursuant to Schedule III to the Companies Act, 2013 are either Nil or Not Applicable.

57. The previous year figures have been reclassified / regrouped / restated to confirm to current year's classification.

Signature to Notes 1 to 57

As per our report of even date attached

For Gokhale & Sathe
Chartered Accountants
FRN 103264W

Rahul Joglekar
Partner
M.No.129389

For M.P. Chitale & Co.
Chartered Accountants
FRN 101851W

Ashutosh Pednekar
Partner
M. No. 41037

Place: Mumbai
Date: June 19, 2020

For and on behalf of the Board of Directors

M. R. Kumar
Chairman
DIN: 03628755

Jagdish Capoor
Director
DIN: 00002516

Siddhartha Mohanty
Managing Director &
Chief Executive Officer
DIN : 08058830

Nitin K. Jage
General Manager (Tax.)
& Company Secretary
FCS No. 8084

Sudipto Sil
CFO

B. K. Unhelkar
General Manager
(Accounts)

INDEPENDENT AUDITOR'S REPORT

To the Members of LIC Housing Finance Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated Financial Statements of **LIC Housing Finance Limited** (hereinafter referred to as "the Holding Company"), and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associates, which comprise the Consolidated Balance Sheet as at 31st March 2020, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and Consolidated Cash Flow statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2020, of consolidated profit, total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 40.4 to the Consolidated Financial Statements, which explains the uncertainties and management's assessment of the financial impact due to the lockdown and other restrictions imposed by the Government and condition related to the COVID-19 pandemic situation, for which definitive assessment of the impact would highly depend upon circumstances as they evolve in the subsequent periods.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement and based on the consideration of reports of other auditors on separate financial statements of subsidiaries audited by them, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

A. Key Audit Matters for Holding Company

Key Audit Matter	How the matter was addressed in our audit
Expected Credit Loss – Impairment of carrying value of loans and advances Under Ind AS 109, Expected Credit Loss (ECL) is required to be determined for recognising impairment loss on financial assets which are stated at amortised cost or carried at fair value through other comprehensive income. The calculation of impairment loss or ECL is based on significant management judgement and considers the historical default and loss ratios of the loan portfolio and, to the extent possible, forward-looking analysis. The significant areas in the calculation of ECL where management estimates and judgements are required as under: 1. Judgements about credit risk characteristics, taking into account instrument type, class of borrowers, credit risk ratings, date of initial recognition, remaining term to maturity, property valuations, industry and other relevant factors for collective evaluation of impairment under various stages of ECL.	**We performed audit procedures set out below** • We understood and assessed the Company's process on timely recognition of impairment in the loan portfolio, both retail loans and project loans. This included assessing the accuracy of the system generated reports of ageing and defaults. • We also performed a test check of the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge and management review controls over measurement of impairment allowances and disclosures in the standalone financial statements. • We have discussed with the management and the external specialists to test the working of the ECL model and reasonableness of assumptions used, more specifically in the light of the RBI moratorium and its probable ramifications.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matter	How the matter was addressed in our audit
2. Loan staging criteria 3. Calculation of probability of default and loss given default. 4. Consideration of probability weighted scenarios and forward looking macro-economic factors 5. For Project loans, assessment based on a borrower's financial performance, solvency, liquidity and industry outlook. The Company has also appointed a domain specialist to assist it in arriving at the ECL provisions required to be recognised. Further, the COVID-19 pandemic situation and the lockdown in the country coupled with the moratorium granted by RBI has cast an uncertainty on the timing and manner in which the Company would be able to collect the contractual cashflows in the form of repayments from its borrowers. In our opinion this is considered as a Key Audit Matter in view of the criticality of the item to the financial statements and the complex nature of assumptions and judgements exercised by the management. Refer Note 2.14 A(f), "Impairment of Financial Assets" and Note 37.4.2.3, "Impairment Assessment" and 37.4.2.4, "ECL model and assumptions considered in the ECL model", to the Standalone Financial Statements and Note 2.15 A(f) and Note 40.4.2.3, "Impairment Assessment" and 40.4.2.4, "ECL model and assumptions considered in the ECL model", to the Consolidated Financial Statements. Refer Note 3.1, "Determination of Expected Credit Loss" to the Standalone and Consolidated Financial Statements and Refer Note 9, "Loans" to the Standalone and Consolidated Financial Statements	• We performed substantive procedures over validating completeness and correctness of the data and reasonableness of assumptions used in the ECL model including capturing of PD and LGD in line with historical trends of the portfolio and evaluation of whether the results support the appropriateness of the PDs at the portfolio level.; • We performed cut off procedures on a sample basis relating to recoveries at year end that would impact staging of loans; • We test checked the basis of collateral valuation in the determination of ECL provision. • We have relied upon the work done by other experts like Independent Valuers, Lawyers, Legal Experts and other such professionals who have rendered services to the company • We have also obtained management representations wherever considered necessary.
Evaluation of uncertain tax positions The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Note 40 (b) to the Standalone Financial Statements and Note 43 (b) to the Consolidated Financial Statements, "Contingent Liabilities"	**Our procedures included:** • We obtained details of completed tax assessments and demands for the year ended March 31, 2020 from the management. • We assessed the management's underlying assumptions in estimating the tax provision in light of the amendments in the taxation laws and the possible outcome of the disputes. We have also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. • Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2019 to evaluate whether any change was required to management's position on these uncertainties.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matter	How the matter was addressed in our audit
IT Systems and controls The company has separate software applications for management of its loan portfolio from origination to servicing and closure and for the routine accounting. Transfer of data from / to these softwares is critical for accurate compilation of financial information. Adequate supervision over these IT controls is required to ensure that these IT applications process data as expected, updates and changes are made in an appropriate manner and confidentiality, availability and integrity is maintained. Such controls mitigate the risk of incorrect financial reporting. Our audit outcome is dependent on the effective functioning of such IT controls.	We have carried out the following procedures to verify the effectiveness of IT controls: a. We have planned, designed and carried out the desired audit procedures and sample checks which in our opinion are adequate to provide reasonable assurance on the adequacy of IT controls in place. b. In addition, we have relied on IS and other related audit reports provided by the management, wherever available. c. We also tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit and performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the financial statements. d. We have also obtained management representations wherever considered necessary.
Impact of COVID-19 pandemic Due to the national lockdown in India, the information necessary for conducting the audit was provided by the Company remotely through a secure connection and suitable IT systems were made available to us. As a result, we have relied completely on digital or electronic evidence as a part of our audit process effective from the date of the lockdown till the date of this report.	We have carried out the validation of the electronic evidence provided by the management by performing the following procedures: a. We reviewed the steps taken by various Departments of the Company to ensure that the controls and operations were functioning effectively in the period of the lockdown. b. We have correlated the electronic evidence obtained with the financial information to ensure consistency and accuracy. c. We have obtained management representations wherever considered necessary.

B. Key Audit Matters for Subsidiary Companies - No key audit matters reported by the Subsidiary Companies' auditors for the year ended March 31, 2020

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's Director's report and Management Discussion & Analysis (MD&A) report but does not include the Consolidated Financial Statements and our auditor's report thereon. The Director's report and MD&A report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Management's Responsibilities for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, total comprehensive income, changes in equity and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the

INDEPENDENT AUDITOR'S REPORT

preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective management and Board of Directors of the companies in the Group and its associates are responsible for assessing the ability of the Group and its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

ii. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under the section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

v. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

vi. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the financial year ended 31st March 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Other Matters

a. The Consolidated Financial Statements of the Company for the year ended March 31, 2019 were audited by other auditors who expressed an unmodified opinion on those Consolidated Financial Statements vide their report dated 4th May 2019.

b. We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹ 254.33 crores as at March 31, 2020, total revenues of ₹ 78.47 crores and net cash flows amounting to ₹ 5.27 crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

c. The Consolidated Financial Statements also include the Group's share of net profit of ₹ 0.52 crores for the year ended March 31, 2020, as considered in the Consolidated Financial Statements, in respect of two associates, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

d. Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and the reports of the other auditors;

c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

d. in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

e. on the basis of written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act;

f. with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A;

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

   i. the Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – Refer note 43(b) to the Consolidated Financial Statements.

INDEPENDENT AUDITOR'S REPORT

ii. the Group and its associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor, Education and Protection Fund by the Holding Company, its subsidiary and its associate companies.

h. As required by Section 197(16) of the Act, in our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31,2020 has been paid/provided by the Holding company and its subsidiaries to their directors in accordance with the provisions of Section 197 of the Act.

For **Gokhale & Sathe**
Chartered Accountants
Firm Regn. No. 103264W

Rahul Joglekar
Partner
Membership No.: 129389
UDIN: 20129389AAAAEB9252

Place: Mumbai
Date: June 19, 2020

For **M. P. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 101851W

Ashutosh Pednekar
Partner
Membership No.: 041037
UDIN: 20041037AAAABN3378

Place: Mumbai
Date: June 19, 2020

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of LIC Housing Finance Limited of even date)

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 (the 'Act')

We have audited the internal financial controls over financial reporting of LIC Housing Finance Limited (hereinafter referred to as "the Holding Company") and its subsidiaries as of March 31, 2020 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to these Consolidated Financial Statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A Company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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

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

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Opinion

In our opinion, the Holding Company and its subsidiary companies, have maintained, in all material respects, adequate internal financial controls with reference to these Consolidated Financial Statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our report under clause (i) of sub-section 3 of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial reporting these Consolidated Financial Statements, insofar as it relates to these four subsidiary companies, is based on the corresponding reports of the auditors of such subsidiary companies.

For **Gokhale & Sathe**
Chartered Accountants
Firm Regn. No. 103264W

Rahul Joglekar
Partner
Membership No.: 129389
UDIN: 20129389AAAAEB9252

Place: Mumbai
Date: June 19, 2020

For **M. P. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 101851W

Ashutosh Pednekar
Partner
Membership No.: 041037
UDIN: 20041037AAAABN3378

Place: Mumbai
Date: June 19, 2020

CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2020

(₹ in crore)

		Note	As at March 31, 2020	As at March 31, 2019
	Assets			
(1)	**Financial Assets**			
	(a) Cash and Cash Equivalents	5	1,369.30	2,802.85
	(b) Bank Balance other than (a) above	6	667.62	250.28
	(c) Derivative Financial Instruments	7	80.48	26.98
	(d) Receivables	8		
	(I) Trade Receivables		21.80	11.99
	(II) Other Receivables		-	-
	(e) Loans	9	2,07,974.51	1,92,990.66
	(f) Investments	10	5,484.73	3,617.34
	(g) Other Financial Assets	11	23.92	16.97
	Total Financial Assets		**2,15,622.36**	**1,99,717.07**
(2)	**Non-Financial Assets**			
	(a) Current Tax Assets (Net)	12	360.05	181.66
	(b) Deferred Tax Assets (Net)	13	526.28	561.71
	(c) Property, Plant and Equipment	14.1	167.26	164.96
	(d) Capital Work in Progress	14.3	2.92	2.19
	(e) Right of Use Assets	14.4	124.95	-
	(f) Goodwill on Consolidation		0.21	0.21
	(g) Other Intangible Assets	14.2	2.01	2.91
	(h) Other Non-Financial Assets	15	113.70	76.71
	Total Non-Financial Assets		**1,297.38**	**990.35**
	Total assets		**2,16,919.74**	**2,00,707.42**
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	**Financial Liabilities**			
	(a) Derivative Financial Instruments	7	22.90	25.79
	(b) Lease Liability		133.15	-
	(c) Payables	16		
	(A) Trade Payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		30.63	74.90
	(B) Other Payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
	(d) Debt Securities	17	1,32,082.26	1,34,615.67
	(e) Borrowings (Other than Debt Securities)	18	45,140.43	26,383.91
	(f) Deposits	19	12,571.81	7,657.56
	(g) Subordinated Liabilities	20	1,500.00	2,000.00
	(h) Other Financial Liabilities	21	6,790.59	13,355.12
	Total Financial Liabilities		**1,98,271.77**	**1,84,112.95**
(2)	**Non-Financial Liabilities**			
	(a) Provisions	22	148.62	118.54
	(b) Other Non-Financial Liabilities	23	232.04	142.92
	Total Non-Financial Liabilities		**380.66**	**261.46**
(3)	**EQUITY**			
	(a) Equity Share Capital	24	100.99	100.99
	(b) Other Equity	25	18,163.88	16,229.83
	(c) Non Controlling Interest		2.44	2.19
	Total Equity		**18,267.31**	**16,333.01**
	Total Liabilities and Equity		**2,16,919.74**	**2,00,707.42**

See accompanying notes forming part of the Consolidated Financial Statement 1 - 59

As per our report of even date attached

For and on behalf of the Board of Directors

For Gokhale & Sathe
Chartered Accountants
FRN 103264W

For M.P. Chitale & Co.
Chartered Accountants
FRN 101851W

Rahul Joglekar
Partner
M.No.129389

Ashutosh Pednekar
Partner
M. No. 41037

M. R. Kumar
Chairman
DIN: 03628755

Jagdish Capoor
Director
DIN: 00002516

Siddhartha Mohanty
Managing Director &
Chief Executive Officer
DIN : 08058830

Nitin K. Jage
General Manager (Tax.)
& Company Secretary
FCS No. 8084

Sudipto Sil
CFO

B. K. Unhelkar
General Manager
(Accounts)

Place: Mumbai
Date: June 19, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

		Note	Year ended March 31, 2020	Year ended March 31, 2019
(1)	**REVENUE FROM OPERATIONS**			
	(i) Interest Income	26	19,614.36	17,263.96
	(ii) Fees and Commission Income	27	58.74	55.49
	(iii) Net gain on Fair Value Changes	28	1.65	1.21
	(iv) Net gain on Derecognition of Financial Instruments under amortised cost category	29	5.86	10.66
	(v) Sale of Products	30	8.82	5.01
	(vi) Others	31	46.67	59.05
Total Revenue from Operations (1)			**19,736.10**	**17,395.38**
(2)	**Other Income** (Includes Dividend of ₹ 0.22 crore) (Previous Year ₹ 0.43 crore)	32	(29.22)	3.08
(3)	**Total Income (1+2)**		**19,706.88**	**17,398.46**
(4)	**Expenses**			
	(i) Finance Costs	33	14,781.42	12,891.04
	(ii) Fees and Commission Expenses	34	47.39	6.79
	(iii) Net Loss on Derecognition of Financial Instruments under Amortised Cost Category	35	47.49	267.71
	(iv) Impairment on Financial Instruments (Expected Credit Loss)	36	952.08	350.35
	(v) Cost of Materials Consumed	37	4.69	4.18
	(vi) Employee Benefits Expenses	38	327.62	274.58
	(vii) Depreciation, Amortization and Impairment	14.1, 14.2 & 14.4	51.11	11.92
	(viii) Others Expenses	39	212.90	200.14
Total Expenses (4)			**16,424.70**	**14,006.71**
(5)	**Profit Before Tax (3-4)**		**3,282.18**	**3,391.75**
(6)	**Tax Expense:**			
	- Current Tax		838.09	1,069.19
	- Deferred Tax		40.43	(111.81)
Total Tax Expenses (6)			**878.52**	**957.38**
(7)	**Net Profit after Tax (5-6)**		**2,403.66**	**2,434.37**
(8)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to Profit or (Loss)		(12.09)	(0.77)
	(ii) Income Tax relating to items that will not be reclassified to Profit or (Loss)		4.94	0.27
Other Comprehensive Income			**(7.15)**	**(0.50)**
(9)	**Total Comprehensive Income for the period**		**2,396.51**	**2,433.87**
(10)	**Share of Profit/(Loss) of Associates**		0.52	(0.10)
(11)	**Share of Profit/(Loss) of Non-Controlling Interest**		(0.40)	(0.42)
	Total Comprehensive Income for the period (Comprising Profit / (Loss) and other Comprehensive Income for the period) (9+10+11)		**2,396.63**	**2,433.35**
	Profit for the year attributable to:			
	Shareholders of the Company		2,403.26	2,433.95
	Non-Controlling Interests		0.40	0.42
	Total Comprehensive Income for the year attributable to:			
	Shareholders of the Company		2,396.23	2,432.93
	Non-Controlling Interests		0.40	0.42
(12)	**Earnings per Equity Share**			
	Basic (₹)		47.63	48.23
	Diluted (₹)		47.63	48.23

See accompanying notes forming part of the Consolidated Financial Statement 1 - 59

As per our report of even date attached

For and on behalf of the Board of Directors

For Gokhale & Sathe
Chartered Accountants
FRN 103264W

For M.P. Chitale & Co.
Chartered Accountants
FRN 101851W

Rahul Joglekar
Partner
M.No.129389

Ashutosh Pednekar
Partner
M. No. 41037

M. R. Kumar
Chairman
DIN: 03628755

Jagdish Capoor
Director
DIN: 00002516

Siddhartha Mohanty
Managing Director &
Chief Executive Officer
DIN : 08058830

Nitin K. Jage
General Manager (Tax.)
& Company Secretary
FCS No. 8084

Sudipto Sil
CFO

B. K. Unhelkar
General Manager
(Accounts)

Place: Mumbai
Date: June 19, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

A. EQUITY SHARE CAPITAL

(₹ in crore)

Balance as at April 1, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019
100.99	-	100.99

Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
100.99	-	100.99

B. OTHER EQUITY

(₹ in crore)

	Reserve and Surplus							Other items of Other Comprehensive Income		Equity attributable to shareholders of the Company	Non controlling Interests	Total Equity
	Statutory Reserves	Capital Reserve	Securities Premium	General Reserve	Special Reserve I	Special Reserve II	Retained Earnings	Other items (Acturial Gain/ (Loss)	Cash Flow Hedge Reserve			
Balance as at April 01, 2018	**0.14**	**9.25**	**1,721.09**	**5,252.98**	**38.98**	**4,354.35**	**2,830.75**	**2.68**	**-**	**14,210.19**	**1.88**	**14,212.07**
Add: Total Comprehensive Income for the year	-	-	-	-	-	-	2,434.37	(0.50)	-	2,433.86	-	2,433.86
Add: Share of Profit of Associates	-	-	-	-	-	-	(0.10)	-	-	(0.10)	-	(0.10)
Less : Share of Non-Controlling Interests	-	-	-	-	-	-	(0.42)	-	-	(0.42)	0.42	-
Less: Dividend (including Tax on Dividend of ₹ 70.55 crore)	-	-	-	-	-	-	(413.70)	-	-	(413.70)	(0.12)	(413.82)
Transfer to Cash Flow Hedge Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserves	0.01	-	-		-	-	(0.01)	-	-	-	-	-
Transfer to General Reserves	-	-	-	599.99	-	-	(599.99)	-	-	-	-	-
Transfer to Special Reserve II	-	-	-	-	-	749.99	(749.99)	-	-	-	-	-
Share of Post-Acquisition Profit considered for Cost of Control for Additional shares in LICHFL Care Homes Ltd	-	19.11	-	(0.25)	-	-	(18.86)	-	-	-	-	-
Balance as at March 31, 2019	**0.15**	**28.36**	**1,721.09**	**5,852.72**	**38.98**	**5,104.34**	**3,482.04**	**2.17**	**-**	**16,229.83**	**2.19**	**16,232.02**
Balance as at April 01, 2019	**0.15**	**28.36**	**1,721.09**	**5,852.72**	**38.98**	**5,104.34**	**3,482.04**	**2.17**	**-**	**16,229.83**	**2.19**	**16,232.02**
Add: Total Comprehensive Income for the year	-	-	-	-	-	-	2,403.66	(7.15)	-	2,396.50	-	2,396.50
Gain on ECB Cross Currency Swap	-	-	-	-	-	-	-	-	48.62	48.62	-	48.62
Less: Loss due to Exchange Rate Fluctuation on ECB	-	-	-	-	-	-	-	-	(48.62)	(48.62)	-	(48.62)
Add: Share of Profit of Associates	-	-	-	-	-	-	0.52	-	-	0.52	-	0.52
Less : Share of Non-Controlling Interests	-	-	-	-	-	-	(0.40)	-	-	(0.40)	0.40	-
Less: Dividend (including Tax on Dividend of ₹ 78.86 crore)	-	-	-	-	-	-	(462.38)	-	-	(462.38)	(0.15)	(462.53)
Transfer to Statutory Reserves	0.01	-	-	-	-	-	(0.01)	-	-	-	-	-
Transfer to General Reserves	-	-	-	600.00	-	-	(600.00)	-	-	-	-	-
Transfer to Special Reserve II	-	-	-	-	-	749.99	(749.99)	-	-	-	-	-
Adjustment in Retained Earnings due to first time adoption of IND AS 116	-	-	-	-	-	-	(0.19)	-	-	(0.19)	-	(0.19)
Balance as at March 31, 2020	**0.16**	**28.36**	**1,721.09**	**6,452.72**	**38.98**	**5,854.33**	**4,073.24**	**(4.98)**	**-**	**18,163.88**	**2.44**	**18,166.32**

See accompanying notes forming part of the Consolidated Financial Statement 1-59

As per our report of even date attached

For and on behalf of the Board of Directors

For Gokhale & Sathe
Chartered Accountants
FRN 103264W

Rahul Joglekar
Partner
M.No.129389

For M.P. Chitale & Co.
Chartered Accountants
FRN 101851W

Ashutosh Pednekar
Partner
M. No. 41037

M. R. Kumar
Chairman
DIN: 03628755

Jagdish Capoor
Director
DIN: 00002516

Siddhartha Mohanty
Managing Director &
Chief Executive Officer
DIN : 08058830

Nitin K. Jage
General Manager (Tax.)
& Company Secretary
FCS No. 8084

Sudipto Sil
CFO

B. K. Unhelkar
General Manager
(Accounts)

Place: Mumbai
Date: June 19, 2020

CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2020

(₹ in crore)

		Year ended March 31, 2020	Year ended March 31, 2019
A.	**Cash Flow from Operating Activities**		
	Profit Before Tax	3,282.18	3,391.75
	Adjustments for		
	Depreciation, Amortization and Impairment (other than Financial Instruments)	51.11	11.92
	Impairment on Financial Instruments (Expected Credit Loss)	952.08	350.35
	Loss/(Gain) on disposal of Property, Plant and Equipment	(0.13)	(0.08)
	Dividend and Interest Income classified as Investing Cash Flows	(0.29)	(8.55)
	Unwinding of discount	(255.69)	(337.14)
	Interest Expense	14,781.38	12,891.03
	Interest Income	(19,470.89)	(17,170.11)
	Share of Minority	(0.40)	(0.40)
	Adjustments for		
	Movements in Provisions and Gratuity	(12.09)	(0.50)
	(Increase) / Decrease in Other Financial Assets	(439.02)	3.79
	(Increase) / Decrease in Other Non Financial Assets	(32.04)	135.01
	Increase / (Decrease) in Other Financial Liabilities	(5,937.27)	1,953.88
	Increase / (Decrease) in Other Non Financial Liabilities	109.16	26.67
	Interest Paid	(15,471.47)	(12,762.04)
	Interest Received	19,066.96	16,851.05
	Cash generated from Operations	**(3,376.42)**	**5,336.63**
	Income Tax paid	(1,016.47)	(1,065.90)
	Net Cash Outflow from Operations	**(4,392.89)**	**4,270.73**
	Loans Disbursed (Net of repayments)	(15,280.43)	(26,654.66)
	Public Deposits (Net of repayments)	4,935.65	845.47
	Net Cash Outflow from Operating Activities (A)	**(14,737.67)**	**(21,538.47)**
B.	**Cash Flow from Investing Activities**		
	Payments for Purchase of Property, Plant and Equipment	(14.72)	(50.66)
	Proceeds from Sale of Property, Plant and Equipment	0.17	0.75
	Payments for Purchase of Investments	(1,840.82)	(1,619.70)
	Proceeds from Sale of Investments	3.26	18.33
	Dividends Received	0.22	0.43
	Interest Received	0.08	8.12
	Increase in Minority	0.40	0.40
	Net Cash (Outflow)/ Inflow from Investing Activities (B)	**(1,851.41)**	**(1,642.34)**

CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2020

(₹ in crore)

		Year ended March 31, 2020	Year ended March 31, 2019
C.	**Cash Flow from Financing Activities**		
	Proceeds from Borrowings	1,69,252.97	1,54,790.50
	Repayment of Borrowings	(1,53,593.60)	(1,30,308.60)
	Payment towards Lease Liability	(40.32)	-
	Transfer to Investor Protection Fund	(0.98)	(0.82)
	Dividends paid to Company's Shareholders	(383.55)	(342.14)
	Dividends paid to Non Controlling Interest	(0.15)	(0.10)
	Dividend Distribution Tax paid	(78.84)	(70.55)
	Net Cash Inflow from Financing Activities (C)	**15,155.53**	**24,068.29**
	Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	**(1,433.55)**	**887.49**
	Cash and Cash Equivalents at the beginning of the period	2,802.85	1,915.36
	Cash and Cash Equivalents at the end of the period	**1,369.30**	**2,802.85**
	Cash and Cash Equivalents as per above comprise of the following		
	(i) Cash on hand	1.38	6.63
	(ii) Balances with Banks (of the nature of cash and cash equivalents)	1,285.72	2,471.30
	(iii) Cheques, drafts on hand	82.20	324.92
	Balances as per Statement of Cash Flows	**1,369.30**	**2,802.85**

As per our report of even date attached

For Gokhale & Sathe
Chartered Accountants
FRN 103264W

Rahul Joglekar
Partner
M.No.129389

For M. P. Chitale & Co.
Chartered Accountants
FRN 101851W

Ashutosh Pednekar
Partner
M. No. 41037

Place: Mumbai
Date: June 19, 2020

For and on behalf of the Board of Directors

M. R. Kumar
Chairman
DIN: 03628755

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Nitin K. Jage
General Manager (Tax.)
& Company Secretary
FCS No. 8084

Sudipto Sil
CFO

B. K. Unhelkar
General Manager
(Accounts)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 1: CORPORATE INFORMATION:

LIC Housing Finance Limited ("the Company" or Parent) is a Public Limited Company, having corporate identification number CIN: L65922MH1989PLC052257, is incorporated under the provisions of the Companies Act, 1956 (as amended by the Companies Act, 2013). The shares of the Company are listed on the Bombay Stock Exchange, the National Stock Exchange and the Luxemburg Stock Exchange.

The Company is engaged in the business of providing finance for purchase, construction, repairs, renovation of houses/buildings. The Company's Registered Office and Corporate Office is at Mumbai with a wide network of Operating Offices in India and Representative Offices at Dubai and Kuwait.

The Consolidated Financial Statements for the year ended March 31, 2020 were authorized for issuance in accordance with resolution of the Board of Directors on June 19, 2020.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

(A) Significant Accounting Policies:

2.1 Statement of Compliance

Consolidated Financial Statements of the Group have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards ("the Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the guidelines issued by the National Housing Bank ("NHB") and Reserve Bank of India (RBI) to the extent applicable.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The Group presents its Balance Sheet in the order of liquidity.

2.2 Basis of preparation of Consolidated Ind-AS Financial Statements

The Group has prepared these Consolidated Financial Statements, which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2020, and accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements" or "Financial Statements"), on the historical cost basis except for certain financial instruments and certain employee benefit assets, which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crore except when otherwise stated.

2.3 Basis of Consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company, its subsidiaries (together referred to as 'the Group') and associates as at the year ended March 31, 2020. Control is achieved where the Company:

- has power over the investee;
- is exposed to, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than majority

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. The Company reassesses whether or not it controls an investee if fact and circumstances indicates that there are changes to one or more of the three elements of control. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that member's financial statements in preparing the consolidated financial statements to ensure conformity with the Company's accounting policies.

2.3.1 Consolidation Procedure

a) The financial statements of the Company and its subsidiary companies are combined by adding like items of assets, liabilities, equity, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses, eliminating the carrying amount of parent's investment in each subsidiary and parent's portion of equity of each subsidiary in accordance with Ind AS 110.

b) When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies.

c) The audited financial statements of the subsidiaries and unaudited financial statements of associates are considered for the purpose of consolidation and are drawn up to March 31, 2020. The reporting period of these financial statements is same as the reporting period of the Company.

The details of the subsidiaries are as under:

Name of the company	Nature of relationship	Proportion of ownership interest / voting power		Country of Incorporation
		Current Year	Previous Year	
LICHFL Care Homes Limited	Subsidiary	100.00%	100.00%	India
LICHFL Financial Services Limited	Subsidiary	100.00%	100.00%	India
LICHFL Asset Management Company Limited (Formerly known as LICHFL Asset Management Company Private Limited)	Subsidiary	94.62%	94.62%	India
LICHFL Trustee Company Private Limited.	Subsidiary	100.00%	100.00%	India
LIC Mutual Fund Asset Management Limited.	Associate	39.30%	39.30%	India
LIC Mutual Fund Trustee Private Limited.	Associate	35.30%	35.30%	India

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.3.2 Investment in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but does not control those policies. The results, assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, the investment in an associate is initially recognised at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. Dividend received from associates is recognised as reduction in the carrying amount of the investments. After application of the equity method, the Company determines whether there is any objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit/loss of an associate in the Statement of Profit and Loss. Upon loss of significant influence over the associate, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal, is recognised in profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in OCI are reclassified to profit or loss where appropriate. Changes in investor's interest in other components of equity in such cases are directly recognised in Equity. When a group entity transacts with an associate of the Group, profit or losses resulting from the transactions with associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

The details of the subsidiaries are as under:

Name of the company	Nature of relationship	Proportion of ownership interest / voting power		Country of Incorporation
		Current Year	Previous Year	
LIC Mutual Fund Asset Management Limited.	Associate	39.30%	39.30%	India
LIC Mutual Fund Trustee Private Limited.	Associate	35.30%	35.30%	India

2.4 Revenue Recognition

The Group has recognised revenue pursuant to a contract (other than a contract listed in paragraph 5 of Ind AS 115) only if the counterparty to the contract is a customer. A customer is a party that has contracted with an entity to obtain services that are an output of the entity's ordinary activities in exchange for consideration.

i. Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is accrued on a timely basis, by reference to the principal outstanding and at applicable effective interest rate (EIR). The effective interest method is a method of calculating the amortised cost of a financial assets and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial assets, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

ii. Dividend Income:

Dividend income from investment is recognised when the Company's right to receive the payment has been established provided that it is probable that economic benefits will flow to the Group and the amount of income can be measured reliably.

iii. Fees and Commission Income:

Fees and commission income includes fees other than those that are an integral part of EIR. The Company recognises the fees and commission income in accordance with the terms of the relevant contracts / agreements and when it is probable that the Company will collect the consideration.

Revenue from investment management services is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

with customers outlines a single comprehensive model of accounting for revenue from contracts with customers and supersedes current revenue recognition guidance found within Ind AS. Revenue from Investment management services is recognized in accordance with the Investment Management Agreement read with Contribution Agreement entered by the Fund with its investors.

iv. Revenue from Property Development/ Construction Projects:

Revenue is recognized based on nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

a) Income from services is recognized on completion of the works/contract.

b) Revenue from property development / construction projects activity is recognized by applying percentage of completion method of the contract value basis when reasonable expectation of collection of the sale consideration from the customers exists. Percentage of completion is determined as a proportion of the cost of work performed to date to the total estimated contract costs and the project so determined has been accounted for proportionate to the percentage of the actual work done.

c) Interest on delayed payment by customers are accounted when reasonable certainty of collection is established.

v. Other Income:

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

2.5 Leases

The Group has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019 and has reassessed the existing lease contracts on the date of initial application date, i.e. 01.04.2019 for application of Ind AS 116. The Group has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated. As permitted by para C8(c)(ii) of Ind AS 116, at the date of initial application, the right to use asset has been measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of initial application. As a result there is no cumulative effect of initial application which is required to be recognised in retained earnings at April 1, 2019.

As Lessee

The Group, as lessee has recognised lease liabilities and right-of-use assets, has applied the following approach to all of its leases (a) measured the lease liability at the date of transition to Ind AS by measuring lease liability at the present value of the remaining lease payments and discounted using the lessee's incremental borrowing rate at the date of transition to Ind AS 116. Lease arrangements entered during the year are measured at incremental borrowing rate computed at the beginning of the accounting year. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if there is change to its assessment whether it will exercise an extension or a termination option. (b) Right Of Use assets are recognized and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of restoration costs and any initial direct costs incurred by lessee. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right of Use Assets are depreciated from the commencement date on a straight- line basis over the shorter of the lease term or useful life of the underlying asset. They are evaluated for recoverability whenever events or changes indicate that their carrying amounts may not be recoverable.

The Group has not applied Ind AS 116 to Short Term Leases, which are defined as leases with a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term.

As a Lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2.6 Functional Currency and Foreign Exchange Transactions

The functional currency of the Group is determined on the basis of the primary economic environment in which it operates. The Group has accordingly assessed INR as its functional currency.

The transactions in currencies other than the entity's functional currency are recognised at the rate of exchange prevailing at the date when the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the dates when fair value was determined. Non-monetary items measured at historical cost are not translated.

Exchange difference arising on monetary items is recognised in the Statement of Profit And Loss in the year in which they arise.

2.7 Borrowing Costs

Borrowing costs include interest, commission/brokerage on deposits and exchange differences arising from foreign currency borrowings to the extent they are regarded as adjustment to interest cost. Interest expenses are accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate (EIR) applicable. The effective interest method is a method of calculating the amortised cost of a financial liability and allocating interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

2.8 Employee Benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the year of a plan amendment or when the Group recognises corresponding restructuring cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits to employees in respect of wages and salaries, annual leave, sick leave and short-term employee benefits in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

2.9 Taxes

Income tax expense represents the sum of current tax and deferred tax.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Current Taxes

Current income tax is the amount of expected tax payable based on taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of Income Tax Act, 1961.

Deferred Taxes

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which give future economic benefits in the form of adjustment to future income tax liability, is considered as a deferred asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Group.

Current and Deferred Tax for the year

Current and Deferred tax are recognised in profit or loss, except when they are relating to items that are recognised in the other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.10 Property, Plant and Equipment

Property, Plant and Equipment are recorded at their cost of acquisition, net of refundable taxes or levies, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. Property, plant and equipment except freehold land held for use for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight - line method as per the useful life prescribed in the Schedule II to the Companies Act, 2013, except in respect of Vehicles (Motor cars) where useful life is estimated as 5 years based on estimated usage of the assets.

Type of Asset	Useful Lives (in years)
Building	60
Furniture & Fixture	10
Vehicles	5
Office Equipment	5
Computers	3
Servers and Networks Equipment	6

Depreciation on additions to Fixed Assets is provided on pro-rata basis from the date of acquisition or installation. Depreciation on assets whose cost individually does not exceed ₹ 5,000/- is fully provided in the year of purchase. Depreciation on Assets sold, discarded, demolished or scrapped, is provided upto the date on which the said Asset is sold, discarded, demolished or scrapped.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The Group has applied depreciation requirements as per Ind AS 116 in depreciating the right of use assets. The Right of Use Asset is depreciated for the life of the lease term.

The Group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

2.11 Intangible Assets and amortisation thereof

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis based on their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Computer software is amortised over the period of three to five years on a straight-line basis.

An item of Intangible Asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Capital Work in Progress

Capital Work in Progress includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses, less accumulated impairment losses, if any.

2.12 Impairment of Property, Plant & Equipment and Intangible Assets

At the end of each reporting year, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The Group has applied Ind AS 36, Impairment of Assets, to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

2.13 Provisions and Contingent Liabilities

Provisions involving substantial degree of estimation in measurement are recognised when the Group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The expense relating to a provision is presented in the Statement of Profit And Loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

A Contingent Liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events that may, but probably will not, require an outflow of resources.

Both provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes. A contingent asset is disclosed in the Financial Statements, where an inflow of economic benefits is probable.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.14 Investment in Subsidiaries and Associates

Investment in subsidiaries and associates are recognized and carried at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

2.15 Financial Instruments

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value through Profit or Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at Fair Value Through Profit or Loss are recognised immediately in Statement of Profit and Loss.

A. Financial Assets

a) Recognition and initial measurement

The Group initially recognises loans and advances, deposits and debt securities purchased on the date on which they originate. Purchases and sale of financial assets are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value except investment in subsidiaries and associates. In the case of financial assets not recorded at FVTPL, transaction costs that are directly attributable to its acquisition of financial assets are included therein.

b) Classification of Financial Assets and Subsequent Measurement

On initial recognition, a financial asset is classified to be measured at –

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) – debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) – equity investment; or
- Fair Value through Profit or Loss (FVTPL)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, on sale/disposal the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on re-measurement recognised in Statement of Profit And Loss. The net gain or loss recognised in Statement of Profit And Loss incorporates any dividend or interest earned on the financial asset and is included in 'other income'. Dividend on financial assets at FVTPL is recognised when:

- The Group 's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the Group,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

c) Business Model Test

The Group determines its business model at the level that best reflects how it manages a group of financial assets to achieve its business objective.

The Group's business model is not assessed on instrument to instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed.

At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model.

d) Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding

The Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

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'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount)

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgment and considers relevant factors.

Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

e) Derecognition of Financial Assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Modification of contractual cash flows

When the contractual cash flows of a financial asset are renegotiated or otherwise modified, and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset and shall recognise a modification gain or loss in profit or loss. The gross carrying amount of the financial asset shall be recalculated at the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets) or, when applicable, the revised effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

f) Impairment of Financial Assets

The Group applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. The Group applies a three-stage approach for measuring ECL for the following categories of financial assets that are not measured at Fair Value Through Profit or Loss:

- debt instruments measured at amortised cost and Fair Value through Other Comprehensive Income; and
- financial guarantee contracts.

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No ECL is recognised on equity investments, classified as FVTPL.

Expected credit losses is the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

Financial assets migrate through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

The Group assesses ECL on exposures where there has not been a significant increase in credit risk since initial recognition and that were not credit impaired upon origination. For these exposures, the Group recognises as a collective provision the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months. The Group does not conduct an individual assessment of exposures in Stage 1 as there is no evidence of one or more events occurring that would have a detrimental impact on estimated future cash flows.

Stage 2: Lifetime ECL – not credit impaired

The Group collectively assesses ECL on exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired. For these exposures, the Group recognises as a collective provision, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset). Similar to Stage 1, the Group does not conduct an individual assessment on Stage 2 exposures as the increase in credit risk is not, of itself, an event that could have a detrimental impact on future cash flows.

Stage 3: Lifetime ECL – credit impaired

The Group identifies, both collectively and individually, ECL on those exposures that are assessed as credit impaired based on whether one or more events, that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised as a collective or specific provision, and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Determining the stage for impairment

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for impairment losses reverts from lifetime ECL to 12-months ECL. Exposures that have not deteriorated significantly since origination are considered to have a low credit risk. The provision for impairment losses for these financial assets is based on a 12-months ECL. When an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the income statement.

The Group assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, class of borrowers, credit risk ratings, date of initial recognition, remaining term to maturity, industry and other relevant factors.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Measurement of ECL

ECL are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses is a portion of the life-time expected credit losses and represents the lifetime cash shortfalls that will result if default occurs within 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.

For further details on how the Group calculates ECL including the use of forward looking information, refer to the Credit quality of financial assets in Note 37.4 Financial risk management.

ECL is recognised using a provision for impairment losses in Statement of Profit and Loss. In the case of debt instruments measured at Fair Value through Other Comprehensive Income, the measurement of ECL is based on the three-stage approach as applied to financial assets at amortised cost. The Group recognises the provision charge in profit and loss, with the corresponding amount recognised in other comprehensive income, with no reduction in the carrying amount of the asset in the Balance Sheet.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

g) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL and Interest income is recognised in Statement of Profit and Loss.

h) Reclassification of Financial Assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

B. Financial Liabilities and Equity Instruments

a) Classification as Debt or Equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of a Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of directly attributable transaction costs.

c) Financial Liabilities

Financial liabilities are classified as measured at amortised cost or 'FVTPL'.

A Financial Liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

d) Other Financial Liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

e) Derecognition of Financial Liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.16 Hedge Accounting

The Company uses derivative instruments to manage exposures to interest rate and foreign currency risks.

The hedging transactions entered into by the Company is within the overall scope of the Derivative Policy and within the Risk Management framework of the Company as approved by the Board from time to time and for the risks identified to be hedged in accordance with the same policies. All derivative contracts are recognised on the Balance Sheet and measured at fair value. Hedge accounting is applied to all the derivative instruments as per Ind AS 109. Hedge effectiveness is ascertained periodically on a forward looking basis and is reviewed at each reporting period. Hedge effectiveness is measured by the degree to which changes in the fair value or cash flows of the hedged item that are attributed to the hedged risk are offset by changes in the fair value or cashflows of the hedging instrument.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

Fair Value Hedges

Fair value hedge is a hedge of the exposure to changes in fair value of a recognized asset or liability or unrecognized commitment, or a component of any such item, that is attributable to a particular risk and could affect profit or loss. The cumulative change in the fair value of a hedging derivative is recognised in the Statement of Profit and Loss in net gain on fair value changes. Meanwhile, the cumulative change in the fair value of the hedged item is recorded as part of the carrying value of the hedged item in the Balance Sheet and is also recognized as net gain on fair value changes in the Statement of Profit and Loss. The Company classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationship is fixed rate debt issued and other borrowed funds. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Company discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the Statement of Profit and Loss.

Cash Flow Hedges

Cash flow hedge is a hedge of the exposure to variability in the cash flows of a specific asset or liability, or of a forecasted transaction, that is attributable to a particular risk. It is possible to only hedge the risks associated with a portion of an asset, liability, or forecasted transaction, as long as the effectiveness of the related hedge can be measured. The accounting for a cash flow hedge will be to recognize the effective portion of any gain or loss in Other Comprehensive Income (OCI), and recognize the ineffective portion of any gain or loss in Finance cost in the Statement of Profit and Loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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.

2.16 Cash and Cash Equivalent

Cash and cash equivalent in Balance Sheet comprise of cash at bank, cash and cheques on hand and short-term deposits with an original maturity of three months or less which are subject to insignificant risk of changes in value.

2.17 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events including a bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares divided by weighted average no of equity shares year which are adjusted for the effects of all dilutive potential equity shares.

2.18 Statement of Cash Flow

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities are segregated based on the activities of the Group.

2.19 Commitments

Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows:

i. The estimated amount of contracts remaining to be executed on capital account and not provided for; and

ii. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

2.20 Segment Reporting

The Group is in the business of providing loans for purchase, construction, repairs renovation etc. having similar economic characteristics, primarily with operations in India and regularly reviewed for assessment of Group's performance and resource allocation.

3. KEY ESTIMATES AND JUDGEMENTS:

The preparation of the financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Revisions to accounting estimates are recognised prospectively. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

3.1 Determination of Expected Credit Loss ("ECL")

The measurement of impairment losses (ECL) across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows based on Group's historical experience and collateral values when determining impairment losses along with the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

Elements of the ECL models that are considered accounting judgements and estimates include:

- Bifurcation of the financial assets into different portfolios when ECL is assessed on collective basis.
- Group's criteria for assessing if there has been a significant increase in credit risk.
- Development of ECL models, including choice of inputs / assumptions used.

The various inputs used and process followed by the Group in measurement of ECL has been detailed in Note 40.4.2.4.

3.2 Fair Value Measurements

In case of financial assets and financial liabilities recorded or disclosed in financial statements the Group uses the quoted prices in active markets for identical assets or

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

based on inputs which are observable either directly or indirectly for determining the fair value. However in certain cases, the Group adopts valuation techniques and inputs which are not based on market data. When Market observable information is not available, the Group has applied appropriate valuation techniques and inputs to the valuation model.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Information about the valuation techniques and inputs used in determining the fair value of Investments are disclosed in Note 40.3.

3.3 Income Taxes

The Group's tax jurisdiction is in India. Significant judgements are involved in determining the provision for direct and indirect taxes, including amount expected to be paid/recovered for certain tax positions.

3.4 Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the solely payments of principal and interest on the principal amount outstanding ("SPPI") and the business model test. The Group determines the business model at a level that reflects how the Group's financial instruments are managed together to achieve a particular business objective.

The Group monitors financial assets measured at amortised cost or Fair Value through Other Comprehensive Income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

3.5 Provisions and Liabilities

Provisions and liabilities are recognised in the period when they become probable that there will be an outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires judgment to existing facts and circumstances which may be subject to change.

4. RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 5
CASH AND CASH EQUIVALENTS

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Cash on hand	1.38	6.63
(ii) Balances with Banks*	1,285.72	2,471.30
(iii) Cheques, drafts on hand	82.20	324.92
Total	**1,369.30**	**2,802.85**

* Balances with Banks includes EMD amount of ₹ 0.40 crore (FY 2018-19 ₹ 0.16 crore)

NOTE 6
BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Earmarked balances with banks*	7.85	7.97
(ii) Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments**	659.77	242.31
Total	**667.62**	**250.28**

* Balance with Banks includes unclaimed dividend of ₹ 7.85 crore (FY 2018-19 ₹ 7.97 crore)

** Fixed Deposits with Banks includes earmarked deposits created in favour of trustees for depositors towards maintaining Statutory Liquid Ratio amounting to ₹ 196.50 crore (FY 2018-19 ₹ 177.25 crore); ₹ 8.14 crore (FY 2018-19 ₹ 7.89 crore) created for excess sale proceeds recovered under SARFAESI Act 2002. Fixed deposit placed with banks earns interest at fixed rate.

NOTE 7
DERIVATIVE FINANCIAL INSTRUMENTS

(₹ in crore)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Notional Amount	Fair Value - Assets	Fair Value - Liabilities	Notional Amount	Fair Value - Assets	Fair Value - Liabilities
Part I						
I. Currency Derivatives						
i) Forwards	-	-	-	-	-	-
ii) Currency Swaps (interest/ Principal/ both)	1,425.73	48.62	-	-	-	-
II. Interest Rate Derivatives						
i) Interest Rate Swaps	396.00	31.86	22.90	396.00	26.98	25.79
TOTAL (I)	**1,821.73**	**80.48**	**22.90**	**396.00**	**26.98**	**25.79**
Part II						
i) Fair Value Hedge						
- Currency Derivatives	-	-	-	-	-	-
- Interest Rate derivatives	396.00	31.86	22.90	396.00	26.98	25.79
ii) Cash Flow Hedge						
- Currency Derivatives	1,425.73	48.62	-	-	-	-
- Interest Rate derivatives	-	-	-	-	-	-
TOTAL (II)	**1,821.73**	**80.48**	**22.90**	**396.00**	**26.98**	**25.79**

NOTE 8
RECEIVABLES:

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(I) Trade Receivables		
(i) Secured, considered good	9.92	10.20
(ii) Unsecured, considered good	11.88	1.79
(iii) Allowance for Impairment Loss	-	-
(iv) Debts due by directors or other officers of the NBFC or any of them either severally or jointly with any other person or debts due by firms including limited liability partnerships (LLPs), private companies respectively in which any director is a partner or a director or a member	-	-
Total	**21.80**	**11.99**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 9
LOANS - AT AMORTISED COST

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(A)		
(i) Term Loans *		
- Individual	1,61,791.83	1,48,042.11
- Others	34,498.04	33,486.19
- Corporate Bodies/ Builders	14,237.42	13,077.15
(ii) Others		
- Loans to staff	6.15	4.86
- Loans against Public Deposit	15.43	1.01
- Finance Lease Receivables	38.09	38.82
Total - Gross (A)	**2,10,586.96**	**1,94,650.14**
Less: Impairment Loss Allowance (Expected Credit Loss)	2,612.45	1,659.48
Total - Net (A)	**2,07,974.51**	**1,92,990.66**
(B)		
(i) Secured by tangible assets	2,09,656.91	1,93,935.86
(ii) Secured by intangible assets	630.59	277.42
(iii) Unsecured	299.46	436.86
Total - Gross (B)	**2,10,586.96**	**1,94,650.14**
Less: Impairment Loss Allowance (Expected Credit Loss)	2,612.45	1,659.48
Total - Net (B)	**2,07,974.51**	**1,92,990.66**
(C)		
(i) Loans in India		
Individual	1,61,851.50	1,48,086.80
Commercial Real Estate Sector	14,133.76	13,858.44
Commercial Real Estate Sector- Others	20,364.28	19,627.75
Builder Loans	9,870.52	9,633.47
Corporate Loans	3,736.31	3,169.01
Other Housing Finance Companies	630.59	274.67
Total - Gross (C) (i)	**2,10,586.96**	**1,94,650.14**
Less: Impairment Loss Allowance (Expected Credit Loss)	2,612.45	1,659.48
Total - Net (C) (i)	**2,07,974.51**	**1,92,990.66**
(ii) Loans outside India	-	-
Less: Impairment Loss Allowance (Expected Credit Loss)	-	-
Total - Net (C) (ii)	**-**	**-**
Total (C) (i+ii)	**2,07,974.51**	**1,92,990.66**

* Loans including interest and installment outstanding due from directors amounts to ₹ Nil (FY 2018-19 ₹ 0.04 crore) and other related parties ₹ 0.55 crore (FY 2018-19 ₹ 0.48 crore)

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

a) Equitable / Registered Mortgage of Property.

b) Assignment of Life Insurance Policies, NSC, KVP, FD of Nationalized Bank.

c) Assignment of Lease Rent Receivables.

d) Company Guarantees or Personal Guarantees.

e) Negative lien.

f) Undertaking to create a security.

g) Loans to employees other than for Housing are secured by lien over Provident Fund balances and / or Hypothecation of Vehicles.

Loan Portfolio includes loans amounting to ₹ 440.78 crore (FY 2018-19 ₹ 201.17 crore) against which the company has taken possession of the properties under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and held such properties for disposal. The value of assets possessed against the loan is ₹ 425.66 crore (FY 2018-19 ₹ 106.59 crore), being lower of the Fair Value of the asset possessed and the outstanding as at March 31, 2020.

For detail disclosures relating to Credit Risk, Impairment Losses, Movement of Impairment Losses refer Note No - 40.4.2 of Consolidated Financial Statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 10
INVESTMENTS

(₹ in crore)

Particulars	As at March 31, 2020				As at March 31, 2019			
	Amortised cost	Deemed Cost	At Fair Value Through profit or loss	Total	Amortised cost	Deemed Cost	At Fair Value Through profit or loss	Total
Mutual Funds	-	-	3,595.45	3,595.45	-	-	2,294.15	2,294.15
Government Securities*	1,814.63	-	-	1,814.63	1,248.13	-	-	1,248.13
Equity Instruments	-	-	-	-	-	-	1.10	1.10
Associates*	-	52.97	-	52.97	-	52.45	-	52.45
Real Estate Venture Fund	-	-	30.85	30.85	-	-	31.51	31.51
Total - Gross (A)	**1,814.63**	**52.97**	**3,626.30**	**5,493.90**	**1,248.13**	**52.45**	**2,326.76**	**3,627.34**
(i) Investments outside India	-	-	-	-	-	-	-	-
(ii) Investments in India	1,814.63	52.97	3,626.30	5,493.90	1,248.13	52.45	2,326.76	3,627.34
Total (B)	**1,814.63**	**52.97**	**3,626.30**	**5,493.90**	**1,248.13**	**52.45**	**2,326.76**	**3,627.34**
Less: Allowance for Impairment loss (Expected Credit Loss) (C)	-	-	(9.17)	(9.17)	-	-	(10.00)	(10.00)
Total – Net (D)= (A)-(C)	**1,814.63**	**52.97**	**3,617.13**	**5,484.73**	**1,248.13**	**52.45**	**2,316.76**	**3,617.34**

* The Company has not recognised any provision under Expected Credit Loss on Investments made in Government Securities, Subsidiaries & Associates.

Investment in Associates	(₹ in crore)
Opening Carrying amount of Investment (LIC MF Asset Management) as on 01.04.2019	**52.40**
Add: Carrying amount of additional share of Investments	-
Add: Share of profit during the year	0.50
Add: Goodwill on acquisition of shares of Associates	-
Closing Carrying amount of Investment (LIC MF Asset Management) as on 31.03.2020	**52.90**
Opening Carrying amount of Investment (LIC MF Trustee) as on 01.04.2019	**0.05**
Add: Carrying amount of additional share of Investments	-
Add: Share of profit during the year	0.02
Less: Capital Reserve on acquisition of shares of Associates	-
Closing Carrying amount of Investment (LIC MF Trustee) as on 31.03.2020	**0.07**

(₹ in crore)

Investments carried at Fair value through Profit & Loss Account	No. of Units as at		as at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Other investments-Unquoted, Fully paid up				
(i) Real Estate Venture Fund:**				
CIG Realty Fund - 1 (Face Value ₹ 10/- each)	91,71,429	97,14,286	9.17	9.71
Less: Provision for Diminution			9.17	10.00
			-	**(0.29)**
Other investments-Unquoted, Partly paid up				
(i) Real Estate Venture Fund:**				
LICHFL Urban Development Fund (Face Value ₹ 10,000/- each)	50,000	50,000	18.86	19.36
LICHFL Housing and Infrastructure Fund (Face Value ₹ 100/- each)	1,98,476	1,54,309	2.82	2.44
			21.68	**21.80**

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 11
OTHER FINANCIAL ASSETS

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Interest accrued but not due on Fixed Deposits with Banks	5.54	0.01
(ii) Deposits	12.74	11.57
(iii) Other Deposits	0.80	0.69
(iv) Dues from Associates	0.51	0.56
(v) Other dues from Staff	1.91	1.55
(vi) Fees Receivable	2.40	2.22
(vii) Unbilled Revenue	0.02	0.37
Total	**23.92**	**16.97**

NOTE 12
CURRENT TAX ASSETS (NET)

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Provision under Income Tax	289.53	111.14
(ii) Tax Paid under Protest	70.52	70.52
Total	**360.05**	**181.66**

NOTE 13
DEFERRED TAX ASSETS (NET)

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Deferred Tax Assets	2,055.68	2,091.11
(ii) Deferred Tax Liabilities	(1,529.40)	(1,529.40)
Total	**526.28**	**561.71**

NOTE 14.1
PROPERTY, PLANT & EQUIPMENT

The changes in carrying value of the Property, Plant & Equipment for the year ended March 31, 2020 are as follows:-

(₹ in crore)

Particulars	Freehold Land	Leasehold Land	Building	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross carrying value as of April 1, 2019	**28.87**	**1.72**	**109.89**	**10.70**	**8.33**	**0.38**	**4.42**	**18.36**	**182.67**
Additions	-	-	7.01	0.92	0.89	0.20	1.40	3.27	13.70
(Deductions)	-	-	-	(0.00)	(0.01)	(0.01)	(0.09)	(0.01)	(0.12)
Gross carrying value as of March 31, 2020	**28.87**	**1.72**	**116.90**	**11.62**	**9.21**	**0.57**	**5.73**	**21.62**	**196.25**
Accumulated Depreciation as of April 1, 2019	**-**	**0.04**	**3.01**	**2.61**	**1.87**	**0.18**	**1.49**	**8.53**	**17.72**
Depreciation	-	0.02	1.56	2.38	1.30	0.10	1.18	4.82	11.37
(Accumulated Depreciation on Deductions)	-	-	-	-	(0.01)	-	(0.08)	(0.01)	(0.10)
Accumulated Depreciation as of March 31, 2020	**-**	**0.06**	**4.57**	**4.99**	**3.16**	**0.28**	**2.59**	**13.34**	**28.99**
Carrying Value as of March 31, 2020	**28.87**	**1.66**	**112.33**	**6.63**	**6.05**	**0.29**	**3.14**	**8.28**	**167.26**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The changes in carrying value of the Property, Plant & Equipment for the year ended March 31, 2019 are as follows:-

(₹ in crore)

Particulars	Freehold Land	Leasehold Land	Building	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross Carrying Value as of April 1, 2018	**27.90**	**1.72**	**77.08**	**6.44**	**4.88**	**0.22**	**3.23**	**12.84**	**134.31**
Additions	-	-	33.78	4.33	3.47	0.16	1.25	5.54	48.53
(Deductions)	-	-	-	(0.07)	(0.02)	-	(0.06)	-	(0.15)
Gross carrying value as of March 31, 2019	**27.90**	**1.72**	**110.86**	**10.84**	**8.37**	**0.38**	**4.54**	**18.38**	**182.69**
Accumulated Depreciation as of April 1, 2018	**-**	**0.02**	**1.32**	**0.72**	**0.68**	**0.10**	**0.54**	**4.11**	**7.49**
Depreciation	-	0.02	1.68	1.92	1.19	0.08	0.97	4.43	10.29
(Accumulated Depreciation on Deductions)	-	-	-	(0.03)	-	-	(0.02)	-	(0.05)
Accumulated Depreciation as of March 31, 2019	**-**	**0.04**	**3.00**	**2.67**	**1.87**	**0.18**	**1.53**	**8.54**	**17.73**
Carrying Value as of March 31, 2019	**27.90**	**1.68**	**107.86**	**8.17**	**6.50**	**0.20**	**3.01**	**9.85**	**164.96**

NOTE 14.2
OTHER INTANGIBLE ASSETS

The changes in carrying value of the Intangible Assets for the year ended March 31, 2020 are as follows :-

(₹ in crore)

Particulars	Software License	Total
Gross Carrying Value as of April 1, 2019	**6.36**	**6.36**
Additions	0.31	0.31
(Deductions)	(0.03)	(0.03)
Gross Carrying Value as of March 31, 2020	**6.64**	**6.64**
Accumulated Depreciation as of April 1, 2019	**3.45**	**3.45**
Depreciation for the year	1.20	1.20
(Accumulated Depreciation on Deductions)	(0.01)	(0.01)
Accumulated Depreciation as of March 31, 2020	**4.64**	**4.64**
Carrying Value as of March 31, 2020	**2.01**	**2.01**

The changes in carrying value of the Intangible Assets for the year ended March 31, 2019 are as follows :-

(₹ in crore)

Particulars	Software License	Total
Gross Carrying Value as of April 1, 2018	**4.23**	**4.23**
Additions	2.13	2.13
(Deductions)	-	-
Gross Carrying Value as of March 31, 2019	**6.36**	**6.36**
Accumulated Depreciation as of April 1, 2018	**1.81**	**1.81**
Depreciation for the year	1.63	1.63
(Accumulated Depreciation on Deductions)	-	-
Accumulated Depreciation as of March 31, 2019	**3.45**	**3.45**
Carrying Value as of March 31, 2019	**2.91**	**2.91**

NOTE 14.3
CAPITAL WORK IN PROGRESS

The changes in carrying value of Capital Work in Progress for the year ended March 31, 2020 are as follows :-

(₹ in crore)

Particulars	Capital Work in Progress	Total
Gross Carrying Value as of April 1, 2019	**2.19**	**2.19**
Additions	0.73	0.73
(Deductions)	-	-
Gross Carrying Value as of March 31, 2020	**2.92**	**2.92**
Accumulated Depreciation as of April 1, 2019	**-**	**-**
Depreciation for the year	-	-
(Accumulated Depreciation on Deductions)	-	-
Accumulated Depreciation as of March 31, 2020	**-**	**-**
Carrying Value as of March 31, 2020	**2.92**	**2.92**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The changes in carrying value of Capital Work in Progress for the year ended March 31, 2019 are as follows :-

(₹ in crore)

Particulars	Capital Work in Progress	Total
Gross Carrying Value as of April 1, 2018	**2.74**	**2.74**
Additions	0.03	0.03
(Deductions)	(0.58)	(0.58)
Gross Carrying Value as of March 31, 2019	**2.19**	**2.19**
Accumulated Depreciation as of April 1, 2018	**-**	**-**
Depreciation for the year	-	-
(Accumulated Depreciation on Deductions)	-	-
Accumulated Depreciation as of March 31, 2019	**-**	**-**
Carrying Value as of March 31, 2019	**2.19**	**2.19**

NOTE 14.4
RIGHT OF USE ASSETS

The changes in carrying value of the Right of Use Assets for the year ended March 31, 2020 :-

(₹ in crore)

Particulars	Right of Use Asset
Opening Value of Right of Use Asset as of April 1, 2019 due to initial recognition as per Ind AS 116	**103.85**
Additions	59.66
(Disposals)	(3.23)
Gross Carrying Value as of March 31,2020	**160.28**
Accumulated Depreciation as of April 1,2019	**-**
Depreciation for the year	38.54
(Accumulated Depreciation on Disposals)	(3.21)
Accumulated Depreciation as of March 31,2020	**35.33**
Carrying Value as of March 31, 2020	**124.95**

NOTE 15
OTHER NON -FINANCIAL ASSETS

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Capital Advances	2.62	1.72
(ii) Statutory Dues	75.14	48.16
(iii) Prepaid Expenses	33.32	25.70
(iv) Sundry Advances	2.55	1.06
(v) Others	0.07	0.07
Total	**113.70**	**76.71**

NOTE 16
PAYABLES

(₹ in crore)

Trade Payables	As at March 31, 2020	As at March 31, 2019
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	30.63	74.90
Total	**30.63**	**74.90**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Other Payables		As at March 31, 2020	As at March 31, 2019
(i)	Total outstanding dues of micro enterprises and small enterprises	-	-
(ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Total		**-**	**-**

NOTE 17
DEBT SECURITIES - AT AMORTISED COST

(₹ in crore)

Particulars		As at March 31, 2020	As at March 31, 2019
(1)	**SECURED:**		
	Non Convertible Debentures (Refer Note 17.1)	1,20,413.62	1,18,860.06
	Zero Coupon Debentures (Refer Note 17.2)	4,044.50	8,615.50
(2)	**UNSECURED:**		
	Commercial Paper (Refer Note 17.3)	7,624.14	7,140.11
Total (A) (1+2)		**1,32,082.26**	**1,34,615.67**
Debt securities in India		1,32,082.26	1,34,615.67
Debt securities outside India		-	-
Total (B)		**1,32,082.26**	**1,34,615.67**

NOTE 17.1

Secured by a negative lien on the assets of the Company (excluding current and future receivables and book-debt of whatsoever nature of the Company on which a first pari-pasu floating charge by way of hypothecation to secure the borrowings of the company outstanding as on March 31, 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on March 31, 2015), with a minimum asset cover of 100%. Further the Company shall be entitled to dispose off, transact or otherwise deal, in the ordinary course of business upto 5% of the Specific Assets, including by way of a securitization transaction and as may be required under any law, regulations, guidelines or rules. In addition to above the Debentures would be secured by mortgage on an Immovable Property owned by the Company valuing approx ₹ 0.72 crore (Book Value ₹ 0.13 crore).

The Details of Non Convertible Redeemable Debentures (NCD) are as under:-

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2020
11200 NCD's of ₹ 1000000/- each	28-Jan-30	7.9700%	-	1,119.40
25000 NCD's of ₹ 1000000/- each	12-Jul-29	7.9900%	12-Jul-21	2,500.00
34000 NCD's of ₹ 1000000/- each	23-Mar-29	8.7000%	-	3,400.00
13650 NCD's of ₹ 1000000/- each	25-Jan-29	8.8000%	-	1,365.00
16060 NCD's of ₹ 1000000/- each	8-Dec-28	8.7500%	-	1,606.00
2749 NCD's of ₹ 1000000/- each	17-Nov-28	8.9700%	-	274.90
9120 NCD's of ₹ 1000000/- each	10-Oct-28	9.0800%	-	912.00
6305 NCD's of ₹ 1000000/- each	24-Sep-28	9.1000%	-	630.50
14770 NCD's of ₹ 1000000/- each	29-Jan-28	7.9500%	27-Aug-21	1,477.00
5300 NCD's of ₹ 1000000/- each	23-Nov-27	7.7500%	-	530.00
5000 NCD's of ₹ 1000000/- each	14-Jul-27	7.5600%	-	500.00
7000 NCD's of ₹ 1000000/- each	17-May-27	7.8600%	-	700.00
6000 NCD's of ₹ 1000000/- each	26-Mar-27	7.9500%	-	600.00
10000 NCD's of ₹ 1000000/- each	16-Dec-26	7.1600%	-	1,000.00
10000 NCD's of ₹ 1000000/- each	23-Oct-26	7.4800%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	25-Sep-26	7.8300%	26-Nov-20	500.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2020
2000 NCD's of ₹ 1000000/- each	18-Aug-26	7.9000%	-	200.00
4724 NCD's of ₹ 1000000/- each	10-Jul-26	8.4300%	-	472.40
5000 NCD's of ₹ 1000000/- each	29-Jun-26	8.4800%	-	500.00
3488 NCD's of ₹ 1000000/- each	29-Jun-26	8.4800%	-	348.80
3570 NCD's of ₹ 1000000/- each	15-Jun-26	8.4700%	-	357.00
4950 NCD's of ₹ 1000000/- each	10-Jun-26	8.4700%	-	495.00
5100 NCD's of ₹ 1000000/- each	22-May-26	8.4500%	-	510.00
3000 NCD's of ₹ 1000000/- each	27-Apr-26	8.3200%	-	300.00
10000 NCD's of ₹ 1000000/- each	3-Mar-26	8.5700%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	26-Feb-26	8.5300%	-	500.00
7500 NCD's of ₹ 1000000/- each	28-Jan-26	8.4200%	-	750.00
7500 NCD's of ₹ 1000000/- each	28-Jan-26	8.4300%	-	750.00
15224 NCD's of ₹ 1000000/- each	24-Dec-25	8.7000%	-	1,522.40
10000 NCD's of ₹ 1000000/- each	12-Dec-25	8.4000%	-	1,000.00
10000 NCD's of ₹ 1000000/- each	13-Nov-25	8.2000%	-	1,000.00
3810 NCD's of ₹ 1000000/- each	23-Oct-25	8.2500%	-	381.00
2100 NCD's of ₹ 1000000/- each	8-Oct-25	8.3400%	-	210.00
3000 NCD's of ₹ 1000000/- each	29-Aug-25	8.5000%	-	300.00
2000 NCD's of ₹ 1000000/- each	29-Aug-25	8.4800%	24-Dec-20	200.00
5000 NCD's of ₹ 1000000/- each	14-Aug-25	8.5500%	-	500.00
3000 NCD's of ₹ 1000000/- each	1-Aug-25	8.5800%	-	300.00
1950 NCD's of ₹ 1000000/- each	18-Jul-25	8.5700%	-	195.00
2050 NCD's of ₹ 1000000/- each	4-Jun-25	8.5000%	-	205.00
10000 NCD's of ₹ 1000000/- each	29-May-25	8.5500%	-	1,000.00
10000 NCD's of ₹ 1000000/- each	31-Mar-25	8.2200%	-	1,000.00
4250 NCD's of ₹ 1000000/- each	3-Mar-25	8.5200%	-	425.00
6000 NCD's of ₹ 1000000/- each	24-Feb-25	8.5000%	-	600.00
15100 NCD's of ₹ 1000000/- each	12-Feb-25	7.3300%	-	1,509.18
100 NCD's of ₹ 1000000/- each	30-Jan-25	8.4000%	-	10.00
10000 NCD's of ₹ 1000000/- each	8-Jan-25	8.6100%	-	1,000.00
27000 NCD's of ₹ 1000000/- each	18-Oct-24	7.7900%	-	2,699.32
5000 NCD's of ₹ 1000000/- each	16-Oct-24	9.2200%	-	500.00
6500 NCD's of ₹ 1000000/- each	30-Sep-24	9.2400%	-	650.00
10000 NCD's of ₹ 1000000/- each	6-Sep-24	7.4000%	-	1,000.00
7700 NCD's of ₹ 1000000/- each	29-Aug-24	7.7800%	-	770.00
5000 NCD's of ₹ 1000000/- each	25-Aug-24	9.4700%	-	500.00
10000 NCD's of ₹ 1000000/- each	25-Aug-24	9.3900%	-	1,000.00
14550 NCD's of ₹ 1000000/- each	23-Jul-24	7.7500%	-	1,454.45
6050 NCD's of ₹ 1000000/- each	5-Jul-24	9.2900%	-	605.00
16740 NCD's of ₹ 1000000/- each	31-May-24	8.3300%	-	1,674.00
2500 NCD's of ₹ 1000000/- each	8-May-24	7.9000%	-	250.00
10000 NCD's of ₹ 1000000/- each	19-Mar-24	9.8000%	-	1,000.00
3150 NCD's of ₹ 1000000/- each	5-Mar-24	8.7900%	-	315.00
15000 NCD's of ₹ 1000000/- each *	5-Mar-24	8.7900%	-	1,499.36
1373 NCD's of ₹ 1000000/- each	8-Feb-24	8.5800%	-	137.30
10000 NCD's of ₹ 1000000/- each	22-Dec-23	7.2500%	-	1,000.00
7750 NCD's of ₹ 1000000/- each	8-Dec-23	8.7500%	-	775.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2020
4480 NCD's of ₹ 1000000/- each	17-Oct-23	9.0800%	-	448.00
2000 NCD's of ₹ 1000000/- each	19-Sep-23	7.8600%	-	200.00
2720 NCD's of ₹ 1000000/- each	9-Jun-23	8.4800%	-	272.00
16630 NCD's of ₹ 1000000/- each	6-Jun-23	9.1900%	-	1,663.00
9000 NCD's of ₹ 1000000/- each	21-May-23	8.3700%	-	900.00
5000 NCD's of ₹ 1000000/- each	25-Apr-23	8.8900%	-	500.00
5250 NCD's of ₹ 1000000/- each	9-Apr-23	9.0000%	-	525.00
5000 NCD's of ₹ 1000000/- each	12-Mar-23	9.1300%	-	500.00
32500 NCD's of ₹ 1000000/- each	10-Feb-23	7.4500%	-	3,249.23
4900 NCD's of ₹ 1000000/- each	19-Jan-23	8.5800%	-	490.00
9100 NCD's of ₹ 1000000/- each	13-Jan-23	7.4450%	-	909.71
7500 NCD's of ₹ 1000000/- each	1-Jan-23	9.2500%	-	750.00
5000 NCD's of ₹ 1000000/- each	17-Dec-22	9.3000%	-	500.00
12050 NCD's of ₹ 1000000/- each	16-Dec-22	7.8500%	-	1,205.00
2000 NCD's of ₹ 1000000/- each	13-Dec-22	9.2300%	-	200.00
3000 NCD's of ₹ 1000000/- each *	22-Nov-22	7.6000%	-	303.07
11650 NCD's of ₹ 1000000/- each	22-Nov-22	7.6000%	-	1,165.00
4000 NCD's of ₹ 1000000/- each	12-Nov-22	9.2500%	-	400.00
3350 NCD's of ₹ 1000000/- each	25-Oct-22	9.0500%	-	335.00
10000 NCD's of ₹ 1000000/- each	17-Oct-22	7.4500%	-	1,000.00
2500 NCD's of ₹ 1000000/- each *	23-Sep-22	7.8500%	-	254.01
12000 NCD's of ₹ 1000000/- each	23-Sep-22	7.8500%	-	1,200.00
5000 NCD's of ₹ 1000000/- each	14-Sep-22	9.3000%	-	500.00
10500 NCD's of ₹ 1000000/- each *	30-Aug-22	7.3900%	-	1,053.42
10000 NCD's of ₹ 1000000/- each	30-Aug-22	7.3900%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	24-Jul-22	9.3500%	-	500.00
11000 NCD's of ₹ 1000000/- each	15-Jul-22	7.4200%	-	1,100.00
20350 NCD's of ₹ 1000000/- each	20-Jun-22	8.5000%	-	2,035.00
5000 NCD's of ₹ 1000000/- each	10-Jun-22	7.4800%	-	500.00
3000 NCD's of ₹ 1000000/- each	23-May-22	7.7800%	-	300.00
2500 NCD's of ₹ 1000000/- each	3-May-22	7.8000%	-	250.00
6518 NCD's of ₹ 1000000/- each	19-Apr-22	8.6850%	-	651.80
5000 NCD's of ₹ 1000000/- each	24-Mar-22	7.9500%	-	500.00
4950 NCD's of ₹ 1000000/- each	24-Mar-22	9.1700%	-	495.00
2000 NCD's of ₹ 1000000/- each	10-Feb-22	9.4300%	-	200.00
3000 NCD's of ₹ 1000000/- each	30-Jan-22	9.4500%	-	300.00
25000 NCD's of ₹ 1000000/- each	14-Jan-22	8.5950%	-	2,500.00
5000 NCD's of ₹ 1000000/- each	13-Jan-22	7.5700%	-	500.00
19350 NCD's of ₹ 1000000/- each	28-Dec-21	7.0300%	-	1,934.89
7500 NCD's of ₹ 1000000/- each	19-Nov-21	7.2200%	-	749.84
2000 NCD's of ₹ 1000000/- each	11-Nov-21	9.9000%	-	200.00
1400 NCD's of ₹ 1000000/- each	21-Oct-21	7.6600%	-	140.00
3000 NCD's of ₹ 1000000/- each	19-Oct-21	7.8100%	-	300.00
4970 NCD's of ₹ 1000000/- each	14-Oct-21	7.5900%	-	497.00
5000 NCD's of ₹ 1000000/- each	19-Sep-21	9.4000%	-	500.00
16750 NCD's of ₹ 1000000/- each	17-Sep-21	8.2534%	-	1,675.00
2000 NCD's of ₹ 1000000/- each	27-Aug-21	7.7500%	-	200.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2020
15950 NCD's of ₹ 1000000/- each	23-Aug-21	7.2400%	-	1,594.78
5000 NCD's of ₹ 1000000/- each	29-Jul-21	7.6700%	-	500.00
1050 NCD's of ₹ 1000000/- each	27-Jul-21	8.1900%	-	105.00
5000 NCD's of ₹ 1000000/- each	15-Jul-21	8.3000%	-	500.00
3400 NCD's of ₹ 1000000/- each	13-Jul-21	6.5700%	-	339.97
4350 NCD's of ₹ 1000000/- each	7-Jul-21	8.4700%	-	435.00
5000 NCD's of ₹ 1000000/- each	7-Jun-21	9.8000%	-	500.00
5010 NCD's of ₹ 1000000/- each	4-Jun-21	6.9500%	-	500.89
2500 NCD's of ₹ 1000000/- each	21-May-21	8.4500%	-	250.00
5000 NCD's of ₹ 1000000/- each	11-May-21	9.4000%	-	500.00
5050 NCD's of ₹ 1000000/- each	10-May-21	8.3700%	-	505.00
6000 NCD's of ₹ 1000000/- each	8-Mar-21	8.7500%	-	600.00
2500 NCD's of ₹ 1000000/- each	7-Mar-21	9.6000%	-	250.00
3670 NCD's of ₹ 1000000/- each	26-Feb-21	8.6000%	-	367.00
12500 NCD's of ₹ 1000000/- each	18-Feb-21	7.5700%	-	1,250.00
7500 NCD's of ₹ 1000000/- each	12-Feb-21	8.7500%	-	750.00
3270 NCD's of ₹ 1000000/- each	28-Jan-21	7.8800%	-	327.00
10000 NCD's of ₹ 1000000/- each	18-Jan-21	9.0000%	-	1,000.00
3500 NCD's of ₹ 1000000/- each	5-Jan-21	8.5000%	-	350.00
1500 NCD's of ₹ 1000000/- each	5-Jan-21	8.5000%	-	150.00
1070 NCD's of ₹ 1000000/- each	4-Jan-21	9.3500%	-	107.00
4560 NCD's of ₹ 1000000/- each	28-Dec-20	8.6000%	-	456.00
25000 NCD's of ₹ 1000000/- each	24-Dec-20	8.8000%	-	2,500.00
7500 NCD's of ₹ 1000000/- each	21-Dec-20	8.7500%	-	750.00
32000 NCD's of ₹ 1000000/- each	3-Dec-20	9.0200%	-	3,200.00
3660 NCD's of ₹ 1000000/- each	23-Nov-20	9.0000%	-	366.00
3500 NCD's of ₹ 1000000/- each	17-Nov-20	7.6500%	-	350.00
6500 NCD's of ₹ 1000000/- each	23-Oct-20	8.3500%	-	650.00
4650 NCD's of ₹ 1000000/- each	13-Oct-20	8.8800%	-	465.00
5000 NCD's of ₹ 1000000/- each	12-Oct-20	8.1400%	-	500.00
2000 NCD's of ₹ 1000000/- each	7-Oct-20	7.5400%	-	200.00
4400 NCD's of ₹ 1000000/- each	24-Sep-20	8.5250%	-	440.00
5550 NCD's of ₹ 1000000/- each	24-Sep-20	9.2500%	-	555.00
2050 NCD's of ₹ 1000000/- each	15-Sep-20	8.6500%	-	205.00
5030 NCD's of ₹ 1000000/- each	15-Sep-20	8.6500%	-	503.00
10000 NCD's of ₹ 1000000/- each	25-Aug-20	8.6700%	-	1,000.00
2500 NCD's of ₹ 1000000/- each	18-Aug-20	7.4000%	-	250.00
2500 NCD's of ₹ 1000000/- each	14-Aug-20	7.4000%	-	250.00
6300 NCD's of ₹ 1000000/- each	10-Aug-20	8.9000%	-	630.00
7500 NCD's of ₹ 1000000/- each	29-Jul-20	8.6000%	-	750.00
6050 NCD's of ₹ 1000000/- each	22-Jul-20	8.6000%	-	605.00
3000 NCD's of ₹ 1000000/- each	13-Jul-20	7.4700%	-	300.00
7500 NCD's of ₹ 1000000/- each	13-Jul-20	8.4000%	-	750.00
5000 NCD's of ₹ 1000000/- each	24-Jun-20	7.7800%	-	500.00
2000 NCD's of ₹ 1000000/- each	19-Jun-20	7.7900%	-	200.00
20000 NCD's of ₹ 1000000/- each	19-Jun-20	9.1106%	-	2,000.00
5000 NCD's of ₹ 1000000/- each	11-Jun-20	7.5850%	-	500.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2020
5000 NCD's of ₹ 1000000/- each	5-Jun-20	7.7400%	-	500.00
2960 NCD's of ₹ 1000000/- each	31-May-20	8.6000%	-	296.00
7000 NCD's of ₹ 1000000/- each	22-May-20	7.7000%	-	700.00
4000 NCD's of ₹ 1000000/- each	15-May-20	7.9800%	-	400.00
3500 NCD's of ₹ 1000000/- each	11-May-20	7.5200%	-	350.00
3000 NCD's of ₹ 1000000/- each	28-Apr-20	8.4900%	-	300.00
5000 NCD's of ₹ 1000000/- each	27-Apr-20	7.8130%	-	500.00
5750 NCD's of ₹ 1000000/- each	24-Apr-20	7.2000%	-	575.00
TOTAL				**1,20,413.62**

* Reissue premium (₹ 11.01Crs.)/ discount (₹ 0.64 Crs.).

Transactions of amount ₹ 15550 crore are with related party.

The Details of Non Convertible Redeemable Debentures (NCD) are as under:-

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2019
34000 NCD's of ₹ 1000000/- each	23-Mar-29	8.7000%	-	3,400.00
13650 NCD's of ₹ 1000000/- each	25-Jan-29	8.8000%	-	1,365.00
16060 NCD's of ₹ 1000000/- each	8-Dec-28	8.7500%	-	1,606.00
2749 NCD's of ₹ 1000000/- each	17-Nov-28	8.9700%	-	274.90
9120 NCD's of ₹ 1000000/- each	10-Oct-28	9.0800%	-	912.00
6305 NCD's of ₹ 1000000/- each	24-Sep-28	9.1000%	-	630.50
14770 NCD's of ₹ 1000000/- each	29-Jan-28	7.9500%	-	1,477.00
2500 NCD's of ₹ 1000000/- each	22-Jan-28	7.9000%	22-Aug-19	250.00
5300 NCD's of ₹ 1000000/- each	23-Nov-27	7.7500%	-	530.00
5000 NCD's of ₹ 1000000/- each	14-Jul-27	7.5600%	-	500.00
7000 NCD's of ₹ 1000000/- each	17-May-27	7.8600%	-	700.00
6000 NCD's of ₹ 1000000/- each	26-Mar-27	7.9500%	-	600.00
10000 NCD's of ₹ 1000000/- each	16-Dec-26	7.1600%	-	1,000.00
10000 NCD's of ₹ 1000000/- each	23-Oct-26	7.4800%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	25-Sep-26	7.8300%	-	500.00
2000 NCD's of ₹ 1000000/- each	18-Aug-26	7.9000%	-	200.00
4750 NCD's of ₹ 1000000/- each	10-Jul-26	8.4300%	12-Jul-19	475.00
5000 NCD's of ₹ 1000000/- each	29-Jun-26	8.4800%	19-Aug-19	500.00
3488 NCD's of ₹ 1000000/- each	29-Jun-26	8.4800%	-	348.80
3700 NCD's of ₹ 1000000/- each	15-Jun-26	8.4700%	15-Jul-19	370.00
5000 NCD's of ₹ 1000000/- each	10-Jun-26	8.4700%	28-Jun-19	500.00
5350 NCD's of ₹ 1000000/- each	22-May-26	8.4500%	23-Oct-19	535.00
3000 NCD's of ₹ 1000000/- each	27-Apr-26	8.3200%	-	300.00
10000 NCD's of ₹ 1000000/- each	3-Mar-26	8.5700%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	26-Feb-26	8.5300%	-	500.00
7500 NCD's of ₹ 1000000/- each	28-Jan-26	8.4200%	-	750.00
7500 NCD's of ₹ 1000000/- each	28-Jan-26	8.4300%	-	750.00
15224 NCD's of ₹ 1000000/- each	24-Dec-25	8.7000%	-	1,522.40
10000 NCD's of ₹ 1000000/- each	12-Dec-25	8.4000%	-	1,000.00
10000 NCD's of ₹ 1000000/- each	13-Nov-25	8.2000%	-	1,000.00
3810 NCD's of ₹ 1000000/- each	23-Oct-25	8.2500%	-	381.00
2100 NCD's of ₹ 1000000/- each	8-Oct-25	8.3400%	-	210.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2019
3000 NCD's of ₹ 1000000/- each	29-Aug-25	8.5000%	-	300.00
2000 NCD's of ₹ 1000000/- each	29-Aug-25	8.4800%	-	200.00
5000 NCD's of ₹ 1000000/- each	14-Aug-25	8.5500%	-	500.00
3000 NCD's of ₹ 1000000/- each	1-Aug-25	8.5800%	-	300.00
1950 NCD's of ₹ 1000000/- each	18-Jul-25	8.5700%	-	195.00
2050 NCD's of ₹ 1000000/- each	4-Jun-25	8.5000%	-	205.00
10000 NCD's of ₹ 1000000/- each	29-May-25	8.5500%	-	1,000.00
10000 NCD's of ₹ 1000000/- each	31-Mar-25	8.2200%	-	1,000.00
4250 NCD's of ₹ 1000000/- each	3-Mar-25	8.5200%	-	425.00
6000 NCD's of ₹ 1000000/- each	24-Feb-25	8.5000%	-	600.00
100 NCD's of ₹ 1000000/- each	30-Jan-25	8.4000%	-	10.00
10000 NCD's of ₹ 1000000/- each	8-Jan-25	8.6100%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	16-Oct-24	9.2200%	-	500.00
6500 NCD's of ₹ 1000000/- each	30-Sep-24	9.2400%	-	650.00
10000 NCD's of ₹ 1000000/- each	6-Sep-24	7.4000%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	25-Aug-24	9.4700%	-	500.00
10000 NCD's of ₹ 1000000/- each	25-Aug-24	9.3900%	-	1,000.00
6050 NCD's of ₹ 1000000/- each	5-Jul-24	9.2900%	-	605.00
2500 NCD's of ₹ 1000000/- each	8-May-24	7.9000%	-	250.00
10000 NCD's of ₹ 1000000/- each	19-Mar-24	9.8000%	-	1,000.00
3150 NCD's of ₹ 1000000/- each	5-Mar-24	8.7900%	-	315.00
15000 NCD's of ₹ 1000000/- each *	5-Mar-24	8.7900%	-	1,499.36
1373 NCD's of ₹ 1000000/- each	8-Feb-24	8.5800%	-	137.30
10000 NCD's of ₹ 1000000/- each	22-Dec-23	7.2500%	-	1,000.00
7750 NCD's of ₹ 1000000/- each	8-Dec-23	8.7500%	-	775.00
4480 NCD's of ₹ 1000000/- each	17-Oct-23	9.0800%	-	448.00
2000 NCD's of ₹ 1000000/- each	19-Sep-23	7.8600%	-	200.00
2720 NCD's of ₹ 1000000/- each	9-Jun-23	8.4800%	-	272.00
16630 NCD's of ₹ 1000000/- each	6-Jun-23	9.1900%	6-Feb-20	1,663.00
9000 NCD's of ₹ 1000000/- each	21-May-23	8.3700%	-	900.00
5000 NCD's of ₹ 1000000/- each	25-Apr-23	8.8900%	-	500.00
5250 NCD's of ₹ 1000000/- each	9-Apr-23	9.0000%	-	525.00
5000 NCD's of ₹ 1000000/- each	12-Mar-23	9.1300%	-	500.00
4900 NCD's of ₹ 1000000/- each	19-Jan-23	8.5800%	19-Jun-19	490.00
7500 NCD's of ₹ 1000000/- each	1-Jan-23	9.2500%	-	750.00
5000 NCD's of ₹ 1000000/- each	17-Dec-22	9.3000%	-	500.00
12050 NCD's of ₹ 1000000/- each	16-Dec-22	7.8500%	-	1,205.00
2000 NCD's of ₹ 1000000/- each	13-Dec-22	9.2300%	-	200.00
4000 NCD's of ₹ 1000000/- each	12-Nov-22	9.2500%	-	400.00
3350 NCD's of ₹ 1000000/- each	25-Oct-22	9.0500%	-	335.00
10000 NCD's of ₹ 1000000/- each	17-Oct-22	7.4500%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	14-Sep-22	9.3000%	-	500.00
10000 NCD's of ₹ 1000000/- each	30-Aug-22	7.3900%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	24-Jul-22	9.3500%	-	500.00
11000 NCD's of ₹ 1000000/- each	15-Jul-22	7.4200%	-	1,100.00
5000 NCD's of ₹ 1000000/- each	10-Jun-22	7.4800%	-	500.00
3000 NCD's of ₹ 1000000/- each	23-May-22	7.7800%	-	300.00
2500 NCD's of ₹ 1000000/- each	3-May-22	7.8000%	-	250.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2019
6518 NCD's of ₹ 1000000/- each	19-Apr-22	8.6850%	-	651.80
5000 NCD's of ₹ 1000000/- each	24-Mar-22	7.9500%	-	500.00
4950 NCD's of ₹ 1000000/- each	24-Mar-22	9.1700%	-	495.00
2000 NCD's of ₹ 1000000/- each	10-Feb-22	9.4300%	-	200.00
3000 NCD's of ₹ 1000000/- each	30-Jan-22	9.4500%	-	300.00
25000 NCD's of ₹ 1000000/- each	14-Jan-22	8.5950%	-	2,500.00
5000 NCD's of ₹ 1000000/- each	13-Jan-22	7.5700%	-	500.00
2000 NCD's of ₹ 1000000/- each	11-Nov-21	9.9000%	-	200.00
1400 NCD's of ₹ 1000000/- each	21-Oct-21	7.6600%	-	140.00
3000 NCD's of ₹ 1000000/- each	19-Oct-21	7.8100%	-	300.00
4970 NCD's of ₹ 1000000/- each	14-Oct-21	7.5900%	-	497.00
5000 NCD's of ₹ 1000000/- each	19-Sep-21	9.4000%	-	500.00
16750 NCD's of ₹ 1000000/- each	17-Sep-21	8.2534%	-	1,675.00
2000 NCD's of ₹ 1000000/- each	27-Aug-21	7.7500%	-	200.00
5000 NCD's of ₹ 1000000/- each	29-Jul-21	7.6700%	-	500.00
1050 NCD's of ₹ 1000000/- each	27-Jul-21	8.1900%	-	105.00
5000 NCD's of ₹ 1000000/- each	15-Jul-21	8.3000%	-	500.00
4350 NCD's of ₹ 1000000/- each	7-Jul-21	8.4700%	-	435.00
5000 NCD's of ₹ 1000000/- each	7-Jun-21	9.8000%	-	500.00
2500 NCD's of ₹ 1000000/- each	21-May-21	8.4500%	-	250.00
5000 NCD's of ₹ 1000000/- each	11-May-21	9.4000%	-	500.00
5050 NCD's of ₹ 1000000/- each	10-May-21	8.3700%	-	505.00
6000 NCD's of ₹ 1000000/- each	8-Mar-21	8.7500%	-	600.00
2500 NCD's of ₹ 1000000/- each	7-Mar-21	9.6000%	-	250.00
3670 NCD's of ₹ 1000000/- each	26-Feb-21	8.6000%	-	367.00
12500 NCD's of ₹ 1000000/- each	18-Feb-21	7.5700%	-	1,250.00
7500 NCD's of ₹ 1000000/- each	12-Feb-21	8.7500%	-	750.00
3270 NCD's of ₹ 1000000/- each	28-Jan-21	7.8800%	-	327.00
10000 NCD's of ₹ 1000000/- each	18-Jan-21	9.0000%	-	1,000.00
3500 NCD's of ₹ 1000000/- each	5-Jan-21	8.5000%	-	350.00
1500 NCD's of ₹ 1000000/- each	5-Jan-21	8.5000%	-	150.00
1070 NCD's of ₹ 1000000/- each	4-Jan-21	9.3500%	-	107.00
4560 NCD's of ₹ 1000000/- each	28-Dec-20	8.6000%	-	456.00
25000 NCD's of ₹ 1000000/- each	24-Dec-20	8.8000%	-	2,500.00
7500 NCD's of ₹ 1000000/- each	21-Dec-20	8.7500%	-	750.00
32000 NCD's of ₹ 1000000/- each	3-Dec-20	9.0200%	-	3,200.00
3660 NCD's of ₹ 1000000/- each	23-Nov-20	9.0000%	-	366.00
3500 NCD's of ₹ 1000000/- each	17-Nov-20	7.6500%	-	350.00
6500 NCD's of ₹ 1000000/- each	23-Oct-20	8.3500%	-	650.00
4650 NCD's of ₹ 1000000/- each	13-Oct-20	8.8800%	-	465.00
5000 NCD's of ₹ 1000000/- each	12-Oct-20	8.1400%	-	500.00
2000 NCD's of ₹ 1000000/- each	7-Oct-20	7.5400%	-	200.00
4400 NCD's of ₹ 1000000/- each	24-Sep-20	8.5250%	-	440.00
5550 NCD's of ₹ 1000000/- each	24-Sep-20	9.2500%	-	555.00
2050 NCD's of ₹ 1000000/- each	15-Sep-20	8.6500%	-	205.00
5030 NCD's of ₹ 1000000/- each	15-Sep-20	8.6500%	-	503.00
10000 NCD's of ₹ 1000000/- each	25-Aug-20	8.6700%	-	1,000.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2019
2500 NCD's of ₹ 1000000/- each	18-Aug-20	7.4000%	-	250.00
2500 NCD's of ₹ 1000000/- each	14-Aug-20	7.4000%	-	250.00
6300 NCD's of ₹ 1000000/- each	10-Aug-20	8.9000%	-	630.00
7500 NCD's of ₹ 1000000/- each	29-Jul-20	8.6000%	-	750.00
6050 NCD's of ₹ 1000000/- each	22-Jul-20	8.6000%	-	605.00
3000 NCD's of ₹ 1000000/- each	13-Jul-20	7.4700%	-	300.00
7500 NCD's of ₹ 1000000/- each	13-Jul-20	8.4000%	-	750.00
5000 NCD's of ₹ 1000000/- each	24-Jun-20	7.7800%	-	500.00
2000 NCD's of ₹ 1000000/- each	19-Jun-20	7.7900%	-	200.00
20000 NCD's of ₹ 1000000/- each	19-Jun-20	9.1106%	-	2,000.00
5000 NCD's of ₹ 1000000/- each	11-Jun-20	7.5850%	-	500.00
5000 NCD's of ₹ 1000000/- each	5-Jun-20	7.7400%	-	500.00
2960 NCD's of ₹ 1000000/- each	31-May-20	8.6000%	-	296.00
7000 NCD's of ₹ 1000000/- each	22-May-20	7.7000%	-	700.00
4000 NCD's of ₹ 1000000/- each	15-May-20	7.9800%	-	400.00
3500 NCD's of ₹ 1000000/- each	11-May-20	7.5200%	-	350.00
3000 NCD's of ₹ 1000000/- each	28-Apr-20	8.4900%	-	300.00
5000 NCD's of ₹ 1000000/- each	27-Apr-20	7.8130%	-	500.00
5750 NCD's of ₹ 1000000/- each	24-Apr-20	7.2000%	-	575.00
5950 NCD's of ₹ 1000000/- each	30-Mar-20	8.6800%	-	595.00
2200 NCD's of ₹ 1000000/- each	19-Mar-20	7.8000%	-	220.00
2200 NCD's of ₹ 1000000/- each	18-Mar-20	7.8000%	-	220.00
2200 NCD's of ₹ 1000000/- each	17-Mar-20	7.8000%	-	220.00
15000 NCD's of ₹ 1000000/- each	12-Mar-20	8.4500%	-	1,500.00
6500 NCD's of ₹ 1000000/- each	28-Feb-20	7.5800%	-	650.00
2500 NCD's of ₹ 10000000/- each	21-Feb-20	7.7700%	-	250.00
5000 NCD's of ₹ 1000000/- each	18-Feb-20	8.0200%	-	500.00
2050 NCD's of ₹ 1000000/- each	14-Feb-20	8.4800%	-	205.00
2000 NCD's of ₹ 1000000/- each	11-Feb-20	7.9700%	-	200.00
8000 NCD's of ₹ 1000000/- each	21-Jan-20	8.4700%	-	800.00
4500 NCD's of ₹ 1000000/- each	14-Jan-20	8.7500%	-	450.00
3500 NCD's of ₹ 1000000/- each	14-Jan-20	8.7300%	-	350.00
10000 NCD's of ₹ 1000000/- each	19-Dec-19	8.6100%	-	1,000.00
3000 NCD's of ₹ 1000000/- each	18-Dec-19	7.9000%	-	300.00
3000 NCD's of ₹ 1000000/- each	12-Dec-19	7.9600%	-	300.00
15020 NCD's of ₹ 1000000/- each	6-Dec-19	9.2200%	-	1,502.00
7150 NCD's of ₹ 1000000/- each	28-Nov-19	8.7200%	-	715.00
16650 NCD's of ₹ 1000000/- each	22-Nov-19	7.9300%	-	1,665.00
5500 NCD's of ₹ 1000000/- each	18-Nov-19	8.5937%	-	550.00
6000 NCD's of ₹ 1000000/- each	8-Nov-19	8.7000%	-	600.00
5000 NCD's of ₹ 1000000/- each	29-Oct-19	8.9700%	-	500.00
7700 NCD's of ₹ 1000000/- each	18-Oct-19	8.3500%	-	770.00
10000 NCD's of ₹ 1000000/- each	3-Oct-19	8.3700%	-	1,000.00
3500 NCD's of ₹ 1000000/- each	30-Sep-19	9.2400%	-	350.00
2500 NCD's of ₹ 1000000/- each	10-Sep-19	9.4500%	-	250.00
10000 NCD's of ₹ 1000000/- each	30-Aug-19	9.4400%	-	1,000.00
11750 NCD's of ₹ 1000000/- each	28-Aug-19	7.8950%	-	1,175.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2019
5750 NCD's of ₹ 1000000/- each	19-Aug-19	9.3500%	-	575.00
10000 NCD's of ₹ 1000000/- each	24-Jul-19	9.5100%	-	1,000.00
5000 NCD's of ₹ 1000000/- each	12-Jul-19	7.5850%	-	500.00
3000 NCD's of ₹ 1000000/- each	26-Jun-19	8.6900%	-	300.00
6000 NCD's of ₹ 1000000/- each	19-Jun-19	7.0650%	-	600.00
3000 NCD's of ₹ 1000000/- each	13-Jun-19	8.6000%	-	300.00
3000 NCD's of ₹ 1000000/- each	13-Jun-19	8.3700%	-	300.00
5000 NCD's of ₹ 1000000/- each	21-May-19	7.4000%	-	500.00
2000 NCD's of ₹ 1000000/- each	17-May-19	8.6900%	-	200.00
13000 NCD's of ₹ 1000000/- each	15-May-19	7.8125%	-	1,300.00
4100 NCD's of ₹ 1000000/- each	10-May-19	7.7900%	-	410.00
3950 NCD's of ₹ 1000000/- each	30-Apr-19	8.2800%	-	395.00
7500 NCD's of ₹ 1000000/- each	23-Apr-19	7.0850%	-	750.00
2000 NCD's of ₹ 1000000/- each	5-Apr-19	8.6900%	-	200.00
				1,18,860.06

* issued at a discount of ₹ 0.64 crore

Note 17.2

The ZCDs are redeemable at Premium. The ZCDs issued after March 31, 2015 are secured by a negative lien on the assets of the Company (excluding current and future receivables and book-debt of whatsoever nature of the Company on which a first pari-pasu floating charge by way of hypothecation to secure the borrowings of the Company outstanding as on March 31, 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on March 31, 2015), with a minimum asset cover of 100%. Further the Company shall be entitled to dispose off, transact or otherwise deal, in the ordinary course of business upto 5% of the Specific Assets, including by way of a securitization transaction and as may be required under any law, regulations, guidelines or rules. In addition to above the Zero Copupon Debentures are secured by mortgage on an Immovable Property owned by the Company valuing approx ₹ 0.72 crore (Book Value ₹ 0.13 crore).

The details of Zero Coupon Debentures are as under:

(₹ in crore)

Description	Date of Redemption		Earliest Put/ Call Option Date	As at March 31, 2020
5295 ZCD's of ₹ 1000000/- each	4-May-22	*	-	529.50
16220 ZCD's of ₹ 1000000/- each	25-Feb-22	**	-	1,622.00
11730 ZCD's of ₹ 1000000/- each	25-Mar-21	***	-	1,173.00
7200 ZCD's of ₹ 1000000/- each	18-May-20	****	-	720.00
TOTAL				**4,044.50**

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

** Maturity Value of ₹ 13,27,103/- per Debenture including premium.

*** Maturity Value of ₹ 12,70,200/- per Debenture including premium.

**** Maturity Value of ₹ 11,14,676/- per Debenture including premium.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The details of Zero Coupon Debentures are as under:

(₹ in crore)

Description	Date of Redemption		Earliest Put/ Call Option Date	As at March 31, 2019
5295 ZCD's of ₹ 1000000/- each	4-May-22	*	-	529.50
16220 ZCD's of ₹ 1000000/- each	25-Feb-22	**	-	1,622.00
11730 ZCD's of ₹ 1000000/- each	25-Mar-21	***	-	1,173.00
7200 ZCD's of ₹ 1000000/- each	18-May-20	****	-	720.00
13500 ZCD's of ₹ 1000000/- each	25-Feb-20	*****	-	1,350.00
10000 ZCD's of ₹ 1000000/- each	23-Jan-20	******	-	1,000.00
9000 ZCD's of ₹ 1000000/- each	10-Sep-19	*******	-	900.00
10000 ZCD's of ₹ 1000000/- each	2-Sep-19	********	-	1,000.00
3210 ZCD's of ₹ 1000000/- each	9-Apr-19	*********	-	321.00
TOTAL				**8,615.50**

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

** Maturity Value of ₹ 13,27,103/- per Debenture including premium.

*** Maturity Value of ₹ 12,70,200/- per Debenture including premium.

**** Maturity Value of ₹ 11,14,676/- per Debenture including premium.

***** Maturity Value of ₹ 11,58,017/- per Debenture including premium.

******Maturity Value of ₹ 11,65,320/- per Debenture including premium.

******* Maturity Value of ₹ 15,56,727/- per Debenture including premium.

******** Maturity Value of ₹ 15,66,016/- per Debenture including premium.

********* Maturity Value of ₹ 12,83,584/-per Debenture including premium.

Note 17.3

The details of Commercial Papers are as under:

(₹ in crore)

Particulars	Date of Maturity	Discounting Rate	As at March 31, 2020
19000 Units of ₹ 500000 each	10-Mar-21	6.03%	898.69
15000 Units of ₹ 500000 each	9-Feb-21	6.20%	711.85
17000 Units of ₹ 500000 each	22-Jan-21	6.50%	807.32
6000 Units of ₹ 500000 each	19-Nov-20	6.37%	288.35
7000 Units of ₹ 500000 each	11-Nov-20	6.38%	336.85
13000 Units of ₹ 500000 each	11-Nov-20	6.38%	625.57
17500 Units of ₹ 500000 each	11-Sep-20	6.50%	850.44
3000 Units of ₹ 500000 each	10-Sep-20	6.50%	145.82
22000 Units of ₹ 500000 each	20-Aug-20	6.80%	1,072.15
4000 Units of ₹ 500000 each	16-Jul-20	7.49%	195.82
14000 Units of ₹ 500000 each	8-Jun-20	5.32%	693.09
20200 Units of ₹ 500000 each	28-May-20	7.75%	998.19
Total			**7,624.14**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Particulars	Date of Maturity	Discounting Rate	As at March 31, 2019
15000 Units of ₹ 500000 each	10-Feb-20	8.27%	699.96
20000 Units of ₹ 500000 each	30-Jan-20	8.28%	935.25
10000 Units of ₹ 500000 each	12-Dec-19	8.29%	472.44
9000 Units of ₹ 500000 each	28-Nov-19	8.91%	425.19
20000 Units of ₹ 500000 each	12-Jun-19	7.90%	984.67
10000 Units of ₹ 500000 each	28-May-19	8.65%	493.39
5000 Units of ₹ 500000 each	28-May-19	8.65%	246.69
10000 Units of ₹ 500000 each	20-May-19	7.43%	495.05
20000 Units of ₹ 500000 each	2-May-19	8.68%	992.77
14000 Units of ₹ 500000 each	24-Apr-19	8.60%	696.27
14000 Units of ₹ 500000 each	12-Apr-19	7.46%	698.43
Total			**7,140.11**

NOTE 18
BORROWINGS (OTHER THAN DEBT SECURITIES) - AT AMORTISED COST

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
SECURED (Refer Note 18.1)		
(a) Term Loans		
(i) from Banks (Rupee Term Loans) **	25,622.55	16,079.23
(ii) National Housing Bank (Refinance) **	1,882.17	1,310.68
(iii) Other Financial Institutions **	-	200.00
(b) Loans repayable on demand from Banks (Rupee Term Loans) **	16,140.00	8,794.00
Total (A) Borrowings in India	**43,644.72**	**26,383.91**
(a) Term Loans		
(i) from Banks (ECB) **	1,495.71	-
Total (B) Borrowings out side India	**1,495.71**	**-**
Total Borrowings (A) + (B)	**45,140.43**	**26,383.91**

NOTE 18.1

Negative lien on the assets of the Company (excluding current and future receivables and book-debt of whatsoever nature of the Company on which a first pari-pasu floating charge by way of hypothecation to secure the borrowings of the company outstanding as on March 31, 2015 and the unavailed sanctions of the term loans, cash credit and refinance as on March 31, 2015), with a minimum asset cover of 100%. Further the Company shall be entitled to dispose off, transact or otherwise deal, in the ordinary course of business upto 5% of the Specific Assets, including by way of a securitization transaction and as may be required under any law, regulations, guidelines or rules and Immovable Property acquired by Company on or after September 26, 2001.

**** Maturity Profile of Term Loans, ECB, Loan from Other Financial institutions and National Housing Bank (Refinance)**

(₹ in crore)

Particulars	As at March 31, 2020			
	Term Loans Banks (ROI 6.00% - 7.95%)	External Commercial Borrowings (ECB) (ROI 7.52%)	National Housing Bank (Refinance) (ROI 6.80% - 8.75%)	Total
Within 12 months	20,930.77	-	537.00	21,467.77
Over 1 year to 3 years	9,967.33	1,495.71	788.15	12,251.19
Over 3 to 5 years	7,168.62	-	419.52	7,588.14
Over 5 to 7 years	2,778.33	-	137.50	2,915.83
Over 7 Years	917.50	-	-	917.50
Total	**41,762.55**	**1,495.71**	**1,882.17**	**45,140.43**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Particulars	As at March 31, 2019			
	Term Loans from Banks (ROI 7.40% - 8.75%)	Loan from Other Financial Institutions (ROI 8.25%)	National Housing Bank (Refinance) (ROI 6.80% - 8.75%)	Total
Within 12 months	10,889.10	40.00	302.05	11,231.15
Over 1 year to 3 years	7,600.79	80.00	614.68	8,295.47
Over 3 to 5 years	4,715.67	80.00	352.89	5,148.56
Over 5 to 7 years	1,507.67	-	41.06	1,548.73
Over 7 Years	160.00	-	-	160.00
Total	**24,873.23**	**200.00**	**1,310.68**	**26,383.91**

NOTE 19
DEPOSITS - AT AMORTISED COST

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
UNSECURED:		
(i) Public Deposits	6,831.62	3,932.17
(ii) Corporate Deposits	5,740.19	3,725.39
Total	**12,571.81**	**7,657.56**

The Company has designated liquid assets for the purpose of maintaining Statutory Liquid Ratio and Floating Charge on Fixed Deposits with banks has been created in favour of the Trustees for Depositors.

NOTE 20
SUBORDINATED LIABILITIES - AT AMORTISED COST

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
UNSECURED:		
(i) Subordinated Bonds	500.00	500.00
(ii) Upper Tier II Bonds	1,000.00	1,500.00
Total (A)	**1,500.00**	**2,000.00**
Subordinated Liabilities in India	1,500.00	2,000.00
Subordinated Liabilities outside India	-	-
Total (B)	**1,500.00**	**2,000.00**

The details of Subordinated Bonds are as under:

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2020
5000 Bonds of ₹ 1,000,000 each	15-Sep-20	8.95%	-	500.00
Total				**500.00**

The details of Subordinated Bonds are as under:

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2019
5000 Bonds of ₹ 1,000,000 each	15-Sep-20	8.95%	-	500.00
Total				**500.00**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The details of Upper Tier II Bonds are as under:

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2020
5000 Bonds of ₹ 1,000,000 each*	29-Nov-25	9.00%	29-Nov-20	500.00
5000 Bonds of ₹ 1,000,000 each*	26-Oct-25	8.90%	26-Oct-20	500.00
Total				**1,000.00**

Bonds of amount ₹ 1000 crore are with related party

The details of Upper Tier II Bonds are as under:

(₹ in crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2019
5000 Bonds of ₹ 1,000,000 each*	29-Nov-25	9.00%	29-Nov-20	500.00
5000 Bonds of ₹ 1,000,000 each*	26-Oct-25	8.90%	26-Oct-20	500.00
5000 Bonds of ₹ 1,000,000 each*	31-Mar-25	8.70%	31-Mar-20	500.00
Total				**1,500.00**

*Redemption and call option excercisable with prior approval of National Housing Bank.

NOTE 21
OTHER FINANCIAL LIABILITIES

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Interest accrued		
- Non-Convertible Debentures	4,177.70	4,100.15
- Zero Coupon Debentures	535.26	1,421.32
- Term Loan	66.43	46.96
- Subordinated Bonds	58.79	102.20
- Deposits	595.75	481.37
(ii) Unclaimed Dividends *	7.85	7.97
(iii) Unpaid Matured Deposits	93.17	86.16
(iv) Book Overdraft [Refer Note 46]	682.54	6,909.46
(v) Pre-received Interest Liability on NCD Reissuance	38.76	1.08
(vi) Miscellaneous Liabilities	534.34	198.45
Total	**6,790.59**	**13,355.12**

* As required under Section 125 of the Companies Act 2013, the Company has transferred ₹ 0.98 crore (FY 2018-19 ₹ 0.82 crore) to the Investor Education and Protection Fund (IEPF) during the year.

NOTE 22
PROVISIONS

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Provision for Employee Benefits	148.20	118.12
(ii) Other Provisions	0.42	0.42
Total	**148.62**	**118.54**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 23
OTHER NON-FINANCIAL LIABILITIES

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Outstanding Expenses	91.53	36.86
(ii) Statutory Dues	72.15	53.49
(iii) Earnest Money Deposit	0.40	0.16
(iv) Others	67.96	52.41
Total	**232.04**	**142.92**

NOTE 24
SHARE CAPITAL

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
AUTHORISED		
750,000,000 Equity Shares of ₹ 2/- each (Previous year 750,000,000 Equity Shares of ₹ 2/- each)	150.00	150.00
ISSUED, SUBSCRIBED AND PAID-UP		
504,663,000 Equity Shares of ₹ 2/- each (Previous Year 504,663,000 Equity Shares of ₹ 2/- each) fully paid up	100.93	100.93
Add: Forfeited shares as per Note. 24(d) below	0.06	0.06
	100.99	**100.99**

NOTE 24 (a): RECONCILIATION OF NUMBER OF SHARES OUTSTANDING AND AMOUNT OF SHARE CAPITAL AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD

Equity Shares	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
Equity Shares outstanding as at the beginning of the year	50,46,63,000	100.93	50,46,63,000	100.93
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Equity Shares outstanding as at the end of the year	50,46,63,000	100.93	50,46,63,000	100.93

NOTE 24 (b): RIGHTS ATTACHED TO EQUITY SHARES

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share. The Company declares and pay dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amount, in proportion to their shareholdings.

NOTE 24 (c): DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARE IN THE COMPANY ARE GIVEN BELOW

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Life Insurance Corporation of India	20,34,42,495	40.31	20,34,42,495	40.31

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 24 (d): FORFEITED SHARES

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Amount received on forfeited shares	**0.06**	**0.06**
Total	**0.06**	**0.06**

NOTE 25
OTHER EQUITY

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(i) (a) Capital Reserve		
As per last Balance Sheet	**0.48**	**0.48**
(b) Capital Reserve on acquisition of shares in LICHFL Care Homes	**27.88**	**27.88**
(ii) Securities Premium Account		
As per last Balance Sheet	**1,721.09**	**1,721.09**
(iii) Cash Flow Hedge Reserve		
Opening Balance	-	-
Add: Gain on ECB Cross Currency Swap	48.62	-
Less : Loss due to Exchange Rate Fluctuation on ECB	48.62	-
Closing Balance	-	-
(iv) Special Reserve - I		
In terms of Section 36(1)(viii) of Income-Tax, 1961 and Section 29C of National Housing Bank (NHB) Act,1987 (Upto financial year 1996-97)		
As per last Balance Sheet	**38.98**	**38.98**
(v) Other Statutory Reserves including Special Reserve- II		
Balance at the beginning of the year		
(i) Statutory Reserve u/s 29C of the NHB Act, 1987	0.15	0.14
(ii) Amount of Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account for purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	5,104.34	4,354.35
Total	**5,104.49**	**4,354.49**
Addition / Appropriation / Withdrawal during the year		
Add :		
(i) Amount transferred u/s 29C of the NHB Act, 1987	0.01	0.01
(ii) Amount of Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account for purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	749.99	749.99
Less :		
(i) Amount appropriated from Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
(ii) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account which has been taken into account for purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
(i) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	0.16	0.15
(ii) Amount of Special Reserve u/s 36(1)(viii) of Income-Tax Act, 1961 taken into account for purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	5,854.33	5,104.34
Total	**5,854.49**	**5,104.49**
(vi) General Reserve		
Opening Balance	5,852.72	5,252.98
Add: Transferred during the year	600.00	599.99
Add: Minority Adjustment	-	-
Less : Considered for Cost of Control for additional shares in LICHFL Care Homes Ltd	-	0.25
Closing Balance	**6,452.72**	**5,852.72**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
(vii) Surplus in the Statement of Profit and Loss		
Opening balance	3,484.21	2,833.41
Add: Total Comprehensive Income for the year	2,396.63	2,433.35
Less: Appropriations		
Dividend Paid and Tax on Dividend Paid	462.38	413.70
Transfer to General Reserve	600.00	599.99
Transfer to Special Reserve - II	749.99	749.99
Transfer to Statutory Reserve u/s 29C of the NHB Act, 1987	0.01	0.01
Adjustment in Retained Earnings due to first time application of IND AS 116	0.19	
Share of Post Acquistion Profit considered in Cost of Control for additional shares in LICHFL Care Homes Ltd.	-	18.86
Closing Balance	**4,068.26**	**3,484.21**
Total	**18,163.88**	**16,229.83**

Nature and purpose of each reserve

Securities Premium Reserve

"Securities Premium Reserve" is used to denote the Share premium received on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Cash Flow Hedge Reserve

It represents the effective portion of cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

Special Reserve – I:

Special Reserve – I has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company. The amounts of Special Reserve account represents, the reserve created in terms of the provision of Section 36(1)(viii) read together with the proviso thereof, from time to time. Special Reserve No. I relates to the amounts transferred upto the Financial Year 1996-97 (Assessment Year 1997-98) when the word was 'created' only was used in the said section and not 'created and maintained'. Admittedly, the position has changed after the amendment made in Section 36(1)(viii) by the Finance Act 1997 with effect from Assessment year 1998-99, when the mandatory requirement of 'maintaining' the special reserve created was inserted. Accordingly, it was interpreted that the Special Reserve created upto Assessment Year 1997-98 need not be 'maintained'. As a logical corollary, it is construed that upto Assessment Year 1997-98, the amounts carried to special reserve ought to be understood as amounts created by transferring to the credit of special reserve from time to time.

Special Reserve – II:

Special Reserve – II has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company transferred from Financial Year 1997-98 (Assessment Year 1998-99). In the FY 2019-20 ₹ 749.99 crore (FY 2018-19 ₹ 749.99 crore) has been transferred to Special Reserve No. II in terms of Section 36(1)(viii) of the Income tax Act, 1961.

Statutory Reserves under Section 29C (Regulatory Capital) of NHB:

Upto financial year 1996-97: The Company being regulated by NHB had to mandatorily transfer an amount as per Section 29C of NHB Act, 1987 on the similar lines as that of for Special Reserve – I which has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961 and it relates to the amounts transferred upto the Financial Year 1996-97(Assessment Year 1997-98).

After financial year 1996-97: The Company being regulated by NHB has to mandatorily transfer an amount as per Section 29C of NHB Act, 1987 on the similar lines as that of for Special Reserve – II which has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961. For the year under review an amount of ₹ 1,00,000.00 (FY 2018-19 ₹ 1,00,000.00) has been transferred to Statutory Reserve under Section 29C the NHB Act.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

General Reserve:

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

However, since the Company utilises the deduction available to Housing Finance Companies registered with National Housing Bank as provided in Section 36(1)(viii) of the Income tax Act, 1961, wherein the proviso of the Section stipulates that the amount carried to such reserve account from time to time exceeds twice the amount of the paid up share capital and general reserves of the Company, the rebate is restricted to the twice of the aggregate of paid up capital and the general reserve. Therefore, the Company transfers funds to General Reserve in order to avail the full benefit of Section 36(1)(viii). For the year, the Company has transferred an amount of ₹ 600 crore to General Reserve. (FY 2018-19 ₹ 600 crore).

NOTE 26
INTEREST INCOME

(₹ in crore)

Particulars		On Financial Assets measured at Amortised Cost	
		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Interest on Loans & Advances	19,470.89	17,170.11
ii)	Interest Income from Investments	110.54	78.37
iii)	Interest on Deposits with Banks	33.49	14.08
iv)	Other Interest Income (Net)	(0.56)	1.40
Total		**19,614.36**	**17,263.96**

NOTE 27
FEES & COMMISSION INCOME

(₹ in crore)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Fees & Commission Income	58.74	55.49
Total		**58.74**	**55.49**

NOTE 28
NET GAIN ON FAIR VALUE CHANGES

(₹ in crore)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
Net Gain on Financial Instruments at Fair Value through Profit or (Loss)			
(i)	On Trading Portfolio		
	- Investments	1.65	1.21
Total Net Gain on Fair Value changes		**1.65**	**1.21**
Fair Value changes:		1.65	1.21
Realised		1.53	0.35
Unrealised		0.12	0.86
Total Net Gain on Fair Value changes		**1.65**	**1.21**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 29
NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS - UNDER AMORTISED COST CATEGORY

(₹ in crore)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Gain on Derecognition of Financial Instruments	5.86	10.66
Total		**5.86**	**10.66**

NOTE 30
SALE OF PRODUCTS

(₹ in crore)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Sale of Products	8.82	5.01
Total		**8.82**	**5.01**

NOTE 31
OTHERS

(₹ in crore)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Net gain on Derecognition of Financial Instruments measured at Fair Value through Profit & Loss Account	22.18	21.06
ii)	Miscellaneous Income	24.49	37.99
Total		**46.67**	**59.05**

NOTE 32
OTHER INCOME

(₹ in crore)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Dividend Income from Subsidiaries	0.22	0.43
ii)	Dividend Income from Associates	3.80	2.56
iii)	Income from subleasing right-of-use assets	0.00	-
iv)	Net gain/(loss) on derecognition of property, plant and equipment	0.12	0.09
v)	Net gain or (loss) on foreign currency translation	(33.36)	-
Total		**(29.22)**	**3.08**

NOTE 33
FINANCE COSTS

(₹ in crore)

Particulars		On Financial Liabilities measured at Amortised Cost	
		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Interest on deposits	875.58	586.31
ii)	Interest on borrowings	2,333.32	1,741.91
iii)	Interest on debt securities	11,383.78	10,372.03
iv)	Interest on subordinated liabilities	177.84	190.79
v)	Interest on Lease Liability	10.90	-
Total		**14,781.42**	**12,891.04**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 34
FEES AND COMMISSION EXPENSE

(₹ in crore)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Fees & Commission	47.39	6.79
Total		**47.39**	**6.79**

NOTE 35
NET LOSS ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTIZED COST CATEGORY

(₹ in crore)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Loans Written Off	35.71	265.66
ii)	Loss on Derecognition of Financial Instruments	11.78	2.05
Total		**47.49**	**267.71**

NOTE 36
IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in crore)

Particulars		On Financial Instruments measured at Amortised Cost	
		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Loans	952.91	350.35
ii)	Others	(0.83)	-
Total		**952.08**	**350.35**

NOTE 37
COST OF MATERIALS CONSUMED

(₹ in crore)

Particulars		On Financial Instruments measured at Amortised Cost	
		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Cost of Materials	4.69	4.18
Total		**4.69**	**4.18**

NOTE 38
EMPLOYEE BENEFITS EXPENSES

(₹ in crore)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Salaries and Wages	236.06	209.63
ii)	Contribution to Provident and Other Funds [Refer Note 50]	31.27	26.56
iii)	Staff Welfare Expenses	40.49	28.14
iv)	Provision for Sick Leave and Earned Leave	19.53	7.23
v)	Notional Expense on Staff Loan	0.27	3.02
Total		**327.62**	**274.58**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

NOTE 39
OTHER EXPENSES

(₹ in crore)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
i)	Rent, Rates and Taxes	14.95	43.49
ii)	Repairs and Maintenance - Building	1.59	1.13
iii)	Repairs and Maintenance - Others	8.53	8.82
iv)	Postage, Telephones and Telex	10.82	12.33
v)	Printing and Stationery	6.66	7.57
vi)	Advertisement & Publicity Expenses	44.74	42.65
vii)	Directors Fees, Allowances and Expenses	0.69	0.68
viii)	Auditor's fees and expenses [Refer Note 47]	0.77	0.69
ix)	Legal and Professional charges	6.21	4.49
x)	Insurance Charges	0.16	0.13
xi)	Travelling and Conveyance	13.59	13.03
xii)	Competition Prizes & Conference Expenses	6.58	13.10
xiii)	Electricity Expenses	5.70	5.69
xiv)	Service Charges for Safe Custody of Documents	10.68	9.71
xv)	Contribution towards CSR activites [Refer Note 55]	61.66	18.94
xvi)	Miscellaneous Expenses	19.57	17.69
Total		**212.90**	**200.14**

40. FINANCIAL INSTRUMENTS

40.1 Capital Management

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of National Housing Bank (NHB). The adequacy of the Company's capital is monitored using, among other measures, the guidelines issued by NHB.

The Group's objective, when managing Capital, is to safeguard the ability of the Group to continue as a going concern, maintain strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder's value.

The Group's capital management strategy is to effectively determine, raise and deploy capital so as to maximize the shareholder's value. The capital of the Group comprises of Equity Share Capital and a mix of debt securities, borrowings (other than debt securities), deposits and subordinated liabilities. No changes have been made to the objectives, policies and processes from the previous years.

The Debt Equity Ratio of the Group is calculated as below:

(₹ in crore)

Particulars		As at March 31, 2020	As at March 31, 2019
Debt Securities		1,32,082.26	1,34,615.67
Borrowings (Other than Debt Securities)		45,140.43	26,383.91
Deposits		12,571.81	7,657.56
Subordinated Liabilities		1,500.00	2,000.00
A)	Total Debt	1,91,294.50	1,70,657.14
B)	Total Equity-Shareholder's Funds	18,267.31	16,333.01
C)	Debt Equity Ratio (A/B)	10.47	10.45

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

40.2 Categories of Financial Instruments:

(₹ in crore)

Particulars	As at March 31, 2020			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Financial Assets				
Cash and Cash Equivalents	1,369.30	-	-	1,369.30
Bank Balance other than above	667.62	-	-	667.62
Derivative Financial Instruments	-	80.48	-	80.48
Receivables	21.80	-	-	21.80
Loans	2,07,974.51	-	-	2,07,974.51
Investments	1,814.63	3,617.13	52.97	5,484.73
Other Financial Assets	23.92	-	-	23.92
Total	**2,11,871.78**	**3,697.61**	**52.97**	**2,15,622.36**
Financial Liabilities				
Derivative Financial Instruments	-	22.90	-	22.90
Lease Liability	133.15	-	-	133.15
Trade Payables	30.63	-	-	30.63
Debt Securities	1,32,082.26	-	-	1,32,082.26
Borrowings (Other than Debt Securities)	45,140.43	-	-	45,140.43
Deposits	12,571.81	-	-	12,571.81
Subordinated Liabilities	1,500.00	-	-	1,500.00
Other Financial Liabilities	6,790.59	-	-	6,790.59
Total	**1,98,248.87**	**22.90**	**-**	**1,98,271.77**

(₹ in crore)

Particulars	As at March 31, 2019			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Financial Assets				
Cash and Cash Equivalents	2,802.85	-	-	2,802.85
Bank Balance other than above	250.28	-	-	250.28
Derivative Financial Instruments	-	26.98	-	26.98
Receivables	11.99	. -	-	11.99
Loans	1,92,990.66	-	-	1,92,990.66
Investments	1,249.10	2,315.79	52.45	3,617.34
Other Financial Assets	16.97	-	-	16.97
Total	**1,97,321.85**	**2,342.77**	**52.45**	**1,99,717.07**
Financial Liabilities				
Derivative Financial Instruments	-	25.79	-	25.79
Trade Payables	74.90	-	-	74.90
Debt Securities	1,34,615.67	-	-	1,34,615.67
Borrowings (Other than Debt Securities)	26,383.91	-	-	26,383.91
Deposits	7,657.56	-	-	7,657.56
Subordinated Liabilities	2,000.00	-	-	2,000.00
Other Financial Liabilities	13,355.12	-	-	13,355.12
Total	**1,84,087.16**	**25.79**	**-**	**1,84,112.95**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

40.3 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The Group evaluates the significance of financial instruments and material accuracy of the valuations incorporated in the financial statements as they involve a high degree of judgement and estimation uncertainty in determining the carrying values of financial assets and liabilities at the balance sheet date. Fair value of financial instruments is determined using valuation techniques and estimates which, to the extent possible, use market observable inputs, but in some cases use non-market observable inputs. Changes in the observability of significant valuation inputs can materially affect the fair values of financial instruments. In determining the valuation of financial instruments, the Group makes judgements on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 instruments, and the significant valuation judgements in respect of Level 3 instruments.

Fair Value Hierarchy:

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained below.

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the observability of the significant inputs used to determine the fair values. Changes in the observability of significant valuation inputs during the reporting period may result in a transfer of assets and liabilities within the fair value hierarchy. The Group recognises transfers between levels of the fair value hierarchy when there is a significant change in either its principal market or the level of observability of the inputs to the valuation techniques as at the end of the reporting period.

Level 1: Fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Fair value measurements are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable

Level 3: Fair value measurements are those where at least one input which could have a significant effect on the instrument's valuation is not based on observable market data

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

(₹ in crore)

Particulars	Fair Value			Fair Value Hierarchy	Valuation Technique	Key Inputs for Level 2 & Level 3	Significant unobservable input(s) for Level 3
	Category	As at March 31, 2020	As at March 31, 2019				
Financial Assets							
Mutual funds	FVTPL	3,595.45	2,294.15	Level 1	Quoted Market Price for Mutual Funds	NA	NA
Derivative financial instruments	FVTPL	31.86	26.98	Level 2	On the basis of traded swap yields published	Published yields	NA
	FVTPL	48.62	-	Level 2	Mark-to-Market of the derivative	Valuation received from counterparty	NA
Initial Settlers Contribution Under Indenture Trust	FVTPL	0.002	0.002	Level 3	Book Value	Refer Note below	Refer Note below
Goods Services Tax Network	FVTPL	-	1.10	Level 3	Others	Refer Note below	Refer Note below
LICHFL Urban Development Fund	FVTPL	18.86	19.36	Level 3	NAV as on reporting date declared by the Fund	Refer Note below	Refer Note below
LICHFL Housing And Infrastructure Fund	FVTPL	2.82	2.44	Level 3			
Financial Liabilities							
Derivative Financial Instruments	FVTPL	22.90	25.79	Level 2	On the basis of traded swap yields published	Published yields by counterparty	NA

There were no transfers between Level 1, Level 2 and Level 3 during the year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Valuation Techniques

Equity instruments

The equity instruments that are actively traded on public stock exchanges are valued at readily available active prices on a regular basis. Such instruments are classified as Level 1.

Units held in funds having quoted market price are fair valued considering Level 1 inputs. Others which are measured based on their net asset value (NAV) as on reporting date, taking into account redemption and/or other restrictions. Such instruments are generally fair valued considering Level 3 inputs.

Equity instruments in non-listed entities including investment in private equity funds are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case basis and classified as Level 3. In respect of Goods and Service Tax Network, valuation has been considered on indicative buyback price in the financial year 2018-19. The shares have been bought back this year pursuant to the decision of the GST Council and Union Cabinet for conversion of GSTN into a 100% Government-owned entity.

Interest rate derivatives and Cross Currency Swaps

Interest rate derivatives include interest rate swaps. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations by estimating future cash flows and discounting them with the appropriate yield curves incorporating funding costs relevant for the position.

The fair value of a cross currency swap is calculated by determining the future cash flows on both legs (i.e. the receiving leg and the paying leg), and discounting these cash flows using an appropriate discount factor curve.

These contracts are generally Level 2 unless adjustments to yield curves or credit spreads are based on significant non-observable inputs, in which case, they are Level 3.

Valuation adjustments and other inputs and considerations

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 financial assets does not have a significant impact in its value.

No valuation adjustments have been made to the prices/yields provided for valuation.

Financial Instruments not measured using Fair Value, i.e. measured using Amortized Cost/Cost

The following table is a comparison, by class, of the carrying amounts and fair values of the Group's financial instrument that are not carried at fair value in the financial statements. This table does not include the fair value of non-financial assets and non-financial liabilities.

(₹ in crore)

Particulars	Carrying Value	Fair Value Hierarchy	Fair Value
As at March 31, 2020			
Financial Assets			
Government Securities	1,814.63	Level 1	1,874.25
Investment in associates	52.97	Level 3	52.97
As at March 31, 2019			
Financial Assets			
Government Securities	1,248.12	Level 1	1,214.35
Investment in associates	52.45	Level 3	52.45

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Government debt securities

Government debt securities are financial instruments issued by sovereign governments and include long term bonds with fixed rate interest payments. These instruments are generally highly liquid and traded in active markets resulting in a Level 1 classification. When active market prices are not available, the Group uses discounted cash flow models with observable market inputs of similar instruments and bond prices to estimate future index levels and extrapolating yields outside the range of active market trading, in which instances the Group classifies those securities as Level 2. The Group does not have Level 3 government securities where valuation inputs would be unobservable.

Investment in associates

In the opinion of the Group, in case of associates, the carrying value approximates the fair value.

Other Financial Assets and Liabilities

With respect to Bank Balances and Cash and Cash equivalents, Other Financial Assets, Trade Receivables, Trade Payables and other Financial Liabilities, the carrying value approximates the fair value.

40.4 Financial Risk Management

Introduction

While risk is inherent in the Group's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk , market risk and currency risk.

Impact of Covid-19 (Global Pandemic)

In March 2020, the World Health Organization (WHO) declared COVID-19 as a global pandemic. The basic presumption contained in the Financial Statements is that the Group will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of its operations. The said presumption has been made due to the fact that the Group has been able to draw funds from the market and it is expected that the Group would be able to generate as well as access sufficient cash flows and funds in the future so that its operations will yield positive cash flows as well as profitability. Although, the financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to inability to reliably predict the outcome of the pace at which the outbreak expands and the high level of uncertainties arising therefrom, the management has considered all available information about the future, which was obtained after March 31 2020, including the impact of the COVID-19 outbreak on customers, agents and staff, as well as actual and projected foreseeable impact from various factors. The management has concluded that there has been no significant impact on the Group's profitability position, fair value estimates and this COVID-19 event is not expected to have an immediate material impact on the business operations.

However, Management will continue to monitor the situation closely and will assess the need for additional measures in case the period of disruption becomes prolonged.

Risk Management Framework for Parent

The Company has a formal risk assessment program to proactively identify the risks and ensure all possible strategies to control & mitigate in pursuit of achieving the Company's objective. Every department is responsible for identification of their risks and putting it in their Risk Registers. The consolidated Risk Register is analyzed at various committees.

At present, the risks faced by the Company are broadly categorized as below:-

- Liquidity Risk
- Credit Risk
- Market Risk
- Interest Rate Risk

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- Operational Risk
  - A. Compliance Risk
  - B. Legal Risk
- Regulatory Risk
- Competition Risk
- Currency Risk

Committees

In order to bring the collective knowledge in decision making, the Company has undertaken a Committee approach to deal with the major risks arising in the organization. Committees, their formation and the roles are provided below

Top Level Committee

Risk Management Committee of Board (RMCB)

Company has a Risk Management Committee of Board in place which consists of Independent Directors and the MD & CEO of the Company.

The role of the Committee is as follows-:

- Review of Risk Management Policy
- Review of the current status on the risk limits in the Risk Management Policy and Report to the Board
- Review the matters on Risk Management
- Review and monitor the risks to which the Company is exposed
- Review the Anti-Fraud Policy

Internal Committee

Risk Management Committee and Operational Risk Group of the Parent (RMC & ORG)

The Company has an internal Risk Management Committee and Operational Risk. The Company's major function includes review of Risk Registers submitted on a monthly basis by all departments. It comprises of HODs of Risk Management, Finance, Project Finance, Credit Monitoring, IT, and as nominated by MD & CEO of the Company. A list of functions performed by RMC & ORG is given below -:

- Review of Risk Management Policy
- Review of monthly Risk Register submitted by various depts.
- Review of the current status on the outer limits prescribed in the Risk Policy and submitting the report to RMCB & Board
- Assessment of risks in the Company and suggesting control/mitigation measures thereof

Risk Management Framework for Subsidiaries

The respective Board of Director's have established the Risk Management Committee of each subsidiaries, which in turn has the overall responsibility for establishment and oversight of the Risk Management Framework. The Committee reports regularly to their respective Board of Directors on its activities.

The risk management policies are established to identify and analyse the risk faced, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and activities. The subsidiaries through its training and management procedures, aim to maintain a discipline and constructive control environment in which all employees understand their roles and regulations.

The Group has exposure to following risks arising from the financial instruments:

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40.4.1 Liquidity Risk for Parent

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources in addition to its core deposit base and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. The Company has developed internal control processes and contingency plans for managing liquidity risk.

Housing Finance being the core business, maintaining the liquidity for meeting the growth perspective in the business as also to honor our committed repayments is the fundamental objective of the Asset Liability Management (ALM) framework. Investments including investments as a part of liquid asset requirement also forms part of ALM requirement and it is imperative to constantly monitor the liquidity of the investments to achieve our core objective.

Internal Control Process & Liquidity Management

Being in the business of Housing Loans, funds are required to be raised by the Company ahead of loan disbursements so that there is no liquidity crunch. Funds are required to be raised not only for the incremental housing loan assets but also for meeting the committed/due repayments of the earlier borrowings and/or Interest payments on the borrowings. Funds therefore are raised with a reasonable cushion over and above the committed repayments, committed disbursements and unutilized sanctions in pipeline and the expected business targets.

The Company ensures that funds are available from various investor pools and banks. Liquid funds are available in the form of Non-Convertible Debentures and other market instruments, Bank Loans, Refinance from NHB and Foreign Currency Loans. In case of Public Deposits accepted by the Company, a prescribed percentage (as defined by NHB from time to time) is to be invested in approved securities in terms of Liquid Asset Requirement (u/s. 29B of NHB Act, 1987). On the assets side, the Company has loan products broadly classified under individual retail loans and project finance loans with varying repayment structures depending upon the nature of product.

The liquidity is managed at the Corporate Office of the Company with Back Offices providing their liquidity requirements. The surplus funds available with the Back Offices are pooled and funds from the market are arranged for the Back Offices having a deficit of funds. Only surplus funds arrived at after deducting the committed/confirmed outflows (including projected disbursements of loans) from the available resources - both from internal accretions as well as borrowed funds, would be considered as Surplus available for Investment in approved instruments on day-to-day basis. The Company can place surplus funds in Fixed Deposits with selected Scheduled / Commercial / Foreign Banks and / or Financial Institutions within overall exposure limit fixed for each Bank / FI from time to time by the Board. Considering the market risk and the mark-to-market requirements of the debt mutual funds, currently Company is making Investments only in liquid Mutual Fund schemes. Exposure limits for each Investment instrument is approved by the Board and reviewed from time to time as per the requirements.

ALCO Committee

Roles & Responsibilities

The Asset Liability Management (ALM) Committee presents the Structural and Dynamic Liquidity Report to the Risk Management Committee on a quarterly basis and meetings are held every month. The ALM Committee formulates the ALM Policy which is reviewed at least once a year. If any change is required, then, the revised policy along with desired change and rationale for the same shall be put up to the Risk Management Committee or any Other Committee constituted by the Board. Consequent to the recommendation of the Risk Management Committee, the reviewed policy would be put up to the Board for its approval.

Composition

ALCO Committee is headed by the MD & CEO of the Company. Other members of the Committee comprise HODs of Departments Finance, Credit Appraisal, Project Finance, Taxation, Accounts, Marketing, IT, Risk Management, Credit Monitoring and as nominated by MD & CEO of the Company.

Changes from previous period

There are no significant changes in the Financial Policies.

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Liquidity Risk for Subsidiaries:

The Liquidity risk refers to the risk of financial distress or extra ordinary high financing cost arising due to shortage of liquid funds in a situation where business conditions deteriorate and require financing. The objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements. Processes and policies related to such risk are overseen by senior management and management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

Contractual Maturities of Financial Liabilities of the Group as at March 31, 2020

(₹ in crore)

	On demand	Up to 3 months	Above 3 months to 12 months	Above 1 Year -3 Years	Above 3 Years -5 Years	Above 5 Years-10 Years	Above 10 Years	TOTAL
Derivative Financial Instruments	-	22.90	-	-	-	-	-	**22.90**
Lease Liability	-	11.58	28.16	74.41	26.81	25.13	-	**166.09**
Trade Payables	30.41	0.22	-	-	-	-	-	**30.63**
Debt Securities	-	9,251.00	29,309.00	42,469.30	24,883.67	26,435.00	-	**1,32,347.97**
Borrowings (Other than Debt Securities)	-	879.63	20,582.12	12,181.21	7,588.15	3,839.34	-	**45,070.45**
Deposits	-	851.78	5,251.91	4,543.44	1,955.71	-	-	**12,602.84**
Subordinated Liabilities	-	-	500.00	-	-	1,000.00	-	**1,500.00**
Other Financial Liabilities	101.01	2,608.71	3,547.63	450.44	50.86	6.76	47.65	**6,813.06**
Total	**131.42**	**13,625.82**	**59,218.82**	**59,718.80**	**34,505.20**	**31,306.23**	**47.65**	**1,98,553.94**

Contractual Maturities of Financial Liabilities of the Group as at March 31, 2019

(₹ in crore)

	On demand	Up to 3 months	Above 3 months to 12 months	Above 1 Year -3 Years	Above 3 Years -5 Years	Above 5 Years-10 Years	Above 10 Years	TOTAL
Derivative Financial Instruments	-	25.79	-	-	-	-	-	**25.79**
Trade Payables	74.90	-	-	-	-	-	-	**74.90**
Debt Securities	-	10,226.00	26,862.00	42,464.00	19,945.41	35,328.15	-	**1,34,825.56**
Borrowings (Other than Debt Securities)	8,794.00	618.19	1,819.77	8,230.00	5,193.98	1,727.96	-	**26,383.90**
Deposits	-	563.11	3,826.16	2,668.63	606.29	-	-	**7,664.19**
Subordinated Liabilities	-	-	-	500.00	-	1,500.00	-	**2,000.00**
Other Financial Liabilities	180.28	11,468.22	1,376.97	326.94	98.31	77.92	-	**13,528.64**
Total	**9,049.18**	**22,901.31**	**33,884.90**	**54,189.57**	**25,843.99**	**38,634.03**	**-**	**1,84,502.98**

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40.4.2 Credit Risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has defined Loan selection principles for establishing credit worthiness of the counterparties and criteria for determining the quantum of loan. The Company has adopted a policy of dealing with creditworthiness counter parties and obtaining sufficient collateral as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored.

The carrying amount of loans as at March 31, 2020 is ₹ 2,10,586.96 crore (FY 2018-19 ₹ 1,94,650.14 crore) which best represent the maximum exposure to credit risk, the related Expected credit loss amount to ₹ 2,612.45 crore (FY 2018-19 ₹ 1,659.48 crore). The Company has right to sell or pledge the collateral in case borrower defaults. The carrying amount of loans as at March 31, 2020 includes ₹ 59.67 crore towards Loans to Staff, Loans against Public Deposit and Finance Lease Receivables. (FY 2018-19 ₹ 44.69 crore).

Credit Risk for Subsidiaries

The Trade Receivables which are Management Fees receivable as on the reporting date are generally received within 30 days from the reporting date. Hence, the Credit Risk pertaining to Trade Receivables is low.

The Credit Risk on Cash and Cash Equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and/or domestic credit rating agencies. Investments primarily includes investment in liquid mutual fund units and deposit for a specified time period.

40.4.2.1. Credit Risk Mitigation measures for Housing Finance

Independent internal legal and technical evaluation team in the Company makes credit decisions more robust and in line to manage collateral risk. The in-house Credit team conducts a credit check and verification procedure on each customer, ensuring consistent quality standards to minimize future losses. To review the adherence to laid down policies and quality of appraisal, Company's independent internal audit team conducts a regular review of files on a sample basis. A dedicated collection and recovery team manages lifecycle of transactions and monitors the portfolio quality.

Credit Norms: - Certain credit norms and policies are being followed by the Company to manage credit risk, including a standard credit appraisal policy based on customer credit worthiness. These criteria change between loan products and typically include factors such as profile of applicant, income and certain stability factors such as the employment and dependency detail, other financial obligations of the applicant, Loan to value and the loan-to-cost ratio. Standardized credit approval process including a comprehensive credit risk assessment is in place which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower.

The Credit Policy defines parameters such as Borrower's ability to pay, Reputation of Employer, Nature of employment/ Self-employed, Qualification of Applicants, Stability of Residence, Family size and dependence on Applicants income, Insufficient sales proceeds to pay the dues in case of Project Loans due to project slowdown etc. to ensure consistency of credit quality.

Credit Risk Mitigation measures for Subsidiaries

To manage credit risk the Group periodically assessed the financial reliability of customers, taking into account the financial conditions, current economic trends and analysis of historical bad debts and ageing of accounts receivable.

Retail lending for Housing Finance:

For retail lending, credit risk management is achieved by considering various factors like:

- Assessment of borrower's capability to pay – a detailed assessment of borrower's capability to pay is conducted. The approach of assessment is laid down in the credit policy of the Company. Various factors considered for assessment are credit information report, analysis of bank account statement and valuation of property.

- Security cover – Analysing the value of the property which is offered as security for the loan is essential for the overall underwriting of the loan. It is essential that it is valued before the disbursement of loan to arrive at a clear idea about its cost, valuation, marketability and loan to property ratio.

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- Additional Security – Additional Security can be by way of pledge of acceptable Additional Collaterals such as LIC Policies or other Securities like NSCs, FDs, Kisan Vikas Patra, etc. is considered. This is taken depending on nature of loan proposal and amount of risk involved.

- Geographical region – The Company monitors loan performance in a particular region to assess if there is any stress due to natural calamities etc. impacting the performance of the loan in a particular geographic region.

Project lending for Housing Finance:

For project lending, credit risk management is achieved by considering various factors like:

- Promoter's strength – a detailed assessment of borrower's capability to pay is conducted. Various factors considered for promoter's assessment are the financial capability, past track record of repayment, management and performance perspective.

- Credit information report – It is very essential to check the Credit worthiness of an Applicant & the Credit History of Borrower for Consumer or Commercial Loans. The Company uses this Report for taking a Decision on Credit Sanction by getting details of the Credit History of a Borrower. For Project Loans, reports from independent institutions are referred so as to get the marketability report of the project and its neighbourhood analysis.

- Security cover – Analysing the value of the property which is offered as security for the loan is essential for the overall underwriting of the loan. With respect to project loans, the main security taken is underlying land and structure there on. Technical appraisals are conducted to establish the life, soundness, marketability and value of the security.

- Additional Security – Additional Security is taken depending on nature of loan proposal and amount of risk involved. In some cases, the hypothecation of receivables from the loan is taken. The Negative lien is marked on the flats in the project to the extent of 1.5 times or more as per merits of the case. The Company endeavours to maintain the security cover of at least 1.5 times. Personal Guarantee of promoter directors / corporate guarantee of Group is also obtained as Security. In some cases, the Additional Collateral in the form of Fixed Deposits are also accepted. In case of Higher Risk, Debt Service Recovery Account is also maintained. The Charge on the security / Additional Collateral security is also registered in Central Registry / ROC.

- Geographical region – The Company monitors loan performance in a particular region to assess if there is any stress due to natural calamities etc. impacting the performance of the loan in that geographic region.

  The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

Derivative financial instruments:

Interest rate swaps –

The exposure of the Parent to Derivatives contracts is in the nature of interest Rate Swaps and currency swaps to manage risk associated with interest rate movement and fluctuation in currency exchange rate.

Derivative policy of the Company specifies the exposure norms with respect to single counterparty and the total underlying amount at the time of entering into the new derivative contract.

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

The gain realized on early termination of swap is amortized over the balance tenor of the swap or underlying liability whichever is less. Loss if any on early termination is charged to revenue in the same year. The carry difference, between coupon rate liability and the swap contract rate is accounted quarterly on accrual basis

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40.4.2.2 Collateral and other credit enhancements

With respect to loan cases the main security taken is underlying land and structure there on. Apart from the main security additional collaterals are also sought depending upon merits of the case. In some cases the hypothecation of receivables for the loan is also taken.

The Company after exploring all the possible measures, initiates action under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) against the mortgaged properties as a last resort to recover. Company follows the due procedure as laid down in the SARFAESI Act 2002 and accordingly takes the possession of the properties for its logical conclusion.

As the procedure involved under SARFAESI is to be followed in a time-bound manner, different loan accounts will be at various stages of SARFAESI proceedings.

Loan Portfolio includes loans amounting to ₹ 440.78 crore (FY 2018-19 ₹ 201.17 crore) against which the company has taken possession of the properties under (SARFAESI) and holds such properties for disposal. The value of assets possessed against the loan is ₹ 425.66 crore (F. Y. 2018-19 ₹ 106.59 crore), being lower of the fair value of the asset possessed and the outstanding as at March 31, 2020.

40.4.2.3 Impairment Assessment for Housing Finance:

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

Definition of Default for Housing Finance:

The Company considers a financial instrument as defaulted when the borrower becomes 90 days past due on its contractual payments. Such instruments are considered Stage 3 (credit-impaired) for ECL calculations.

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

Stage wise categories of Loan Assets

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

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

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

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

Retail Loans:

Depending on the nature of the financial instruments and the credit risk information available for particular groups of financial instruments, an entity may not be able to identify significant changes in credit risk for individual financial instruments before the financial instrument becomes past due. In case of retail loans, the financial instruments are backed by sufficient margin of underlying security which absorbs the associated risks. Hence, the Company has performed the assessment of significant

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increases in credit risk on a collective basis for retail loans by considering information that is indicative of significant increases in credit risk on groups of financial instruments.

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

Project Loans

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

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

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

(₹ in crore)

	Stage 1		Stage 2		Stage 3		Total	
	Amount	Impairment	Amount	Impairment	Amount	Impairment	Amount	Impairment
As At March 31, 2020	1,94,665.32	0.10	9,605.48	0.15	6,316.16	2,612.20	2,10,586.96	2,612.45
As At March 31, 2019	1,83,133.38	23.91	8,564.12	111.53	2,952.64	1,524.04	1,94,650.14	1,659.48

40.4.2.4 ECL Model and Assumptions considered in the ECL Model

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

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

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

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

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Probability of Default for Housing Finance

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

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

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

Exposure at default for Housing Finance

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

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

Loss given default for Housing Finance

Value of collateral property: The loans are secured by adequate property. The present value of such collateral property is considered while calculating the Expected Credit Loss. The Company initiates recovery process of Non Performing Accounts within the statutory time limit as per SARFAESI and other applicable laws and accordingly the realizable period has been considered for computing the Present Value of Collateral.

Forward looking information for Housing Finance

The Company has extended moratorium from repayment of EMIs due from 1st March 2020 till 31st August 2020 to all its borrowers in line with the Covid-19 package announced by RBI. The assumptions and estimates on the basis of which, the Expected Credit Losses (ECL) of the loan portfolio have been identified, are primarily based on the historical performance of the loan portfolio, updated to reflect current conditions of pandemic and moratorium as well as forecasts of future economic conditions. Ageing of the loan accounts ,which were Standard / under ECL Stage 2 as on 29th February 2020 and have been considered for moratorium & moving into ECL Stage 3 as per Ind AS 109, has been determined having reference to the position of such accounts as on 29th February 2020. Owing to the prevailing situation, additional sensitivity scenarios have been considered in the ECL calculations by assigning suitable weights as under for arriving at the impairment provisions required under Ind AS 109.

The extent to which the Covid-19 pandemic will impact the Company's business and financial performance in the future periods is uncertain. The company will continue to closely monitor any further changes to the business processes, the financial impact due to Covid-19 and other business related events. The definitive assessment of the impact would be dependent upon circumstances as they evolve in the subsequent period.

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Covid 19 can impact the ability of the Borrowers, whether Corporate or Individuals, to meet their obligations under loan relationships. Individual and Corporate Borrowers may have a particular exposure to the economic impacts in their geography and industry sector. More broadly, reductions in forecast in economic growth increase the probability of default across many borrowers and loss given default rate may increase due to fall in value of collateral evident more generally by fall in prices of assets.

The Parent is into secured lending business where primary collateral security is mostly residential/commercial properties. As stipulated by Regulator, lending is done against part value of security with remaining portion acting as a buffer to absorb fall in property prices. Due to Covid-19 detrimental impact on economy, property prices in general are expected to fall, but the fall will likely be asymmetric across locations and will depend upon many micro factors including type of property, location, stage/type/age of construction, local micro market, etc.

Scenario 1 is the base scenario without any perturbance. This is assigned a weightage of 20%.

Scenario 2 is based on the forecasted macro-economic parameters and is assigned a weightage of 15%.

Scenario 3 is considered taking perturbed scenario and is assigned a weightage of 15%

COVID – 1 & 2, estimating the property price change due to Covid-19. Apart from Company's historic data on property prices in Portfolio Segments IHL – Metro and Non-Metro, various press releases / media statement / research report were considered.

COVID – 3 is based on ratio of Principal Outstanding amount to Present value of collateral.

COVID – 4 is based on availing moratorium.

Based on the above, the Company has assumed the following scenarios with the respective weights for ECL computation:

Scenario	Weight
Scenario 1	20 %
Scenario 2	15 %
Scenario 3	15 %
COVID 1	10 %
COVID 2	15 %
COVID 3	15 %
COVID 4	10 %

Write off policy for Housing Finance

The Company has over the period established a well-defined Credit Monitoring Mechanism for follow up of the default / delinquent accounts.

A multi-faceted approach is adopted in Credit Monitoring activities which involves participation of In-House employees as well as outsourced agencies. Each loan account is analysed based on the causative factors of becoming default and appropriate follow-up activity is undertaken. Inspite of adopting an appropriate follow-up activity, some accounts continue to be delinquent. Sufficient time, as per law, is given to the Borrowers to regularize their repayments and if still the accounts continue to be under the Non-Performing bracket, legal recourse is adopted.

However, there could be accounts wherein no recovery would be forthcoming despite the best efforts put in by the Company. Such accounts are critically examined on case to case basis and if there is no merit of recovery, such accounts are recommended for write-off to/through internal committees as per the policy approved by the Board. Write-off is a de-recognition of a loan the Company has no reasonable expectations of recovering the contractual inflows.

(₹ in crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Assets written off but are still subjected to enforcement activity	499.55	472.86

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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

(₹ in crore)

	Stage 1		Stage 2		Stage 3		Total	
	Amount	Impairment	Amount	Impairment	Amount	Impairment	Amount	Impairment
Gross Carrying Amount -01.04.2018	**1,59,805.66**	**284.00**	**6,386.32**	**116.71**	**1,290.79**	**908.42**	**1,67,482.77**	**1,309.13**
Net change in exposures	28,102.77	(273.62)	(464.85)	29.89	(119.81)	860.46	27,518.11	616.73
Transfer to Stage 1	2,062.90	53.08	(2,027.41)	(37.82)	(35.49)	(15.26)	-	-
Transfer to Stage 2	(5,609.50)	(4.60)	5,655.17	20.58	(45.67)	(15.97)	-	-
Transfer to Stage 3	(1,145.04)	(34.92)	(984.18)	(17.82)	2,129.22	52.74	-	-
Changes in contractual cash flows due to modifications not resulting in derecognition	(83.39)	(0.01)	(0.93)	(0.01)	(0.04)	-	(84.36)	(0.02)
Amounts Written Off	-	-	-	-	(266.36)	(266.36)	(266.36)	(266.36)
Gross Carrying Amount-31.03.2019	**1,83,133.40**	**23.92**	**8,564.12**	**111.53**	**2,952.64**	**1,524.03**	**1,94,650.16**	**1,659.48**
Net change in exposures	1,62,510.97	313.43	(1,46,484.69)	496.51	57.94	179.28	16,084.22	989.22
Transfer to Stage 1	2,121.01	(71.36)	(2,015.07)	31.82	(105.94)	39.54	-	-
Transfer to Stage 2	(1,51,624.40)	21.07	1,51,868.08	(110.05)	(243.68)	88.98	-	-
Transfer to Stage 3	(1,376.32)	(286.96)	(2,315.65)	(529.66)	3,691.97	816.62	-	-
Changes in contractual cash flows due to modifications not resulting in de-recognition	(99.34)	-	(11.31)	-	(0.52)	-	(111.17)	-
Amounts Written Off	-	-	-	-	(36.25)	(36.25)	(36.25)	(36.25)
Gross Carrying Amount -31.03.2020	**1,94,665.32**	**0.10**	**9,605.48**	**0.15**	**6,316.16**	**2,612.20**	**2,10,586.96**	**2,612.45**

The movement within the tables is a combination of quarterly movements over the year. The credit impairment charge in the Statement of Profit & Loss comprises the amount arrived after addition of figures in Total column.

Transfers – transfers between stages are deemed to occur at the beginning of a quarter based on prior quarters closing balances.

Net remeasurement from stage changes – the remeasurement of credit impairment provisions arising from a change in stage is reported within the stage that the assets are transferred to.

Net changes in exposures – comprises new disbursements less repayments in the year.

40.4.2.5. Modified Loans

Where the contractual terms of a financial instrument have been modified, and this does not result in the instrument being derecognised, a modification gain or loss is recognised in the Statement of Profit or Loss representing the difference between the original cash flows and the modified cash flows, discounted at the effective interest rate. If the modification is credit-related or where the Company has granted concessions that it would not ordinarily consider, then it will be considered credit-impaired. Modifications that are not credit related will be subject to an assessment of whether the asset's credit risk has increased significantly since origination by comparing the remaining lifetime probability of default (PD) based on the modified terms to that on the original contractual terms.

40.4.3. Market Risk

Market risk is the risk of losses in positions taken by the Group which arises from movements in market prices. Any item in the balance sheet which needs re-pricing at frequent intervals and whose pricing is decided by the market forces will be a component of market risk. There are number of items in the Group's balance sheet which exposes it to market risk like Housing loans at floating rate, loans to developers at floating rate, Non-Convertible Debentures (NCDs) with options, bank loans with option, Foreign Currency Bank Loans, Coupon Swaps, etc.

40.4.4. Interest Rate Risk

Interest Rate Risk refers to the risk associated with the adverse movement in the interest rates. Adverse movement for the Group would imply rising interest rates on liabilities and falling interest yields on the assets. This is the biggest risk which the Group faces. It arises because of maturity and re-pricing mismatches of assets and liabilities.

In order to mitigate the impact of this risk, the Group tracks the composition and pricing of assets and liabilities on a continuous basis.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

40.4.5 Operational Risk for Parent

Operational risk is "the risk of a change in value caused by the fact that actual losses, incurred for inadequate or failed internal processes, people and systems, or from external events (including legal risk), differ from the expected losses". It can be subdivided into the following categories:

A. **Compliance risk** is defined as the risk of legal sanctions, material financial loss, or loss to reputation the Company may suffer as a result of its failure to comply with laws, its own regulations, code of conduct, and standards of best/good practice.

The Company is regulated by NHB and RBI with effect from August 2019, registered with SEBI and has listing agreements with stock exchanges, i.e. BSE & NSE and Luxembourg. In order to ensure compliance with applicable laws, the Company has put in place adequate processes.

B. **Legal risk** is the cost of litigation due to cases arising out of lack of legal due diligence. Litigation can also arise out of failure or frauds in the course of business.

The main business is of lending money for/against mortgage loans and is therefore exposed to legal risk. For handling the same, there are robust legal systems for title verification and legal appraisal of related documents. Company has standards of customer delivery and the operational mechanism to adhere to such standards aimed at minimum instances of customers' grievances.

Operational Risk for Subsidiaries

Operational Risk for Subsidiaries include losses due to failure to adhere to internal policies and processes, human error or external events. Operational risk also includes information technology risk, operations risk and legal risk. The Management of the Subsidiaries identifies, assesses, monitors and controls these risks and formulates plans and processes to mitigate the same.

40.4.6. Regulatory Risk for Parent and Subsidiaries

Regulatory risk is the risk that a change in laws and regulations will materially impact the Group. Changes in law or regulations made by the government or a regulatory body can increase the costs of operating the business, and/or change the competitive landscape.

In case of the Group, the regulatory risk can arise due to change in prudential rules/norms by the regulators viz; NHB, SEBI, RBI etc. In order to mitigate the effects of same, the Group is aware of the Business and Regulatory environment and anticipate the likely regulatory changes that may come in the short and medium term so that it is able to quickly change its systems and practices to realign itself with the changed regulatory framework.

40.4.7. Competition Risk

Competition Risk is the risk to the market share and profitability arising due to competition. It is present across all the businesses and across all the economic cycle with the intensity of competition risk varying due to several factors, like, barriers to entry, industry growth potential, degree of competition, etc.

The Company's business environment is characterized by increased youth population, growing economy, increased urbanization, Government incentives, acceptability of credit in society and rise in nuclear families. Due to all these reasons, the Housing Finance industry has seen a higher growth rate than overall economy and several other industries since past several years. This has led to increase in competition and in turn increased pressure on the existing Companies to maintain/grow market share and profitability. In order to mitigate the risk arising due to competition, the Company has customer centric approach coupled with state of art infrastructure including IT interface.

40.4.8. Currency Risk and mitigation

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company manages itself against currency risk by taking out foreign currency swaps and converting the exposures into Indian Rupees. The Company applies cash flow hedge accounting to the foreign currency element of its floating rate dollar-denominated External Commercial Borrowings and associated cross currency interest rate swaps.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

The Company converts ECB into fixed rate Indian Rupee exposures with the floating rate and principal of the hedged item matched by those of the hedging instrument. The Company considers the hedge as a hedge of more than one risk and does not split the interest rate from the principal for hedge accounting purposes.

Hedge Accounting

In December 2019 the company raised an ECB of USD 200 million in the form of a syndicated loan facility. The tenor of the facility is 3 years. The proceeds are being utilized in accordance with the approval granted by RBI under automatic route and is in conformity with the applicable ECB Guidelines.

As a part of its risk management, the Company has identified a series of risk categories with corresponding hedging strategies using derivative instruments.

When a hedging relationship meets the specified hedge accounting criteria set out in Ind AS 109, the Company applies one of three types of hedge accounting: fair value hedges; cash flow hedges; or hedges of a net investment in a foreign operation.

Transactions that are entered into in accordance with the Company's hedging objectives but do not qualify for hedge accounting, are referred to in these financial statements as economic hedge relationships.

The nature of risk that is needed to be hedged, the risk management objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship at inception and on an ongoing basis is recorded with reference to the economic relationship between the hedged item and the hedging instrument.

Every hedge relationship is required to be tested to assess whether the hedge relationship meets the hedge effectiveness requirements at the inception of the hedging relationship, and on an on-going basis at each reporting date. This assessment relates to expectations about hedge effectiveness and is therefore only forward looking.

Cash Flow Hedges

Cash flow hedge is a hedge of the exposure to variability in the cash flows of a specific asset or liability, or of a forecasted transaction, that is attributable to a particular risk. It is possible to only hedge the risks associated with a portion of an asset, liability, or forecasted transaction, as long as the effectiveness of the related hedge can be measured. The accounting for a cash flow hedge will be to recognize the effective portion of any gain or loss in other comprehensive income, and recognize the ineffective portion of any gain or loss in finance cost in the statement of profit and loss. When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

Impact of Covid 19 on Hedge Accounting and Interest Rate Swap

Hedge Accounting is purely an accounting exercise – even though now it is dove tailed into the risk management policies of the company – to minimise the impact of fluctuations in the profit & loss account caused primarily due to 'accounting mismatch'. As such we do not see any COVID-19 impact on hedge accounting.

Hedge Ratio

The hedge ratio is consistent with that used for risk management purposes without a deliberate imbalance to derive an inappropriate accounting outcome.

The Company economically hedges the risk of volatility in floating interest rate on USD External Commercial Borrowings and the Currency Risk on the principal with a Cross Currency Swap with matched terms and matched USD notional. This actual hedge ratio does not reflect an imbalance (that could result in an accounting outcome that would be inconsistent with the purpose of the hedge accounting) and hence represents an eligible hedge ratio.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Maturity interest rate risk profiles

The following table shows the maturity and interest rate risk profiles of the company's hedging instruments used in its cash flow hedges. As the Company applies one-to-one hedging ratios, the below table effectively shows the outcome of the cash flow hedges:

(₹ in crore)

Maturity of cross currency swaps						
March 31, 2020	**Less than 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
Micro cash flow hedges						
Cross currency interest rate swaps						
Notional principal	-	-	-	1,425.73	-	1,425.73
Average fixed rate	0.00%	0.00%	0.00%	7.52%	0.00%	
Average INR/$ Rate				86.20		

March 31, 2019	**Within 1 Year**	**1-3 years**	**3-8 years**	**Over 8 years**
Micro cash flow hedges				
Cash outflows	-	-	-	-

Carrying Value of Derivatives used in Cash Flow Hedges

(₹ in crore)

March 31, 2020	**Carrying value assets**	**Carrying value liabilities**	**Notional amount**
Derivatives used as cash flow hedges			
Cross-currency interest rate swaps	48.62	-	1,425.73
Total derivative financial instruments	**48.62**	**-**	**1,425.73**

March 31, 2019	**Carrying value assets**	**Carrying value liabilities**	**Notional amount**
Derivatives used as cash flow hedges			
Cross-currency interest rate swaps	-	-	-
Total derivative financial instruments	**-**	**-**	**-**

Hedge Instrument

Fair Value of Hedging Instrument

(₹ in crore)

	Carrying value			**Changes in fair value of hedging instruments used for measuring hedge ineffectiveness**			**Reclassified into income statement**
	Notional amount	**Assets**	**Liabilities**	**In Total**	**Effective portion Recognised in OCI**	**Hedge Ineffectiveness Recognised in profit & loss account**	
Micro cash flow hedges							
Cross currency interest rate swaps	1,425.73	48.62	-	48.62	48.62	-	48.62
Total	**1,425.73**	**48.62**	**-**	**48.62**	**48.62**	**-**	**48.62**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Fair Value of Hedged Item

(₹ in crore)

	Change in fair value of hedged item in the year used for ineffectiveness measurement	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
March 31, 2020			
Micro cash flow hedges			
Floating rate US$ notes	48.62	-	-
Total	**48.62**	**-**	**-**

	Change in fair value of hedged item in the year used for ineffectiveness measurement	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
March 31, 2019			
Micro cash flow hedges			
Floating rate US$ notes	-	-	-
Total	**-**	**-**	**-**

Movement of Cash Flow Hedge

(₹ in crore)

Movement of cash flow hedges	March 31, 2020	March 31, 2019
Hedging net gains/(losses) arising during the year	48.62	-
Less: Recognised in the income statement	(48.62)	-
Income tax related to the above	0	-
Movement on cash flow hedges	-	-

Impact of Cash Flow Hedge on Balance Sheet

(₹ in crore)

Impact of cash flow hedge on balance sheet and financial result - hedging instruments	For the year ended March 31, 2020	For the year ended March 31, 2019
Nominal value	1,425.73	
Carrying amount – assets	48.62	-
Carrying amount – liabilities	-	-
Balance Sheet item in which hedging instrument is reported	Hedging Instruments	NA
Change in the fair value of the hedging instrument used for estimating hedge ineffectiveness	48.62	-
Amount of hedge ineffectiveness recognised in the income statement	-	-
Profit & Loss item in which hedge ineffectiveness is reported	No ineffectiveness reported	NA

Impact of cash flow hedge on balance sheet and financial result - hedged items	For the year ended March 31, 2020	For the year ended March 31, 2019
Amount of change in the fair value of the hypothetical derivative representing the hedged item used for estimating the hedge ineffectiveness in the reporting period	48.62	-
Revaluation reserve due to cash flow hedge accounting for relationships for which hedge accounting will be continued after the end of the reporting period	-	-
Revaluation reserve due to cash flow hedge accounting for relationships for which hedge accounting is no longer applied	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

40.5. Maturity Analysis of Assets and Liabilities:

The Table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled:

As at March 31, 2020

(₹ in crore)

Particulars	Upto 12 months	More than 12 months	Total
ASSETS			
Financial Assets			
Cash and Cash Equivalents	1,369.30	-	1,369.30
Bank Balance other than above	581.97	85.65	667.62
Derivative Financial Instruments	80.48	-	80.48
Receivables			
(I) Trade Receivables	21.80	-	21.80
(II) Other Receivables	-	-	-
Loans	14,852.63	1,93,121.88	2,07,974.51
Investments	3,697.22	1,787.51	5,484.73
Other Financial Assets	9.87	14.05	23.92
Non-Financial Assets			
Current Tax Assets (Net)	-	360.05	360.05
Deferred Tax Assets (Net)	-	526.28	526.28
Property, Plant and Equipment	-	167.26	167.26
Capital Work in Progress	2.92	-	2.92
Right of Use Assets	-	124.95	124.95
Goodwill	-	0.21	0.21
Other Intangible Assets	-	2.01	2.01
Other Non-Financial Assets	113.70	-	113.70
Total Assets	**20,729.89**	**1,96,189.85**	**2,16,919.74**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Derivative Financial Instruments	22.90	-	22.90
Lease Liabilities	34.28	98.87	133.15
Payables			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	30.63	-	30.63
Debt Securities	37,164.14	94,918.12	1,32,082.26
Borrowings (Other than Debt Securities)	21,467.77	23,672.66	45,140.43
Deposits	6,106.26	6,465.55	12,571.81
Subordinated Liabilities	500.00	1,000.00	1,500.00
Other Financial Liabilities	6,247.27	543.32	6,790.59
Non-Financial Liabilities			
Provisions	71.14	77.48	148.62
Other Non-Financial Liabilities	232.03	-	232.03
Total Liabilities	**71,876.42**	**1,26,776.00**	**1,98,652.42**
NET	**(51,146.53)**	**69,413.85**	**18,267.32**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

As at March 31, 2019

(₹ in crore)

Particulars	Upto 12 months	More than 12 months	Total
ASSETS			
Financial Assets			
Cash and Cash Equivalents	2,802.85	-	2,802.85
Bank Balance other than above	211.46	38.82	250.28
Derivative Financial Instruments	26.98	-	26.98
Receivables			
(I) Trade Receivables	11.99	-	11.99
(II) Other Receivables	-	-	-
Loans	13,442.58	1,79,548.08	1,92,990.66
Investments	2,290.47	1,326.87	3,617.34
Other Financial Assets	4.43	12.54	16.97
Non-Financial Assets			
Current Tax Assets (Net)	-	181.66	181.66
Deferred Tax Assets (Net)	-	561.71	561.71
Property, Plant and Equipment	-	164.96	164.96
Capital Work in Progress	2.19	-	2.19
Goodwill	-	0.21	0.21
Other Intangible assets	-	2.91	2.91
Other Non-Financial Assets	76.35	0.36	76.71
Total Assets	**18,869.30**	**1,81,838.12**	**2,00,707.42**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Derivative Financial Instruments	25.79	-	25.79
Trade Payables		-	
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	74.90	-	74.90
Debt Securities	36,878.11	97,737.56	1,34,615.67
Borrowings (Other than Debt Securities)	11,231.45	15,152.46	26,383.91
Deposits	4,548.95	3,108.61	7,657.56
Subordinated Liabilities	-	2,000.00	2,000.00
Other Financial Liabilities	12,879.81	475.31	13,355.12
Non-Financial Liabilities			
Provisions	62.20	56.34	118.54
Other Non-Financial Liabilities	142.92	-	142.92
Total Liabilities	**65,844.13**	**1,18,530.28**	**1,84,374.41**
NET	**(46,974.83)**	**63,307.84**	**16,333.01**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

41. SEGMENT REPORTING:

As per the Ind AS 108 dealing with 'Operating Segments', the main segments and the relevant disclosures relating thereto are as follows:

Particulars	Loans		Other Segments		Inter Segment Adjustments		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Segment Revenue	19,669.77	17,361.72	78.46	76.55	(41.35)	(42.69)	**19,706.88**	**17,395.58**
Segment Result	3,268.99	3,379.55	30.61	31.05	(17.42)	(18.85)	**3,282.18**	**3,391.75**
Share of profit of Associates							**0.52**	**(0.10)**
Current Tax							**838.08**	**1,069.19**
Deferred Tax							**40.43**	**(111.81)**
OCI Adjustment							**(7.15)**	**(0.50)**
Share of Profit/(Loss) of Non-Controlling Interest							**(0.40)**	**(0.42)**
Total Result							**2,396.63**	**2,434.37**
Segment Assets	2,16,805.59	2,00,583.47	254.31	228.97	(140.16)	(105.01)	**2,16,919.74**	**2,00,707.43**
Segment Liabilities	1,98,612.50	1,84,324.20	85.69	73.15	(45.77)	(22.93)	**1,98,652.42**	**1,84,374.42**
Net Assets	18,193.09	16,259.27	168.62	155.82	(94.39)	(82.08)	**18,267.32**	**16,333.01**
Depreciation & Amortization	48.07	11.73	2.18	0.19	0.86	-	**51.11**	**11.92**
Non-Cash Expenses other than Depreciation & Amortization	999.57	618.06					**999.57**	**618.06**

(i) The accounting policies adopted for segment reporting are in line with the policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

(ii) Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

(iii) Loans segment comprises of providing finance for purchase, construction, repairs, renovation of house/buildings.

(iv) Other Segments comprise of Financial Services segment which involves business of marketing Financial Products and Services on own account as well as for and on behalf of other service providers, Construction Segment which establishes and operates assisted living community centres for elderly citizens in India, Asset Management segment which includes promoting and managing different schemes on behalf of LIC Mutual Fund and Trusteeship segment which supervises activities of LIC Mutual Fund.

(v) The Company does not have any material operations outside India and hence, disclosure of geographic segments is not given.

(vi) No single customer represents 10% or more of the Company's total revenue for the year ended March 31, 2020 and March 31, 2019.

42. COMMITMENTS:

a) Estimated amounts of contracts remaining to be executed on capital account and not provided for - (net of advance) are ₹ 0.38 crore (FY 2018-19 ₹ 4.24 crore).

b) Other Commitments: Uncalled liability of ₹ 1.14 crore (FY 2018-19 ₹ 1.14 crore) in respect of commitment made for contribution to LICHFL Urban Development Fund by subscription of 50,000 units (FY 2018-19 50,000 units) of ₹ 10,000/- face value each, paid up value being ₹ 3,761.71 (FY 2018-19 ₹ 3,857.34/-) each.

The Company had committed for an upfront investment of ₹ 37.50 crore subject to a maximum of 10% of aggregate Capital Commitment but not exceeding ₹ 100.00 crore in LICHFL Infrastructure Fund managed by one of the Subsidiary of the Company, namely LICHFL Asset Management Company Limited. The outstanding investment in LICHFL Infrastructure Fund as on 31st March, 2020 is ₹ 1.98 crore (FY 2018-19 ₹ 1.54 crore).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

43. CONTINGENT LIABILITIES IN RESPECT OF:

a) Claims against the Company not acknowledged as debts ₹ 1.98 crore (FY 2018-19 ₹ 0.91 crore).

b) On completion of income tax assessment, the Company had received a demand of ₹ 3.48 crore - (including interest of ₹ 0.20 crore) for A.Y. 2003-04, ₹ 22.17 crore (including interest of ₹ 7.22 crore) for A.Y. 2004-05 against which the Company received refund of ₹ 2.20 crore , ₹ 35.72 crore (including interest of ₹ 6.68 crore) against which ₹ 19.51 crore was paid under protest for A.Y. 2005-06, ₹ 23.85 crore (including interest of ₹ 1.38 crore against which the Company received refund of ₹ 1.37 crore for A.Y. 2006-07 and ₹ 15.03 crore (including interest of ₹ 6.34 crore) for A.Y. 2007-08. The said amounts are disputed and the Company has preferred an appeal against the same. The amounts for the respective years have been paid to the credit of the Central Govt. under protest.

c) Contingent Liabilities - LICHFL Financial Services Limited has received Show Cause Cum Demand Notice dated 23.03.2018 from Office of The Commissioner of GST Audit – I, Mumbai for Service Tax Liability of ₹ 1.04 crore (FY 2018-19 ₹ 1.04 crore). LICHFL Financial Services Limited has received notice of the Goods and Service Tax,2017 from the Goods and Service Tax Department, Mumbai, demanding ₹0.002 crore. The Company is in process of filing replies to the Department. (FY 2017-18: Nil). Also, LICHFL Financial Services Limited has received intimation u/s 143(1) of the Income Tax Act, 1961 from the Income Tax Department, Mumbai, demanding ₹ 0.38 crore (FY 2018-19 ₹ 0.28) for A.Y. 2017-18.

Also, few litigations of LICHFL Care Homes Limited are pending at NCDRC.SCDRC and DCDRF in respect of Bhubaneswar project At present the amount is unascertainable.

d) The management has assessed there are no executory contracts which have become onerous due to the adverse impact of COVID -19.

44. MOVEMENT IN PROVISION FOR CONTINGENCIES AS UNDER:

a. Provision includes:

i. Provision for doubtful advances and provision for probable loss on account of bank reconciliation differences.

(₹ in crore)

Provision for Doubtful Advances	As at March 31, 2020	As at March 31, 2019
Opening balance	0.42	0.42
Add: Additional provisional for doubtful advances	-	-
Less: Amounts utilized during the year / provision written back for doubtful advances	-	-
Less: Reversal of provision for doubtful advances	-	-
Closing balance	**0.42**	**0.42**

45. Fixed Deposits with Banks includes earmarked deposits created in favour of trustees for depositors towards maintaining Statutory Liquid Ratio amounting to ₹ 196.50 crore (FY 2018-19 ₹ 177.25 crore). The Company has beneficial interest on the income earned from these deposits.

46. Temporary Book Overdraft of ₹ 682.54 crore (FY 2018-19 ₹ 6,909.46 crore) represents cheques issued towards disbursements to borrowers for ₹ 675.71 crore (FY 2018-19 ₹ 6,894.71 crore) and cheques issued for payment of expenses of ₹ 6.82 crore (FY 2018-19 ₹ 14.75 crore), but not encashed as at March 31, 2020.

47. AUDITOR'S REMUNERATION*:

(₹ in crore)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
As auditor	0.36	0.37
Tax Audit	0.09	0.09
For Quarterly Limited Reviews	0.18	0.17
In any other manner (Certification work)	0.08	0.04
Reimbursement of expenses to Auditors	0.06	0.02
Total	**0.77**	**0.69**

* Excluding GST

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

48. PROPOSED DIVIDEND

(₹ in crore)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Dividends not recognized at the end of reporting period	403.87	383.67
Tax on Proposed Dividend	-	78.86

Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source under section 194K from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.

49. The Group is in the continuous process of obtaining confirmation from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. The disclosure relating to unpaid amount as at the year-end together with interest paid / payable as required under the said Act have been given to the extent such parties could be identified on the basis of the information available with the Group regarding the status of suppliers under MSMED Act, 2006. No interest has been paid/payable by the Group during the current year to the parties covered under the Micro, Small and Medium Enterprises Development Act, 2006.

50. DISCLOSURE IN RESPECT OF EMPLOYEE BENEFITS:

In accordance with the Indian Accounting Standard (Ind AS 19) – "Employee Benefits", the following disclosures have been made:

Provident Fund and Pension Fund Liability

The Group has recognized ₹ 18.23 crore (FY 2018-19 ₹ 15.95 crore) in the Statement of Profit or Loss towards contribution to Provident fund in respect of Group employees. In respect of LIC employees on deputation who have opted for pension, ₹ 0.64 crore (FY 2018-19 ₹ 0.51 crore) have been contributed towards LIC of India (Employees) Pension Rules, 1995.

Gratuity Liability

(₹ in crore)

Changes in the Benefit Obligation:	2019-20	2018-19
Liability at the Beginning of the year	75.98	70.55
Interest Cost	5.91	5.54
Current Service Cost	4.27	3.62
Past Service Cost	-	-
Benefit Paid	(0.86)	(1.29)
Actuarial Loss/(Gain) on obligations	10.40	(2.44)
Liability at the end of the year	**95.70**	**75.98**

(₹ in crore)

Fair Value of the Plan Assets:	2019-20	2018-19
Fair Value of Plan Asset at the beginning of the year	67.25	43.09
Expected Return on Plan Assets	5.23	3.38
Contributions	9.33	25.28
Benefit paid	(0.86)	(1.29)
Actuarial Gain / (Loss) on Plan Assets	(1.73)	(3.21)
Fair value of Plan Assets at the end of the year	79.22	67.25
Total Actuarial Loss to be Recognized	**12.13**	**0.77**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Actual Return on Plan Assets:	**2019-20**	**2018-19**
Expected Return on Plan Assets	5.23	3.38
Actuarial Gain / (Loss) on Plan Assets	(1.73)	(3.21)
Actual Return on Plan Assets	**3.50**	**0.17**

(₹ in crore)

Amount Recognised in the Balance Sheet:	**2019-20**	**2018-19**
Liability at the end of the year	(95.70)	(75.98)
Fair Value of Plan Assets at the end of the year	79.22	67.25
Amount recognized in the Balance Sheet	**(16.48)**	**(8.73)**

(₹ in crore)

Net Interest Cost for Current Year:	**2019-20**	**2018-19**
Present Value of Benefit Obligation at the Beginning of the Year	75.98	70.55
Fair value of Plan Assets at the Beginning of the Year	(67.25)	(43.09)
Net Liability/(Asset) at the Beginning of the Year	8.73	27.46
Interest Cost	5.91	5.54
Interest Income	(5.23)	(3.38)
Net Interest Cost for Next Year	**0.68**	**2.16**

(₹ in crore)

Expense Recognised in the Statement of Profit and Loss for Current Year:	**2019-20**	**2018-19**
Current Service Cost	4.27	3.62
Net Interest Cost	0.68	2.16
Past Service Cost	-	-
Expense recognized in the Statement of Profit or Loss under staff expenses	**4.95**	**5.78**

(₹ in crore)

Expense Recognized in Other Comprehensive Income (OCI) for Current Year :	**2019-20**	**2018-19**
Actuarial Loss/(Gain) on obligations	10.40	(2.44)
Return on Plan Assets, excluding Interest Income	1.73	3.21
Net (Income)/Expense for the year recognized in OCI	**12.13**	**0.77**

(₹ in crore)

Reconciliation of the Liability recognised in the Balance Sheet:	**2019-20**	**2018-19**
Opening Net Liability	8.73	27.46
Expense recognized in the Statement of Profit or Loss	4.95	5.78
Expense recognized in Other Comprehensive Income	12.13	0.77
Contribution by the Group	(9.33)	(25.28)
Amount recognized in the Balance Sheet under "Provision for Retirement Benefits"	**16.48**	**8.73**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Maturity Analysis of the Benefit Payments : From the Fund	2019-20	2018-19
Proiected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	4.34	2.76
2nd Following Year	4.04	2.95
3rd Following Year	6.82	4.63
4th Following Year	6.69	6.27
5th Following Year	6.67	6.18
Sum of Years 6 to 10	48.19	45.06
Sum of Years 11 and above	**135.14**	**118.41**

(₹ in crore)

Sensitivity Analysis	2019-20	2018-19
Projected Benefit Obligation on Current Assumptions	97.70	75.98
Delta Effect of +1% Change in Rate of Discounting	(7.48)	(6.95)
Delta Effect of -1% Change in Rate of Discounting	8.65	8.03
Delta Effect of +1% Change in Rate of Salary Increase	4.72	4.10
Delta Effect of -1% Change in Rate of Salary Increase	(4.78)	(4.25)
Delta Effect of +1%Change in Rate of Employee Turnover	1.89	1.32
Delta Effect of -1%Change in Rate of Employee Turnover	(1.98)	(1.40)

Assumptions	2019-20	2018-19
Discount Rate	6.84%/5.75%/6.86%	7.79%/6.90%/7.94%
Rate of Return on Plan Assets	6.84%/5.75%/6.86%	7.79%/6.90%/7.94%
Salary Escalation	8.00%/6.90%/8.00%	8.00%/7.00%/8.00%
Attrition Rate	2.00%	2.00%

Gratuity Premium is paid to LIC of India under Gratuity Scheme of LIC.

Actuarial Gains/Losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary Escalation and Attrition Rate are considered as advised to the Company by the Actuary; they are in line with the industry practice considering promotion and demand and supply of the employees.

Maturity Analysis of Benefit payments is undiscounted cash flows considering future salary, attrition and death in respective year for members as mentioned above.

The Group has a defined benefit gratuity plan in India (funded). The Group's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Gratuity is a defined benefit plan and the Group is exposed to the Following Risks:

Interest Risk: A fall in the discount rate which is linked to the Government Security Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance Company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

The Company's best estimate of contributions expected to be paid to the plan during the annual period beginning after March 31, 2020 is ₹ 13.84 crore (Previous Year ₹ 11.47 crore).

Leave Encashment

(₹ in crore)

Changes in the Benefit Obligation:	**2019-20**	**2018-19**
Liability at the Beginning of the year	47.87	41.92
Interest Cost	3.72	3.29
Current Service Cost	2.31	1.70
Benefit Paid	(2.49)	(2.66)
Actuarial (Gain) / Loss on obligations	13.26	3.62
Liability at the end of the year	**64.67**	**47.87**

(₹ in crore)

Amount Recognised in the Balance Sheet:	**2019-20**	**2018-19**
Liability at the end of the year	(64.67)	(47.87)
Fair Value of Plan Assets at the end of the year	-	-
Amount recognized in the Balance Sheet*	**(64.67)**	**(47.87)**

(₹ in crore)

Expense Recognised in the Statement of Profit and Loss:	**2019-20**	**2018-19**
Current Service Cost	2.31	1.70
Interest Cost	3.72	3.29
Expected Return on Plan Assets	-	-
Net Actuarial (Gain) / Loss to be recognized	13.26	3.62
Expense recognized in the Statement of Profit or Loss under staff expenses	**19.29**	**8.61**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Reconciliation of the Liability recognised in the Balance Sheet:	2019-20	2018-19
Opening Net Liability	47.87	41.92
Expense recognized	19.29	8.61
Contribution by the Group	(2.49)	(2.66)
Amount recognized in the Balance Sheet under "Provision for Retirement Benefits"	**64.67**	**47.87**

Assumptions:	2019-20	2018-19
Retirement Age	58 Years	58 Years
Discount Rate	6.84%/6.86%	7.79%/7.94%
Salary Escalation	8.00%/8.00%	8.00%/8.00%
Attrition Rate	**2.00%/2.00%**	**2.00%/2.00%**

The estimates of future salary increases, considered in actuarial valuation, include inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the actuary and relied upon by the Auditors.

* Exclusive of Amount ₹ 0.06 crore (previous year ₹ 0.08 crore) towards additional provision made for LIC employees.

Sick Leave

The Group has recognized ₹ 2.72 crore (FY 2018-19 ₹ 1.24 crore) in the Statement of Profit or Loss towards sick leave in respect of Company employees.

51. RELATED PARTY DISCLOSURE:

a) Details of related parties:

(i) Enterprise having Significant Influence on the Company

Life Insurance Corporation of India

(i) Associates by way of the Company holding shares of the following Enterprises

LIC Mutual Fund Asset Management Limited

LIC Mutual Fund Trustee Private Limited

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

	Nature of Relationship	
Key Management Personnel	**For the year ended March 31,2020**	**For the year ended March 31,2019**
Shri Vinay Sah	MD & CEO (Upto 01.08.2019)	MD & CEO
Shri Siddhartha Mohanty	MD & CEO (From 01.08.2019)	-
Shri Nitin K Jage	Company Secretary	Company Secretary
Shri P Narayanan	Chief Financial Officer (Upto 10.05.2019)	Chief Financial Officer
Shri Sudipto Sil	Chief Financial Officer (From 10.05.2019)	-

Directors (Executive or Otherwise)

	Nature of Relationship	
Key Management Personnel	**For the year ended March 31,2020**	**For the year ended March 31,2019**
Shri V K Sharma	-	Chairman (Upto 31.12.2018)
Shri M R Kumar	Chairman	Chairman (From 25.03.2019)
Shri Hemant Bhargava	Non-Executive Nominee Director (Upto 01.08.2019)	Non-Executive Nominee Director

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

	Nature of Relationship	
Key Management Personnel	**For the year ended March 31,2020**	**For the year ended March 31,2019**
Smt. Usha Sangwan	-	Non-Executive Nominee Director (Upto 29.09.2018)
Shri Vipin Anand	Non-Executive Nominee Director (From 11.11.2019)	-
Shri Jagdish Capoor	Independent Director	Independent Director
Smt. Savita Singh	Independent Director (Re-designated as Independent Director from 01.04.2019)	Non Independent Director
Shri Dharmendra Bhandari	Independent Director	Independent Director
Shri V. K. Kukreja	Independent Director	Independent Director
Shri Ameet Patel	Independent Director	Independent Director
Shri P Koteswara Rao	Non Independent Director (Re-designated as Non Independent from 04.05.2019)	Independent Director
Shri T. V Rao	-	Independent Director (Upto 31.07.2018)
Shri Debabrata Sarkar	-	Independent Director (Upto 12.11.2018)
Shri Kashi Prasad Khandelwal	Independent Director (From 01.07.2019)	-
Shri Sanjay Kumar Khemani	Non Independent Director (From 01.07.2019)	-

b) Details of transactions with related parties

(₹ in crore)

Nature of transactions	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Life Insurance Corporation of India		
Repayment of non-convertible debentures	500.00	1,750.00
Interest expenses on Secured and Unsecured loans	1,461.83	1,531.38
Dividend Payment by LIC Housing Finance Limited to LIC of India	154.62	138.34
Dividend Payment by LICHFL Asset Management Company Limited to LIC of India	0.12	0.10
Rent Rates and Taxes	8.12	6.71
Reimbursement of Electricity Expenses	0.45	0.49
Payment for Staff training, Conference, etc.	0.02	0.14
Reimbursement of Expenses	0.17	0.31
Reimbursement of Gratuity, Mediclaim, GSLI and Pension Fund for staff on deputation from LIC	1.12	0.98
Net Contribution to LIC of India, P & GS, for Gratuity premium for employees (Post Employment Benefit)	8.45	24.05
Balance as at the year end towards non convertible debentures (Credit)	**16,550.00**	**17,050.00**
Balance as at the year end towards Interest Accrued on non convertible debentures (Credit)	**452.84**	**576.66**
Balance as at the year end-Others (Credit)	**2.39**	**2.16**
LIC Mutual Fund Asset Management Company		
Dividend Income	0.22	0.43

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in crore)

Nature of transactions	For the year ended March 31, 2020	For the year ended March 31, 2019
Shri Siddhartha Mohanty, MD & CEO (From 01.08.2019) & Shri Vinay Sah, MD & CEO (Upto 01.08.2019)		
*Managerial remuneration-Total	**0.60	0.57
Short Term Employment Benefits	0.59	0.56
Post-Employment Benefits	0.01	0.01
Outstanding Amount of Loan taken from the Company	0.47	0.35
Shri Nitin K Jage, Company Secretary		
Managerial remuneration-Total	0.41	0.38
Short Term Employment Benefits	0.41	0.38
Post-Employment Benefits	-	-
Investment in Public Deposit	0.04	0.21
Outstanding Amount of Loan taken from the Company	0.08	0.11
Shri P Narayanan, CFO (Upto 10.05.2019) & Shri Sudipto Sil (From 10.05.2019)		
Managerial remuneration-Total	***0.40	0.28
Short Term Employment Benefits	0.40	0.27
Post- Benefits Employment	0.00	0.01
Investment in Public Deposit	-	0.28
Accrued Interest on Public Deposit	-	0.03
Investment in Public Deposit by Close Members of family	0.48	-
Accrued Interest on Public Deposit made by Close Members of family	0.06	-
Directors (Executive or Otherwise)		
Sitting Fees Paid	0.50	0.46
Shri Hemant Bhargava, Non-Executive Nominee Director (Upto 01.08.2019)		
Outstanding Amount of Loan taken from the Company	-	0.04
Shri Jagdish Capoor, Independent Director		
Investment in Public Deposit	0.10	-

*As the Provision for Performance Linked Incentive (PLI) and Leave encashment is accrued for the company as a whole and not decided individually, hence not included. However payment made during the financial year 2019-2020 has been included.

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

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

Gratuity attributable to the Company Secretary and CFO (From 10.05.2019) is ₹ 0.20 crore as a post employment benefit. For the MD & CEO and CFO (Upto 10.05.2019), an amount of 5% of Basic Salary plus DA is contributed as a post employment benefit to LIC.

The Company has adjusted the net amount of ₹ 0.23 crore during the Current Year towards receivable from / payable to LIC of India.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

52. LEASES:

a. The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows :

(₹ in crore)

Particulars	Amount
Increase in Finance Cost	10.99
Increase in ROU	159.69
Increase in Depreciation	34.74
Increase in Lease Liability	133.15
Increase/Decrease in Deferred Tax	(0.38)
Decrease in Property, Plant & Equipment due to Assets Subleased to Subsidiaries	0.77

b. Actual Payment of Rent from 01.04.2019 to 31.03.2020 is ₹ 42.22 crore

c. Actual payment of Rent from 01.04.2019 to 31.03.2020 for short term leases is ₹ 0.01 crore.

d. The following is the breakup of Current and non-current portion of Lease Liability as on 31.03.2020:

(₹ in crore)

Particulars	Amount
Current	34.28
Non-Current	98.87
Total Lease Liability as on 31.03.2020	**133.15**

e. The following is the movement of Lease Liability as on 31.03.2020:-

(₹ in crore)

Particulars	Amount
Opening Value of Lease Liability as of April 1, 2019 due to initial recognition as per Ind AS 116	108.06
Additions	56.01
Interest Expense on Lease Liability	10.99
Finance Income on Subleased Assets	0.12
Actual Payment of Rent	(42.22)
Provision on Disposals	0.19
Closing Value of Lease Liability as of March 31, 2020	**133.15**

f. The Carrying Value of Right of Use Asset as of March 31, 2020:

(₹ in crore)

Particulars	Amount
Opening Value of Right of Use Asset as of April 1, 2019 due to initial recognition as per Ind AS 116	103.85
Additions	59.66
Disposals	3.23
Gross carrying value as of March 31, 2020	**160.28**
Accumulated Depreciation as of April 1, 2019	**0.00**
Depreciation	38.54
Accumulated Depreciation on Disposals	3.21
Accumulated Depreciation as of March 31, 2020	**35.33**
Carrying Value as of March 31, 2020	**124.95**

g. The following represents the Contractual Maturity of the Lease Liability as on 31.03.2020 on an undiscounted basis:

(₹ in crore)

Particulars	Amount
On demand	0.00
Upto 3 months	11.58
Above 3 months to 12 months	28.16
Above 1 Year -3 Years	74.41
Above 3 Years-5 Years	26.81
Above 5 Years-10 Years	25.13
Above 10 Years	0.00
Total	**166.09**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

h. Reconciliation between Ind AS 17 and Ind AS 116:

(₹ in crore)

As at 1 April 2019	Amount
Off-balance sheet lease obligations as of 31 March 2019	0.00
Current leases with lease term of 12 months or less (short-term leases)	0.00
Leases of low value assets (low-value leases)	0.00
Variable lease payments	0.00
Others	0.00
Operating lease obligations as of 1 April 2019 (gross without discounting)	199.64
Effect from discounting at the incremental borrowing rate as at 1 April 2019	(45.76)
Lease liabilities as at 1 April 2019	**153.88**
Non-lease components (if any) (net of discount)	0.00
Lease liabilities due to initial application of Ind AS 116 as at 01 April 2019	153.88
Lease liabilities from finance leases as at 01 April 2019	1.10
Total lease liabilities as of 1 April 2019	**154.98**

As a Lessee:

Amount recognised in Statement of Profit and Loss:

(₹ in crore)

Particulars	For the year ended March 31, 2020
Interest on lease Liabilities	10.99
Variable payments not included in measurement of lease liability	0.00
Income from subleasing ROU assets	0.00
Expenses relating to short term leases	0.00
Expenses relating to leases of low value assets, excluding short term leases of low value assets	0.00
Total amount recognised in the Statement of Profit and Loss	**10.99**

Amount recognised in the Statement of Cash Flow:

(₹ in crore)

Particulars	For the year ended March 31, 2020
Total amount of cash outflows for leases (net of rental inflows)	40.32

Due to COVID-19 situations, no changes have been made in the terms of lease arrangements, neither have lessors given any concession to the lessee with respect to lease payments. None of the lease agreements have become onerous. The incremental borrowing rate of the Company, used to determine the present value of new lease liabilities has not been impacted due to COVID-19 situation.:

53. EARNINGS PER SHARE:

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year as under:

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Profit after tax attributable to equity shareholders	(₹ in crore)	2,403.26	2,433.95
Weighted average number of equity shares outstanding during the year	Nos.	504,663,000	504,663,000
Basic and Diluted Earnings per equity share	₹	47.63	48.23
Face value per equity share	₹	2/-	2/-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

54. TAXES ON INCOME:

Movement in Deferred Tax Assets / Liabilities

(₹ in crore)

Particulars	As at March 31, 2019	Profit or Loss	OCI	Total	As at March 31, 2020
Property, plant and equipment	(0.52)	(28.13)	-	(28.13)	(28.65)
Expected credit losses	579.89	24.46	-	24.46	604.35
Provisions other than those pertaining to Expected credit loss	23.84	0.13	-	0.13	23.97
Financial assets at fair value through profit or loss	(1.07)	2.31	-	2.31	1.24
Re-measurements of employee benefits through OCI	(0.37)	-	4.74	4.74	4.37
Adjustments pertaining to Income and expense recognition based on Expected Interest rate	(106.92)	0.91	-	0.91	(106.01)
Income recognition on NPA cases	(7.96)	(23.52)	-	(23.52)	(31.48)
Others	74.83	(16.33)	(0.01)	(16.34)	58.49
Total	**561.72**	**(40.17)**	**4.73**	**(35.44)**	**526.28**

Particulars	As at April 1, 2018	Profit or Loss	OCI	Total	As at March 31, 2019
Property, plant and equipment	(0.38)	(0.15)	-	(0.15)	(0.53)
Expected credit losses	457.46	122.43	-	122.43	579.89
Provisions other than those pertaining to Expected credit loss	29.57	(5.73)	-	(5.73)	23.84
Financial assets at fair value through profit or loss	2.66	(3.74)	-	(3.74)	(1.08)
Re-measurements of employee benefits through OCI	(0.67)	0.03	0.27	0.30	(0.37)
Adjustments pertaining to Income and expense recognition based on Expected Interest rate	(99.11)	(7.81)	-	(7.81)	(106.92)
Income recognition on NPA cases	(7.96)	-	-	-	(7.96)
Others	68.06	6.77	-	6.77	74.83
Total	**449.65**	**111.81**	**0.27**	**112.08**	**561.71**

Income Tax recognised in Statement of profit and loss:

(₹ in crore)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Tax		
In respect of Current Year	838.09	1,069.19
Deferred Tax		
In respect of Current Year	40.43	(111.81)
Total Income Tax expense recognised in the current year	**878.52**	**957.38**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Reconciliation of income tax expense of the year can be reconciled to the accounting profit as follows:

(₹ in crore)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Consolidated Profit before tax	3,282.18	3,391.75
Income tax expense calculated *	830.87	1,189.99
Effect of expenses that are not deductible in determining taxable profit	194.68	113.10
Effect of incomes which are exempt from tax	(1.56)	(2.34)
Effect on deferred tax balances due to the changes in income tax rate	154.81	-
Deduction under section 36(1)(viii) of the Income tax Act, 1961	(185.36)	(232.05)
Others	(114.92)	(111.31)
Income tax expense recognised in statement of profit or loss	**878.52**	**957.38**

*The tax rate used for the reconciliations above is the corporate tax rate of ranging from 22.88% to 29.12% (Previous Year 25.82% to 34.944%) payable by the Group in India on taxable profits under tax law in Indian jurisdiction.

While recognising provision for income tax for the year ended March 31, 2020, the Parent has exercised the option of lower tax rate permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. The Parent has adopted new tax rate of 22% plus applicable surcharge and cess as per the new – Section 115BAA which has been inserted in the Income Tax Act,1961.

The new effective tax rate, which will apply to domestic companies availing the benefit of section 115BAA is 25.168%.

In the current COVID 19 situation, the Parent has re-assessed the recognised deferred tax assets. The Parent has recognised previously unrecognised deferred tax assets/ liabilities to the extent that it has become reasonably certain and is of view that sufficient future taxable income will be available against which such deferred tax assets can be realised. The Parent will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

55. CORPORATE SOCIAL RESPONSIBILITY

Establishment and Other expenses includes ₹ 61.66 crore for the year ended March 31, 2020 (FY 2018-19 ₹ 18.94 crore) for contribution towards Corporate Social Responsibility (CSR) in accordance with Companies Act, 2013.

Details of CSR expenditure during the financial year

a) Gross amount required to be spent by the Group during the year is ₹ 61.66 crore (FY 2018-19 ₹ 57.64 crore).

b) Amount spent during the year:

(₹ in crore)

Sl. No	Particulars	In cash	Yet to be paid	Total
(i)	Construction/acquisition of any asset	14.77 (13.00)	25.47 (-)	40.24 (13.00)
(ii)	On purposes other than (i) above	6.71 (5.94)	14.71 (-)	21.42 (5.94)

Figures in bracket are in respect of the Previous Year

c) Details of related party transactions as per Indian Accounting Standard (Ind AS) 24, Related Party Disclosures - Nil

d) Provision of ₹ 40.18 crore has been made for CSR expenditure unspent by the company as on March 31, 2020 (Previous Year Nil).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

56. TRANSFER TO SPECIAL RESERVES

Special Reserve has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company. Special Reserve No. I relates to the amounts transferred upto the Financial Year 1996-97, whereas Special Reserve No. II relates to the amounts transferred thereafter. In the current financial year ₹ 749.99 crore (FY 2018-19 ₹ 749.99 crore) has been transferred to Special Reserve No. II in terms of Section 36(1)(viii) of the Income tax Act, 1961 and an amount of ₹ 0.01 crore (FY 2018-19 ₹ 0.01 crore) to Statutory Reserve under Section 29C the NHB Act.

As per National Housing Bank's (NHB) circular vide circular NHB(ND)/DRS/Pol. 62/2014 dated 27th May, 2014, the Company has adjusted the opening balance of reserves for creation of Deferred Tax Liability (DTL) on the Special Reserve as at April 1, 2014 created under Section 36(1)(viii) of the Income tax Act, 1961.

57. INTERESTS IN OTHER ENTITIES

Subsidiaries

The Company's Subsidiaries as at March 31, 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company.

Name of Entity	Place of Business	Ownership interest held by the Company		Ownership interest held by non-controlling interests		Principal Activities
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	
		%	%	%	%	
LICHFL Asset Management Company Ltd.	India	94.62	94.62	5.38	5.38	To act as Investment Manager to Venture Capital Funds and Alternative Investment Funds
LICHFL Trustee Company Private Ltd.	India	100.00	100.00	-	-	To act as Trustee to Venture Capital Funds and Alternative Investment Funds
LICHFL Financial Services Ltd.	India	100.00	100.00	-	-	To provide Financial Services to Various Clients
LICHFL Care homes Ltd.	India	100.00	100.00	-	-	To develop residential Projects for Senior Citizens

58. Indian Accounting Standard 110 – Consolidated Financial Statements

The Consolidated Financial Statements is prepared in accordance with Indian Accounting Standard 110 "Consolidated Financial Statements" issued by ICAI and notified under the relevant Provision of the Companies Act, 2013.

The detailed note is included under Significant Accounting Policies and Notes to Accounts of the Consolidated Financial Statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Additional information, as required under Schedule III of the Companies Act, 2013, of enterprises consolidated as Subsidiaries/ Associates.

(₹ in crore)

NAME OF THE ENTITY	NET ASSETS I.E Total Assets minus total liabilities		Share in profit or loss		Share of Comprehensive Income		Share of Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated OCI	Amount	As a % of consolidated Total Comprehensive Income	Amount
Parent								
LIC Housing Finance Limited	99.06%	18,094.24	100.94%	2,426.42	95.78%	(6.84)	100.96%	2,419.58
Subsidiaries								
LICHFL Asset Management Company Ltd.	0.17%	30.93	0.26%	6.33			0.26%	6.33
LICHFL Care homes Ltd.	0.35%	66.15	0.12%	2.85	(0.20)%	0.01	0.12%	2.86
LICHFL Trustee Company Private Ltd.	0.00%	0.50	0.01%	0.13			0.01%	0.13
LICHFL Financial Services Ltd.	0.14%	24.75	(1.33%)	(32.07)	4.42%	(0.32)	(1.35%)	(32.39)
Goodwill on Consolidation	0.00%	0.21						
Associate	0.29%	52.97					0.02%	0.52
Non Controlling Interest	(0.01%)	(2.44)					(0.02%)	(0.40)
	100.00%	**18,267.31**	**100.00%**	**2,403.66**	**100.00%**	**(7.15)**	**100.00%**	**2396.63**

59. The previous year figures have been reclassified / regrouped / restated to confIrm to current year's classification.

Signature to Notes 1 to 59

As per our report of even date attached

For Gokhale & Sathe
Chartered Accountants
FRN 103264W

Rahul Joglekar
Partner
M.No.129389

For M.P. Chitale & Co.
Chartered Accountants
FRN 101851W

Ashutosh Pednekar
Partner
M. No. 41037

Place: Mumbai
Date: June 19, 2020

For and on behalf of the Board of Directors

M. R. Kumar
Chairman
DIN: 03628755

Nitin K. Jage
General Manager (Tax.)
& Company Secretary
FCS No. 8084

Jagdish Capoor
Director
DIN: 00002516

Sudipto Sil
CFO

Siddhartha Mohanty
Managing Director &
Chief Executive Officer
DIN : 08058830

B. K. Unhelkar
General Manager
(Accounts)



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