Ref.:LICHFL/CS/AGM

25 July, 2019

LIC HFL
LIC HOUSING FINANCE LTD

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 2018-19.

This is for your information and record.

Thanking you,

Yours faithfully,
For LIC Housing Finance Ltd.

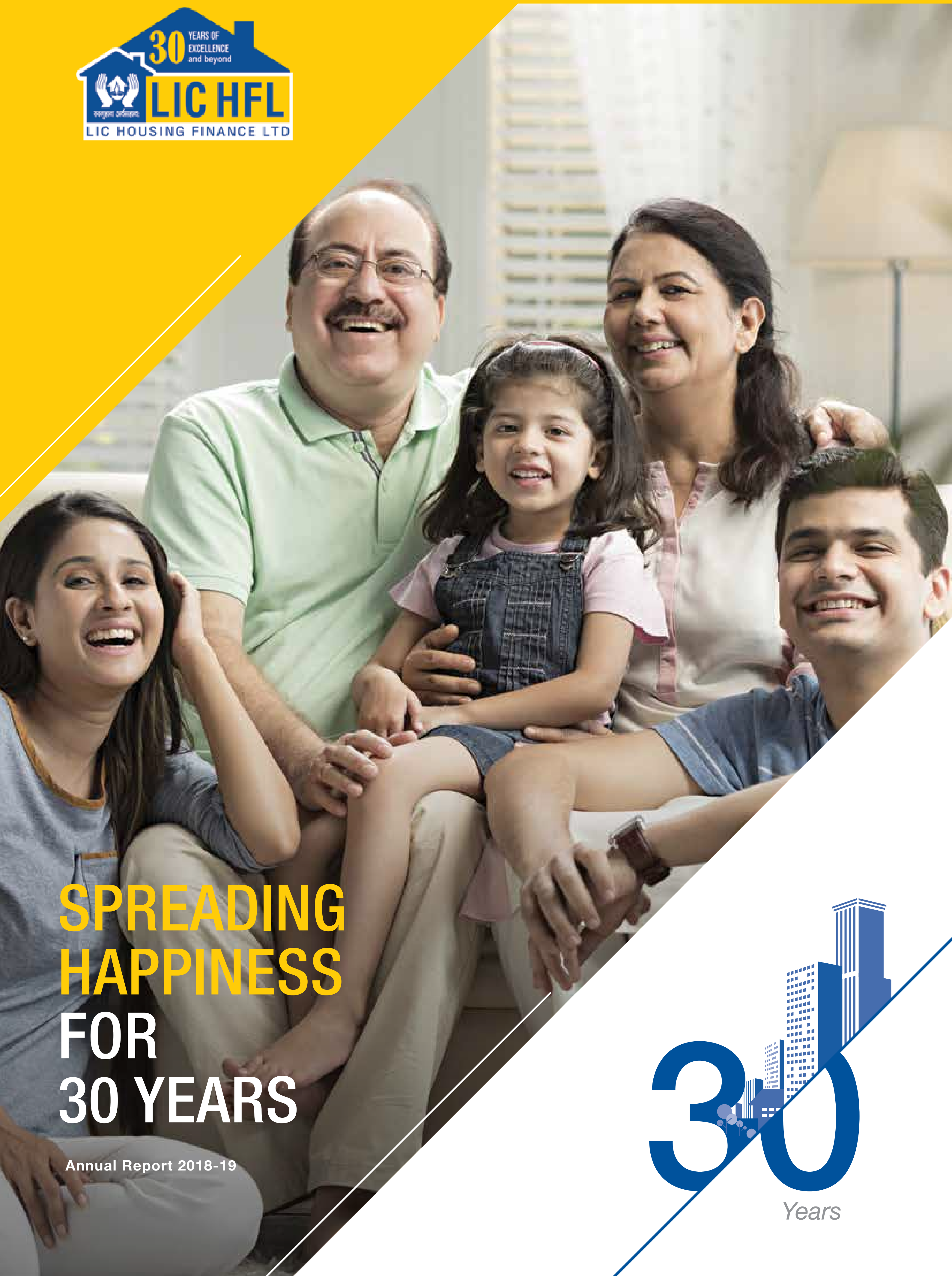
General Manager (Taxation) &
Company Secretary

Encl. : a/a.

30 YEARS OF EXCELLENCE and beyond

LIC HFL

LIC HOUSING FINANCE LTD



SPREADING HAPPINESS FOR 30 YEARS

Annual Report 2018-19

30 Years

Date of Annual General Meeting:

Wednesday, 28th August, 2019
Time : 3.00 p.m.
Venue : M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18 / 20 Kaikhushru Dubash Marg, behind Prince of Wales museum, Mumbai – 400 001

Date of E-voting:

Start Date : 25th August, 2019 (10:00 AM)
End Date : 27th August, 2019 (05:00 PM)

To view
Annual Report 2019 Online, visit:
http://www.lichousing.com/

CONTENTS

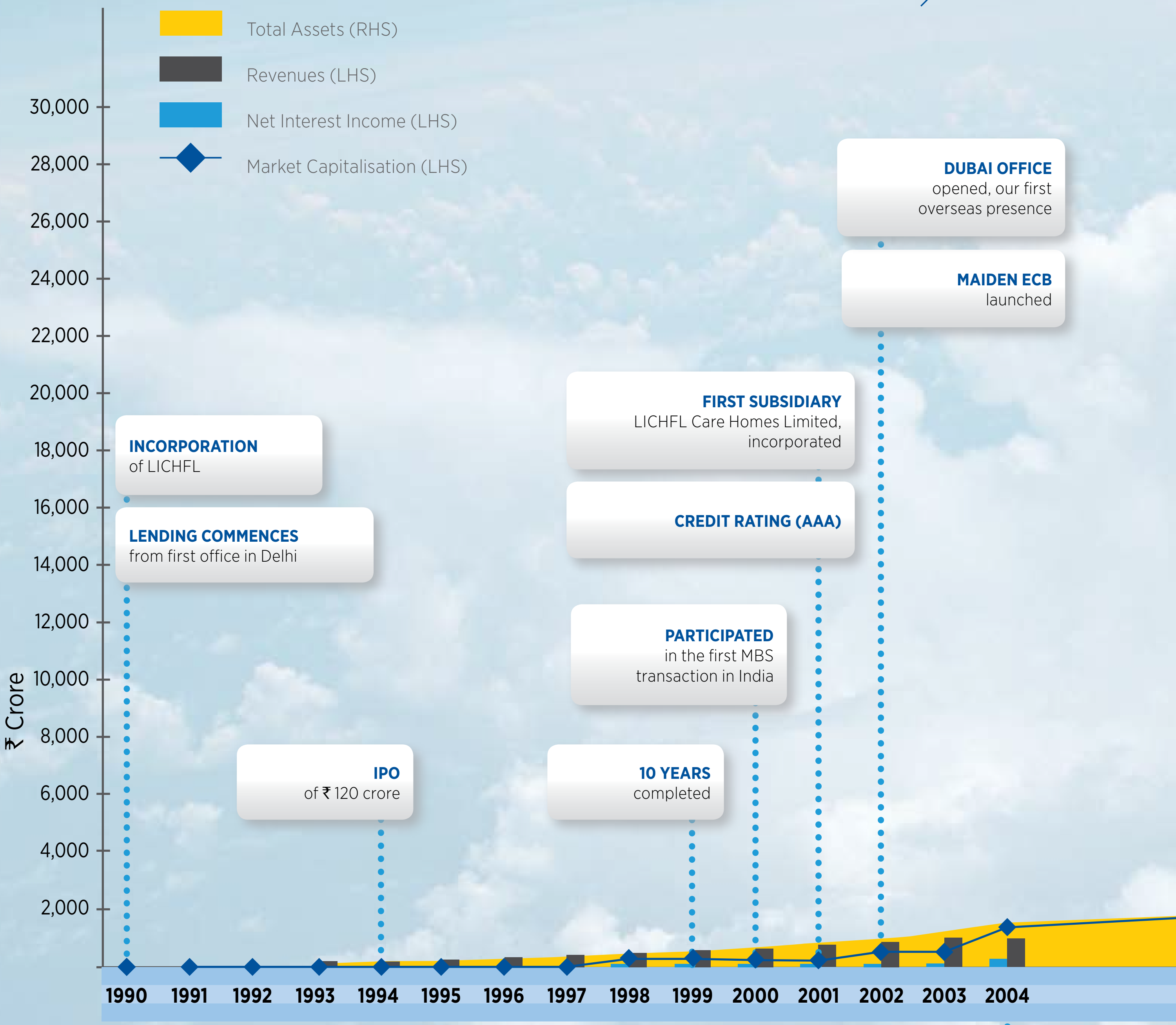
SPREADING HAPPINESS FOR 30 YEARS

Turning thirty is a good time to contemplate our journey so far, and to reflect on our strong business foundation, extensive distribution network and proven industry expertise. Most of all, it's time to underscore our strong value systems and beliefs, that have kept us at pole position within the industry.

We know that owning a house is the biggest dream one can have, and in the last 30 years we have been at the forefront to fulfil that aspiration of millions of Indians.

Through our thirty-year journey, we have experienced multiple industry cycles and have proven our agility in responding to changing market dynamics, time and again. With this legacy, we aim to continue as before, scaling new heights and maintaining our position as one of the leading housing finance companies in India.

OUR RICH LEGACY

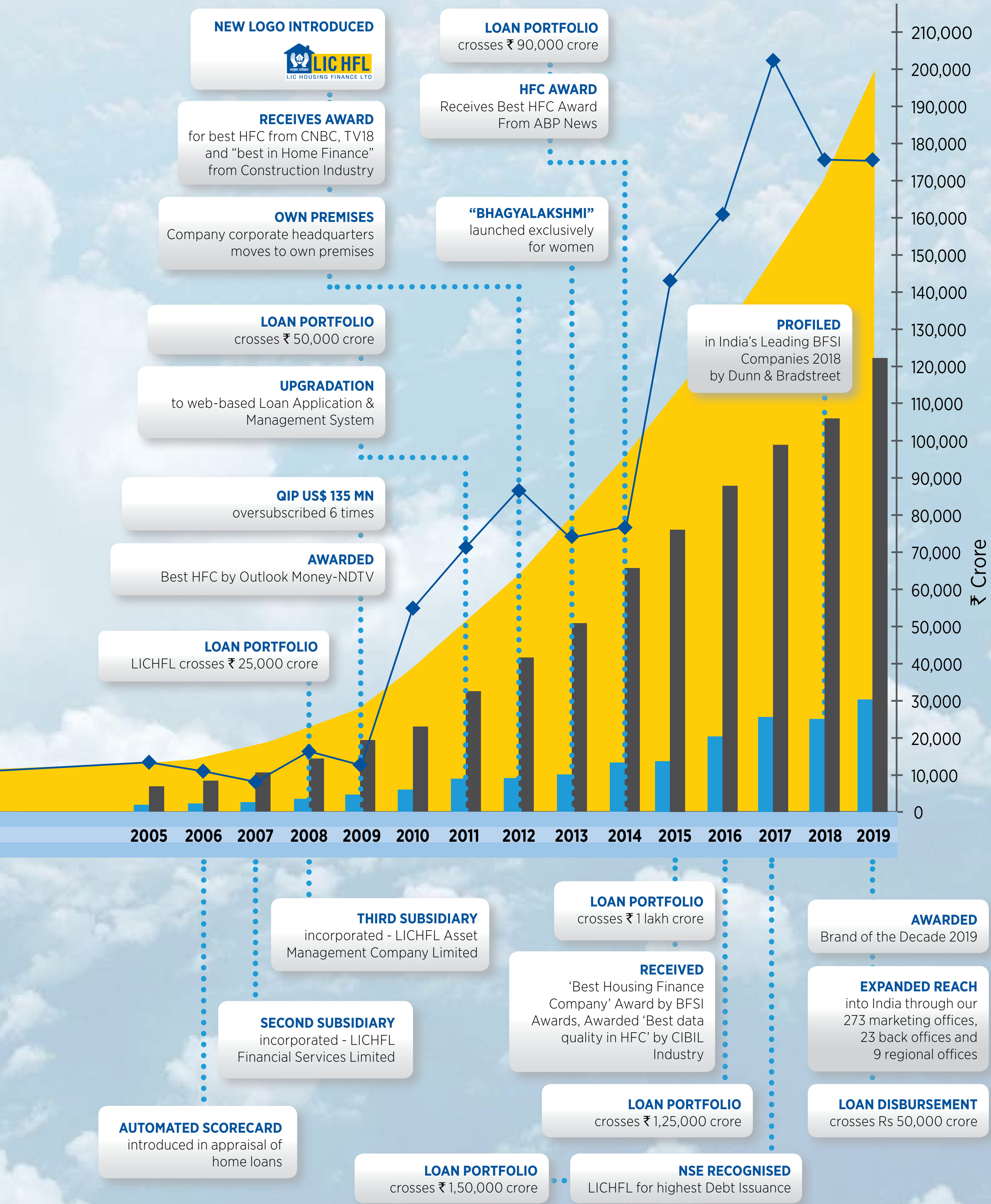


30 YEARS OF VALUE CREATION

In FY2019, we completed our first 30 years since our inception in 1989. Over the years, we have built a robust business model that allows us to deliver consistent long-term value to our stakeholders. We now look forward to the next 30 years with conviction and enthusiasm.

LOAN PORTFOLIO
crosses ₹ 10,000 crore

$ 29 MN GDR ISSUE
First HFC to do GDR, issue oversubscribed


NEW LOGO INTRODUCED
LIC HFL
LIC HOUSING FINANCE LTD
RECEIVES AWARD
for best HFC from CNBC, TV18 and "best in Home Finance" from Construction Industry
OWN PREMISES
Company corporate headquarters moves to own premises
LOAN PORTFOLIO
crosses ₹ 50,000 crore
UPGRADATION
to web-based Loan Application & Management System
QIP US$ 135 MN
oversubscribed 6 times
AWARDED
Best HFC by Outlook Money-NDTV
LOAN PORTFOLIO
LICHFL crosses ₹ 25,000 crore
LOAN PORTFOLIO
crosses ₹ 90,000 crore
HFC AWARD
Receives Best HFC Award From ABP News
"BHAGYALAKSHMI"
launched exclusively for women
PROFILED
in India's Leading BFSI Companies 2018 by Dunn & Bradstreet
210,000
200,000
190,000
180,000
170,000
160,000
150,000
140,000
130,000
120,000
110,000
100,000
90,000
80,000
70,000
60,000
50,000
40,000
30,000
20,000
10,000
0
₹ Crore
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
THIRD SUBSIDIARY
incorporated - LICHFL Asset Management Company Limited
SECOND SUBSIDIARY
incorporated - LICHFL Financial Services Limited
AUTOMATED SCORECARD
introduced in appraisal of home loans
LOAN PORTFOLIO
crosses ₹ 1 lakh crore
RECEIVED
'Best Housing Finance Company' Award by BFSI Awards, Awarded 'Best data quality in HFC' by CIBIL Industry
LOAN PORTFOLIO
crosses ₹ 1,25,000 crore
LOAN PORTFOLIO
crosses ₹ 1,50,000 crore
NSE RECOGNISED
LICHFL for highest Debt Issuance
AWARDED
Brand of the Decade 2019
EXPANDED REACH
into India through our 273 marketing offices, 23 back offices and 9 regional offices
LOAN DISBURSEMENT
crosses Rs 50,000 crore

ABOUT US

RETURN ON AVERAGE EQUITY

16%

RETURN ON AVERAGE LOAN ASSETS

1.34%

EARNING PER SHARE

₹48.17

As on 31st March, 2019

Incorporated in 1989, LIC Housing Finance Ltd (LICHFL) is one of the largest Housing Finance Companies in India with a key objective of providing long term finance to individuals for the purchase or construction of house/ flat for residential purposes in India. The Company also provides finance on an existing property for business or personal needs and also gives loans to professionals for buying their office space and equipment. The Company also provides finance to persons engaged in the business of construction and sale of residential properties.

LIC Housing Finance Limited is one of the largest Housing Finance companies in India and possesses one of the industry's most extensive marketing network in India with 273 marketing offices. In addition, it has appointed nearly 13,343 intermediaries to extend its marketing reach. Twenty-Three Back Offices spread cross the country conduct the credit appraisal and administrative functions. The Company has set up a Representative Offices in Dubai and Kuwait to cater to the Non-Resident Indians in the GCC countries covering Bahrain, Dubai, Kuwait, Qatar and Saudi Arabia.

Today, the Company has a proud group of over 26 lakh prudent house owners who have enjoyed the Company's financial assistance.

AT A GLANCE

PROMOTED BY THE LIC OF INDIA IN
1989

MARKET CAPITALISATION MORE THAN
₹26,921 CRORE
AS ON 31ST MARCH, 2019

LOANS PORTFOLIO
₹1,94,646 CRORE

PROFIT MAKING & DIVIDEND PAYING SINCE
1990

NETWORTH
₹16,259 CRORE

EPS
₹48.17 PER SHARE

YEARS IN BUSINESS
30

CAPITAL ADEQUACY RATIO
14.36%

GROSS NPAS IN RETAIL LOANS AT
1.14%

MORE THAN
26 LAKH
CUSTOMERS SERVICED TILL DATE

PAT GROWTH (Y-O-Y)
21.40%

DISBURSEMENT DURING F.Y. 2018-19
₹55,315 CRORE

HIGHEST CREDIT RATINGS
AAA
SINCE 2002

GROSS NPA
1.54%

CUMULATIVE DISBURSEMENTS SINCE INCEPTION
₹3.35 LAKH CRORE

EMPLOYEE BASE
2,309

NUMBER OF CSR PROJECTS SUPPORTED (FY 2018-19)
32

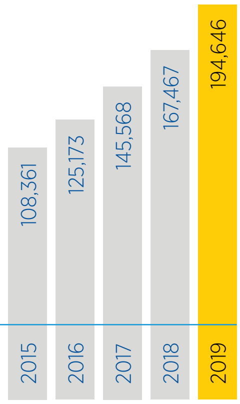
CUMULATIVE SANCTIONS SINCE INCEPTION
₹3.49 LAKH CRORE

STRATEGIC REPORT

FINANCIAL HIGHLIGHTS

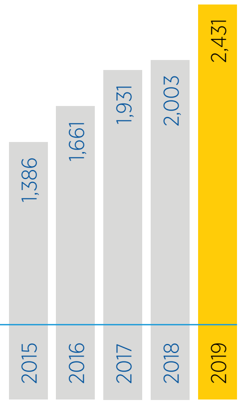
LOAN PORTFOLIO (₹ IN CRORE)

CAGR
16%



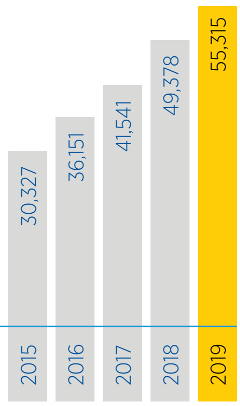
PROFIT AFTER TAX (₹ IN CRORE)

CAGR
15%

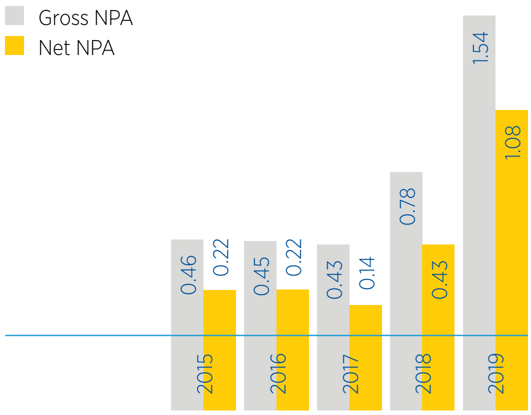


DISBURSEMENT (₹ IN CRORE)

CAGR
16%

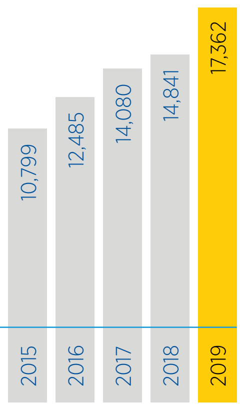


GROSS & NET NPAS (%)

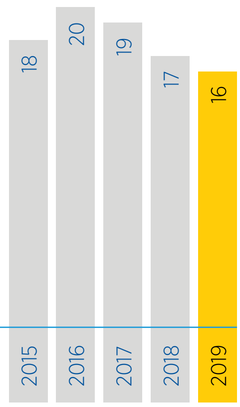


INCOME (₹ IN CRORE)

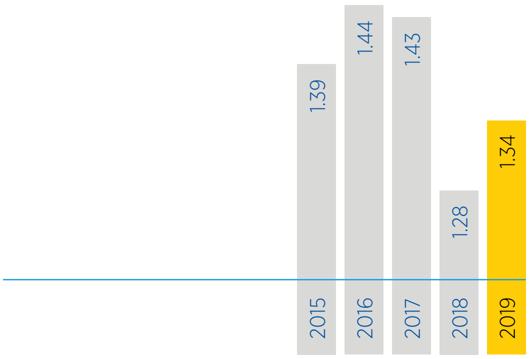
CAGR
13%



RETURN ON EQUITY (%)

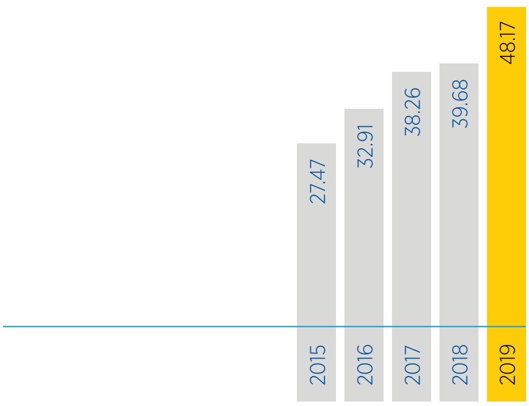


RETURN ON AVERAGE LOAN ASSETS (%)

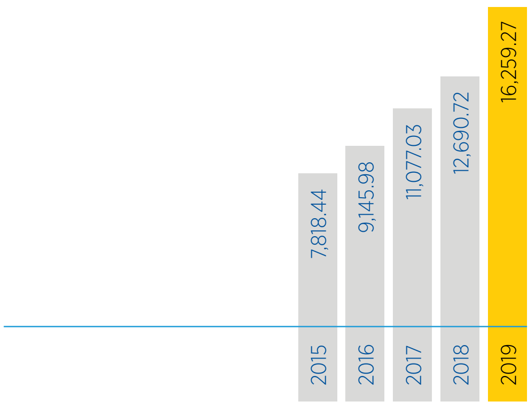


For a business that is pinned on strong values and principles over the last three decades, the ups and downs of short-term economic cycles become insignificant blips in the broader context of our performance.

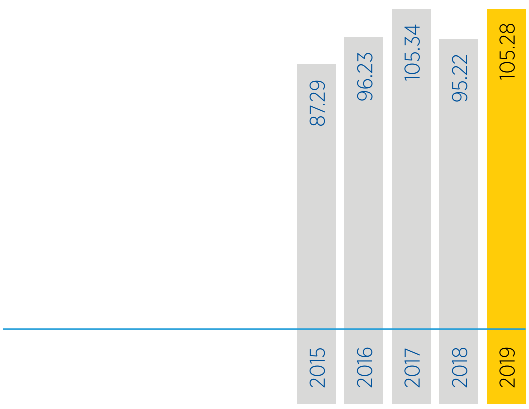
EARNING PER SHARE (₹ 2 Paid Up)



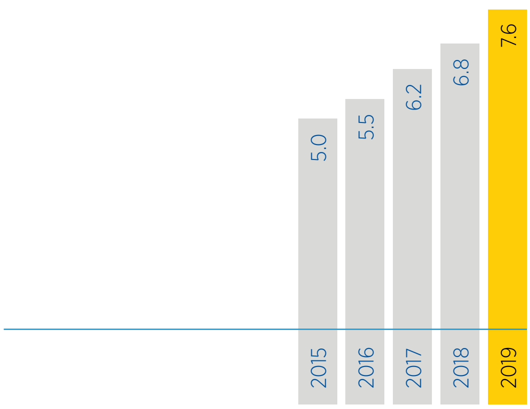
NET WORTH (₹ IN CRORES)



PROFIT PER EMPLOYEE (₹ IN LAKH)



DIVIDEND PER SHARE (DPS) (₹)



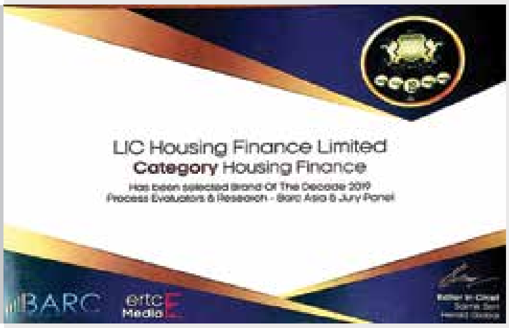
AWARDS AND ACCOLADES

Best Private Issuer on Electronic Bidding Platform
by NSE

Awarded 'Outstanding Global Leadership Award' to Shri Vinay Sah, MD & CEO, LIC Housing Finance Ltd.

'Best Housing Finance Company' at Banking Financial Services & Insurance Awards
by ABP News

Awarded 'Brand of the Decade 2019'
by Barc Asia



Recognised as one of the 'The Economic Times Best Brands 2019'.

Since inception, we have focused on our core objective of catering to the housing needs of our customers. Throughout our 30 year long journey, we have upheld this goal and fulfilled the dreams of millions of customers.

FOCUS & SCALE

"As we enter the fourth decade of our journey, we re-affirm our commitment to exceed our customers' expectations while also creating value for all our stakeholders."

– M.R. Kumar
Chairman

Dear Stakeholders,

I am delighted to present the annual report for your Company's performance for FY2019, which marks the completion of 30 years of rich history. With three decades of consistent growth, we have both youth and experience on our side, making us one of the most enduring housing finance institutions of India.

Reflecting specifically on FY2019, we have been witnessing a synchronised global growth deceleration, though easy policy stances by the fiscal and monetary authorities in several economies tries to cushion the pace of the slowdown. The global trade outlook remains uncertain as the largest economies of the world struggle to strike a deal.

Despite a challenging year, the Indian economy continued to remain the world's fastest growing large economy. During the fiscal, the overall economic scenario remained under stress with GDP growth slowing down gradually each quarter to 5.8% for Q4 FY 2019. With this economic backdrop, a spate of policy reforms favouring the affordable segment have been introduced in sync with the government's vision to provide "Housing for All by 2022." During FY2019, more than 45% of new supply was added in the affordable segment; while over 70% new supply was added in sub ₹ 80 lakh price bracket, indicating that developers are aligning their offerings according to the current market dynamics. In FY2019, 15% of LICHFL's total disbursements was made towards the affordable housing segment under PMAY, up from 7% YoY.

With a strong thrust on infrastructure sectors and rental housing market in the most recent Union Budget, the demand for products, services and homes should rejuvenate and keep the country's economic momentum fuelled. Going forward, HFCs should consequently continue to witness robust growth. Other key drivers behind this expectation are the general recovery in the real estate market, the formalisation of the realty marketplace through RERA, and the stabilisation of GST. As one of the largest Housing Finance companies in India, LIC Housing Finance is well placed to capitalise on such favourable conditions.

IMPACT OF THE UNION BUDGETS OF 2019

Infrastructure has stayed at the top of the Government's agenda, and affordable home buyers and real estate developers will also stand to benefit from the Union Budget. The government announced its intentions to introduce a new model tenancy law to boost the fragmented rental housing market and has proposed further tax incentives in line with its continued effort to achieve the 'Housing for All' target by 2022. Despite the growing demand for rental houses from working millennials and entry by few new-age start-ups in building student housing or co-living spaces, there has been lack of clarity on rules and regulations related to rental housing. The move by the government is likely to help streamline and boost India's rental market, which is estimated to be around $20 billion as per IMF. The Budget also proposed building large public infrastructure on several land parcels held by central government and public sector enterprises. This should also help the supply position of realty space, keeping a check on realty prices.

COMPETITION

Over our journey of the last 30 years, we have seen through all kinds of competition, and each time we have come out as a top performing player in our industry. With a strong business foundation, an extensive distribution network, and proven industry expertise, LIC Housing Finance is a warmly respected and trusted financial services company. Our proactive investments in technology, diversified resource profile, and wide product portfolio have contributed to LIC Housing Finance earning this reputation.

Going forward, our responsiveness, resourcefulness and responsibility will help us ensure a sustainable growth trajectory. Even though the market is facing the aftereffects of the liquidity crisis, we are undeterred to start the next decade with great zeal and anticipation, while upholding our place as a leading Housing Finance Company in India over the course of time. Moreover, our expanding distribution network, and superior fundamentals and top ratings, will keep us in pole position for years to come.

OUTLOOK

With a stable Government being elected, I believe that the marquee projects of Housing for All and Infrastructure Development initiatives amongst others, should help improve the overall economic growth across sectors. The Housing Finance sector, in particular, is riding on a new wave of optimism following the triple benefits it received from the government in the first three months of 2019. These sops have not only increased homebuyer's sentiments but should also increase the confidence o f builders and long-term investors.

Your Company has shown itself to be immensely agile and innovative over the years, and these attributes will continue to serve it well in the years ahead. For a business that is pinned on strong values and principles over the last three decades, the ups and downs of short-term economic cycles become insignificant blips in the broader context of history. As we enter the fourth decade of our journey, we re-affirm our commitment to exceed our customers' expectations while also creating value for all our stakeholders.

15%
OF TOTAL DISBURSEMENTS TOWARDS THE AFFORDABLE HOUSING SEGMENT UNDER PMAY

I would like to express my gratitude to our Board of Directors for their expertise and guidance. I am also grateful to all our stakeholders who have reposed their trust in us and given us constant support.

Wish Best Wishes,

M. R. Kumar,
Chairman

MANAGING DIRECTOR AND CEO's STATEMENT

PERFORMANCE & PROGRESS

"Despite multiple ongoing challenges faced by the industry at large, we remain confident in our ability to grow our loan portfolio in line with the recent track record."

– Vinay Sah,
Managing Director and CEO

Dear Shareowners,

FY2019 was a year of two contrasting halves. The rules of the game altered for many within the housing sector and the economy at large. The first half saw stable growth and comfortable access to funding, with AUM growing at an annualised rate of about 21%. However, the second half brought a reversal of sorts with AUM growth plunging to around 10% in the overall market. With funding access being affected due to the NBFC liquidity crisis, non-banks, including HFCs, were forced to curtail disbursements and focus instead on conserving liquidity.

As a result of the September 2018 credit squeeze, parentage and credit rating have become supremely important to NBFCs and HFCs. I am pleased to inform you that your Company was least affected by this contagion and remains well placed to keep chugging along its growth path based on solid strategies and plans. In the wake of the crisis, we have been very selective in taking on quality exposures and we believe the current environment will allow long-term players like us to improve on our market share. During the year, we easily raised over ₹ 35,000 crore through NCDs despite the liquidity stress in addition to funds from other sources, across all tenures. This is strong testimony to the unflinching faith our lenders and investors have in your Company and on the values it depends on.

OUR PERFORMANCE DURING FY2019

Overall, disbursements for the year recorded a growth of 12.02%, touching nearly ₹ 55,000 crore. Home loan disbursements comprised more than 68% of this total, which was well spread out across India's different regions. In particular, we witnessed good growth from the central, eastern and some parts of western and south-eastern regions of the country. In terms of number of accounts, we served more than 2 lakh customers in total during the financial year 2019.

A key initiative, taken by your Company during the year, was the introduction of the direct marketing executive channel, which generated more than ₹ 700 Crores of business in FY2019. On the portfolio growth front, our total portfolio recorded consistent growth of 16%, with prepayment rates continuing to go down to a three-year low percentage.

We grew our profit after tax by 21.39% in FY2019 to ₹ 2,430.97 Crore. Our loan portfolio stood at ₹ 1,94,646 Crore, with a growth of 16.23% over the previous year.

Keeping up with our risk management ethos, we stay committed towards 'zero tolerance policy to NPAs' and maintained one of the best in class asset quality. Gross NPAs at the end of FY2019 stood at 1.54%, while the net NPAs stood at 1.08%. The net interest margins for the year stood at 2.36%, which improved by 11 basis points YoY.

I am pleased to inform you that the Board has recommended a Dividend of 380% at ₹ 7.60 per equity share. Your Company has consistently paid dividends now for more than 29 years in a row, underlining our determination to consistently return back a reasonable portion of our profits to shareowners.

MARGIN PROTECTION

Given the liquidity issues, a freeze in funding markets and overall rise in interest rates, an increase in Cost of Funds (CoFs) for all NBFCs and HFCs is inevitable. Margins will depend on the ability to sustainably pass on the rise in CoF to borrowers. As challenges surrounding funding and margins persist in varying degrees, growth and profitability will be impacted in the near future.

LICHFL, like other HFCs, is exposed to increasingly intense competition in the segment with the entry of new players and the focus of banks. However, our ability to grow our loan book while maintaining profitability, asset quality and solvency profile remains key differentiator in the industry. As we aligned to the prevailing market forces and adjusted our lending rates, our NIMs actually recorded 11 bps increase to 2.36%.

On the cost of fund side, although there was a sharp increase in the interest rates in the system following the liquidity squeeze, we were able to contain the increase in our cost of funds to a considerable extent. During the year, the weighted average cost of funds increased marginally by 18 basis points only for your Company. However, we have been able to offset this increase by successfully passing on the hikes on the asset side.

ASSET QUALITY

Asset quality has always been paramount to us and we have always delivered an uncompromising performance on this count. Over the years, we have enjoyed one of the lowest NPAs and loss rates in the industry, comparable to any of our other peers of similar size. This is mainly driven by the strong asset quality performance in our Individual Home Loans. As per Ind AS, asset classification and provisioning moved from the 'rule based', incurred loss model to the Expected Credit Loss model. Accordingly, the present value of Loan Exposure at Default as on 31^{st} March 2019 stood at ₹ 3,072 crore (Stage 3) and the Exposure of Default for Stage 1 is 94.01%, for Stage 2 is 4.40% and for Stage 3 is 1.59%, as on 31^{st} March, 2019.

16%
GROWTH IN TOTAL PORTFOLIO FY2019

OUTLOOK

With three decades of history in the business, we have experienced multiple industry cycles. In each instance, we have demonstrated great agility in responding to challenges brought on by these cycles. Despite ongoing multiple challenges faced by the industry at large, your Company remains confident of continuing the growth of its loan portfolio in line with its recent track record. In great part, our expanding presence across India will be instrumental in driving this disbursement growth.

I would like to express my sincere thanks to all our customers, employees, lenders and share owners for their continued contribution and support.

Vinay Sah,
Managing Director and CEO

PIONEERING HOUSING FINANCE SINCE 1989

Knowing that our growth and society's growth have common ground has helped us translate intentions into actions and results. One of the greatest strengths of a successful organisation is its ability to channel its efforts into upholding its vision.

Since our inception, we have focused on our core objective of catering to the housing needs of our customers with the best of our abilities. Throughout our 30 years journey, we have upheld this goal and fulfilled the dreams of millions of customers.

Over the years we have seen multiple cycle of adversities, ups and downs of markets. We have always been able to navigate through such turbulences, only to come out stronger and on top each time. Built on an uncompromising mindset to uphold the best possible corporate governance, and having a zero tolerance philosophy on risk management, we are at an inflection point between a rich legacy and promising future.

At LICHFL, we believe that financial markets work on trust and confidence. However, during the year, NBFCs and HFCs experienced an unprecedented liquidity squeeze, that put the brakes on the business plans of many players. The strength of our fundamentals and long-term relationships bore us out as we came through unscathed thanks to the unflinching faith stakeholders posed on us. So much so, that for FY2019, LICHFL was able to proceed unhindered to produce its best performance numbers in its 30 year long history. Such an endearing bond of trust placed by our stakeholders is the result of our longstanding and uncompromising focus on our core values, our risk management ethos and our ethical and prudent way of doing business.

KEY FEATURES OF OUR 30 YEAR LEGACY

» Solid track record of profit making & dividend paying since 1990

» High quality asset book with one of the lowest NPA ratios in the industry

» Highly driven towards customer convenience in terms of products, services and pricing

» Strong reputation on the strength of doorstep service through marketing intermediaries

As we enter the fourth decade of our journey, we re-affirm our commitment to exceed our customers' expectations while also creating value for all our stakeholders.

SERVING OUR CUSTOMERS - OUR TOP PRIORITY FOR MORE THAN 30 YEARS

At LICHFL, we believe that our customers' happiness is vital to our business. This has become a focus area for us to differentiate ourselves. Since inception, LIC Housing Finance has endeavoured to provide millions of Indians with the security and stability of being homeowners.

REGIONAL OFFICES
9

BACK OFFICES
23

MARKETING OFFICES
273

With an aim to serve our customers better, we have expanded our reach and improved efficiencies through our 273 marketing offices, 23 back offices and 9 regional office with Representative Offices in Dubai and Kuwait. During the year, we opened 23 new marketing offices in Tier 3-4 locations to tap the massive housing finance opportunities. Today, more than 26 Lakh families stand testimony to our continued efforts.

Keeping in mind the changing sectoral scenario, we have designed and innovated our products in line with the market sentiments, offering our customers competitive rates, while also upgrading the standards of customer service by aligning with customer expectations.

With an aim to bridge the gap between homes and potential buyers, we facilitated the needs of customers with new products, such as the Dhanvantari Loans and continuously improved existing products and services including introduction of a digital platform for accepting loan applications. Moreover, we are moving in tandem with the Government's initiatives towards affordable housing for all by providing salaried class and small business owners' easy access to finance.

Despite evolving market scenarios and new entrants entering the market, LIC Housing Finance has continued to stand tall amongst its peers. With focused vision, and customer centric products and services, we have contributed in empowering our customers in their quest for home-ownership.

With our targeted products and service offerings, we are consistently reaching out to potential home buyers and helping them take the right decisive steps towards home-buying.

POWERING OUR CREDIT SOLUTIONS WITH TECHNOLOGY

With an aim to develop innovative products and also cater to different segments of customers in organised and unorganised sectors, it is necessary to adopt business models that are powered by technologies with the ability to facilitate the design and launch of tailored products effortlessly.

The focus on technology has helped us accelerate turnaround time, integrate processes, minimise process duplication and enhance productivity. With our proactive investments, we have expanded our footprints and serviced our customers better. Over the last decade, leveraging on technology, we have increased our number of Marketing Offices by over 2 times and to cater to the growing customer base, we have also increased our employees by more than double.

Our constant endeavour has been to provide best of the technology solution for the business in a secure and efficient manner.

Creating a work culture surrounding technology and adopting it in all our operations has streamlined our processes and vastly increased operating efficiencies. We have developed efficient solutions that enable us to deliver a seamless experience to our customers at every step, right from the application stage to online payment of an EMI.

ACHIEVEMENTS FOR FY2019

» Introduction of Mobile Apps for valuation & verification to ensure proper appraisal of loans
» Enhancement of customer servicing through online portal
» Adding managed services for infrastructure to enable faster response & resolution
» Commencing Ind AS automation
» Launch of e-appraisal to improve TAT
» Implementation of private cloud & virtualisation

We have developed efficient solutions that enable us to deliver a seamless experience to our customers at every step, right from the application stage to the online payment of EMIs.

INITIATIVES PLANNED FOR COMING YEAR

» Introduction of Electronic Data Management System(EDMS)
» Featuring chatbots to enhance online engagement
» Adding online channels for payment & other services
» Introducing video conferencing capabilities across all regional and area offices
» Additional initiatives on revenue op-ex based IT infrastructure
» Commissioning of Security Operation Centre(SOC)

CORPORATE INFORMATION

BOARD OF DIRECTORS

M. R. Kumar	:	Chairman
Hemant Bhargava	:	Director
Vinay Sah	:	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 (from 01.07.2019)
Sanjay Kumar Khemani	:	Director (from 01.07.2019)

CHIEF OPPERATING OFFICER

Siddhartha Mohanty

GENERAL MANAGER (TAXATION) & COMPANY SECRETARY

Nitin K. Jage

SENIOR EXECUTIVES

Rajiv Gupta	:	General Manager (IT & Risk Management)
Judhajit Sen	:	General Manager (Project Finance - Marketing & Credit Appraisal)
P Samal	:	General Manager (Marketing - Retail & Corporate, Online Marketing, Portfolio Management & Market Research)
B K Unhelkar	:	General Manager (Accounts)
Dipak Kumar Bardoloi	:	General Manager (Legal & Audit)
Jaspal Singh	:	General Manager (HR, OS & Estates)
Meenakshi Kumar	:	General Manager (Subsidiary Monitoring & CRM)
Sudipto Sil	:	Chief Financial Officer
Purti Y Samant	:	Chief Manager (Compliance, Knowledge Management & Project Monitoring)
N Mahesh	:	Chief Manager (Marketing - Retail & PR & Publicity)
Anup Kumar Dutt	:	Chief Manager (Credit Appraisal – Retail)
J Sangameswar	:	Chief Manager (Credit Monitoring – Core & Non-Core)

REGIONAL MANAGERS

Saji Paul	:	Central Region
Sanjay Dixit	:	East Central Region
S Nayak	:	Eastern Region
Gajraj Singh Gill	:	North Central Region
A Duggal	:	Northern Region
Vidyanand Jha	:	South Central Region
Vishwanatha Gowd Y	:	South Eastern Region
Uday Kumar Navani	:	Southern Region
T S Ramakrishnan	:	Western Region, Mumbai

We have a strong management team with rich industry experience, well-established professional and leadership capabilities.

AUDITORS

Joint Statutory Auditors:
M/s. Chokshi & Chokshi LLP,
Chartered Accountants, Mumbai
M/s. Shah Gupta & Co.,
Chartered Accountants, Mumbai

BANKERS

Andhra Bank
Axis Bank Limited
Corporation Bank
HDFC Bank Limited
State Bank of India
Union Bank of India
Allahabad Bank
Bank of Maharashtra
Bank of Baroda
Jammu & Kashimr Bank Limited
Kotak Mahindra Bank Limited
UCO Bank

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 - 28515644, 28515606
Fax : (022) 22641349
Email : sharexindia@vsnl.com
Website : 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,
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

Catalyst Trusteeship Limited
Mumbai Office Address:-
Windsor, 6th Floor, Offce No. 604
C.S.T. Road, Kalina, Santacruz (East),
Mumbai – 400098.
Phones : 022-49220509
Website : http://www.catalysttrustee.com/

Date of Annual General Meeting :
Wednesday, 28th August, 2019
Time : 3.00 p.m.
Venue : M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18 / 20 Kaikhushru Dubash Marg, behind Prince of Wales museum, Mumbai – 400 001.

Date of E-voting :
Start Date : 25th August, 2019 (10:00 AM)
End Date : 27th August, 2019 (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.

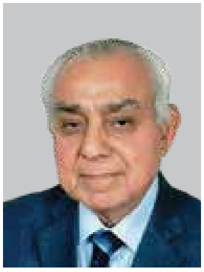
Those holding shares in physical forms are requested to send their e-mail address directly to the Company or to Registrar & Transfer Agent where various notices/ documents can be send through electronic mode.

BOARD OF DIRECTORS

SHRI M R KUMAR
CHAIRMAN

SHRI HEMANT BHARGAVA
DIRECTOR

SHRI VINAY SAH
MD & CEO

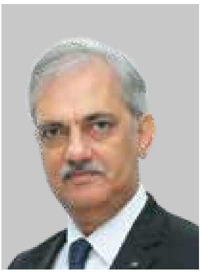


SHRI JAGDISH CAPOOR
DIRECTOR

SMT. SAVITA SINGH
DIRECTOR

DR. DHARMENDRA BHANDARI
DIRECTOR

SHRI V K KUKREJA
DIRECTOR



SHRI AMEET PATEL
DIRECTOR

SHRI KOTESWARA RAO
DIRECTOR

SHRI KASHI PRASAD KHANDELWAL
DIRECTOR

SHRI SANJAY KUMAR KHEMANI
DIRECTOR

1. SHRI M R KUMAR
CHAIRMAN

Shri M R Kumar took charge as Chairman, LIC of India on 14th March, 2019. He joined LIC of India in 1983 as a Direct Recruit Officer. In a career spanning more than three and a half decades, he has had the unique privilege of heading three Zones of LIC of India, viz, Southern Zone, North Central Zone and Northern Zone, head quartered 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 Manger. 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.

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 multi-fold effect on the growth of the organisation. He lives by the adage, that there is no substitute for hard work and sincerity ...and... if there is any...then it is ...more hard work and more sincerity.

2. SHRI HEMANT BHARGAVA
DIRECTOR

Shri Hemant Bhargava is the Managing Director of Life Insurance Corporation of India.

A Master in Economics, Shri Bhargava joined LIC in 1981 and has handled diverse portfolios across functions in India and internationally, including Marketing & Alternative Channels of distribution, Human

Resources, Finance, Pension & Group Schemes, Estate Management & Office Services operations and Information Technology. As head of two of LIC's biggest zones among the eight, he was instrumental in increasing insurance penetration in fifteen states in India.

Shri Bhargava, with his expertise in business modelling and execution, has successfully launched a number of new projects in LIC, which includes designing and setting up the Micro Insurance vertical which was LIC's first comprehensive enterprise-wide initiative in financial inclusion space. LIC's foray into credit card as joint venture in collaboration with banking partners, founding LIC Cards Services Limited and launch of 'LIC Card' in 2009 was also headed by Shri Bhargava. The 'Indian Business Group' in Mauritius for promoting the business interests of companies of Indian origin, with the High Commissioner of India as the Patron, was founded by Shri Bhargava as head of LIC's Mauritius operations. He also played key role in setting up newly formed SBU-international Operations to manage LIC's operations in the Kingdom of Saudi Arabia.

Shri Bhargava has been instrumental in shaping strategies of corporate Indian while serving on the Boards of many Indian companies. Presently he is on the Board of L&T Limited, ITC Limited, Tata Power Limited, Voltas Limited, LIC (International) B.S.C. (C) Bahrain, Life Insurance Corporation (LIC) of Bangladesh Limited, Kenindia Assurance Company Limited, LIC (Singapore) Pte Limited, LIC Housing Finance Limited, National Insurance Academy and Insurance Institute of India.

He has also been on the Boards of National Mutual Fund, Mauritius, LIC Mauritius Offshore Limited, LIC HFL Care Homes Limited, LIC Mutual Fund Trustee Pvt Ltd, IDBI Bank Limited, IL&FS Limited, Life insurance Corporation (Nepal) Limited, LIC Lanka Limited, LIC HFL Asset Management Company Limited, LIC Pension Fund Limited, LIC Mutual Fund Asset Management Limited, LIC Cards Services Limited, Governing Council of Insurance Information Bureau of India and Office of the Executive Council of Insurers.

Shri Hemant Bhargava is an Alumni of Jamnalal Bajaj Institute of Management. He has studied Strategic Management at ISB, Hyderabad.

3. SHRI VINAY SAH
MD & CEO

Shri. Vinay Sah has been appointed as the MD & CEO of LIC Housing Finance Ltd(LIC HFL)from 12th April 2017. A Master's in Science (Statistics) from Lucknow University, he started his career as a direct recruit officer with LIC of India (LICI)in 1983. Prior to heading LIC HFL, one of the largest housing finance companies in India, Shri. Vinay Sah was Executive Director- Marketing and Product Development, LICI since 2015-16. Under his leadership, LICI created history by achieving its First Premium Income target for 2016-17 in February 2017 itself. During 2016-17, LICI procured First Premium Income (FPI) of ₹ 37,853.87 crores as against the FPI target of ₹ 31,000 crores. The market share of LICI in First Year Premium increased to 71.07% from 70.44% in the preceding year. The Corporation launched 9 individual plans during his two-year tenure as in charge of product development department. Agency recruitment during his tenure registered a growth of 53.40%. The prestigious Million Dollar Round Table (MDRT) agency force witnessed around 50% increase taking the number to nearly 6000. It was during his time that LIC of India (Agents) Regulations, 2017, rescinding the existing LIC of India Agents Rules, 1972, which was approved and notified by the Government of India.

In a career spanning over three decades in the Corporation, Shri Sah has successfully handled various portfolios like marketing, IT, personnel and administration. He had the distinction of serving as Zonal Manager in-charge of Western Zone and East Central Zone.

As Zonal Manager in-charge of Western Zone covering the states of Maharashtra, Goa & Gujarat, the zone achieved its First Premium target after seven years in 2013-14 and the Zone was Number One in policies and premium volume and policy growth. Western Zone also increased its share in budget contribution from 19% to 22% in premium to the Corporation.

As Zonal Manager in-charge of East Central Zone covering the states of Bihar, Jharkhand and Orissa, the Zone had obtained number one position at the All India level in policies and premium, both on growth and achievement to target during 2011-12 and 2012-13.

Shri Sah has served in all marketing positions of Central, Zonal, Divisional and Branch Offices of LICI.

4. 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 (NHB), Exim Bank, National Bank for Agriculture and Rural Development (NABARD) and Infrastructure Development and Finance Co Ltd (IDFC).

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 Private Limited, Quantum Trustee Company Limited, Nitesh Estates Limited and Spandana Sphoorty Financial Limited. He was also a member of the Board of Governors, Indian Institute of Management (IIM), Indore and had served the same for more than 10 years.

5. 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. Ms. Singh is a postgraduate 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, Ms 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.

6. DR. DHARMENDRA BHANDARI
INDEPENDENT DIRECTOR

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

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

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

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

7. SHRI V K KUKREJA
INDEPENDENT DIRECTOR

Shri V K Kukreja, is a Chartered Accountant by profession with a vast experience in the area of accounts, finance, fund management, portfolio management, research analytics& reporting 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 (LIC), as Direct Recruit Officer (CA Batch) in Jan 1983. By 1996, he had been elevated to the post of Dy. General Manager in LIC Mutual Fund. 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. He retired from services of LIC of India as Executive Director on 30.09.2012.

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.

Global exposure:

Shri Kukreja participated in various international conferences 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.

8. 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 focused on tax matters of FIIs, Banks, Mutual Funds, QFIs and FPIs.

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

He is a member of the Finance & Taxation Panel of CII's Maharashtra Region. He is also a member of the International Tax Committee, Indirect Tax Committee, Technology Initiatives Committee and Chairman of Taxation Committee of Bombay Chartered Accountants' Society (BCAS) (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 (ICAI) 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 BCAS:

"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. He is also very active on various social and professional media networks.

9. SHRI KOTESWARA RAO
NON-INDEPENDENT DIRECTOR

Shri P Koteswara Rao is a Fellow member of Institute of Chartered Accountants of India (ICAI) with bachelor's degree in Commerce from 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 month of February 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, as Regional Manager (F&A) in Southern Zone and also as Regional Manager (F&A) in Northern Zone. 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.

He is an ardent reader. He has attended various programmes such as a program in Strategic Leadership at Indian School of Business (ISB), Hyderabad.

Global exposure: Shri P Koteswara Rao participated in training programme on Fixed Income Instruments at Asian Institute of Management, Manila, Philippines.

He was a speaker in the seminar conducted by Insurance Institute of India on ERM in June 2019

After retiring from the services of LIC of India as Chief (Investment) on 31st March, 2016 he joined Insurance Institute of India as Faculty (life).

10. SHRI KASHI PRASAD KHANDELWAL ADDITIONAL INDEPENDENT DIRECTOR

Shri Kashi Prasad Khandelwal is Chartered Accountant by profession for last 42 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 a Director with Kesoram Industries Ltd. – a B.K. Birla Group of Company, Balasore Alloys Ltd. – a Mittal Group of Company, GPT Infraprojects Ltd. – a Tantia Group of Company and Cygnet Industries Ltd – wholly owned subsidiary of Kesoram Industries Ltd.

Shri Kashi Prasad Khandelwal was Member of the Central Council of The Institute of Chartered Accountants of India during 1998-2001, 2004-2007 and 2007-2010. During the period he was Chairman, Vice- Chairman and member of various standing and non-standing Committees of ICAI. He was also member of 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 Centre 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 Honorary 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 is 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 was awarded SAMAJ BHUSHAN by Khandelwal Vaisya Mahasabha.

11. SHRI SANJAY KUMAR KHEMANI ADDITIONAL NON-INDEPENDENT DIRECTOR

CA Sanjay Khemani, aged 50 years, is a practising Chartered Accountant. Sanjay stood first in the Western Region in CA intermediate exam and stood first in India in CA final exam and was awarded gold medal and various prizes and was also adjudged as the best student of the year. Sanjay is qualified Company Secretary and is a diploma holder in Information System Audit. Sanjay has also passed certificate course in Portfolio Management from IIM, Ahmedabad, on Valuation from ICAI and on Forensic and Fraud Prevention from ICAI.

Sanjay has been the Chairman of the Executive Committee of the ARCIL for 4 years, a premier asset reconstruction company set up by SBI, PNB, ICICI, and IDBI and has been audit committee chairman of ARCIL for 6 years.

Sanjay has worked with IDBI for approx. 2 years in project finance department and taxation department and thereafter since 1992 Sanjay is in practise. He is a senior partner of reputed firm M/s M M Nissin & Co

Sanjay has rich experience in Assurance Practise of Financial Services Industry, Financial Consultancy, Corporate Advisory and indirect taxation. Sanjay is heading financial services practise of the firm since more than 20 years and has handled various prestigious assignments. Sanjay has vast experience in raising resources, which include long term debt finance, IPO and working capital financing. Over the years, he has gained experience in the raising finance for clients in industries operating both in public sector and private sector and operating in different sectors, like manufacturing, infrastructure sector (port, SEZ. road, railways, airport) hospitality, reality, telecom shipping etc.

Sanjay has addressed seminars on the professional subjects. Sanjay has been part of the study group for Guidance Note on Bank Audit and has also contributed to the official Journal of ICAI. Sanjay is presently nominated member on the Research Committee of ICAI and has been member of various sub-groups formed by ICAI on technical matters.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MACROECONOMIC OUTLOOK

The macroeconomic setting for the conduct of monetary policy has undergone significant shifts as domestic activity lost speed in 2018-19 and inflation conditions turned unusually benign under the impact of deflationary food prices. Going forward, economic activity is expected to recover in 2019-20. Headline CPI inflation is projected to move up from its recent low as the favourable base effects dissipate but remain below the target of 4 per cent in 2019-20. Global economic activity and trade have been shedding momentum and downside risks to the outlook have increased.

Consumer price inflation has weakened in a broad-based manner with food prices contracting for five consecutive months since September 2018, fuel inflation collapsing and inflation excluding food and fuel softening even though it remains at an elevated level. Nominal growth in rural wages for both agricultural and non-agricultural labourers remained muted and pressure from staff costs in the organised sector was range-bound in Q3:2018-19. Industrial and farm input costs moderated considerably.

Economic activity slowed down in Q2 led mainly by a large drag from net exports, which became entrenched in Q3 due to deceleration in public spending and private consumption. On the supply side, agriculture and allied activities moderated characterised by a modest growth in kharif and horticulture production. Industrial growth also decelerated led by a slowdown in manufacturing activity. However, services sector activity remained resilient, supported primarily by construction, financial services, and public administration and defence.

In the second half of 2018-19, financial market conditions were characterised by systemic liquidity needs being met through a mix of liquidity injection instruments with the weighted average call money rate (WACR) trading close to the policy rate in February-March; stock markets moving sideways though they rallied in March; bond yields tracking domestic developments and global spillovers; and the Indian Rupee appreciating due to easing of global crude prices and resumption of foreign portfolio inflows. Credit offtake continued to be buoyant with some moderation in interest rates on new loans since February 2019.

Global growth has lost pace led by deceleration in major advanced economies (AEs) and emerging market economies (EMEs). Ongoing trade tensions have clouded the world trade outlook. Inflation pressures across geographies have remained muted. Financial markets, which ended 2018 on a volatile note, witnessed revival of risk-on sentiment in Q1:2019 on accommodative policy stances and benign oil prices.

Domestic financial markets continued to be influenced by global developments, especially volatile capital flows. The direction of capital flows remains unpredictable, posing challenges for macroeconomic and liquidity management. The exuberance in the equity market in H1:2018-19 generally continued in H2:2018-19, barring some bearishness in October, January and February. Credit growth has been healthy, notwithstanding some deceleration in recent months. Going forward, liquidity operations would continue to focus on achieving the stated policy objective of aligning the WACR with the policy repo rate by meeting the durable liquidity needs of the economy. Adequate and swift monetary transmission remains a policy challenge for the Reserve Bank.

In sum, global economic activity is witnessing a synchronised deceleration, though easy policy stances by the fiscal and monetary authorities in several economies are expected to cushion the pace of the slowdown. The global trade outlook is uncertain as the largest economies of the world struggle to strike a deal. Inflation pressures across geographies remain benign on soft commodity prices and slowing demand. Global growth and trade concerns are expected to remain the dominant theme of 2019, which will drive markets and condition future monetary and fiscal actions.

HOUSING FINANCE INDUSTRY - STRUCTURE & DEVELOPMENT

Housing is an important sector for any 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. To accelerate development in housing in the country, there is need to have a well-developed housing finance market.

The demand for housing is increasingly being made by individuals and households given the increasing level of income and prosperity. The supply of houses have to come from builders, developers and construction companies scattered widely across the country, both in the private and public sector when examined in the context of demand and supply of housing units, especially in the face of scarce land in the urban areas.

In India, housing finance market is very complex. 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 and housing finance companies, 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 the NHB regulates the housing finance companies. The others are not regulated by any authority in the country.

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.

A spate of policy reforms favouring affordable segment were introduced during the years which were quite in sync with the government's vision to provide "Housing for All by 2022." Meanwhile, the new launch supply in top 7 cities increased by 33% in 2018 on an yearly basis. Interestingly, affordable housing contributed significantly to this supply growth.

As it stands, 2018 saw residential supply and sales pick momentum following a significant growth in affordable new supply and high buyer interest for ready-to-move-in properties across the top 7 cities (Mumbai Metropolitan Region (MMR), Delhi-National Capital Region (NCR), Bengaluru, Pune, Hyderabad, Chennai, Kolkata). As many as 1.95 lakh new units were launched across the top 7 cities during the year while housing sales stood at 2.48 lakh units. Remarkably, sales has seen a steady q-o-q rise this year - the first time after 2015.

If we delve deeper, nearly 40% new supply catered to the affordable segment - within ₹ 40 lakh budget. On an average, the unit sizes reduced 8% from 1,260 sq. ft. in 2017 to 1,160 sq. ft. in 2018. These shrinking unit sizes eventually helped reduce the overall ticket prices for homes and thus adjusted into the affordability bracket of homebuyers. Rising sales across the cities helped reduce the unsold stock by over 7% in a year.

New trends emerged with homebuyers preferring to buy properties that are either ready-to-move-in or those nearing completion against under-construction ones.

Overall, the year 2018 was a mixed bag of surprise for Indian real estate with residential segment seeing green shoots of revival, yet away from its earlier peak levels. Bengaluru residential market stood at the top with inventory overhang declining to a year low of 17 months. NCR still has a long way to go as it stands at 52 months inventory overhang - highest across the top 7 cities.

Insolvency and Bankruptcy Code, 2018 gave more power to homebuyers by treating them at par with banks and other institutional creditors. This status will help them recover their dues from realty firms that turn bankrupt.

New Launch Supply

MMR holds the highest share of 31% (59,930 units) of new launches in 2018. However, it recorded the lowest increase in new launches (only 12% over the previous year), primarily due to the massive unsold inventory lying in the city. In terms of share of new launches, Bengaluru holds the second spot with 18% supply (34,880 units), followed by NCR and Pune at 13% each with 26,010 and 24,430 units, respectively.

Chennai real estate activity picked momentum post the political stability being reinstated in the state. The city recorded a 98% increase in 2018 new launches as compared to the previous year. Bengaluru and Hyderabad also recorded an annual increase in new launches to the tune of 91% and 43%, respectively.

NCR recorded only 17% increase in supply over the last year, primarily due to the huge unsold stock prevailing in the market and continuance of subdued demand amidst gloomy business conditions.

City	MMR	NCR	Bengaluru	Pune	Hyderabad	Chennai	Kolkata
% decline in avg. size (2015 to 2018)	27%	14%	10%	20%	16%	15%	18%
% decline in avg. size (2017 to 2018)	11%	4%	13%	7%	9%	8%	11%

Homebuyers 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. Alternately, buyers also don't mind buying smaller size units since it comfortably fits in their budget.

Also, due to increasing trend of nuclear families, working professionals/couples prefer to cut down the maintenance hassles and the underlying costs and instead opt for smaller units at prime locations.

In this backdrop, average property sizes continued to shrink over the years – nearly 17% from 2015 to 2018 i.e. from 1,400 sq. ft. to 1,160 sq. ft. In 2018, average sizes reduced by 8%, indicating that builders are lesser focused in luring buyers by offering apt properties.

In the first quarter of 2019 both housing sales and new supply have risen driven by sops in the interim budget, GST rate cuts and lower home loan rates after the Reserve Bank of India's repo rate cut. Residential property sales rose 58% from a year ago to 78,520 apartments in the quarter ended March across top seven cities. The sales jump was led by Mumbai Metropolitan Region (MMR), Pune and Delhi-National Capital Region (NCR) with an increase of over 95%, 80% and 52%, respectively. Of the total new supply, affordable housing saw the maximum share at 44%.

Non-banking finance companies (NBFCs) and housing finance companies (HFCs) are likely to see growth halve in the second half of the financial year due to impact on disbursements, intense competition and liquidity squeeze. In the wake of IL&FS defaults, NBFC and HFC face slowdown in growth. They have slowed down funding amid the ongoing liquidity squeeze and rising costs of borrowing. They have been hit with funding squeeze by banks and lack of investor appetite after IL&FS defaults during late August and September 2018. The concern is that funding MSMEs would take a hit if the sentiment toward NBFCs and HFCs does not improve.

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Looking ahead:

A report by rating company ICRA said that housing finance companies are likely to grow at 12-14% in the second half of the financial year as the pace of bank growth is likely to increase. NBFCs are likely to grow at 16-18% against a growth of 25% in the first half. Retail NBFC credit growth for financial year 2018-19 is likely to moderate to 16-18% as against 24%-25% growth in the first half. Growth rate in the second half is expected to roughly halve to about 12% basically due to slowdown in credit to loans against property (LAP), SMEs and commercial vehicles. After the RBI dispensation on securitisation by banks (end of Dec'2018), an additional ₹ 75,000 crore was made available for NBFCs and HFCs. For portfolio growth of 15%, HFCs need incremental funding of ₹ 1.7 – 1.9 lakh crore in the second half of the fiscal year. The report noted that mismatch between lending and borrowing is high in the 5-7 year and 3-5 year segments. The overall credit growth NBFCs will be around 16-18% while HFCs will grow at 14-16% in the financial year.

The National Housing Bank's (NHB) move to tighten capital adequacy ratio norms for housing finance companies (HFCs) will force many to revisit the plot they occupy now. Although the proposed regulatory changes would not adversely impact the stronger among the lot, many HFCs at the capital adequacy ratio threshold of 15 percent or less will need to infuse more equity to grow at a reasonable rate in the future. The message, the regulator is trying to give is that there are circumstances which have forced it to make HFCs more conservative in their credit delivery. As for HFCs which have a capital adequacy ratio of over 15 percent, they might have to raise capital for not just shoring up but for growth. It will address systemic risk of capitalisation and leverage at a sectoral level, but at the same time it might impact the return on equity (RoE) specifically for some large HFCs which are over-leveraged with thinner return on assets.

Analysts believe the move had to be brought about to align HFCs with the wider universe of non-banking finance companies (NBFCs) which cater to a clientele largely not serviced by banks and whose books are seen as risky; and therefore, a capital adequacy ratio of 15 percent. The mess at the Infrastructure Leasing & Financial Services; and the knockdown effects at HFCs like DHFL were the other factors at play. NHB has proposed to raise the capital adequacy ratio of HFCs and cap their borrowing at 12 times their net-owned funds (NoF) in a phased manner by March 2022. The capital adequacy ratio will move up in a staggered manner – to 13 percent by FY2020, to 14 percent by FY2021, and 15 percent by FY2022. Similarly, the proposed cap on borrowings is up to 14 times of NoF by FY2020, but taper off later to 13 times by FY2021, and 12 times by FY2022. Currently, HFCs maintain a floor capital adequacy of not less than 12 percent, while their borrowings re capped at 16 times their net worth.

The cap on borrowings for HFCs will certainly deleverage the sector, but it is important to put forward a structure to prevent a liquidity crunch. From the regulator's perspective, the HFCs need to keep much higher capital upfront. The ₹ 9.3 trillion HFC industry is growing at a compounded annual growth rate of 25 percent and has direct impact on sectors such as real estate, cement, steel etc, which generate intensive labour employment. Both credit and its cost of credit will be key primer for overall GDP growth.

Affordability in most cities has improved with property cost coming down six-eight times the annual household income in 2018-19 compared to 11-13 times five years ago, as per CRISIL report. Affordability factor is expected to come closer to the ideal band, given a moderate growth in income estimated for mid-income households.

Underlying the euphoria of GST cut is the caveat of excluding Input Tax Credit (ITC) from developers' balance sheets, thus impacting the long-term profitability of projects and perhaps, the inevitable increase in prices which in fact is a conundrum. The arithmetic is simple: when ITC is removed, the developer will pay GST and not get credit for the same. Obviously, there will be an impact on the overall fiscal situation vis-à-vis project costing and profitability. With key construction input materials like steel and cement being taxed at 18 percent and 28 percent respectively, and ITC eliminated from the final GST calculation on sale, there is no doubt that building homes will become a costlier affair. While GST on steel is unlikely to be revised, the industry is expecting a cut in GST rates on cement. The removal of ITC will certainly lead to a rise in construction cost as the tax paid on inputs would act as one more cost item. In an ideal scenario, developers would have passed on this increase in cost to the buyers, but under conditions where sales are low and end-users are highly price sensitive, a hike in prices is unlikely. Hence, the developers are expected to keep their selling price unchanged and take a hit on their margins. While this latest GST rate cut, and perhaps the last before the General Elections, will bring in the much needed boost to home-buyer sentiments and investor confidence, a lot needs to be done to realise the full potential of GST as a uniform tax code. There are levies and cess and different types of taxes payable in different markets (states), while the actual rate of stamp duty and registration have not been subsumed into a single tax – and these vary across states. Input materials are a similar problem – high rates on steel and cement still continue, which need to be rationalised quickly for ease of doing business.

Even though GST is reduced on under-construction properties, the fact that ready-to-move-in homes are GST exempt does not escape home-seekers. As per the data which indicates that out of the total unsold stock of 6.73 lakh units in the top seven cities, only 13 percent are ready-to-move-in (RTM). Out of the remaining 5.88 lakh unsold under-construction units, 20 percent are slated to be completed by 2019. Naturally, buyers will continue to prefer RTM units, which are altogether free of GST rather than under-construction homes, which do attract this tax. The contest between a lower GST and no GST at all is a no-barrier – apart from the fact, that buyers of RTM homes have the benefit of instant gratification, freedom from project completion uncertainty, and savings on rental outgo until the project is completed.

As per ICRA report, profitability indicators for FY2019 are likely to moderate to 14 – 15 percent (vis-à-vis 18 percent in FY2018) with some moderation in net interest margins, though upfront income booking on assignments could provide some support.

As for FY2020, ICRA expects HFCs to report similar profitability indicators as FY2019, unless a prolonged slowdown in growth impacts the operating expense ratios and asset quality of some asset classes, which could lead to a further dip in profitability indicators.

COMPETITION

Housing loan portfolio growth for HFCs and non-banking finance companies (NBFCs) reduced to 13 percent year-on-year (y-o-y) for the period ended 31 December, 2018 (18 percent for the same period last year) as per rating agency ICRA. Consequently, banks have availed this opportunity in the market and increased their portfolio 17 percent y-o-y in the same period (14 percent for the same period last year). Total housing credit outstanding increased by 16 percent (18 percent for the same period last year) and stood at a little over ₹ 18 lakh crore as on 31 December, 2018. As disbursements in Q4 (January – March) FY 2019 are also expected to be muted for some large HFCs, FY2019 housing credit growth is likely to be in the range of 13 -15 percent, with the pace of growth of banks being higher than that of HFCs.

In the backdrop of sustained caution among Non-Banking Finance Companies (NBFC) of which HFCs are also part of, with their exposure to real estate, private equity firms are emerging as the largest source of funding to developers. NBFCs had turned aggressive with their lending to real estate sector over the past few years, but had to slow down in the last two quarters, given the liquidity circumstances. While NBFCs are crawling back and have started investing, they are selective with quality and liquidity of assets they are investing in. The liquidity gap that has been created by NBFCs going slow on investing in new assets have provided private equity players a robust pipeline of real estate project financing transactions. Private equity firms have invested around $7.80 billion across 20 deals between October and March as per data from Venture Intelligence.

Without a doubt, the drying up of funding from the NBFC sector is creating opportunities for private equity real estate (RERE) investors. The number of players beginning to return to making active investments in the realty sector in recent months evidences the trend. Apart from domestic private equity firms, investments by large ticket investors, including sovereign wealth funds such as GIC and ADIA; pension fund like CPPIB and stepping up of the pace by trendsetting foreign investor Blackstone. Interestingly, after pre-dominantly focusing on commercial sector deals in 2017-18, private equity real estate investors are now returning focus to the residential sector.

Even as the liquidity scenario is expected to improve slowly, private equity firms are likely to continue gaining market share over the next few quarters.

However, Housing Finance Companies with a dedicated focus on the industry and better understanding of the underlying real estate markets stand on a better footing when it comes to understanding the needs of the customers as also assessing the risks in the industry.

OPPORTUNITIES

While the mid-income and affordable housing category continued to outperform other segments, established developers could take advantage of the same as homebuyers considered execution and delivery track record as the foremost factor. This year new launches have come down leading to reduction in inventory. Sales have been better year-on-year and this demand is being shared by a limited number of real estate developers due to consolidation in the market. Affordable housing is expected to lead the demand for housing in 2019 with ready apartments occupying the centre stage. However, full recovery hinges on the liquidity crisis and an early solution of the same.

Home loan borrowers now need not worry whether they should choose fixed or floating interest rates. The Reserve Bank of India has introduced a new policy measure with regards to loan pricing. From April 2019, it will be mandatory for banks to link all floating rate loans using external benchmarks. This benchmark can be the RBI's repo rate, yield on the 91-day or 182-day Treasury Bill, or any other yardstick produced by the Financial Benchmarks of India. This means for home loan pricing, rates will now be decided by the markets and not the banks. The move is in favour of home loan borrowers, as they can now get more transparent deals with the process bringing more standardisation and ease of understanding. There will be a uniform benchmark for the loan category. Existing borrowers will also switch their loans to the new benchmark.

Ending months of ambiguity and speculation, GST has been reduced to five percent from the previous 12 percent, thus easing the burden on home-buyers significantly. The decision to lower GST will remove the final barriers for fence-sitters from investing in real estate. The government has been taking bold steps in order to revive market sentiment and this decision will allow a more balanced sale of inventory between under-construction and ready-to-move-in apartments, thus providing relief to developers, buyers and lenders. How would this impact one's home buying decision? For an under construction apartment sized 1,000 sq ft and price-tagged at ₹ 5,000 / sq ft, a home-buyer's GST liability has fallen from ₹ 4.2 lakh to ₹ 2.5 lakh. Thus a saving of ₹ 1.7 lakh on a home that costs an ₹ 50 lakh can boost sales thereby help in arresting soaring residential inventory.

HOW DO BORROWERS / CUSTOMERS BENEFIT

The move will benefit home loan borrowers, as markets will decide loan rates and not banks;

Even existing borrowers will switch to the new external benchmark. Chances of benefits of RBI rate cuts getting passed on to the borrowers are higher here. Overall, there is a fair play in loan pricing.

From the customer point of view, this will certainly improve transparency in terms of pricing, as a uniform benchmark will be adopted, thus ensuring standardisation. This will also make

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it easy for the customer to understand the pricing mechanism and its effect on their borrowing. Since different lending entities will have different cost of fund on the basis of their source of liability profiles, impact on their earnings will be only assessed post implementation of new benchmark pricing method. There are no chances of interest rate rising in the nearest future.

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 newly added Section 80EE.

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)

Tight liquidity conditions since September 2018 have pushed housing finance companies (HFCs) to lower their disbursements and meet a sizable portion of their fund requirements through portfolio sell-down route, resulting in banks availing of this opportunity to increase their portfolios. However, the Company has not adopted any such method since it has had never face liquidity problem. As some HFCs aim to go slow on construction finance to conserve liquidity, the growth in non-housing loan segment is expected to slacken. However, given the positive long-term prospects for the housing sector, the housing credit growth for FY2020 is expected to be pegged at 14 – 16 percent provided liquidity conditions in the market ease out. While asset quality indicators have remained stable so far, with Gross NPA of 1.4 percent as on 31 December, 2018. Some of the emerging risk factors that need to be watched out for are home loans extended to borrowers where the underlying projects have been significantly delayed, and under-construction properties sold by builders under subvention schemes or buyback / assured return schemes. Gross NPA in the HFC home loan segment are likely to increase to 1.1 – 1.3 percent over the medium term from the current level of 1 percent. Further, tight liquidity faced by some developers where projects are delayed could lead to some stress on the construction finance portfolio of HFCs, leading to an increase in the overall gross NPAs for HFC to 1.4 – 1.8 percent over the medium term.

Stress Points in HFCs

- Reckless non-housing loan lending. High LAP, builder loans and Lease Rental Discounting;
- Slump in rural economy post demonetisation;
- Lending in untested markets has backfired for some HFCs;
- Excessive lending to non-salaried, low income earners with unpredictable cash flows;
- Some cases of 'dummy borrowing' and document fudging by developers in affordable housing segment;
- Small HFCs have low capital base and their cost of funding is high;
- GST implementation has impacted earning capabilities of low-income, non-salaried borrowers.

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

It was anticipated a negative spill over impact of the NBFC crisis in the first quarter of 2019, housing sales and new supply assumed an upward trajectory. The sector is riding on a new wave of optimism following the triple benefits it received from the government in first three months of 2019. These sops have not only increased homebuyer's sentiments but will also increase the confidence of builders and long-term investors. Of the 78,520 units sold in the quarter of 2019, NCR, MMR, Bengaluru and Pune together accounted for 84% of the sales. In terms of supply too, Pune and MMR were the top performers with new housing supply increasing by more than five folds and 183%, respectively. Pune added new supply of 17,520 units in the quarter, while Mumbai added 26,850 units. Despite a 1% hike in stamp duty charges in Maharashtra from February, 2019, MMR and Pune markets performed significantly in terms of new launches and housing sales. Most of the developers in these regions with approvals in place, had been waiting for an opportune time to launch their projects and the current upbeat buyer sentiment was a major fillip.

The top 7 cities recorded new unit launches of around 70,490 units in the quarter, up 91% from a year ago. Key cities contributing to Q1(Jan-March) 2019 new unit launches included MMR, Pune, Bengaluru and NCR, together accounting for 87% of new supply.

More than 45% of new supply was added in the affordable segment; while over 70% new supply was added in sub ₹ 80 lakh price bracket, indicating that developers are aligning their offerings according to the current market dynamics. Bengaluru added 9,070 units and of these, 64% new supply was added in sub ₹ 80 lakh price bracket.

Residential real estate has gone through a choppy ride this year, initially hinting at a recovery only to be sucked into a liquidity crisis later. The year also marked a significant rise in consolidation across geographies and the demand for affordable housing that saved the day for realty developers.

Armed with the Insolvency and Bankruptcy code, homebuyers get the same treatment as financial institutions when it comes to recovering dues from real estate firms that go bankrupt. The disruption caused by the implementation of the Real Estate (Regulation & Development) Act, 2016, and the Goods and Services Tax was quite evident on the sector.

With developers and brokers accepting the new market realities and beginning to fall in line, the residential sector began to regain visibility and viability. Transparency and accountability – never the defining characteristics of Indian real estate – became the 'new normal' this year. Realty developers aligned themselves with market realities by offering more ready-to-move-in apartments to provide more certainty to homebuyers than just selling off the plan. Homebuyers are also showing more preference towards picking up such properties.

Mid-income housing has clearly been the frontrunner in driving the housing growth this year on the back of the government's reformatory push and participation of private players leading to increased demand

Despite nearly 8% drop in unsold housing stock, the levels still indicate it is buyers' market. The inventory in primary and secondary market has turned out to be a boon for homebuyers. It is raining homes, and prices are under check favouring buyers. The NBFC crisis has also led to a correction in some pockets, time and disguised correction continued in 2018 and is expected to prolong in major part of the next year.

KEY ADVERTISING JARGON TERMS EXPLAINED

For the benefit of our customers / potential customers / buyers in general, we try to decode the advertising jargon the developers / builder use on their hoardings:

Zero stamp duty:

It does not mean that there is no incidence of stamp duty charged on the property. The developer is going to pay it on behalf of the customer and has included it in the total cost of the property as well. Technically, buyer is not getting a discounted rate for his / her house as the composite cost is inclusive of the stamp duty.

1-BHK ₹ 40 lakh onwards...:

The quoted figure is only the Base Selling Price (BSP) of the property. It does not incorporate other charges, which will ultimately make a difference to the overall cost of one's property.

No GST:

Under-construction properties usually attract GST, and often developers pass this tax burden onto buyers by including it in one's final cost of the property. So, technically, one is not really waiving off any money. Also GST is not applicable for ready-to-move-in projects or properties that have been issued a CC.

OC Obtained:

Obtaining an OC is often an important milestone in the lifecycle of any under-construction project and market prices usually rise post the OC being obtained. Through this certificate, the local authorities declare a project as approved from all departments – fire, safety, water, environment, electricity, etc. – thereby giving comfort to buyers that there is no risk of delays.

RERA-compliant project:

As per the law, all projects have to be registered under the Real Estate (Regulation and Development) Act, 2016. Hence, it simply means that the developer has registered his project before initiating construction; however, there could be deviations during the construction phase.

Book now and start living today – EMI starts from 2020:

Here, the buyer gets to enjoy the newly purchased property much earlier and at a relatively less initial outgo. However, such schemes often demand that buyers pay atleast 25 percent as booking amount. Once again, the developer takes the onus of paying the interest for the pre-defined period of a year or so. Not to forget, often such schemes are offered by the developer with a small consortium of financiers or banks. Therefore, it has been observed that bankers charge a relatively higher processing fee as a cover for risk.

Get assured returns till two years:

If a buyer has bought the house for an X amount, the composite price paid by the buyer is higher (if he is an investor). After all, the rules are different for an end-user. So, basically the money coming back to the buyer every month is 'his only'.

Pay 5% and bank pays next 65%:

Here the buyer pays five percent as down-payment, then the bank shells out 65 percent and eventually at the time of possession, the buyer pays the remaining 30 percent. Also, from the time the bank starts paying, the buyer simultaneously start disbursing his pre-EMI (interest on the amount). And the actual EMI(principal + interest) starts post possession of the property.

RISKS AND CONCERNS

Risk is inherent part of the Company's business. Effective Risk management is critical to any Housing Finance Company for achieving financial soundness. In view of this, aligning Risk management to Company's organisational Structure and business strategy has become an integral part in Company's business.

The management has to base their business decisions on a dynamic and integrated risk management system and process, driven by corporate strategy. The Company is exposed to risks in the course of their business such as credit risk, interest rate & market risk, liquidity risk and operational risk. LICHFL's strategy in optimising business opportunities within the aforesaid constraints is assisted by a robust asset liability management. The objective can be summarised as below:

» Reduce potential costs of financial distress by making LIC Housing Finance less vulnerable to adverse movements in liquidity, interest rates, and exchange rates (wherever applicable).

» Create a stable planning environment, by ensuring that the business plan is not adversely impacted during the financial year due to any adverse liquidity situations, interest rate and currency fluctuations by using tools such as time-bucket wise liquidity statements, duration gap and Forex exposure reports. In other words, it is aimed at ensuring that the Net Interest Income (NII) is not adversely affected irrespective of adverse changes in the above risks as far as possible.

1. Credit Risk

Credit risk is the risk associated with the borrower defaulting on its obligation as and when it is due. A default by the customer is recorded as Non-Performing Asset (NPA) in the Company's books if the customer is not able to settle the dues within 90 days of due date. Also referred to as Default Risk, this risk is usually borne by the lender and is one of the most critical which can impact a financial institute whose main business is lending.

In case of LICHFL, the Company advances money in the lump sum to collect it over the forthcoming years by the way of Equated Monthly Instalments (EMIs). Selection of right borrowers is the first and the most crucial step of this process. The Company follows a rigorous methodology while selecting the borrowers. The Company scrutinises the documents carefully and the decision making is based on several parameters. After sanctioning the loan, monitoring of the accounts is done. If any irregularities are found, prompt action is initiated.

As Credit Risk is one of the major risk faced by the Company, the Standard Operating Procedures (SOP) document, clearly delineates the guidelines on credit appraisal, legal appraisal, technical appraisal, verification, valuation, documentation, etc. The same is reviewed periodically and, if need be, is revised in order to keep the procedures up-to-date.

2. 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 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. This risk can be divided into following two types:

- **Interest Rate Risk**

Interest Rate Risk refers to the risk associated with the adverse movement in the interest rates .Adverse movement for LIC Housing Finance Limited would imply rising interest rates on liabilities and falling interest yields on the assets. This is the biggest market 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 tracks the composition and pricing of assets and liabilities on a continuous basis. For the same purpose, the Company has constituted an ALCO Committee which actively monitors the ALM position and take appropriate action to avoid risk.

- **Liquidity Risk**

Liquidity Risk implies the risk of not having sufficient funds to make good the liabilities. This risk has been the cause behind closure of number of banks in the international markets in the past. Various situations in which liquidity risk may arise include higher than estimated disbursements, stress on systemic liquidity due to CRR hikes, higher government borrowing program, advance tax outflows, etc. Therefore, it is imperative to anticipate the net cash outflows correctly, as well as have a contingency plan in case of any unforeseen outgo of funds. Another aspect of liquidity management is avoiding hoarding excess money than what may be required as the same would result in sub- optimal returns on the money available to invest. So every institution has to strike a balance between the two positions and manage the liquidity position actively.

In case of LIC Housing Finance Limited, the Company has to continuously borrow money from the market in order to carry on the business operations. This borrowing depends on the market liquidity conditions and as the liquidity conditions change in the market very rapidly, the Company may not get required funds at times. In order to avoid that situation, a thorough analysis of expected cash outflow is done and funds are raised in advance to make sure that net cash outflows remain less than cash inflows. The buffer is appropriately deployed in suitable investments.

3. 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 sub divided into the following categories:

- **Compliance risk**

It 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. In case of LICHFL, 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. In order to deal with the same, the Company has a designated Compliance Officer whose role entails complying with the statutory requirements of the Company.

- **Legal risk**

  It 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 project delivery. For LIC Housing Finance Limited, 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. The Company also has standards of customer delivery and the operational mechanism to adhere to such standards aimed at minimum instances of customers' grievances

4. 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. The regulatory risk can arise due to change in prudential rules/norms by the regulators viz; NHB, SEBI, RBI etc. The Company is able to mitigate the same by anticipating the likely regulatory changes that may come in the short and medium term and is able to quickly change its systems and practice store align itself with the changed regulatory framework from time to time as required.

5. 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.

Housing Finance business is on an upward trajectory, perhaps due to growing economy, increased urbanisation, government incentives, acceptability of credit in society and rise in nuclear families. With the result, the Housing Finance industry has seen a higher growth rate than overall economy and several other industries since past several years. This has attracted lot of Companies in the market thereby increasing competition among the existing Companies to maintain/grow market share and profitability. The Company is able to mitigate this risk by addressing to the customer needs with state of art infrastructure including IT interface aligning its practices with the market in order to attract customers and at the same time retain the existing ones. The Company has also been able to sense pulse of peer group in terms of their product offerings, pricing and other schemes and is better poised to meet the challenges through improved product offerings, prices and customer service.

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 is in the range of 50-60 percent (as against the regulatory limit of 90 per cent for loans upto ₹ 20 lakh and 80 percent for loans above ₹ 20 lakh and upto ₹ 75 lakh and 75 percent for loans above ₹ 75 lakh) and its instalment to income ratio ranges between 30-40 percent, both being amongst the lower ones in the industry. The low average ticket size of the loan of ₹ 20 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 percent 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.

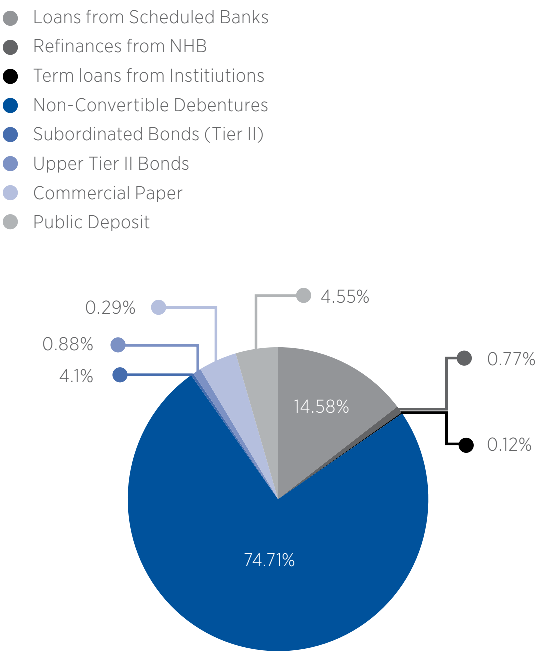
The derivative contracts selectively entered into by the company to manage risks associated with interest rate movement are regularly monitored and the company unwinds such transaction at the appropriate time.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The composition of outstanding borrowings as on 31st March, 2019 & the ratings assigned by rating agencies is as under:

Particulars	Percent to total Borrowing	Rating
Loans from Scheduled Banks	14.58%	CRISIL AAA/Stable & CRISIL A1+
Refinances from NHB	0.77%	-
Term loans from LIC of India / HUDCO	0.12%	-
Non-Convertible Debentures	74.71%	CRISIL AAA/Stable & CARE AAA Stable
Subordinated Bonds (Tier II)	0.29%	CRISIL AAA/Stable & CARE AAA Stable
Upper Tier II Bonds	0.88%	CRISIL AAA/Stable & CARE AAA Stable
Commercial Paper	4.10%	CRISIL A1+ & ICRA A1+
Public Deposit	4.55%	FAAA / (Stable)
Total	**100%**	

Composition of Borrowings



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 April 01, 2017. Accordingly, the Company has prepared these Standalone Financial Statements, which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2019, 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 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. 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 ₹ 59,309.22 crore and disbursed ₹ 55,315.47crore registering a growth of 8.17 per cent in sanctions and growth of 12.02 per cent in disbursements over the last year. For the year ended 31st March, 2019, the Company's revenue from operations was ₹ 17,355.02 crore as against ₹ 14,836.98 crore of previous year. Net profit before tax for year ended 31st March, 2019 was ₹ 3379.55 crore when compared to ₹ 2765.50 crore of the previous year, showing a growth 22 per cent. Net Profit after tax for the year ended 31st March, 2019 was ₹ 2430.97 crore as against ₹ 2002.50 crore during the same period last year, marking a growth of 21%. The outstanding loan portfolio as at 31st March, 2019 was ₹ 1,94,652.22 crore as against ₹ 1,67,471.45 crore as at 31st March, 2018 thus registering a growth of 16.23 per cent.

KEY ELEMENTS OF STATEMENTS OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2019

- Profit before tax grew by 22.20 per cent and Profit after tax grew by 21.40 per cent on year to year basis. Net interest margin for the year was 2.38 per cent.
- Tax provision for the year amounted to ₹ 948.58 crore as compared to ₹ 763.00 crore in the previous year.
- Net interest income grew by 21.21 per cent year on year basis.
- For the year ended 31st March, 2019 dividend @ 380 per cent is being recommended as against dividend @ 340 per cent in the previous year.

The transition was carried out from Accounting Principles generally accepted in India (IGAAP), the reconciliations of the effect of Transition have been summarised below:

Equity Reconciliation for the year ended March 31, 2018 and April 1, 2017:(₹ in Crore)

Particulars	Balance Sheet as at March 31, 2018			Opening Balance Sheet as at April 1, 2017		
	Previous GAAP *	Effect of Transition to IND AS	IND AS	Previous GAAP *	Effect of Transition to IND AS	IND AS
ASSETS						
Financial Assets						
Cash and cash equivalents	1,908.34	-	1,908.34	1,448.32	-	1,448.32
Bank Balance other than above	188.10	-	188.10	267.08	-	267.08
Derivative financial instruments	43.65	-	43.65	85.77	-	85.77
Loans	1,66,177.49	(15.17)	1,66,162.32	1,44,470.96	245.75	1,44,716.71
Investments	1,953.08	19.09	1,972.17	3,348.99	20.41	3,369.40
Other Financial Assets	19.99	1.22	21.21	19.24	1.30	20.54
Non-financial Assets						
Current tax assets (Net)	183.04	-	183.04	185.57	-	185.57
Deferred tax Assets (Net)	(1,042.98)	1,485.26	442.28	(917.27)	1,177.37	260.1
Property, Plant and Equipment	94.71	-	94.71	92.88	-	92.88
Other Intangible assets	2.41	-	2.41	3.65	-	3.65
Other non-financial assets	61.68	9.91	71.59	23.48	8.09	31.57
Total Assets	**1,69,589.51**	**1,500.31**	**1,71,089.82**	**1,49,028.67**	**1,452.92**	**1,50,481.59**
LIABILITIES AND EQUITY						
LIABILITIES						
Financial Liabilities						
Derivative financial instruments	39.43	-	39.43	88.61	-	88.61
Payables						
(I) 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	61.29	-	61.29	58.97	-	58.97
Debt Securities	1,19,521.72	(0.50)	1,19,521.22	1,01,585.43	(0.22)	1,01,585.21
Borrowings (Other than Debt Securities)	16,517.05	-	16,517.05	15,939.25	-	15,939.25
Deposits	6,789.71	(18.04)	6,771.67	6,312.39	(19.82)	6,292.57
Subordinated Liabilities	2,500.00	-	2,500.00	2,500.00	-	2,500.00
Other financial liabilities	11,348.53	(30.37)	11,318.16	11,363.28	(58.79)	11,304.48
Non-Financial Liabilities						
Provisions	117.64	-	117.64	98.03	-	98.03
Other non-financial liabilities	3.42	(1.24)	2.18	5.68	(3.16)	2.52
Total Liabilities	**1,56,898.77**	**(50.15)**	**1,56,848.62**	**1,37,951.64**	**(82.00)**	**1,37,869.64**
EQUITY						
Equity Share capital	100.99	-	100.99	100.99	-	100.99
Other Equity	12,589.73	1,550.46	14,140.19	10,976.03	1534.93	12,510.96
Total Liabilities and Equity	**1,69,589.51**	**1,500.31**	**1,71,089.82**	**1,49,028.67**	**1,452.92**	**1,50,481.59**

*The previous GAAP figures have been reclassified to confirm with IND AS presentation requirements for the purposes of this note.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Reconciliation of Total Comprehensive Income for the year ended March 31, 2018 (₹ in Crore)

Particulars	Previous GAAP*	Effect of Transition to IND AS	IND AS
Revenue from operations			
Interest Income	14,893.11	(163.40)	14,729.71
Fees and commission Income	206.38	(170.76)	35.62
Net gain on de -recognition of financial instruments under amortised cost category	-	23.92	23.92
Others	49.65	(1.92)	47.73
Total Revenue from Operations	**15149.14**	**(312.16)**	**14836.98**
Other Income	3.63	-	3.63
Total Income	**15,152.77**	**(312.16)**	**14,840.61**
Expenses			
Finance Costs	11,116.75	27.10	11,143.85
Fees and commission expense	339.67	(293.35)	46.32
Net loss on de-recognition of financial instruments under amortised cost category	23.29		23.29
Impairment on financial instruments	222.76	245.64	468.40
Employee Benefits Expenses	218.34	4.82	223.16
Depreciation, amortisation and impairment	9.98	-	9.98
Others expenses	160.11	-	160.11
Total Expenses	**12,090.90**	**(15.79)**	**12,075.11**
Profit/(loss) before tax	3,061.87	(296.37)	2,765.50
Tax Expense	1,072.28	(309.28)	763.00
Profit/(loss) for the period	**1,989.59**	**12.91**	**2,002.50**
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss	-	4.01	4.01
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(1.39)	(1.39)
Other Comprehensive Income	**-**	**2.62**	**2.62**
Total Comprehensive Income for the period	**1,989.59**	**15.53**	**2,005.12**

* The previous GAAP figures have been reclassified to confirm with IND AS presentation requirements for the purposes of this note.

Reconciliation of equity attributable to shareholders of the Company as at March 31, 2018 (₹ in Crore):-

Particulars	As at March 31, 2018
Equity as reported under previous GAAP	12,690.72
Adjustment on account of effective interest rate for financial asset and liabilities recognised at amortised cost	4.87
Adjustment on account of expected credit loss	60.33
Tax effect on above adjustment (including reversals of Deferred Tax Liability u/s 36 (1) (viii) of Income Tax Act 1961	1,485.26
Equity under IND AS	**14,241.18**

IMPAIRMENT ASSESSMENT

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

The Company applies General approach to provide for credit losses prescribed by IND AS 109, which provides to recognised 12-months expected credit losses where credit risk has not increased significantly since initial recognition and to recognised 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 its contractual payments.

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	
	Outstanding Balance	Impairment Loss	Outstanding Balance	Impairment Loss	Outstanding Balance	Impairment Loss	Outstanding Balance	Impairment Loss
As At March 31, 2019	1,83,129.59	23.90	8,564.12	111.53	2,952.64	1,524.04	1,94,646.35	1,659.47
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
As At April 1, 2017	1,39,516.98	303.32	5,418.99	119.65	627.34	427.90	1,45,563.31	850.87

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 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 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.

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 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 our 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. Investment being our ancillary activity is derived of this ALM requirement and it is imperative to constantly monitor the liquidity of our investments to achieve our 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.

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

LIC Housing Finance is one of the largest housing finance companies in India having one of the widest networks of 273 Marketing Offices, 23 Back Offices to conduct the credit appraisal and administrative functions and 1 Customer Service Point as on 31st March, 2019 across the country and representative offices in Dubai and Kuwait. The Company continues to serve the customers at their door step through 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, 2019 stood at ₹ 2971.69 crore as against ₹ 1,303.61 crore as on 31st March, 2018 registering an increase of 127.96 per cent. The gross NPA ratio of the company stood at 1.54 percent as on 31st March, 2019 as against 0.78 per cent as on 31st March, 2018. Net NPAs excluding provision on standard assets as per NHB norms as at 31st March, 2019 stood at 1.08 per cent (₹ 2081.20 crore) as against 0.43 per cent (₹ 711.66 crore) on the corresponding dates last year. The provision cover on the NPAs stood at 29.97 per cent (excluding provision on standard loans as per NHB norms) as on 31st March, 2019.

The aforesaid figures are as per IGAAP. As per IND-AS, the provision on per ECL is ₹ 1659.48 crore as at 31st March, 2019 as against ₹ 1309.13 Crore as at 31st March, 2018.

HUMAN RESOURCES DEVELOPMENT

The Company has staff strength of 2309 employees who have been contributing to the progress and growth of the Company. The manpower requirement of the offices of the company is assessed and recruitment is conducted accordingly. Personal skills of the employees are fine-tuned and knowledge is enhanced by providing them internal and external training from time to time keeping in view the market requirement. Outstanding performers are rewarded by way of elevation to the higher cadre. Apart from fixed salary and perquisites, the employees are paid performance linked incentives which motivates them to perform better.

Loan assets per employee as at 31st March, 2019 was ₹ 83.58 crore and net profit per employee ₹ 105.28 lakh.

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 Thirtieth Annual Report together with the Audited Financial Statements for the year ended 31st March, 2019 of LIC Housing Finance Limited ('the Company').

FINANCIAL RESULTS

(₹ in crore)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Profit before Tax	3,379.55	2,765.50
Tax Expense	948.58	763.00
Profit after Tax	2,430.97	2,002.50
Other Comprehensive Income	(0.46)	2.62
Total Comprehensive Income	2,430.51	2,005.12
Appropriations		
Special Reserve & Statutory Reserve u/s 29C of NHB Act, 1987	750.00	560.00
General Reserve	600.00	500.00
Dividend	343.17	312.89
Tax on Dividend	69.25	63.00
Balance carried forward to next year	668.09	569.23
	2,430.97	**2,002.50**

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 declaration / recommendation of dividend to the Members of the Company.

Considering the performance during the financial year 2018-19, your Directors, in terms of the Dividend Distribution Policy, have recommended payment of dividend for the financial year ended 31st March, 2019 of 7.60 per equity share of face value of ₹ 2/- per share i.e. @ 380 percent, as against ₹ 6.80/- per equity share of face value of ₹ 2/- per share for the previous year i.e. @ 340 percent. The total dividend outgo for the current year would amount to ₹ 461.15 crore including Dividend Distribution Tax of ₹ 77.61 crore, as against ₹ 412.42 crore including dividend distribution tax of ₹ 69.25 crore, for the previous year. The dividend payable shall be subject to the approval of the Members of the Company at the ensuing Annual General Meeting.

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 adopted Indian Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs (MCA) vide its notification published in the Official Gazette on 16th February, 2015 applicable to certain classes of companies under Section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from April 01, 2018 and the effective date of transition is April 01, 2017. The said transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the National Housing Bank ('NHB') (Collectively referred to as 'the Previous GAAP').

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.

PERFORMANCE

Income and profit

The Company earned total revenue of ₹ 17,361.72 crore, registering an increase of 17 percent. The percentage of administrative expenses to the housing loans, which was 0.26 percent in the previous year, has come down to 0.24 percent during the financial year 2018-19.

Net Profit before tax and after tax stood at ₹ 3,379.55 crore and ₹ 2,430.97 crore respectively as against ₹ 2,765.50 crore and ₹ 2,002.50 crore, respectively, for the previous year. Profit before tax increased by 22.20 percent over the previous year while profit after tax showed growth of 21.40 percent over that of the previous year.

LENDING OPERATIONS

Individual loans:

The main thrust continues on individual housing loans with a disbursement growth of 6.82 percent during the year. The Company has sanctioned 2,05,702 individual housing loans for ₹ 50,276.67 crore and disbursed 2,04,690 loans for ₹ 48,187.40 crore during FY 2018-19. Housing loan to Individuals i.e. retail loans constitute 84.60 percent of the total sanctions and 87.11 percent of the total disbursements for the FY 2018-19 as compared to 84.23 percent and 91.37 percent respectively during the FY 2017-18. The gross retail loan portfolio grew by over 13.94 percent from ₹ 1,59,350.29 crore as on 31st March, 2018 to ₹ 1,81,569.21 crore as on 31st March, 2019.

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

Amount sanctioned: ₹ 3,48,571.20 crore

Amount disbursed: ₹ 3,35,074.98 crore

26,14,593 customers have been serviced by the Company up to 31st March, 2019 since inception.

PROJECT LOANS:

The project loans sanctioned and disbursed by the Company during the year amount to ₹ 9,154 crore and ₹ 7,128 crore respectively. Corresponding figures for the previous year were ₹ 8,736 crore and ₹ 4,266 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 awarded on various counts by renowned institutions some of which are listed below:

- Best Private Issuer on Electronic Bidding Platform by NSE;
- Awarded 'Outstanding Global Leadership Award' 2018 by The Institute of Economic Studies (IES);
- 'Best Housing Finance Company' at Banking Financial Services & Insurance Awards by ABP News;
- Awarded 'Brand of the Decade 2019' by BARC Asia.
- Recognized as one of the 'The Economic Times Best Brands 2019'

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 273 Marketing Offices and 1 Customer Service Point. These marketing offices work through Direct Sales Agents, Home Loan Agents and dedicated Team of Direct Marketing Executives, totalling more than 13500. 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 loans. The Company has representative offices in Dubai and Kuwait.

REPAYMENTS

During F.Y. 2018-19, ₹ 26,242.99 crore was received by way of scheduled repayment of principal through monthly instalments as well as prepayment of principal, as compared to ₹ 25,851.01 crore received during the previous year.

NON-PERFORMING ASSETS AND PROVISIONS

The amount of gross Non-Performing Assets (NPA) as at 31st March, 2019 was ₹ 2,971.69 crore, which is 1.54 percent of the housing loan portfolio of the Company, as against ₹ 1,303.61 crore i.e. 0.78 percent of the housing loan portfolio as at 31st March, 2018. The net NPA as at 31st March 2019 was ₹ 2,081.20 crore i.e. 1.08 percent of the housing loan portfolio vis-à-vis ₹ 711.66 crore i.e. 0.43 percent of the housing loan portfolio as at 31st March, 2018. The total cumulative provision towards housing loan portfolio including provision for standard assets as at 31st March, 2018 is ₹ 1,693.89 crore as against ₹ 1,248.80 crore in the previous year. During the year, the Company has written off ₹ 265.66 crore of housing loans which includes non-retail loan as against ₹ 23.29 crore during the previous year.

The aforesaid figures are as per IGAAP. As per IND-AS, the provision as per ECL is ₹ 1,659.48 crore as at 31st March, 2019 as against ₹ 1,309.13 crore as at 31st March, 2018.

RESOURCE MOBILISATION

During the year, the Company raised long term funds aggregating to ₹ 45,913.12 crore through Non – Convertible Debentures (NCDs), Term Loans and Deposits in addition to short term borrowings.

NON-CONVERTIBLE DEBENTURES (NCDs)

During the year, the Company issued NCDs amounting to ₹ 35,112.10/- 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 and 'CARE AAA/ Stable' by CARE. As at 31st March, 2019, NCDs amounting to ₹ 1,27,475.56/- crore were outstanding. The Company has been regular in making repayment of principal and payment of interest on the NCDs. Also the amounts of NCDs were utilised for the purposes for which these were raised.

As at 31st March, 2019, 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 NCDs remaining unclaimed or unpaid beyond due date is 'Nil'.

SUBORDINATE BONDS AND UPPER TIER II BONDS

During the year, the Company has not issued any Subordinate Bonds and Upper Tier II Bonds. As at 31st March, 2019, the outstanding Subordinate Bonds and Upper Tier II Bonds stood at ₹ 2,000/- crore. Considering the balance term of maturity as at 31st March, 2019, ₹ 1,500/- 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, FCNR (B) LOAN FROM BANKS / LOC / WCDL, REFINANCE FROM NHB / OTHER FINANCIAL INSTITUTIONS / COMMERCIAL PAPER

The total loans / LOC outstanding from the Banks as at 31st March, 2019 were ₹ 24,873.23 crore as compared to ₹ 14,358.81 crore as at 31st March, 2018. Loans and advances outstanding from Other Financial Institutions were ₹ 200 crore as at 31st March, 2019 and 31st March, 2018. The Refinance from NHB as at 31st March, 2019 stood at ₹ 1,310.68 crore as against ₹ 1,958.24 Crore as at 31st March, 2018. During the year, the Company has not availed any Refinance from NHB under regular Refinance scheme. As at 31st March, 2019, Commercial Paper amounting to ₹ 7,140.11 crore were outstanding as compared to ₹ 4,050.22 crore for the previous year. During the year 2018-19, the Company issued Commercial Paper amounting to ₹ 38,339.48 crore as compared to ₹ 17,976 crore for the corresponding previous year.

The Company's long term loan facilities have been assigned the highest rating of 'CRISIL AAA/STABLE' and short term loan facilities have been assigned a 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 including interest thereon 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 ₹ 82,10,045/- pertaining to the financial year 2010-11 to the Investor Education and Protection Fund (IEPF) established by the Central Government, after the 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 97,169 equity shares of ₹ 2/- each to Investor Education and Protection Fund (IEPF) established by the Central Government in respect of which the dividend remained unclaimed for a period of seven consecutive years i.e. from 2010-11 till the due date of 30th August, 2018 after following the prescribed procedures.

Any person who is entitled to 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, 2019, the outstanding amount on account of public deposits was ₹ 3,932.17 crore as against ₹ 3,430.83 crore in the previous year and outstanding amount on account of corporate deposits was ₹ 3,735.26 crore as against ₹ 3,340.84 crore in the previous year. During F.Y. 2018-19, the number of depositors for public deposits has decreased from 35528 to 35005 and increased for Corporate deposits from 521 to 567.

₹ 1,370.51 crore has been collected as public deposits and ₹ 3,085.51 crore as corporate deposits. Total aggregate amount collected was ₹ 4,455.71 crore.

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

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

1,083 deposits amounting to ₹ 86.15 crore which were due for repayment on or before 31st March, 2019 were not claimed by the depositors. Since then, 152 depositors have claimed or renewed deposits of ₹ 38.61 crore as on date of this report. Depositors are appropriately intimated about 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 ₹ 1,79,000/- against unclaimed principal and ₹ 2,58,624/- 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 Sections 73 and 74 of the Companies Act, 2013 are not applicable to the Company.

REGULATORY COMPLIANCE

The Company has been following guidelines, circulars and directions issued by National Housing Bank (NHB) from time to time.

Your Company has been maintaining capital adequacy as prescribed by the NHB. Which was 14.36 percent (as against 12 percent prescribed by the NHB) as at 31st March, 2019 after considering the loan to value ratio for deciding risk weightage.

The Company has adopted Know Your Customer (KYC) Guidelines, Anti Money Laundering Standards, Fair Practices Code, Model Code of Conduct for Direct Selling Agents and Guidelines for Recovery Agents engaged by the Company as prescribed by NHB from time to time. During the year, NHB has prescribed that HFCs shall provide 'Most Important Terms and Conditions' (MITC) of housing loans, which the Company has implemented with the objective of ensuring a better understanding of the major terms and conditions of the loan agreed upon between the Company and its borrowers.

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

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

During the financial year under review, 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

The Auditors' Report for the financial year 2018-19 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

The Secretarial Auditor's Report for the financial year 2018-19 does not contain any qualification, reservation or adverse remark. Report of the Secretarial Auditor for the financial Year 2018-19 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.

AUDITORS

Statutory Auditors

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the said Section . The present Joint Statutory Auditors complete their term as per the said Section. The Audit Committee of the Company has proposed and on 1st July, 2019, the Board of Directors of the Company has recommended the appointment of 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 and they will hold office for a period of five consecutive years from the conclusion this Thirtieth Annual General Meeting of the Company scheduled to be held on 28th August, 2019 till the conclusion of the Thirty Fifth Annual General Meeting to be held in the year 2024, subject to the approval of the shareholders of the Company. The second quarterly limited review for financial year 2019-20 as on 30th September, 2019 will be done by the proposed Joint Statutory Auditors. The first year of audit for the proposed Joint Statutory Auditors will be for the year ending 31st March, 2020.

The remuneration payable to each of the proposed 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 Board recommend to the Members for approval at the Thirtieth Annual General Meeting, the appointment of 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 to hold the office from the conclusion of this Thirtieth Annual General Meeting until the conclusion of the Thirty Fifth Annual General Meeting subject to ratification by the members of the Company at each subsequent Annual General Meeting on a remuneration as mentioned above 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 at all Back Offices to be allotted equally between them in consultation with the management.

BOARD'S REPORT

SECRETARIAL AUDITOR:

Pursuant to Section 204 of the Companies Act, 2013, the Company had appointed M/s. N. L. Bhatia & Associates, Practicing Company Secretary as its Secretarial Auditor to conduct the secretarial audit of the Company for the Financial Year 2018-19. The Company has provided all assistance and facilities to the Secretarial Auditor for conducting their audit.

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 shall be included as part of the Annual Report. Accordingly, Business Responsibility Report is presented in a separate section forming part of this 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, 2019, 6176 members of the Company continue to hold shares in physical form. As per the Securities and Exchange Board of India's (SEBI) circular, the Company's shares have to be transacted in dematerialised form only and therefore, such members are requested to convert their holdings to dematerialised form.

AUDITORS' OBSERVATIONS

No adverse remark or observation has been made by the Joint Statutory Auditors in their report dated 4th May, 2019.

The Company has an in-house mechanism for Internal Audit of all its back offices conducted by the team of in-house auditors. The Company maintains an exhaustive checklist for the purpose of Audit. The Company has also appointed M/s. Borkar & Muzumdar, Chartered Accountants, as Internal Auditor for Internal Audit of its Corporate Office for financial year 2019-20 to financial year 2020-21.

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

OUTLOOK FOR 2019-20

The initiatives taken by the Company during the financial year 2018-19 are expected to improve its operational and financial performance. During F.Y. 2019-20, the Company proposes:

- Focus on growth of Retail Housing Loans to continue at all levels.
- PMAY-CLSS to be given additional thrust and marketing activities to be in alignment with Government Initiatives from time to time and thus ensuring achievement of targets in both numbers and amount.
- Direct Marketing Executive (DME) channel to be made a separate unit. Business Development Center (BDCs) to be opened at all BO centers. Metro centers like Mumbai, Pune, Delhi, Hyderabad, Chennai, Bangalore, Kolkata, Lucknow to have minimum 2 BDCs. In other major cities having more than 2 area offices, one office to be converted as BDC.
- Leveraging our relationship with the Builders to whom Project Finance has been provided, for retail business as well. DME channel to be given responsibility of procuring retail housing loans from these projects.
- Creation of separate cell at Regional Offices (ROs) to handle high value loans of more than ₹ 10 crore with post disbursement monitoring. This cell will be on similar lines to Project Finance Department in ROs.
- Creation of cluster of area offices (say 5 area offices) within (BO) jurisdiction to handle sanction and disbursement with the aim to reduce Turn Around Time (TAT).
- Business Potential Mapping exercise to procure more and more retail business
- Advance Processing Facility (APF) approval to be made core activity at Area Office levels
- Corporate tie ups with builders for mass business procurement

- Making use of builders / developers as distribution channel.
- Making online loan application more effective and enhance its contribution towards the incremental business.
- Ensuring achievement of Term Targets- Monthly, Quarterly by all Units.
- Strengthening of new area offices opened in FY 2018-19 by bringing their performance achievement in alignment with to budget and Growth above Region's average.
- 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 and 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 LIC HFL as a source of trusted partner exuding consumer confidence.
- Understand the inherent risks to the business and managing it effectively.
- Focus on winning and retaining customers.
- Pursue new skills and expand knowledge aimed at managing competition effectively.
- Expand its operations by establishing new business centres.
- Increase its distribution by appointing new agents and activising more agents. Explore new avenues of distribution channel.
- Incentivising and motivating the marketing intermediaries systematically for improving productivity and imbibing a sense of loyalty, professionalism.
- Raising funds through various sources at attractive terms.
- Making efforts towards reducing overall cost of funds.
- Steps to improve the recovery ratio and ensuring lowest NPA level. Improving receivable management through IT support system.
- Timely review of credit appraisal system to improve the loan asset quality.
- Continuous efforts to upgrade Information Technology platform to ensure prompt and effective service to the clientele.
- Swift, appropriate and competitive pricing of its existing loan schemes to attract new customers.
- Ensuring achievement of term targets – monthly, quarterly by all units.
- Procurement of business under Pradhan Mantri Awas Yojana / Affordable housing and to have a continuous focus in alignment with Government initiatives from time to time.

THE MANAGEMENT PERSPECTIVE ABOUT FUTURE OF THE COMPANY

The convergence of on-going reforms and political stability have led to growth in the residential real estate market in the first half of 2019 and with the continuity of erstwhile political regime ensuring an undeterred process of reforms and speedy infrastructure growth, markets are set to continue along path of growth. During the first quarter of current year, the government lowered Goods and Services Tax (GST) rates on affordable homes to 1% from the earlier 8%, without input tax credit. GST on projects under construction, which are not under the affordable housing segment, was reduced to 5% from 12%. Real Estate (Regulation and Development) Act 2016 (RERA) have now been notified in most states and union territories. Though much is yet to be done in terms of implementation, the Act has definitely ensured greater transparency and efficiency in residential markets. Apart from regulatory reforms, the government has focused on enhancing economic growth and improving liquidity (the RBI has cut interest rates thrice since the beginning of 2019). The home buyer has benefitted from both - ongoing reforms as well as lowering of borrowing costs.

It may be mentioned here that there is a liquidity challenge in the market, driven more by a crisis of confidence in the Non-Banking Finance Companies (NBFC) more specifically Housing Finance Companies ecosystem, rather than an actual impairment on balance sheets. In the last three years, debt mutual funds had become the de-facto bankers to the fast-growing NBFCs. They accounted for the bulk of the industry's growth capital as public sector banks pulled away from lending due to lack of capital. As a result a number of NBFCs started facing liquidity crunch after a sharp rise in interest cost, thereby resulting a hit in their repayment ability. Housing Finance Companies (HFCs) though regulated by National Housing Bank (NHB) are basically NBFCs which are India's shadow banking sector, well known for aggressive lending practices, especially for small and medium enterprises, home buyers and real estate developers, who have difficulty in borrowing from banks. Credit from the NBFC sector grew by 21 per cent year-on-year in the financial year 2018, when bank credit growth was around 10 per cent. But the inherent problem with NBFCs has been their reliance on short-term funding routes like commercial papers and resorting to rollovers to meet their long-term lending requirements.

The problems with the NBFC sector began in September 2018 when the infrastructure finance company namely, IL&FS Ltd defaulted on repayments to banks, mutual funds, term deposits and failed to meet the commercial paper redemption obligations. It caused panic in the markets as it impacted banks, mutual funds as well as retail investors. Since then, the source of funding for NBFCs has been drying up and they are finding it increasingly difficult to service repayment of existing obligations. Asset quality is viewed seriously and fund managers are no more chasing only numbers and therefore, the availability of liquidity may go down.

In India, there is an estimated shortage of around 4 crore houses (urban and rural). In addition, population growth of 1.3 percent per annum, favourable demographics, 'nuclearisation' of families, migration to urban areas, fiscal benefits, rising income / aspirations, all that could lead to another one crore per annum demand for houses. Affordability to buy houses has increased over the past three years (especially in urban areas), even as property prices have remain flat, incomes have risen and mortgage interest rates have fallen by around 250 bps from five-year peak leading to 15 percent reduction in EMI payments.

With developers focusing on delivery of already launched projects, new launches of residential units decreased by 11% on a y-o-y basis across the top seven cities (Delhi NCR, Bengaluru, Mumbai, Kolkata, Chennai, Hyderabad and Pune). With the General Elections in H1 2019, developers also adopted a wait and watch approach and focused on clearing their unsold inventory. Apart from Mumbai and Delhi NCR, all other cities saw a dip in new launches during the H1 2019. Mumbai, Delhi NCR and Bengaluru continued to dominate launches and formed three-fourth of the overall launches during this period. Interestingly, since 2016 Pune which is merely 1/4th the size of Delhi NCR in terms of population witnessed a higher new launches declining by 11% on a y-o-y basis. Going ahead, new unit launches across the seven cities are expected to remain modest as developers realign their product mix to suit market demand.

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 details 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, 2019 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 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 assigned its outstanding rating as 'CRISIL AAA/Stable' rating to the ₹ 25000 crore non-convertible issue of LIC Housing Finance Limited and has reaffirmed its 'CRISIL AAA/FAAA/Stable/CRISIL A1+' ratings on other debt instruments, bank facilities and fixed deposit programme of the Company.

Total Bank Loan Facilities Rated	₹ 40059.88 crore
Long Term Rating	CRISIL AAA/Stable (Reaffirmed)
Short Term Rating	CRISIL A1+ (Reaffirmed)
₹ 25000 crore Non-Convertible Debentures	CRISIL AAA/Stable (Assigned)
₹ 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 ₹ 25000 crore Non-Convertible Debenture issue of LIC Housing Finance Limited and reaffirmed its 'CARE AAA; Stable'. The unutilised amount as on 30.04.2019 was ₹ 9477.90 crore.

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

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 Company has adopted Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from April 01, 2018 and the effective date of transition is April 01, 2017. The said transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the National Housing Bank ('NHB') (Collectively referred to as 'the Previous GAAP') and the adoption was carried out in accordance with applicable transition guidance.

The Ind AS are prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Amendment Rules, 2016. 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

(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, 2019, the Board had nine members, two of them are non-executive directors including Chairman and one LIC Director, one executive director who is Managing Director & CEO, one non-executive and non-independent director, while rest five are independent directors including one independent woman director.

The Nomination and Remuneration Committee at its meeting had laid down Criteria for determining Directors Qualifications, 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 28th March, 2019.

BOARD'S REPORT

We affirm that except Chairman, LIC Director and Managing Director & CEO all other Directors were paid sitting fees for Board and Committee (other than 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 is 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:

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 such transactions which are of repetitive nature as well as in the 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.

STATE OF THE COMPANY'S AFFAIRS:

The Company earned total revenue of ₹ 17,362 crore, registering an increase of 17 percent. The percentage of administrative expenses to the housing loans, which was 0.26 percent in the previous year, has come down to 0.24 percent during the financial year 2018-19.

Net Profit before tax and after tax stood at ₹ 3379.55 crore and ₹ 2430.97 crore respectively as against ₹ 2,765.50 crore and ₹ 2,002.50 crore, respectively, for the previous year. Profit before tax increased by 22.20 percent over the previous year while profit after tax showed growth of 21.40 percent over that of the previous year.

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

The Company has transferred ₹ 750 crore to Special Reserve and Statutory reserve u/s 29C of NHB Act, and ₹ 600 crore to General Reserve.

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

₹ 383.54 crore is proposed to be paid by way of dividend to shareholders of the Company i.e. ₹ 7.60 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 have occurred between the end of the financial year i.e. 31st March, 2019 and the date of the Board's Report i.e. 1st July, 2019.

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.

Electronics such as computers and copy machines are plugged out at the end of day or after office hours in order to save energy as mere turning off or shutting down does not save energy completely.

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

The office have 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, 2019, the Company earned ₹ 25.11 lakh and spent ₹ 243.94 lakh in foreign currency. This does not include foreign currency cash flows in derivatives and foreign currency exchange transactions.

RISK MANAGEMENT POLICY FOR THE COMPANY:

The Board 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 by the Risk Management Committee and put up to the Board. The same was approved in the Board Meeting dated 5th March, 2019.

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	Member	Independent Director
Dr. Dharmendra Bhandari	Member	Independent Director
Shri Vinay Sah	Member	Managing Director & CEO

ANNUAL EVALUATION MADE BY THE BOARD OF ITS OWN PERFORMANCE:

The Nomination and Remuneration Committee 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 own performance, Board committees and Individual Directors 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 28th March, 2019.

The performance of the Board was evaluated by the Board 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.

BOARD'S REPORT

The performance of the Board committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committee, effectiveness of committee meeting, 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 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, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors , at which the performance of the Board, its committees and individual Directors was also discussed.

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 Thirtieth Annual General Meeting alongwith the Company's Financial Statement under sub-section (2) of Section 129 i.e. Standalone Financial Statement. Further, pursuant to the provisions of Accounting Standard ('AS') 21, Consolidated Financial Statements notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, issued by the Ministry of Corporate Affairs, the Consolidated Financial Statements alongwith its subsidiaries and associates for the year ended 31st March, 2019 form part of this Annual Report.

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

DIRECTORS:

As of 31st March, 2019, the Board had nine members, two of them are non-executive directors including Chairman and one LIC Director, one executive director who is Managing Director & CEO, one non-executive and non-independent director, while rest five are independent directors including one independent woman director.

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 Chief Operating Officer (COO) who would subsequently take over as MD & CEO on retirement / elevation / transfer of the existing MD & CEO. This would form part of succession planning.

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. LIC of India has posted Shri Siddhartha Mohanty as COO of the Company.

APPOINTMENTS / RESIGNATIONS OF DIRECTORS:

Shri M.R. Kumar was appointed as Additional Director and Chairman of the Company by the Board with effect from 25th March, 2019 under Sections 161 of the Companies Act, 2013, and holds Office upto the date of the Thirtieth Annual General Meeting of the Company. The Company has received from Shri M.R. Kumar his consent to act as Director. As required under Section 160 of the Companies Act, 2013, a notice has been received from a member of the Company proposing the name of Shri M.R. Kumar for the office of a Director.

The terms and conditions of his appointment shall be determined from time to time by LIC of India and the Board subject to limit as prescribed by the Companies Act, 2013. His appointment as Chairman shall be without prejudice to his continuing service in LIC of India.

In terms of Article 176(a) & (b) of the Articles of Association of the Company read with Article 138(a) & (b) which authorizes LIC of India to nominate Directors and one of such director has to be appointed as Chairman of the Company. Accordingly, LIC of India had nominated Shri Hemant Bhargava, in addition to, he being Managing Director of LIC of India, to the Board of LIC Housing Finance Limited as Director. Thus, the Board of the Company had appointed Shri Hemant Bhargava, Ex-Chairman (Additional In-Charge), of LIC of India and Director on the Board of LIC Housing Finance Limited as Chairman of the Board of LIC Housing Finance Limited in place of Shri V. K. Sharma with effect from 7th January, 2019 till the period as decided by LIC of India i.e. till the period Shri M.R. Kumar was appointed as Additional Director and Chairman of the Company by the Board of Directors with effect from 25th March, 2019.

The Nomination and Remuneration Committee which had considered the performance evaluation report of Dr. Dharmendra Bhandari (DIN-00041829 and '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, had undertaken process of due diligence in the case of Dr. Dharmendra Bhandari (DIN-00041829) and found Dr. Bhandari to be suitable and eligible based on evaluation, qualification, expertise, track record, integrity 'fit and proper' criteria, for recommendation to the Board to continue Dr. Bhandari as Independent Director of the Company for a further period of five consecutive years with effect from 19th August, 2019 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 of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV, approved appointment of Dr. Bhandari as Independent Director of the Company to hold office for a period of five consecutive years, not liable to retire by rotation.

The Nomination and Remuneration Committee after considering the profile, qualifications, etc., of Shri Kashi Prasad Khandelwal (DIN-00748523) and in terms of 'Fit and Proper' criteria adopted by the Board on 10th March, 2017 pursuant to NHB notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February, 2017 also in accordance with SEBI(LODR) Regulations, 2015 as well as after undertaking the process of due diligence, recommended to the Board of Directors of the Company, Shri Kashi Prasad Khandelwal (DIN-00748523), to be suitable and eligible for the appointment of Independent Director of the Company for a period of five consecutive years with effect from 1st July, 2019 not liable to retire by rotation. Based on the recommendation by Nomination and Remuneration Committee, the Board considered and after having thought fit pursuant to the provisions of the SEBI(LODR) Regulations, 2015, Sections 149, 152, 161 of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV and 'fit and proper' criteria adopted by the Board, approved appointment of Shri Khandelwal as Additional Independent Director of the Company to hold office for a period of five consecutive years, not liable to retire by rotation.

Similarly, the Nomination and Remuneration Committee after considering the profile, qualifications, etc., of Shri Sanjay Kumar Khemani (DIN-00072812) and in terms of 'Fit and Proper' criteria adopted by the Board on 10th March, 2017 pursuant to NHB notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February, 2017 also in accordance with SEBI(LODR) Regulations, 2015 as well as after undertaking the process of due diligence, recommended to the Board of Directors of the Company, Shri Khemani, to be suitable and eligible for the appointment as Non-Executive Non Independent Director of the Company effect from 1st July, 2019 liable to retire by rotation. Based on the recommendation by Nomination and Remuneration Committee, the Board considered and after having thought fit pursuant to the provisions of the SEBI(LODR) Regulations, 2015, Sections 152, 161 of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV and 'fit and proper' criteria adopted by the Board, approved appointment of Shri Khemani as Additional Non Independent Director of the Company to hold office, liable to retire by rotation.

Shri V.K. Sharma had tendered his resignation from Chairmanship as well as Directorship of the Company with effect from 31st December, 2018 on attainment of superannuation from the services of LIC of India.

Ms Usha Sangwan, Director of the Company had tendered her resignation from Directorship of the Company on attainment of superannuation from the services of LIC of India. Consequent upon resignation of Ms Usha Sangwan, the Board of the Company had appointed Shri Hemant Bhargava, Managing Director, LIC of India, as Additional Director (Non-Executive) of the Company in place of Ms. Usha Sangwan with effect from 4th October, 2018 till the period he took over as Chairman of the Company from 7th January, 2019.

Shri Debabrata Sarkar, Director of the Company and Chairman of the Audit Committee had tendered his resignation from Directorship of the Company with effect from 12th November, 2018, on account of his other professional commitments.

On completion of term of office of five years, Shri T V Rao tendered his resignation with effect from 31st July 2018.

Thus as on the date of this report, the Board of Directors of the Company consists of eleven members, four of them are non-executive directors including Chairman and one LIC Director, while other two are non-executive non-independent Directors. Managing Director & CEO is executive whole time Directors. Remaining six Directors are Independent Directors including one Independent Woman Director..

CONTINUANCE OF DIRECTORSHIP OF SHRI JAGDISH CAPOOR, NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY AGED ABOVE 75 YEARS

Pursuant to the provisions of Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (Amendment Regulations) and other applicable provisions, if any, of the Companies Act, 2013 consent of the Members was sought by way of Postal Ballot and remote e-Voting which was duly assented by Members on 20th February, 2019 with requisite majority for continuance of the Directorship of Shri Jagdish Capoor, as Non-Executive Independent Director of the Company, who is above the age of 75 years and is aged about 80 years at present, till the expiry of his term i.e., 23rd May, 2022 in the office of Director of the Company on the existing terms and conditions, subject to provisions, rules and regulations of the Act and / or Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and / or any other appropriate authorities , as may be applicable, from the effective date of the said Amendment Regulations i.e., April 01, 2019.

CHANGE IN DESIGNATION:

The Board considered and thought fit to approve change in the designation of Ms. Savita Singh with effect from 1st April, 2019, from Non-Executive Non Independent Director to Non-Executive Independent Director in order to align with the Regulation 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015 inserted vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 dated 9th May, 2018, not liable to retire by rotation with effect from 1st April, 2019.

Similarly, the Board also considered change in the designation of Shri P. Koteswara Rao, from Non-Executive Independent Director to Non-Executive Non Independent Director liable to retire by rotation with effect from 4th May, 2019 in order to comply with the provisions of Section 152(6)(a) of the Companies Act, 2013.

DIRECTOR RETIRING BY ROTATION:

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

APPOINTMENTS / RESIGNATION OF THE KEY MANAGERIAL PERSONNEL:

Shri Vinay Sah, Managing Director & CEO, Mr. Nitin K. Jage, General Manager & Company Secretary and Mr. Sudipto Sil, CFO are the Key Managerial Personnel as per the provisions of the Companies Act, 2013.

Shri P Narayanan tendered his resignation as CFO and Key Managerial Personnel w.e.f. 10th May, 2019 consequent upon his transfer to LIC of India and in his place Mr. Sudipto Sil was appointed as CFO and Key Managerial Personnel of the Company with effect from 10th May, 2019 until the Board considers it fit.

COMMITTEES OF THE BOARD:

The Company has various committees which have been established as a part of the best corporate governance practices and is 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
- HR 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

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, 2019, 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, 2019, 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 having an authorised share capital of ₹ 75 Crore. The basic purpose of establishing the Company was to establish & operate assisted living community centres for the senior citizens.

During the fiscal 2018-19, the Company earned a Profit Before Tax (PBT) of ₹ 0.86 crore and Profit After Tax (PAT) of ₹ 0.63 crore.

The Company has successfully completed a project at Bangalore in two Phases and its project at Bhubaneswar is at near completion stage. The Company is also exploring possibilities to develop Senior Living Care Homes project at Aluva, Kerala and Jaipur subject to viability of the projects.

Further, the Company is also in process to evaluate Senior Living Care Homes projects at various locations across the Country.

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 main focus.

2. LICHFL ASSET MANAGEMENT COMPANY LIMITED.

The Company is in the business of managing, advising, administering Venture Capital and Alternative Investment Funds.

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 ₹ 461.3 Crore in 9 Portfolio Companies engaged in development, acquisition or operation of affordable / mid income housing, related infrastructure and Hospitals. With receipt from 6 exits, the Fund has so far achieved a multiple of 1.66X on investments with an IRR of 26.43%.

The Company also launched a new Alternative Investment Fund namely LICHFL Housing & Infrastructure Fund (LHIF) with a total corpus of ₹ 1,000 crore including Green Shoe Option 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. The Company has already received total Commitment of ₹ 700 crore out of which Contribution Agreement was signed for ₹ 650 crore as on 31st March, 2019.

3. LICHFL TRUSTEE COMPANY PRIVATE LIMITED.

The Company is in the business of undertaking the business of trusteeship services for Venture Capital Funds and Alternative Investment Funds.

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.

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 – from financial planning to manage every aspect of right investment, both for the short and long term.

At present, the Company distributes Life Insurance products of LIC of India, Home Loans and 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 ₹ 19.01 crore and Profit After Tax (PAT) stood at ₹ 13.10 crore for the FY 2018-19 and recommended dividend @ 40 % for FY 2018-19.

FINANCIAL HIGHLIGHTS FOR FY 2018-19 IN COMPARISON WITH PREVIOUS YEAR:

Sr. No.	Particulars	FY 2018-19 in ₹ (crore)	FY 2017-18 in ₹ (crore)
1.	Total Income	52.82	52.95
2.	Profit Before Tax	19.01	24.14
3.	Profit After Tax	13.10	17.25
4.	Dividend (Declared)	3.80	4.28

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, 2019, 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, 2019 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 annexed 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 OPTIONS:

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 Vinay Sah	7:1

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)	
Executive Director and Key Managerial Personnel	% increase in remuneration in the financial year
Executive Director (MD&CEO)	16.39%
Company Secretary	24.63%(on account of perquisite in respect of lease accommodation)
Chief Financial Officer	-0.48%

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

-6.23%

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

2,309

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, 2019	15 November 1994 (IPO)	% Change
Market Price (in ₹)	558.85**	12*	4557.08

*Adjusted Issue price value on account of sub-division

**BSE-closing.price

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 16.93%. The average annual decrease in the salaries of the employees other than managerial personnel during the year was -6.23% on account of new recruitment at lower cadre.

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.

SIGNIFICANT AND MATERIAL ORDERS:

There are no significant and material orders passed by the regulator or courts or tribunals impacting the going concern status and the Company's operations in future.

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: Nil

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

(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 upholding and maintaining 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 for various positions and also promoted employees to take up higher responsibilities during the year. Apart from fixed salaries, perquisites and benefits, the Company also has in place performance-linked incentives which reward outstanding performers who meet certain performance targets. In pursuance of the Company's commitment to develop and retain the best available talent, the Company had organised and sponsored various training programmes / seminars / conferences for upgrading skill and knowledge of its employees in different operational areas.

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

ACKNOWLEDGMENTS

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

For and on behalf of the Board

Place: Mumbai
Date: July 1, 2019

Chairman

ANNEXURE 1
TO THE BOARD'S REPORT

EXTRACT OF ANNUAL RETURN
As on financial year ended 31-03-2019
[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., Unit No.1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai - 400072. Phones:022-28515606, 28515644. Fax: 022-22641349.

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 01-04-2018				No. of Shares held at the end of the year 31-03-2019				% 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	0	0	0	0	0	0
(b). Central Govt.	0	0	0	0	0	0	0	0	0
(c). State Govt(s).	0	0	0	0	0	0	0	0	0
(d). Bodies Corpp.	0	0	0	0	0	0	0	0	0
(e). FIINS / BANKS.	203,442,495	0	203,442,495	40.313	203,442,495	0	203,442,495	40.313	0
(f). Any Other		0				0			0
Sub-total (A) (1):-	203,442,495	0	203,442,495	40.313	203,442,495	0	203,442,495	40.313	0
(2). FOREIGN									
(a). Individual NRI / For Ind	0	0	0	0	0	0	0	0	0
(b). Other Individual	0	0	0	0	0	0	0	0	0
(c). Bodies Corporates	0	0	0	0	0	0	0	0	0
(d). Banks / FII	0	0	0	0	0	0	0	0	0
(e). Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(f). Any Other Specify	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding	**203,442,495**	**0**	**203,442495**	**40.313**	**203,442,495**	**0**	**203,442,495**	**40.313**	**0**
(B) (1). PUBLIC SHAREHOLDING									
(a). Mutual Funds	19,749,066	9,000	19,758,066	3.915	25,222,763	9,000	25,231,763	5.000	1.085
(b). Banks / FI	4,151,690	10,500	4,162,190	0.825	5,685,980	10,500	5,696,480	1.129	0.304
(c). Central Govt.	739,192	0	739,192	0.146	1,348,461	0	1,348,461	0.267	0.121
(d). State Govt.	0	0	0	0	0	0	0	0	0.000
(e). Venture Capital Funds	0	0	0	0	0	0	0	0	0.000
(f). Insurance Companies	11,693,540	7,500	11,701,040	2.319	13,937,992	7500	13,945,492	2.763	0.444
(g). FIIs	197,187,269	20,000	197,207,269	39.077	190,771,275	18,000	190,789,275	37.805	-1.272
(h). Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.000
(i). Others (specify)	0	0	0	0	0	0	0	0	0.000
Sub-total (B) (1):-	**233,520,757**	**47,000**	**233,567,757**	**46.282**	**236,966,471**	**45,000**	**237,011,471**	**46.964**	**0.682**

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2018				No. of Shares held at the end of the year 31-03-2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
(a). BODIES CORP.									
(i). Indian	11,474,168	65,000	11,539,168	2.287	10,244,801	55,500	10,300,301	2.041	-0.246
(ii). Overseas	0	0	0	0	0	0	0	0	0.000
(b). Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	37,883,131	3,838,795	41,721,926	8.267	35,957,177	3,260,696	39,217,873	7.771	-0.496
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3,277,037	0	3,277,037	0.649	2,915,781	0	2,915,781	0.578	-0.071
(c). Other (specify)									
Non Resident Indians	2,314,202	1,000	2,315,202	0.459	2,091,464	1,000	2,092,464	0.415	-0.044
Overseas Corporate Bodies	1,670	0	1,670	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	2,735,302	0	2,735,302	0.542	2,027,988	0	2,027,988	0.402	-0.14
Trusts	6,061,443	1,000	6,062,443	1.201	7,653,627	1,000	7,654,627	1.517	0.316
Foreign Boodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B) (2):-	**63,746,953**	**3,905,795**	**67,652,748**	**13.405**	**60,890,838**	**3,318,196**	**64,209,034**	**12.724**	**-0.681**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**297,267,710**	**3,952,795**	**301,220,505**	**59.687**	**297,857,309**	**3,363,196**	**301,220,505**	**59.688**	**0.001**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.000**
Grand Total (A+B+C)	**500,710,205**	**3,952,795**	**504,663,000**	**100.00**	**501,299,804**	**3,363,196**	**504,663,000**	**100.00**	**0**

ANNEXURE 1
TO THE BOARD'S REPORT

Company : LIC Housing Finance Ltd. from 01-04-2018 to 31-03-2019

(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			% changes in share holding during 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	
1	LIFE INSURANCE CORPORATION OF INDIA	203,442,495	40.313	0	203,442,495	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			% of total Shares of the company
		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	
					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	**FIDELITY INVESTMENT TRUST FIDELITY SERIES EMERGING MARKETS OPPORTUNITIES FUND**	8,837,740	1.751	01-04-2018				
				06-04-2018	217,928	Buy	9,055,668	1.794
				13-04-2018	233,272	Buy	9,288,940	1.841
				20-04-2018	97,140	Buy	9,386,080	1.860
				27-04-2018	276,999	Buy	9,663,079	1.915
				04-05-2018	123,123	Buy	9,786,202	1.939
				11-05-2018	192,656	Buy	9,978,858	1.977
				18-05-2018	718,703	Buy	10,697,561	2.120
				25-05-2018	685,397	Buy	11,382,958	2.256
				01-06-2018	131,956	Buy	11,514,914	2.282
				08-06-2018	471,317	Buy	11,986,231	2.375
				15-06-2018	393,296	Buy	12,379,527	2.453
				29-06-2018	613,803	Buy	12,993,330	2.575
				13-07-2018	798,800	Buy	13,792,130	2.733
				20-07-2018	46,632	Buy	13,838,762	2.742

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
				27-07-2018	67,114	Buy	13,905,876	2.755
				21-09-2018	-234,400	Sold	13,671,476	2.709
				05-10-2018	266,200	Buy	13,937,676	2.762
				12-10-2018	260,100	Buy	14,197,776	2.813
				21-12-2018	120,000	Buy	14,317,776	2.837
				01-02-2019	558,000	Buy	14,875,776	2.948
				08-02-2019	1,091,600	Buy	15,967,376	3.164
				29-03-2019	-163,300	Sold	15,804,076	3.132
	'-Closing Balance			31-03-2019			15,804,076	3.132
2	**'BANK MUSCAT INDIA FUND**	11,496,000	2.278	01-04-2018				
	'-Closing Balance			31-03-2019		No Change	11,496,000	2.278
3	**GOVERNMENT PENSION FUND GLOBAL**	1,551,375	0.307	01-04-2018				
				01-06-2018	975,930	Buy	2,527,305	0.501
				08-06-2018	1,115,504	Buy	3,642,809	0.722
				29-06-2018	496,455	Buy	4,139,264	0.820
				06-07-2018	975,182	Buy	5,114,446	1.013
				13-07-2018	17,147	Buy	5,131,593	1.017
				20-07-2018	279,048	Buy	5,410,641	1.072
				03-08-2018	732,317	Buy	6,142,958	1.217
				10-08-2018	998,281	Buy	7,141,239	1.415
				17-08-2018	25,000	Buy	7,166,239	1.420
				24-08-2018	856,715	Buy	8,022,954	1.590
				07-09-2018	248,666	Buy	8,271,620	1.639
				14-09-2018	668,759	Buy	8,940,379	1.772
				21-09-2018	-57,757	Sold	8,882,622	1.760
				28-09-2018	-602,011	Sold	8,280,611	1.641
				05-10-2018	247,988	Buy	8,528,599	1.690
				12-10-2018	442,143	Buy	8,970,742	1.778
				26-10-2018	-243,694	Sold	8,727,048	1.729
				02-11-2018	77,381	Buy	8,804,429	1.745
				09-11-2018	236,111	Buy	9,040,540	1.791
				16-11-2018	38,869	Buy	9,079,409	1.799
				07-12-2018	(128,651)	Sold	8,950,758	1.774
				21-12-2018	199,366	Buy	9,150,124	1.813
				31-12-2018	91,802	Buy	9,241,926	1.831

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
				04-01-2019	80,000	Buy	9,321,926	1.847
				11-01-2019	110,000	Buy	9,431,926	1.869
				25-01-2019	289,402	Buy	9,721,328	1.926
				08-02-2019	9,482	Buy	9,730,810	1.928
				15-02-2019	490,915	Buy	10,221,725	2.025
				22-02-2019	(1,131,794)	Sold	9,089,931	1.801
				01-03-2019	(157,107)	Sold	8,932,824	1.770
				15-03-2019	(99,989)	Sold	8,832,835	1.750
				22-03-2019	(218,585)	Sold	8,614,250	1.707
	'-Closing Balance			31-03-2019			8,614,250	1.707
4	**'FIDELITY INVESTMENT TRUST -FIDELITY DIVERSIFIED INTERNATIONAL FUND**	2234087	0.443	01-04-2018				
				27-04-2018	880,286	Buy	3,114,373	0.617
				15-02-2019	-264,232	Sold	2,850,141	0.565
				01-03-2019	506,068	Buy	3,356,209	0.665
				08-03-2019	330,144	Buy	3,686,353	0.730
				15-03-2019	467,088	Buy	4,153,441	0.823
				22-03-2019	305,983	Buy	4,459,424	0.884
				29-03-2019	133,217	Buy	4,592,641	0.910
	'-Closing Balance			31-03-2019			4,592,641	0.910
5	**'NATIONAL INSURANCE COMPANY LTD**	3235560	0.641	01-04-2018				
				20-04-2018	400,000	Buy	3,635,560	0.720
				27-04-2018	525,000	Buy	4,160,560	0.824
				04-05-2018	150,000	Buy	4,310,560	0.854
				25-05-2018	40,000	Buy	4,350,560	0.862
				06-07-2018	30,000	Buy	4,380,560	0.868
				05-10-2018	30,000	Buy	4,410,560	0.874
	'-Closing Balance			31-03-2019			4,410,560	0.874
6	**'VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS**	4609372	0.913	01-04-2018				
				04-05-2018	- 10,000	Sold	4,599,372	0.911
				11-05-2018	- 9,500	Sold	4,589,872	0.909

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
				01-06-2018	- 7,500	Sold	4,582,372	0.908
				15-06-2018	- 7,500	Sold	4,574,872	0.907
				22-06-2018	-19,844	Sold	4,555,028	0.903
				29-06-2018	- 31,944	Sold	4,523,084	0.896
				06-07-2018	-13,068	Sold	4,510,016	0.894
				13-07-2018	-20,812	Sold	4,489,204	0.890
				16-11-2018	7,425	Buy	4,496,629	0.891
				23-11-2018	19,305	Buy	4,515,934	0.895
				07-12-2018	9,405	Buy	4,525,339	0.897
				21-12-2018	26,730	Buy	4,552,069	0.902
				28-12-2018	-432,334	Sold	4,119,735	0.816
				01-02-2019	25,288	Buy	4,145,023	0.821
				08-02-2019	80,660	Buy	4,225,683	0.837
				29-03-2019	10,028	Buy	4,235,711	0.839
	'-Closing Balance			31-03-2019			4,235,711	0.839
7	**'VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND**	3355954	0.665	01-04-2018				
				01-06-2018	92,438	Buy	3,448,392	0.683
				08-06-2018	71,183	Buy	3,519,575	0.697
				24-08-2018	90,276	Buy	3,609,851	0.715
				02-11-2018	120,456	Buy	3,730,307	0.739
				23-11-2018	219,438	Buy	3,949,745	0.783
	'-Closing Balance			31-03-2019			3,949,745	0.783
8	**'FIDELITY FUNDS - ASIAN SMALLER COMPANIES POOL**	1692652	0.335	01-04-2018				
				04-05-2018	494,410	Buy	2,187,062	0.433
				25-05-2018	380,174	Buy	2,567,236	0.509
				06-07-2018	114,527	Buy	2,681,763	0.531
				17-08-2018	-147,200	Sold	2,534,563	0.502
				24-08-2018	-297,736	Sold	2,236,827	0.443
				05-10-2018	215,396	Buy	2,452,223	0.486
				12-10-2018	259,064	Buy	2,711,287	0.537
				15-02-2019	408,144	Buy	3,119,431	0.618
				01-03-2019	376,306	Buy	3,495,737	0.693
	'-Closing Balance			31-03-2019			3,495,737	0.693

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
9	**'THE NEW INDIA ASSURANCE COMPANY LIMITED**	2474862	0.49	01-04-2018				
				18-05-2018	42,500	Buy	2,517,362	0.499
				25-05-2018	7,500	Buy	2,524,862	0.500
				29-06-2018	20,000	Buy	2,544,862	0.504
				06-07-2018	66,000	Buy	2,610,862	0.517
				13-07-2018	7,700	Buy	2,618,562	0.519
				07-09-2018	51,495	Buy	2,670,057	0.529
				14-09-2018	48,505	Buy	2,718,562	0.539
				28-09-2018	100,000	Buy	2,818,562	0.559
				05-10-2018	20,000	Buy	2,838,562	0.562
				12-10-2018	80,000	Buy	2,918,562	0.578
				22-02-2019	242,914	Buy	3,161,476	0.626
				01-03-2019	256,955	Buy	3,418,431	0.677
				08-03-2019	40,883	Buy	3,459,314	0.685
	'-Closing Balance			31-03-2019			3,459,314	0.685
10	**'FIDELITY INVESTMENT TRUST- FIDELITY OVERSEAS FUND**	0	0	01-04-2018				
				22-02-2019	2,306,329	Buy	2,306,329	0.457
				01-03-2019	417,830	Buy	2,724,159	0.540
				08-03-2019	175,163	Buy	2,899,322	0.575
				15-03-2019	422,378	Buy	3,321,700	0.658
	'-Closing Balance			31-03-2019			3,321,700	0.658
11	**'GOVERNMENT OF SINGAPORE**	8615125	1.707	01-04-2018				
				06-04-2018	302,947	Buy	8,918,072	1.767
				20-04-2018	-545,429	Sold	8,372,643	1.659
				27-04-2018	-2,102,308	Sold	6,270,335	1.242
				04-05-2018	-123,779	Sold	6,146,556	1.218
				11-05-2018	-768,277	Sold	5,378,279	1.066
				18-05-2018	-108,180	Sold	5,270,099	1.044
				25-05-2018	-1,978	Sold	5,268,121	1.044
				01-06-2018	91,162	Buy	5,359,283	1.062
				08-06-2018	162,221	Buy	5,521,504	1.094
				15-06-2018	125,745	Buy	5,647,249	1.119
				22-06-2018	28,106	Buy	5,675,355	1.125

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
				29-06-2018	-549,796	Sold	5,125,559	1.016
				20-07-2018	31,669	Buy	5,157,228	1.022
				27-07-2018	-2,496	Sold	5,154,732	1.021
				03-08-2018	-3,015	Sold	5,151,717	1.021
				10-08-2018	-26,892	Sold	5,124,825	1.015
				24-08-2018	-255,677	Sold	4,869,148	0.965
				31-08-2018	172,989	Buy	5,042,137	0.999
				07-09-2018	-384,739	Sold	4,657,398	0.923
				14-09-2018	-870,610	Sold	3,786,788	0.750
				21-09-2018	-17,507	Sold	3,769,281	0.747
				28-09-2018	-247,706	Sold	3,521,575	0.698
				12-10-2018	-4,906	Sold	3,516,669	0.697
				19-10-2018	15,624	Buy	3,532,293	0.700
				26-10-2018	-884,080	Sold	2,648,213	0.525
				02-11-2018	-334,934	Sold	2,313,279	0.458
				23-11-2018	35,138	Buy	2,348,417	0.465
				30-11-2018	83,287	Buy	2,431,704	0.482
				07-12-2018	-85,235	Sold	2,346,469	0.465
				21-12-2018	48,628	Buy	2,395,097	0.475
				28-12-2018	-258,325	Sold	2,136,772	0.423
				04-01-2019	29,986	Buy	2,166,758	0.429
				18-01-2019	9,508	Buy	2,176,266	0.431
				08-02-2019	92,574	Buy	2,268,840	0.450
				22-02-2019	9,595	Buy	2,278,435	0.451
				01-03-2019	-100,132	Sold	2,178,303	0.432
				08-03-2019	-105,814	Sold	2,072,489	0.411
				15-03-2019	631,139	Buy	2,703,628	0.536
				22-03-2019	415,540	Buy	3,119,168	0.618
	'-Closing Balance			31-03-2019			3,119,168	0.618
12	**'ISHARES INDIA INDEX MAURITIUS COMPANY**	3453498	0.684	01-04-2018				
				27-04-2018	-25,987	Sold	3,427,511	0.679
				11-05-2018	-6,720	Sold	3,420,791	0.678
				18-05-2018	-20,160	Sold	3,400,631	0.674
				25-05-2018	-72,800	Sold	3,327,831	0.659
				01-06-2018	-120,417	Sold	3,207,414	0.636
				08-06-2018	-18,325	Sold	3,189,089	0.632

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
				15-06-2018	-4,372	Sold	3,184,717	0.631
				22-06-2018	-12,165	Sold	3,172,552	0.629
				29-06-2018	-21,840	Sold	3,150,712	0.624
				06-07-2018	-6,552	Sold	3,144,160	0.623
				27-07-2018	13,338	Buy	3,157,498	0.626
				31-08-2018	-23,037	Sold	3,134,461	0.621
				07-09-2018	-53,954	Sold	3,080,507	0.610
				14-09-2018	6,498	Buy	3,087,005	0.612
				21-09-2018	25,832	Buy	3,112,837	0.617
				12-10-2018	-32,472	Sold	3,080,365	0.610
				19-10-2018	5,167	Buy	3,085,532	0.611
				26-10-2018	4,386	Buy	3,089,918	0.612
				02-11-2018	-595	Sold	3,089,323	0.612
				16-11-2018	5,505	Buy	3,094,828	0.613
				07-12-2018	-3,796	Sold	3,091,032	0.612
				28-12-2018	10,910	Buy	3,101,942	0.615
				31-12-2018	6,337	Buy	3,108,279	0.616
				25-01-2019	-4,349	Sold	3,103,930	0.615
				01-03-2019	-23,771	Sold	3,080,159	0.610
				08-03-2019	6,498	Buy	3,086,657	0.612
				22-03-2019	9,747	Buy	3,096,404	0.614
				29-03-2019	-3,306	Sold	3,093,098	0.613
	'-Closing Balance			31-03-2019			3,093,098	0.613
13	**'HSBC GLOBAL INVESTMENT FUNDS - INDIAN EQUITY**	4719192	0.935	01-04-2018				
				11-05-2018	80,160	Buy	4,799,352	0.951
				06-07-2018	56,227	Buy	4,855,579	0.962
				13-07-2018	6,712	Buy	4,862,291	0.963
				20-07-2018	-412,872	Sold	4,449,419	0.882
				27-07-2018	-55,143	Sold	4,394,276	0.871
				10-08-2018	-50,000	Sold	4,344,276	0.861
				31-08-2018	-169,771	Sold	4,174,505	0.827
				23-11-2018	-144,183	Sold	4,030,322	0.799
				30-11-2018	-159,174	Sold	3,871,148	0.767
				15-02-2019	-517,984	Sold	3,353,164	0.664
				22-02-2019	-208,061	Sold	3,145,103	0.623

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
				15-03-2019	-127,450	Sold	3,017,653	0.598
				29-03-2019	-171,280	Sold	2,846,373	0.564
	'-Closing Balance			31-03-2019			2,846,373	0.564
14	**MAWER INTERNATIONAL EQUITY FUND**	7830015	1.552	01-04-2018				
				08-06-2018	15,960	Buy	7,845,975	1.555
				22-06-2018	34,775	Buy	7,880,750	1.562
				31-08-2018	-934,956	Sold	6,945,794	1.376
				07-09-2018	-476,544	Sold	6,469,250	1.282
				14-09-2018	-554,514	Sold	5,914,736	1.172
				21-09-2018	-403,968	Sold	5,510,768	1.092
				28-09-2018	-888,244	Sold	4,622,524	0.916
				05-10-2018	-1,822,410	Sold	2,800,114	0.555
				12-10-2018	-1,165,724	Sold	1,634,390	0.324
				19-10-2018	-470,540	Sold	1,163,850	0.231
				26-10-2018	-298,642	Sold	865,208	0.171
				02-11-2018	-688,685	Sold	176,523	0.035
				09-11-2018	-148,870	Sold	27,653	0.005
	-Closing Balance			16-11-2018	-27,653	Sold	0	0.000
15	**MAWER GLOBAL EQUITY FUND**	3971227	0.787	01-04-2018				
				27-04-2018	60,591	Buy	4,031,818	0.799
				31-08-2018	-42,647	Sold	3,989,171	0.790
				07-09-2018	-21,737	Sold	3,967,434	0.786
				14-09-2018	-340,070	Sold	3,627,364	0.719
				21-09-2018	-247,742	Sold	3,379,622	0.670
				28-09-2018	-544,739	Sold	2,834,883	0.562
				05-10-2018	-1,117,640	Sold	1,717,243	0.340
				12-10-2018	-714,911	Sold	1,002,332	0.199
				19-10-2018	-288,571	Sold	713,761	0.141
				26-10-2018	-183,150	Sold	530,611	0.105
				02-11-2018	-422,353	Sold	1,08,258	0.021
				09-11-2018	-91,299	Sold	16,959	0.003
	-Closing Balance			16-11-2018	-16,959	Sold	0	0.000

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
16	**FIDELITY INVESTMENT TRUST - FIDELITY EMERGINGMARKETS FUND**	3625228	0.718	01-04-2018				
				20-04-2018	-32,964	Sold	3,592,264	0.712
				18-05-2018	-391,373	Sold	3,200,891	0.634
				25-05-2018	-1,364,688	Sold	1,836,203	0.364
	-Closing Balance			01-06-2018	-1,836,203	Sold	0	0.000

(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			% of total Shares of the company
		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	
1	Shri M R Kumar	300	0	01-04-2018				
	-Closing Balance			31-03-2019		No Change	300	0
2	Shri Hemant Bhargava	150	0	01-04-2018				
	-Closing Balance			31-03-2019		No Change	150	0
3	Shri Dharmendra Bhandari	500	0	01-04-2018				
	-Closing Balance			31-03-2019		No Change	500	0

Except for Shri M. R. Kumar , Shri Hemant Bhargava and Dr.Dharmendra Bhandari no other director or Key Managerial Personnel hold any share at the beginning or at the end of the year as well as during the year, therefore no purchase or sale of the Company's equity shares were done by them.

V. INDEBTEDNESS

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

(₹ in Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year : 01.04.2018				
i) Principal Amount	1,319,880,484,841.85	65,253,246,500.00	68,079,938,899.15	1,453,213,670,241.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due*	54,632,728,661.74	1,659,423,226.77	4,197,610,384.31	60,489,762,272.82
Total (i+ii+iii)	**1,374,513,213,503.59**	**66,912,669,726.77**	**72,277,549,283.46**	**1,513,703,432,513.82**
Change in Indebtedness during the financial year				
Addition	1,164,514,610,000.00	383,390,367,500.00	43,848,944,000.00	1,591,753,921,500.00
Reduction	945,800,358,047.00	358,671,106,500.00	34,393,041,131.60	1,338,864,505,678.60
Net Change	218,714,251,953.00	24,719,261,000.00	9,455,902,868.40	252,889,415,821.40
Indebtedness at the end of the financial year : 31.03.2019				
i) Principal Amount	**1,538,594,736,794.85**	**89,972,507,500.00**	**77,535,841,767.55**	**1,706,103,086,062.40**
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due*	55,695,165,209.31	2,450,622,001.44	4,815,477,697.54	62,961,264,908.29
Total (i+ii+iii)	**1,594,289,902,004.16**	**92,423,129,501.44**	**82,351,319,465.09**	**1,769,064,350,970.69**

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

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	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,521,616.00	4,521,616.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	873,957.10	873,957.10
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	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)	279,515.25	279,515.25
	Total (A)	5,675,088.35	5,675,088.35
	Ceiling as per the Act	707,902,420.57	707,902,420.57

ANNEXURE 1
TO THE BOARD'S REPORT

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors								Total Amount
	Independent Directors	Jagdish Capoor	Savita Singh	T. V. Rao	Dr. Dharmendra Bhandari	Debabrata Sarkar	V K Kukreja	Ameet N Patel	P Koteswara Rao	
1	Fee for attending Board / Committee meetings	885,000.00	155,000.00	45,000.00	665,000.00	265,000.00	1,305,000.00	390,000.00	885,000.00	4,595,000.00
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total	885,000.00	155,000.00	45,000.00	665,000.00	265,000.00	1,305,000.00	390,000.00	885,000.00	4,595,000.00
	Total Managerial Remuneration									10,270,088.35
	Overall ceiling as per the Act									3,380,418,031.99

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

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		
		Nitin K. Jage, GM & CS	P. Narayanan, CFO	Total
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	2,953,065.00	2,593,500.00	5,546,565.00
	b) Value of perquisites u/s 17(2) of Income tax Act, 1961	640,585.04	9,932.00	650,517.04
	c) Profits in lieu of salary under section 17(3) of Income tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil
	others, specify	Nil	Nil	Nil
5	Others, please specify (like Company Contribution)	245,355.00	223,361.90	468,716.90
	Total	3,839,005.04	2,826,793.90	6,665,798.94

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	Nil	Nil	Nil	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

However, it may be mentioned that a fine of ₹ 2000/- was levid by SEBI for non- compliance of Regulation of 19(1) /(2) of SEBI (LODR),2015.

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 (SOPs) 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 / 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 SOPs 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

LIC HOUSING FINANCE LIMITED

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 the 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 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 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.

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 NCDs, 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. 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.

ANNEXURE 3
TO THE BOARD'S REPORT

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 AND 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 Intends 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.

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 there to:

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: 4th May, 2019
   f) Amount paid as advance, if any: Nil

For and on behalf of the Board of Directors

Place: Mumbai
Date: July 1, 2019

M. R. Kumar
Chairman

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	Chairman	Independent Director
Dr. Dharmendra Bhandari	Member	Independent Director
Shri Vinay Sah	MD & CEO	Executive Director

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

   ₹ 2874.56 crore

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

   The Company, during the financial year 2018-19, was required to spend ₹ 57.49 crore towards CSR.

5. **Details of CSR spent during the financial year:**

   a) Total amount spent for the financial year: ₹ 18.78 crore.

   b) Amount unspent, if any: ₹ 38.71 crore.

   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.	Contribution made to Udayan Care for its project titled "Udayan Care Information Technology and Vocational Training Program" towards providing education and vocational training to girls	Employment enhancing vocation skills	Chittaranjan Park, New Delhi.	8,38,750	8,38,750	8,38,750	Through Implementing agency namely Udayan Care
2.	Contribution to Dignity Lifestyle Trust for the construction expenses of Dementia Care Centre	Promoting Health Care	Neral, Raigad District, Maharashtra.	5,00,00,000	1,00,00,000	1,00,00,000	Through Implementing agency namely Dignity Lifestyle Trust

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.	Contribution made to Child Help Foundation towards School sanitation support for clean drinking water (water purifiers) and Construction of toilets at 8 government schools	Promoting education	Palghar district, Maharashtra.	25,43,144	25,43,144	25,43,144	Through Implementing agency namely Child Help Foundation
4.	Contribution to Bharat Vikas Institute of Medical Sciences for construction of Cancer Hospital and Medical College	Promoting Health Care	Kota district, Rajasthan	5,00,00,000	1,00,00,000	1,00,00,000	Through Implementing agency namely Bharat Vikas Institute of Medical Sciences
5.	Contribution to Jagriti Sewa Sansthan for construction of Jagriti Enterprise Centre for promotion of entrepreneurship	Vocational training and entrepreneurship development	Deoria village, Purvanchal District, Uttar Pradesh.	5,00,00,000	1,00,00,000	1,00,00,000	Through Implementing agency namely Jagriti Sewa Sansthan
6.	Contribution to Indian Association of Blood Cancer & Allied Diseases for purchase of Medical equipment (Haematology Cell Counter and Blood Donor Station)	Promoting Health Care	Kolkata, West Bengal.	6,13,895	6,13,895	6,13,895	Through Implementing agency namely Indian Association of Blood Cancer & Allied Diseases.
7.	Contribution to Concern India Foundation for installation of Solar Operated Drinking Water Systems in 3 tribal villages in Rajasthan	Ensuring safe drinking water	3 tribal villages of Gogunda block, Udaipur district, Rajasthan.	25,33,200	25,33,200	25,33,200	Through Implementing agency namely Concern 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.	Contribution to M.K Educational Society for purchasing of Uniforms to 1064 students from Malwani slum, Mumbai.	Promoting education	Malwani slum, Mumbai, Maharashtra	5,86,856	5,86,856	5,86,856	Through Implementing agency namely M.K Educational Society.
9	Contribution to Social Upliftment and Development for Health Action for purchase and distribution of full school kits-uniform, bags, shoes for the 3 deserving residential tribal schools in Maharashtra	Promoting education	Thane and Palghar district, Maharashtra.	37,92,927	37,92,927	37,92,927	Through Implementing agency namely Social Upliftment and Development for Health Action
10	Contribution to Smile Foundation for enhancing Basic Infrastructure at 15 Mission Education Centres spread across Maharashtra for underprivileged children by way of providing good quality water facilities, construction of sanitation unit	Promoting Health Care and Education Environment	Palghar district, Maharashtra.	24,83,000	24,83,000	24,83,000	Through Implementing agency namely Smile Foundation
11	Contribution to Navasrushti International Trust for basic infrastructure facility in government schools located at Mumbai, Maharashtra.	Promoting education	Mumbai, Maharashtra.	2,35,000	2,35,000	2,35,000	Through Implementing agency namely Navasrushti International Trust

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
12	Contribution to Tarun Bharat Sangh for the 3rd year of the Water Harvesting project namely Adapting to Climate change through Water Management in Eastern Rajasthan	Conservation of natural resources and maintaining quality of soil, air and water	Rajasthan	1,25,62,160	1,25,62,160	1,25,62,160	Through Implementing agency namely Tarun Bharat Sangh
13	Contribution to The Deeds Public Trust for incurring various Capital Expenditure for purchase of solar panel, radiators, hearing aids and for grill work for windows of hostel	Conservation of natural resources, promoting education and vocational skill training.	Palghar district, Maharashtra.	50,80,000	50,80,000	50,80,000	Through Implementing agency namely The Deeds Public Trust
14	Contribution to Committed Communities Development Trust for provision of Nutritional Supplement in form of Comfort Bags to 400 families infected/ affected with HIV/ AIDS in 24 wards of Mumbai	Promoting health care	Mumbai, Maharashtra.	15,84,000	15,84,000	15,84,000	Through Implementing agency namely Committed Communities Development Trust
15	Contribution to Round table India Trust for construction of two class rooms and two toilet blocks at Bhuranakhedi Kamadia Indore, Madhya Pradesh	Promoting Education and Sanitation	Bhuranakhedi and Kamadia Blocks in Indore district, Madhya Pradesh.	18,89,000	18,89,000	18,89,000	Through Implementing agency namely Round table India 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
16	Contribution to Purkal Youth Development Society for construction of Hostels facility for promoting versatile education for the underprivileged children of Uttarakhand	Empowering women and promoting education, including special education and employment enhancing vocation skills	Rikholi Village, Dehradun, Uttarakhand	5,00,00,000	1,00,00,000	1,00,00,000	Through Implementing agency namely Purkal Youth Development Society
17	Contribution to Fight Hunger Foundation for project namely 'The Bal Anand' which will involve refurbishing of 20 Anganwadi Centers in Rajasthan	Eradicating hunger, poverty and malnutrition, promoting health care and sanitation.	Kishanganj and Shahbad blocks of Baran district, Rajasthan	40,00,000	40,00,000	40,00,000	Through Implementing agency namely Fight Hunger Foundation
18	Contribution to Bhagwan Mahaveer Cancer Hospital & Research Centre for purchase of mobile ambulance van	Promoting health care	Kota district, Rajasthan	18,00,000	18,00,000	18,00,000	Through Implementing agency namely Bhagwan Mahaveer Cancer Hospital & Research Centre
19	Contribution to Baranagar Ramakrishna Math for providing educational assistance to 10 underprivileged students at Baranagar, Kolkata	Promoting education	Baranagar, Kolkata, West Bengal	1,26,387	1,26,387	1,26,387	Through Implementing agency namely Baranagar Ramakrishna Math

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
20	Contribution to Evangelical Social Action Forum for rebuilding of 20 flood affected government school in Thrissur district, Kerala	Promoting education	Thrissur district, Kerala	1,59,16,250	1,00,00,000	1,00,00,000	Through Implementing agency namely Evangelical Social Action Forum
21	Contribution to Gramalaya for construction of hundred School Sanitation complex in under privileged governments schools in Tamil Nadu	Promoting education and Sanitation	Nagapattinam, Thanjavur, Tiruchirappalli, Cuddalore, Puthukote, districts in Tamil Nadu	3,70,00,000	92,50,000	92,50,000	Through Implementing agency namely Gramalaya
22	Contribution to Sahbhagi Shikshan Kendra for Promoting Inclusive village development through Sustainable interventions in five Villages in Jharkhand	Promoting education and Sanitation, Promoting health care including preventive health care, livelihood enhancement projects	Mahuari Panchayat in Palamu District of Jharkhand	72,49,900	36,24,950	36,24,950	Through Implementing agency namely Sahbhagi Shikshan Kendra
23	Contribution to Mysore Resettlement and Development Agency for implementing sustainable solutions in water and food security through watershed and women empowerment programmes in 9 villages of Krishnagiri district, Tamil Nadu	Ensuring safe drinking water, Eradicating hunger, poverty and malnutrition, Conservation of natural resources, Empowering women	Krishnagiri district, Tamil Nadu	2,15,22,724	1,00,00,000	1,00,00,000	Through Implementing agency namely Mysore Resettlement and Development Agency

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
24	Contribution to Yuva Unstoppable for construction of thirty Sanitation units in underprivileged governments schools in Madhya Pradesh.	Promoting education and Sanitation	Indore district, Madhya Pradesh.	99,87,870	99,87,870	99,87,870	Through Implementing agency namely Yuva Unstoppable
25	Contribution to St. Lawrence old boy's association for implementing free health camp for marginalized in Kolkata, West Bengal	Promoting health care including preventive health care	Kolkata, West Bengal	4,80,000	4,80,000	4,80,000	Through Implementing agency namely St. Lawrence old boy's association
26	Contribution to LOK Bharathi Educational Society for implementing skill development program for five hundred unemployed youth in Delhi and Karnataka	Promoting education through imparting employment enhancing vocation skills	National Capital Region, New Delhi and Bangalore, Karnataka.	60,00,000	60,00,000	60,00,000	Through Implementing agency namely LOK Bharathi Educational Society
27	Contribution to Santhi Medical Information Centre for construction of Mental health and rehabilitation centre for tribal community in Palakkad Kerala	Promoting health care	Attapadi Village, Palakkad district, Kerala.	4,84,64,225.	1,00,00,000	1,00,00,000	Through Implementing agency namely Santhi Medical Information Centre

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
28	Contribution to Smart Andhra Pradesh Foundation for installation of Digital Classrooms in government schools in Andhra Pradesh	Promoting education	Prakasham District, Andhra Pradesh	35,00,000	35,00,000	35,00,000	Through Implementing agency namely Smart Andhra Pradesh Foundation
29	Contribution to Prime Minister's National Relief Fund	Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief, welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women	Pan India	2,50,00,000	2,50,00,000	2,50,00,000	Direct
30	Contribution to Action Aid Association for rebuilding ten educational institutes affected by Gaja Cyclone in Tamil Nadu	Promoting education	Nagapattinam district, Tamil Nadu	2,37,98,804.	1,00,00,000	1,00,00,000	Through Implementing agency namely Action Aid Association

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
31	Contribution to Chetna society for construction of school infrastructure in Lucknow, Uttar Pradesh	Promoting education	Lucknow, Uttar Pradesh	95,63,000	47,81,500	47,81,500	Through Implementing agency namely Chetna Society
32	Contribution to Nowrosjee Wadia Maternity Hospital for setting up of adult ICU for High Risk Pregnancies in Parel, Mumbai	Promoting health care including preventive health care	Parel, Mumbai, Maharashtra	45,10,240	45,10,240	45,10,240	Through Implementing agency namely Nowrosjee Wadia Maternity Hospital

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 Boards 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 is also laying emphasis on periodically monitoring the CSR contribution made by it. In financial year 2018-19 the Company has made its best endeavour to appraise and process the contribution requests received by it. The Company is committed towards spending maximum CSR funds.

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: 1st July, 2019

Vinay Sah
Managing Director & CEO

Jagdish Capoor
Chairman-CSR

ANNEXURE 6
TO THE BOARD'S REPORT

Related Party Disclosure

Following are the Related Parties and Related Party Transactions for the year ended 31st March, 2019.

a) Enterprise having significant influence over LIC Housing Finance Ltd:-

Name of the Related Party	% of shares held
Life Insurance Corporation of India	40.31%

b) Enterprises over which Control exists:-

Name of the Related Party	Nature of Relationship	% of shares held by LICHFL
LICHFL Care Homes Limited	Wholly Owned Subsidiary	100.00%
LICHFL Financial Services Limited	Wholly Owned Subsidiary	100.00%
LICHFL Asset Management Co. Ltd.	Subsidiary	94.62%
LICHFL Trustee Company Pvt. Ltd.	Wholly Owned Subsidiary	100.00%

c) Enterprises over which Significant Influence exists:-

Name of the Related Party	Nature of Relationship	% of shares held by LICHFL
LIC Mutual Fund Asset Management Co. Ltd	Associate	39.30%
LIC MF Trustee Co. Ltd.	Associate	35.30%

d) Details of Key Management Personnel

Name of the Related Party	Nature of Relationship
Shri Vinay Sah	MD & CEO
Shri Nitin K Jage	Company Secretary
Shri P Narayanan	Chief Financial Officer

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

Related Party	Nature of Transactions	Current Year 01.04.2018 to 31.03.2019 Rupees	Previous Year 01.04.2017 to 31.03.2018 Rupees
LIC of India	Repayment of non- convertible debentures	1750,00,00,000.00	263,70,00,000.00
	Repayment of Secured loan	-	17,75,00,000.00
	Interest expenses on Secured and Unsecured loans/ Debt Securities	1531,38,09,931.00	1646,82,35,653.51
	Dividend Payment	138,34,08,966	126,13,43,469
	Rent Paid	6,70,79,510.56	5,56,18,075.79
	Payment of Electricity Expenses	49,43,804.27	55,24,743.60
	Payment for Staff training, Conference, etc.	13,59,654.40	19,44,462.00
	Payment of Gratuity for staff on deputation from LIC	43,33,001.00	39,20,433.00
	Net Contribution to LIC of India, P & GS, for Gratuity premium for employees (Post Employment Benefit)	***24,05,37,580.42	(5,71,76,141.95)
	Balance as at the year end (Credit)	17628,81,80,952.85	19398,49,09,860.06
LICHFL Care Homes Limited	Dividend Income	(25,00,000.00)	(17,10,000.00)
	Investment in Share Capital of LICHFL Care Homes Limited	25,00,00,000.00	16,45,00,000.00
	Investment in Share Capital (Pending Allotment) of LICHFL Care Homes Limited	-	25,00,00,000.00
	Rent Received	(13,75,598.00)	-
LICHFL Financial Services Limited	Dividend Income	(4,27,50,000.00)	(2,37,50,000.00)
	Commission Expenses on Loan Business	47,87,41,705.60	41,56,39,903.00
	Commission Expenses on Public Deposit	10,39,223.00	5,36,362.00
	Rent Received	(45,01,956.00)	-
	Payment of Expenses	44,45,661.72	34,54,873.47

ANNEXURE 6
TO THE BOARD'S REPORT

Related Party	Nature of transactions	Current Year 01.04.2018 to 31.03.2019 Rupees	Previous Year 01.04.2017 to 31.03.2018 Rupees
	Reimbursement of Expenses received from LICHFL Financial Services Limited	(43,80,479.00)	(34,87,219.00)
	Balance as at the year end (Credit)	12,78,42,733.54	7,58,92,563.66
LICHFL Asset Management Co. Ltd.	Dividend Income	(1,74,00,000.00)	(87,00,000.00)
	Investment in Public Deposit by LICHFL Asset Management Co. Ltd. in LICHFL	(8,29,25,000.00)	(1,80,96,000.00)
	Interest paid on the Public Deposit during the year by LICHFL	23,66,536.43	-
	Accrued Interest on Public Deposit by LICHFL Asset Management Co. Ltd.	17,52,363.45	94851.91
	Payment of Expenses	20,35,596.95	19,27,756.29
	Reimbursement of Expenses received from LICHFL Asset Management Co. Ltd.	(20,35,603.00)	(19,27,772.00)
	Balance as at the year end (Credit)	10,08,72,380.79	1,79,63,196.98
LIC Mutual Fund Asset Management Co. Ltd	Dividend Income	(43,23,000.00)	(21,61,500.00)
Shri Vinay Sah, MD & CEO	*Managerial remuneration-Total	56,75,088.35	#51,51,395.68
	Short term Employee Benefits	55,63,372.10	50,45,316.13
	Long Term Employee Benefits	-	-
	Post-Employment Benefits	1,11,716.25	1,06,079.55
Shri Nitin K Jage, Company Secretary	*Managerial remuneration-Total	38,39,005.04	29,92,658.96
	Short term Employee Benefits	38,39,005.04	29,92,658.96
	Long Term Employee Benefits	-	-
	Post-Employment Benefits	**20,00,000.00	**20,00,000.00
Shri P Narayanan, CFO	*Managerial remuneration-Total	28,26,793.90	27,19,416.33
	Short term Employee Benefits	27,37,782.00	26,37,108.33
	Long Term Employee Benefits	-	-
	Post-Employment Benefits	89,011.90	82,308.00

*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 2018-19 has been included.

#The amount includes Performance Linked Incentive (PLI) paid to Ms. Sunita Sharma , Ex MD & CEO during the Financial Year 2017-18 and salary paid to Mr. Vinay Sah, MD & CEO for financial year 2017-18.

**Gratuity payable by the Company to the Company Secretary is ₹ 20,00,000 as a Post-Employment Benefit. For the MD & CEO and CFO, an amount of 5% of Basic Salary plus DA is contributed as a post employment benefit to LIC.

***Includes premium of ₹ 25.36 crore paid on 22.02.2019 due to increase in Gratuity limit to ₹ 20 lakh.

Note:

i) There are no amounts written off or written back during the year for debts due from or to related parties.

ii) There are no doubtful debts.

iii) Related Party relationship is as identified by the Company as per the Related Party Transaction Policy.

We confirm that all the Related Party Transactions are at Arm's Length Price.

We also confirm that the Related Party Transactions made during the FY 2018-19 are within the Omnibus Approval obtained.

For and on behalf of the Board of Directors

Place: Mumbai
Date: July 1, 2019

M R Kumar
Chairman

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	Total liabilities	Investments	Turnover	Profit/ (Loss) before taxation	Tax Expenses / (Credit)	Profit / (Loss) after taxation	Proposed dividend	% of shareholding
1	LICHFL Care Homes Limited	April 2018- March 2019	INR	500,000,000	135,246,190	1,249,787,141	1,249,787,141	190,32,175	76,678,241	8,597,353	2,333,931	6,263,422	Nil	100
2	LICHFL Financial Services Limited	April 2018- March 2019	INR	95,000,000	417,709,929	567,842,038	567,842,038	Nil	528,176,135	190,090,578	59,119,624	130,970,954	40%	100
3	LICHFL Asset Management Company Limited	April 2018- March 2019	INR	91,944,000	314,421,522	468,267,475	468,267,475	397,995,273	158,910,786	110,202,837	31,759,091	78,443,746	25%	94.62
4	LICHFL Trustee Company Private Limited	April 2018- March 2019	INR	900,000	2,867,974	3,961,839	3,961,839	3,851,298	1,716,303	1,581,121	411,091	1,170,030	Nil	100
Part 'B' Associate														
1	LIC Mutual Fund Asset Management Company Limited	April 2018- March 2019	INR	110,000,000	1,040,819,887	1,229,000,192	1,229,000,192	430,489,931	540,373,414	(2,901,556)	-	(2,901,556)	5%	39.30
2	LIC Mutual Fund Trustee Private Limited	April 2018- March 2019	INR	100,000	1,914,226	2,064,226	2,064,226	Nil	2,017,758	464,464	120,761	343,703	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 gets distributed to the shareholders. The part that is distributed is the dividend. Dividends are declared at the Annual General Meeting of the shareholders based on the recommendation 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 and retained earnings, liquidity and cash flows, investment variables and financial variables, financial leverage, last year's dividend, regulations, industry growth rate and capital investment needs.

DIVIDEND DISTRIBUTION POLICY OF LIC HOUSING FINANCE LIMITED

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

EFFECTIVE DATE

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

PURPOSE:

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

OBJECTIVES:

Objective of Dividend Distribution policy of the Company is to define policy and procedures in relation to the calculation, declaration,and settlement of dividend and time period within which dividend payment is 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 Sections 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.

Trading Window: In terms of regulation 2(1)(n) of SEBI (Prohibition of InsiderTrading) 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.

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

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

The Policy shall not apply to:

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

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

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

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

I. GENERAL TERMS

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

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

a) Future expansion plans;

b) Profit earned during the current financial year;

c) Overall financial conditions;

d) Cost of raising funds from alternative sources;

e) Applicable taxes; (including dividend distribution tax)

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

Final Dividend:

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

Powers to SEBI:

Since, the company is listed on the 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 Net Profit (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:

ANNEXURE 8
TO THE BOARD'S REPORT

1 Dividend shall be declared or paid only out of:

I. Current period profit

a) after providing for depreciation in accordance with law;

b) after transferring to reserves such amount of profits as may prescribed under National Housing Bank Act, 1987, Companies Act, 2013 and the rules made thereunder, Income Tax Act, 1961 or under any other laws or statutes.

II. The profit from any previous financial year(s)

a) after providing for depreciation in accordance with law; and

b) out of the amount available for dividend that remains undistributed after prescribed appropriations have been made; or

III. Out of I or II or both

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

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

III. OTHER FINANCIAL PARAMETERS

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

1. Income and profitability parameters:

   I. Net Interest Income (NII);

   II. Profit Before Tax (PBT) and Profit After Tax (PAT);

   III. Return on Assets (RoA);

   IV. Return on Equity (RoE);

   V. Earnings Per Share (EPS);

   VI. Profit growth targets and market expectations.

2. Capitalization level parameters:

   I. Net Owned Funds (NOF);

   II. Capital Risk Adequacy Ratio (CRAR), Tier I capital and Tier II capital;

   III. Gross leverage and net leverage.

3. Portfolio quality parameters:

   I. Absolute values of gross NPA and net NPA

   II. Gross NPA and net NPA as percentage of loan assets

   III. Provisioning levels and provision coverage

   IV. Change in regulatory provisioning requirements

   V. Outlook on portfolio quality

IV. FACTORS THAT MAY AFFECT DIVIDEND PAYOUT

A. External Factors

Taxation and other regulatory concern

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

Product/ market expansion plan

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

Macroeconomic conditions

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

Various macroeconomic factors like GDP growth rate, inflation rate, government policies (especially related to housing), industry specific factors like demand for housing, real estate scenario, etc. would be considered by the Company in finalizing the recommendation of 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. CIRCUSTANCES 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 provision of Section 123(1) of the Companies Act, 2013 where, owing to inadequacy or absence of profits in any financial year, any company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by the company to the reserves, such declaration of dividend shall not be made except in accordance with the Companies (Declaration and Payment of Dividend) Rules, 2014.

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

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

(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 any dividend in respect of equity shares is declared.

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

(5) No company shall declare dividend unless carried over previous losses and depreciation not provided in previous year are set off against 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:

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 (**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

ANNEXURE 8
TO THE BOARD'S REPORT

may be issued and if 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 onsuch 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 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 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.

   Point 4 to 20 of above para i.e. In case of final dividend under clause 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 CLASSES OF SHARES

1. The factors and parameters for declaration of dividend to different class of shares (though at present there is only one) 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) 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 paid 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.

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

Transfer to IEPF after 7 years: Any money transferred to the unpaid dividend account of a company in pursuance of Section 124 of the Companies Act, 2013 which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company to the Investor Education and Protection Fund 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 and 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 put up to the Board for approval.

XII. AMENDMENT

To the extent any change/amendment is required in terms of any applicable law, the Managing Director & CEO of the Company shall be authorised to review and amend the Policy, to give effect to any such changes / amendments. Such amended policy shall be periodically placed before the Board for 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	http://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.	http://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.	http://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.	http://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.	http://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.	http://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	http://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.	http://www.lichousing.com/pdf/Code_of_Conduct_for_Board_of_Directors_and_Senior_Management.pdf
9.	Familiarisation Programme For Independent Directors	The policy is aimed at familiarising Independent directors about their role, rights, responsibilities, business model, etc.	http://www.lichousing.com/fami_prog_ind_dir.php
10.	Remuneration Policy	The policy details the compensation principles	http://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.	http://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.	http://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.	http://www.lichousing.com/pdf/Policy-on-Preservation-of-Documents-1.pdf
14.	Board Diversity Policy	The policy sets out the approach to e n s u r e diversity and committed to equality of opportunity in all aspects of its business.	http://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.	http://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.	http://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.	http://www.lichousing.com/Prevention_Insider_Trading.php
18.	Annual Report		http://www.lichousing.com/annual_general_meeting.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) Wherever required we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.

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

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

For M/s N.L. Bhatia & Associates
Practising Company Secretaries
UIN: P1996MH055800

N.L. Bhatia
Managing Partner
FCS: 1176
CP. No. 422

Place: Mumbai
Date: May 27, 2019

ANNEXURE 10
TO THE BOARD'S REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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, 2019, 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, 2019 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 (Share Based Employee Benefits) Regulations , 2013 – **Not applicable to the Company during the financial year;**

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 **Not applicable to the Company;**

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable to the Company during the financial year;**

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable to the Company during the financial year;** and

i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Other Laws applicable to the Company;

1. Tax Laws:
   - GST Act, 2017
   - Income Tax Act, 1961
2. Employee Laws:
   - Payment of Gratuity Act, 1972 and Payment of Gratuity (Central) Rules, 1972;
   - The Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975;
   - The Payment of Wages Act, 1936;
   - The Minimum Wages Act 1948;
   - The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and Scheme framed thereunder;
   - The Employees' State Insurance Act 1948;
   - The Maternity Benefit Act, 1961;
   - The Contract Labour (Abolition and Regulation) Act, 1970 & Rules;
   - Equal Remuneration Act, 1976;
   - Workmen's Compensation Act, 1923;

- Employment Standing Orders Act, 1946;
- Child Labour (Prohibition and Regulation) Act, 1986;
- The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;
- The Apprentices Act, 1961 and Apprenticeship Rules, 1991 under the above Rules;
- Labour Welfare Fund Act

3. Indian Stamp Act, 1899 and the State Stamp Acts;
4. The Labour Welfare Fund, Act, 1953;
5. Indian Contract Act, 1872
6. Negotiable Instruments Act, 1881
7. Information Technology Act, 2000
8. Whistle Blowers Protection Act, 2011
9. Registration Act, 1908;
10. Limitation Act, 1963;
11. The Shops and Establishment Act;
12. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI);

(ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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.

For M/s N.L. Bhatia & Associates
Practising Company Secretaries
UIN: P1996MH055800

N.L. Bhatia
Managing Partner
FCS: 1176
CP. No. 422

Place: Mumbai
Date: May 27, 2019

ANNEXURE 10
TO THE BOARD'S REPORT

'ANNEXURE A'

Secretarial compliance report of LIC Housing Finance Limited for year ended 31st March, 2019

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, 2019 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 (Buyback of Securities) Regulations, 2018; Not Applicable during the Financial Year

5) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not Applicable during the Financial Year

6) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2015;

7) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 Not applicable to the Company

8) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable to the Company during the financial year

9) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

10) Securities And Exchange Board Of India (Depositories And Participants) Regulations, 1996/ Securities and Exchange Board Of India (Depositories And Participants) Regulations, 2018;

and based on the above examination, we hereby report that, for the year ended 31st March, 2019;

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 M/s N.L. Bhatia & Associates
Practising Company Secretaries
UIN: P1996MH055800

N.L. Bhatia
Managing Partner
FCS: 1176
CP. No. 422

Place: Mumbai
Date: May 27, 2019

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

131 Maker Tower, "F" Premises,

13th Floor, Cuffe Parade, Mumbai- 400005

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, 2019 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.	Ameet Navinchandra Patel	00726197	19/08/2015
4.	Vipan Kumar Kukreja	01185834	30/06/2015
5.	Savita Param Bir Singh	01585328	25/05/2012
6.	Hemant Bhargava	01922717	29/10/2018
7.	Vinay Sah	02425847	12/04/2017
8.	Mangalam Ramasubramanian Kumar	03628755	25/03/2019
9.	Pottimutyala Koteswara Rao	06389741	11/06/2018

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 M/s N.L. Bhatia & Associates
Practising Company Secretaries
UIN: P1996MH055800

N.L. Bhatia
Managing Partner
FCS: 1176
CP. No. 422

Place: Mumbai
Date: May 31, 2019

REPORT OF DIRECTORS ON CORPORATE GOVERNANCE

Report Of Directors 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 market.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's Corporate Governance is a large spectrum of systems and practices that ensure commitment to values - fairness, transparency, responsibility and ethical behavior in doing business. Company transforms these 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 discharge its obligations to government and strives to empower the employees.

Your Company has strong legacy of transparency and ethical governance practices. The Company has adopted code of conduct for its Directors and employees which is hosted on its website. The Company complies with all requirements stipulated under Listing Regulations, 2015 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, atleast half of the Board should be independent directors. As on 31st March, 2019, the Board of the Company comprised of nine members consisting of two Non-Executive Non-Independent Promoter Directors including Chairman, Shri M. R. Kumar, one Executive Director, Shri Vinay Sah, who is Managing Director & CEO, one Non-Executive Non Independent Woman Director and five Non-Executive Independent Directors. Independent Directors, 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 Director. Necessary disclosures in this regard as on 31st March, 2019 have been made by the Directors. The Directors are not related to each other.

The average tenure of members on our Board is 3.6 years as of 31st March, 2019. The average tenure of Executive Director (whole-time director) is 1.9 years, Independent Directors is 3.92 years and that of the Non-Executive Non-Independent Directors including chairman is 3.62 years.

The average tenure of Board members in years as on 31st March, 2019 is as follows:

Tenure on Board

Name of the Director	Original date of appointment	Tenure (in years) as on 31st March, 2019	Earlier of retirement date / term ending date	Average tenure (in years)
Non-executive Non independent Directors including Chairman				
M. R. Kumar	25.03.2019	(6 days)	30.06.2021	3.62
Hemant Bhargava	29.10.2018	0.4	31.07.2019	
Ms. Savita Singh*	25.05.2012	6.85	23.05.2022	
Executive – Whole-time Director				
Vinay Sah	12.04.2017	1.97	30.11.2019	1.97
Independent Directors				
Jagdish Capoor*	25.05.2012	6.85	23.05.2022	3.93
Dr. Dharmendra Bhandari**	19.08.2014	4.62	18.08.2019	
Ameet N Patel	19.08.2015	3.62	18.08.2020	
V. K. Kukreja	30.06.2015	3.75	31.05.2020	
P Koteswara Rao	11.06.2018	0.80	10.06.2023	

*reappointed for a second term w.e.f 24.05.2017 **to be reappointed w.e.f 19.08.2019

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 Listing Regulations, 2015. 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 Listing Regulations, 2015, held by them as on 31st March, 2019 are tabulated below:

Sr. No.	Directors	Category of Directorship	Attendance at 29th Annual General Meeting	Attendance at the Board meetings (No. of meetings held – 7)	No. of Directorships of other Companies (other than LIC Housing Finance Ltd.)	No. of Committees Membership / Chairmanship (other than LIC Housing Finance Ltd.)		Directorships in other Listed entities
						Member	Chairperson	
1.	Shri M. R. Kumar (DIN-03628755)	Chairman	Not Applicable^	Not Applicable^	1	-	-	IDBI Bank Limited
2.	Shri Hemant Bhargava (DIN-01922717)	Non Executive Non Independent	Not Applicable^	1	8	1		i.Voltas Limited ii.The Tata Power Company Limited iii.Larsen and Toubro Limited iv.ITC Limited
3.	Shri Jagdish Capoor (DIN-00002516)	Independent and Non-Executive	Present	7	6	5	3	i. NEL Holdings Limited ii.Manappuram Finance Limited
4.	Smt. Savita Singh (DIN-01585328)	Non-Executive Non Independent	Present	4	-	-	-	-
5.	Shri T. V. Rao (DIN-05273533)	Independent and Non-Executive	NA	2	8	5	2	i. Natco Pharma Limited ii.Ladderup Finance Limited
6	Dr. Dharmendra Bhandari (DIN-00041829)	Independent and Non-Executive	Present	7	1	-	1	-
7	Shri Debabrata Sarkar (DIN-02502618)	Independent and Non Executive	Present	5	2	-	1	GOCL Corporation Limited EMAMI Limited
8.	Shri V. K. Kukreja (DIN-01185834)	Independent and Non Executive	Present	7	1	1	1	-

REPORT OF DIRECTORS ON CORPORATE GOVERNANCE

Sr. No.	Directors	Category of Directorship	Attendance at 29th 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
9	Shri Ameet N. Patel (DIN-00726197)	Independent and Non Executive	Present	7	1		1	-
10.	Shri Vinay Sah (DIN-02425847)	Executive	Present	7	4	1	-	-
11	Shri P Koteswara Rao (DIN-06389741)	Independent and Non Executive	Present	4	-	-	-	-
12	Shri V. K. Sharma** (DIN-02449088)	Non Executive Ex-Chairman	Not Present	3	3	-	-	i. ACC Limited ii.ICICI Bank Limited iii.Mahindra and Mahindra Limited
13	Smt. Usha Sangwan* (DIN-02609263)	Non Executive Director	Present	4	3	3	1	i. Grasim Industries Limited ii.Axis Bank Limited iii.BSE Limited

*Smt Usha Sangwan Resigned on 29.09.2018 .**Shri V. K. Sharma Resigned on 31.12.2018.

^ Shri Hemant Bhargava and Shri M. R. Kumar were appointed on 29th October 2018 and 25th March 2019 respectively.

Note:

1) Excludes Foreign Companies, Private Limited Companies and Companies under Section 8 of Companies Act 2013, Trusts and Alternate Directorship as per Regulation 26 of the Listing Regulations ,2015
2) Includes only chairmanship / membership of Audit Committee and Stakeholders' Relationship Committee in public companies.
3) None of the Directors are related inter-se.

Role of the Board of Directors:

The primary role of the Board is that of trusteeship to protect and enhance shareholder 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, Managing Partner, (FCS:1176, CP No.:422) of M/s. N. L. Bhatia & Associates, Practicing Company Secretaries (UIN: P1996MH055800) has issued a certificate as required under the Listing Regulations, 2015 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.

Board appointments / membership criteria:

The Company inducts eminent personalities from diverse fields as Directors on its Board. The Nomination and Remuneration Committee 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 , 2015 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, requirement, 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 into 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 through variety of modes and channels, listen dispassionately, carefully, and attentively. Communicate articulately, clearly and concisely.
Communication	Ability to communicate effectively , listen dispassionately, carefully and attentively. Communicate articulately, clearly and concisely.
Leadership	Strong leadership skills enable Directors to solve problems, cope with crisis and change and inspire others to follow them in pursuit of the values and goals of the organisation, display confidence, self-assurance and conviction. Inspire, support and motivate others.

REPORT OF DIRECTORS ON CORPORATE GOVERNANCE

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 relations**	**Strategy**	**Finance / Technical**	**Strategic thinking**	**Analysis and use of information**	**Decision making**	**Communication**	**Leadership**	**Influencing**	**Ethical**	**Professional**	**Performance oriented**	**Independent**
M.R. Kumar, Chairman	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Hemant Bhargava	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Vinay Sah, MD & CEO	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Jagdish Capoor	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Savita Singh	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Dr. Dharmendra Bhandari	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Ameet N.Patel	√	√	√	√	√	√	√	√	√	√	√	√	√	√
V. K.Kukreja	√	√	√	√	√	√	√	√	√	√	√	√	√	√
P Koteswara Rao	√	√	√	√	√	√	√	√	√	√	√	√	√	√

EVENTS AFTER BALANCE SHEET DATE:

The Nomination and Remuneration Committee which had considered the report of performance evaluation of Dr. Dharmendra Bhandari (DIN-00041829), '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 Dr. Dharmendra Bhandari, found Dr. Dharmendra Bhandari 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 w.e.f. 19th August, 2019 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 of the Companies Act, 2013, IV approved appointment of Dr. Dharmendra Bhandari as Independent Director of the Company to hold office for a period of five consecutive years, not liable to retire by rotation.

The Nomination and Remuneration Committee after considering the profile, qualifications, etc., of Shri Kashi Prasad Khandelwal (DIN-00748523) and in terms of 'Fit and Proper' criteria adopted by the Board on 10th March, 2017 pursuant to NHB notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February, 2017, also in accordance with Listing Regulations,2015 as well as after undertaking the process of due diligence, recommended to the Board of Directors of the Company, Shri Kashi Prasad Khandelwal ,to be suitable and eligible for the appointment of Independent Director of the Company for a period of five consecutive years w.e.f. 1st July, 2019 not liable to retire by rotation. Based on such recommendation, the Board considered and after having thought fit, pursuant to the provisions of the Listing Regulations, 2015, Sections 149, 152, 161 of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV, approved appointment of Shri Kashi Prasad Khandelwal (DIN-00748523) as Additional Independent Director of the Company to hold office for a period of five consecutive years, not liable to retire by rotation.

Similarly, the Nomination and Remuneration Committee after considering the profile, qualifications, etc., of Shri Sanjay Kumar Khemani (DIN-00072812) and in terms of 'Fit and Proper' criteria adopted by the Board on 10th March, 2017, pursuant to NHB notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9th February, 2017, also in accordance with Listing Regulations, 2015 as well as after undertaking the process of due diligence, recommended to the Board of Directors of the Company, Shri Sanjay Kumar Khemani (DIN-00072812), to be suitable and eligible for the appointment of Non Independent (Non-Executive) Director of the Company with effect from 1st July, 2019 liable to retire by rotation. Based on such recommendation, the Board considered and after having thought fit, pursuant to the provisions of the Listing Regulations, 2015 Sections 152, 161 of the Companies Act, 2013 and read with Schedule IV, approved appointment of Shri Sanjay Kumar Khemani as Additional Non Independent Director (Non-Executive) of the Company 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 2018-19, 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	23.04.2018	10	9
2	11.06.2018	10	9
3	20.08.2018	10	9
4	24.08.2018	10	8
5	29.10.2018	9	8
6	30.01.2019	8	8
7	05.03.2019	8	7

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 mandatorily retire by rotation every year. Executive Director is appointed by the shareholders for a maximum term of five years or upto the term of superannuation whichever is earlier. An Independent Director shall hold the term of office for five 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 of the Company considered and approved that senior official from LIC of India may be deputed to LIC Housing Finance Limited in advance, say 4 to 6 months 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 present MD & CEO with a view to ensure stability and effective implementation of long term business strategies. Thus as per the proposition Shri Siddhartha Mohanty was appointed as COO of the Company with effect from 22nd April, 2019.

REPORT OF DIRECTORS ON CORPORATE GOVERNANCE

NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY DIRECTORS:

Except Shri M.R.Kumar, Shri Hemant Bhargava and Dr. Dharmendra Bhandari, who hold 300,150 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 www.lichousing.com.

SITTING FEE:

Sitting fee is paid to the Directors (other than Shri M. R. Kumar, Chairman, Shri Hemant Bhargava, Director, Shri Vinay Sah, Managing Director & CEO) for every Board and Committee meetings, other than Corporate Social Responsibility Committee meetings attended by them. Remuneration is paid to Shri Vinay Sah as applicable to an officer in the cadre of Executive Director of LIC of India.

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 three Non-Executive Independent Directors with expertise in finance, accounts, treasury and law. During the year, nine 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

Dates of Audit Committee Meetings & Attendance Record of Members:

Sr no.	Dates on which Audit Committee meetings were held	Shri Debabrata Sarkar**	Shri T. V. Rao*	Shri Ameet N. Patel	Dr.Dharmendra Bhandari	Shri Jagdish Capoor
1	23.04.2018	Attended	Attended	Attended	NA	NA
2	11.06.2018	Attended	Attended	Attended	NA	NA
3	30.06.2018	Attended	Attended	Attended	NA	NA
4	06.08.2018	Attended	Not Attended	Attended	NA	NA
5	24.08.2018	Attended	NA	Attended	Attended	NA
6	24.10.2018	Attended	NA	Attended	Attended	NA
7	29.10.2018	Attended	NA	Attended	Attended	NA
8	30.01.2019	NA	NA	Attended	Attended	Attended
9	05.03.2019	NA	NA	Attended	Attended	Attended

* Shri T.V. Rao – Term of office ended on 31st July,2018.

** Shri Debabrata Sarkar – Resigned on 12th November, 2018.

Dr. Dharmendra Bhandari was inducted in committee on 20th August, 2018.

Shri Jagdish Capoor was inducted in committee on 21st December, 2018.

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 Listing Regulations, 2015

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, with adequate and credible;

ii. Recommendation for appointment, remuneration, and terms of appointment of auditors of the company;

iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause(c) of sub-section 3 of section 134 of the Companies Act, 2013;

   b. Changes, if any, in accounting policies and practices and reasons for the same;

   c. Major accounting entries involving estimates based on the exercise of judgement by management;

   d. Significant adjustments made in the financial statements arising out of audit findings;

   e. Compliance with listing and other legal requirements relating to financial statements;

   f. Disclosure of any related party transactions;

   g. Modified opinion(s) in the draft audit report.

v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency on utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

vii. Reviewing and monitoring the Auditor's independence and performance and effectiveness of audit process;

viii. Approval or any subsequent modification of transactions of the company with related parties.

ix. Scrutiny of inter-corporate loans and investments.

x. Valuations of undertakings or assets of the company wherever it is necessary.

xi. Evaluation of Internal Financial Controls and Risk Management systems.

xii. Reviewing, with the management, performance of Statutory and Internal auditors, adequacy of the Internal Control Systems;

xiii. Reviewing the adequacy of Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xiv. Discussion with the Internal Auditors of any significant findings and follow up thereon;

xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

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.

(The term related party transactions shall have the same meaning as provided in Listing Regulations, 2015

Powers

i. To investigate any activity within its terms of reference.

ii. To seek information from any employee.

iii. To obtain outside 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;

REPORT OF DIRECTORS ON CORPORATE GOVERNANCE

5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit committee.
6. Statement of deviations
   a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable.
   b) Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice.

Meetings are scheduled well in advance. The Audit Committee considers and recommends quarterly and yearly financial results for approval by the Board. The Joint Statutory Auditors and Internal Auditor of the Corporate Office are invited to attend the meeting. The head of the Internal Audit function attends the Audit Committee meetings; the Committee also invites other Head 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 upto 15th July, 2016 (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 amount, more than the limit 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 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 & 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.

The Executive Committee meets as and when required for considering and approving loan proposals / offers within the power delegated to it. During the year, forty-two 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	Independent Director
Shri Vinay Sah	Member	Managing Director & CEO
Shri Jagdish Capoor *	Member	Independent Director

Dates of Executive Committee Meetings & Attendance Record of Members:

Sr no.	Dates on which Executive Committee meetings were held	Shri Jagdish Capoor	Shri V. K. Kukreja	Shri Vinay Sah	Shri P Koteswara Rao
1	03.04.2018	Attended	Attended	Attended	NA
2	16.04.2018	Attended	Attended	Attended	NA
3	27.04.2018	Attended	Attended	Attended	NA
4	16.05.2018	Attended	Attended	Not Attended	NA
5	28.05.2018	Attended	Attended	Attended	NA
6	14.06.2018	Attended	Attended	Attended	NA
7	20.06.2018	Attended	Attended	Attended	NA
8	29.06.2018	Attended	Attended	Attended	NA
9	10.07.2018	Attended	Attended	Attended	NA
10	23.07.2018	Attended	Attended	Attended	NA
11	30.07.2018	Attended	Attended	Attended	NA
12	11.08.2018	Not Attended	Attended	Attended	NA
13	23.08.2018	Attended	Attended	Attended	Attended
14	29.08.2018	Attended	Attended	Attended	Attended
15	04.09.2018	Attended	Attended	Attended	Not Attended
16	15.09.2018	Attended	Attended	Attended	Attended
17	22.09.2018	Attended	Attended	Attended	Attended
18	26.09.2018	Attended	Attended	Attended	Not Attended
19	28.09.2018	Not Attended	Attended	Attended	Attended
20	12.10.2018	Attended	Attended	Attended	Attended
21	26.10.2018	Attended	Attended	Attended	Attended
22	05.11.2018	Attended	Attended	Attended	Not Attended
23	24.11.2018	Not Attended	Attended	Attended	Attended
24	29.11.2018	Not Attended	Not Attended	Attended	Attended
25	12.12.2018	Attended	Attended	Attended	Not Attended
26	21.12.2018	Attended	Attended	Attended	Attended
27	29.12.2018	NA	Attended	Attended	Attended
28	11.01.2019	NA	Attended	Attended	Attended
29	22.01.2019	NA	Attended	Attended	Attended
30	31.01.2019	NA	Attended	Attended	Attended
31	14.02.2019	NA	Attended	Attended	Not Attended

REPORT OF DIRECTORS ON CORPORATE GOVERNANCE

Sr no.	Dates on which Executive Committee meetings were held	Shri Jagdish Capoor	Shri V. K. Kukreja	Shri Vinay Sah	Shri P Koteswara Rao
32	27.02.2019	NA	Attended	Attended	Attended
33	09.03.2019	NA	Attended	Attended	Attended
34	15.03.2019	NA	Attended	Attended	Not Attended
35	20.03.2019	NA	Attended	Attended	Attended
36	23.03.2019	NA	Attended	Attended	Attended
37	26.03.2019	NA	Attended	Attended	Attended
38	27.03.2019	NA	Attended	Attended	Attended
39	28.03.2019	NA	Attended	Attended	Attended
40	29.03.2019	NA	Attended	Attended	Attended
41	30.03.2019	NA	Attended	Attended	Attended
42	31.03.2019	NA	Attended	Attended	Attended

**Shri P Koteswara Rao Inducted on Committee on 20th August, 2018.

*Shri Jagdish Capoor was on committee upto 21st December, 2018.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee 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.

Composition of the Stakeholders Relationship Committee is as follows:

Shri Ameet Patel	Chairman	Independent Director
Ms. Savita Singh	Member	Non Independent Director
Shri Vinay Sah	Member	Managing Director & CEO

During the year, one Stakeholders Relationship Committee meeting was held on 28th March, 2019 which was attended by all the members. 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

During 2018-19, 76 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. from investors were received and the same were replied/resolved to their satisfaction. As on 31st March, 2019, no complaints were pending unattended.

During the year, 936 dematerialisation requests for 5,06,710 shares and 168 requests for transfer involving 98,500 shares were received. The request for dematerialisation and transfers were promptly attended and no requests were pending for approval as on 31st March, 2019.

OTHER COMMITTEES:

Debenture Allotment Committee

The Debenture Allotment Committee is empowered to raise funds by allotting Non-Convertible Debentures to the successful applicants from time to time in different tranches.

Composition of the Debenture Allotment Committee is as follows:

Shri Vinay Sah	Member	Managing Director & CEO
Shri Jagdish Capoor	Alternate Member	Independent Director
Dr. Dharmendra Bhandari	Alternate Member	Independent Director
Shri Hemant Bhargava^	Member	Non-Executive Director

Dates of Debenture Allotment Committee Meetings & Attendance Record of Members:

Sr no.	Dates on which Debenture Allotment Committee Meetings were held	Shri Vinay Sah	Shri Jagdish Capoor (Alternate Member)	Dr. Dharmendra Bhandari (Alternate Member)	Shri Hemant Bhargava
1	10.10.2018	Attended	Attended	N.A*	N.A*
2	17.10.2018	N.A*	Attended	Attended	N.A*
3	24.10.2018	Attended	N.A*	Attended	N.A*
4	06.11.2018	Attended	N.A*	Attended	N.A*
5	19.11.2018	N.A*	Attended	Attended	N.A*
6	27.11.2018	Attended	N.A*	Attended	N.A*
7	03.12.2018	Attended	Attended	N.A*	N.A*
8	10.12.2018	Attended	N.A*	Attended	N.A*
9	24.12.2018	Attended	N.A*	Attended	N.A*
10	21.01.2019	Attended	Attended	N.A*	N.A*
11	28.01.2019	Attended	N.A*	Attended	N.A*
12	13.02.2019	Attended	N.A*	Attended	N.A*
13	22.02.2019	N.A*	Attended	Attended	N.A*
14	05.03.2019	Attended	N.A*	Attended	N.A*
15	08.03.2019	Attended	Attended	N.A*	N.A*
16	14.03.2019	Attended	N.A*	Attended	N.A*
17	19.03.2019	Attended	N.A*	Attended	N.A*
18	25.03.2019	Attended	N.A*	Attended	N.A*
19	28.03.2019	Attended	N.A*	Attended	N.A*

N.A*- (Not Applicable, being Alternate Member(s))

^ Member of the Committee upto 7th January, 2019

Nomination & Remuneration Committee

Nomination & Remuneration Committee comprises of three Non-Executive Directors and the Chairman of the Committee is an Independent Director as per Listing Regulations, 2015.

The terms of reference of Nomination & Remuneration Committee are:

(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.

Composition of the Nomination & Remuneration Committee is as follows:

Shri Jagdish Capoor	Chairman	Independent Director
Shri V K Kukreja	Member	Independent Director
Shri P Koteswara Rao	Member	Independent Director
Smt. Usha Sangwan *	Member	Non Independent Director

REPORT OF DIRECTORS ON CORPORATE GOVERNANCE

Dates of Nomination & Remuneration Committee Meetings & Attendance Record of Members:

Sr. No.	Dates on which Nomination & Remuneration Committee meetings were held	Smt. Usha Sangwan*	Shri Debabrata Sarkar**	Shri Jagdish Capoor	Shri V. K. Kukreja	Shri Koteswara Rao
1	23.04.2018	Attended	Attended	Attended	N.A	N.A
2	11.06.2018	Attended	Attended	Attended	N.A	N.A
3	28.02.2019	N.A	N.A	Attended	Attended	Attended

*Ms. Usha Sangwan- Resigned on 29th September.2018 ** Shri Debabrata Sarkar – Resigned on 12th November, .2018

Shri P Koteswara Rao was inducted in committee on 21st December, 2018

Shri V. K. Kukreja was inducted in committee on 7th January, 2019

CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:

The Directors except Shri M. R. Kumar, Chairman, Shri Hemant Bhargava Director, Shri Vinay Sah, Managing Director & CEO, and Shri V. K. Sharma Ex-Chairman and Ms. Usha Sangwan Ex-Director were paid sitting fees for attending Board and Committee meetings, other than Corporate Social Responsibility Committee meetings.

During the financial year ended March 31, 2019, Non-Executive Independent members and Non-Executive Non- Independent members of the Board were paid sitting fees of ₹ 35000/-, for attending every Board meeting (upto 24th August 2018 it was ₹ 20000/-), for every Executive Committee Meeting ₹ 25000/- (upto 24th August 2018 it was ₹ 20000/-), for every Debenture Allotment Committee / Audit Committee meeting ₹ 20000/- (upto 24th August 2018 it was ₹ 15000/-), for HR Committee / Risk Management Committee / Nomination & Remuneration Committee / Stakeholder Relationship Committee / Investment Committee Meetings ₹ 15000/-.

The details of sitting fees paid to the Directors during the period from 1st April, 2018 to 31st March, 2019 is mentioned below:

Names of Non –Executive Directors	Sitting fees (In ₹)
Shri Jagdish Capoor	8,85,000/-
Smt. Savita Singh	1,55,000/-
Shri T. V. Rao	45,000/-
Dr. Dharmendra Bhandari	6,65,000/-
Shri Debabrata Sarkar	2,65,000/-
Shri V. K. Kukreja	13,05,000/-
Shri Ameet N. Patel	3,90,000/-
Shri P Koteswara Rao	8,55,000/-

REMUNERATION POLICY

The Company framed this policy in order to align with various provisions under Listing Regulations, 2015 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:

The Remuneration to Non-Executive Independent Directors and Non-Executive Non Independent Directors:

The Non-Executive Independent Directors and Non-Executive Non Independent Directors are paid sitting fees for every Board and Committee Meeting they attend as decided from time to time. Apart from sitting fees, no other remuneration / commission is payable to them.

In future, if Company decides to pay any remuneration / commission to Non-Executive Independent Directors and Non-Executive Non Independent Directors, then the same will be in compliance with Regulation 17(6)(ca) of the Listing Regulations, 2015 as amended from time to time.

The Remuneration to Non-Executive Promoter Directors:

The Non-Executive Promoter Directors are not paid any sitting fees for Board and Committee Meetings they attend. However, as these Promoter Directors are employees of LIC of India, they are being paid salary and other benefits as per the scale / cadre in LIC of India from time to time

The Remuneration to Executive Director:

The Executive Director who is Managing Director & CEO of LIC Housing Finance Ltd. is paid remuneration as applicable to an Officer in the cadre of Executive Director of LIC of India. The Executive Promoter Director is also entitled to Productivity Linked Incentive (PLI) as per criteria approved by the Nomination and Remuneration Committee.

Should there be any revision in the pay scales of the Executive Promoter Director as per the charter of LIC of India from time to time for its Executive Director, then the same would be applicable to the Executive Promoter Director namely Managing Director & CEO of LIC Housing Finance Limited. Further, tenure and terms & conditions of appointment of Executive Promoter Director are decided by LIC of India from time to time.

The remuneration payable to Executive Promoter Director at any point of time shall be within the limits specified as per Regulation 17(6)(e) of the Listing Regulations, 2015 as amended from time to time.

The Remuneration to Key Managerial Personnel (other than MD&CEO) and other employees:

In the present set up of the Company's key managerial personnel other than Managing Director & CEO are Company Secretary and Chief Financial Officer. Chief Financial Officer who is an officer on deputation from LIC of India is being paid remuneration as applicable to an Officer in the cadre of Senior Divisional Manager of LIC of India whose salary and other benefits are decided by LIC of India from time to time. Remuneration payable to Company Secretary and other employees is as decided by the Board of Directors as per Service Terms, Conduct Rules etc. 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 2018-19 is as under

Particulars	Rupees
Gross Salary, Sodexo and, medical lumpsum	45,21,616.00
Contribution to pension and gratuity funds	2,79,515.25
Perquisites in cash or in kind	8,73,957.10
Total	**56,75,088.35**

* It may be mentioned here that Performance linked incentive for F.Y. 2017-18 was paid during the F.Y. 2018-19 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 Nomination and Remuneration Committee are appended to this Annual Report.

MEETING OF INDEPENDENT DIRECTORS

Separate meeting of the Independent Directors of the company was held on 28th March 2019 and in the said meeting, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole. They reviewed the performance of the Chairperson 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 Listing Regulations, 2015 at the Board Meeting held on 28rd March, 2019.

The performance of the Board was evaluated by the Board 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 committee was evaluated by the Board 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 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, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and Individual Directors was also discussed.

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. 2018-2019 was ₹ 57.49 crore out of which the Company spent ₹ 18.78 crore. The expenditure is spread across sectors namely education, health care, women empowerment and environmental conservation.

Composition of the CSR Committee is as follows:

Shri Jagdish Capoor	Chairman	Independent Director
Dr. Dharmendra Bhandari	Member	Independent Director
Shri Vinay Sah	Member	Managing Director & CEO

REPORT OF DIRECTORS 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
1	30.11.2018	Attended	Attended	Attended
2	28.02.2019	Attended	Attended	Attended
3	28.03.2019	Not Attended	Attended	Attended

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 Risk Management Committee 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 Risk Management Committee is as follows:

Shri V. K. Kukreja	Chairman	Independent Director
Dr. Dharmendra Bhandari	Member	Independent Director
Shri P. Koteswara Rao	Member	Independent Director
Shri Vinay Sah	Member	Managing Director & CEO

Dates of Risk Management Committee Meetings & Attendance Record of Members:

Sr no.	Dates on which Risk Management Committee Meetings were held	Shri V. K. Kukreja	Dr. Dharmendra Bhandari	Shri Vinay Sah	Shri P. Koteswara Rao	Shri T. V. Rao*
1	21.04.2018	Attended	Attended	Attended	NA	Not Attended
2	23.08.2018	Attended	Attended	Attended	Attended	NA
3	25.10.2018	Attended	Attended	Attended	NA	NA
4	28.01.2019	Attended	Attended	Attended	Not Attended	NA
5	28.02.2019	Attended	Attended	Attended	Attended	NA

*Shri T.V.Rao – Term of office ended on 31st July, 2018.

HR Committee

The Board of Directors has formed HR Committee to deliberate on all HR related matters of the employees of the Company other than those under the purview of Nomination & Remuneration Committee and recommend the same to the Board for approval

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
Smt. Usha Sangwan *	Member	Non Executive Director

Dates of HR Committee Meetings & Attendance Record of Members:

Sr no.	Dates on which HR Committee meetings were held	Shri V K Kukreja	Ms. Savita Singh	Shri Vinay Sah	Ms. Usha Sangwan	Shri T. V. Rao*
1	23 .04.2018	NA	Not Attended	Attended	Attended	Attended
2	11.06.2018	NA	Not Attended	Attended	Attended	Attended
3	24.08.2018	Attended	Not Attended	Attended	Attended	NA
4	28.02.2018	Attended	Attended	Attended	NA	NA

Shri T.V.Rao – Term of office ended on 31st July, 2018.

Shri V K Kukreja was inducted in committee on 20th August 2018.

*Smt. Usha Sangwan- Term of office ended on 29th September, 2019.

IT Strategy Committee

As per NHB circular no. NHB/ND/DRS/Policy. 90/2017-18 dated 15th June 2018, all Housing Finance Companies are mandated to form IT Strategy Committee. Therefore the Board of Director formed IT Strategy Committee and set role of committee as per 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 met.

(e) Reviewing periodically on the value added to the business by the IT strategies implemented.

(f) Ensuring IT investments represent a balance of risk and benefits and conduct cost-benefit analysis by checking 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	Director
Shri V K Kukreja	Member	Independent Director
Shri Vinay Sah	Member	Managing Director & CEO
Ms. Kiron Singh	Chief Information Officer	NA
Shri Hitesh Talreja	Chief Technology Officer	NA

During the year, one Information Technology Committee meeting was held on 10th October, 2018 which was attended by all the members.

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 the Board. The management also brought to the attention of the Board, the statement of significant transactions entered into by the unlisted subsidiaries of the company.

GENERAL BODY MEETINGS

Annual General Meeting

The details of the location and time of the last three Annual General Meetings are given below:

Year	Location	Date	Time
2015-16	"M. C. Ghia Hall", Bhogilal Hargovindas Building, 4th Floor, 18/20 Kaikhushru Dubash Marg, behind Prince of Wales Museum, Mumbai – 400 001	19th August,2016	3.00 p.m.
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.

Special resolutions passed at the three previous Annual General Meetings

2016:	Issuance of Redeemable Non-Convertible Debentures and / or other hybrid instruments on a private placement basis
2017:	Issuance of Redeemable Non-Convertible Debentures and / or other hybrid instruments on a private placement basis.
2018:	Issuance of Redeemable Non-Convertible Debentures and / or other hybrid instruments on a private placement basis, approving the increase in limits of borrowing by the Company.

REPORT OF DIRECTORS ON CORPORATE GOVERNANCE

Details of Postal Ballot conducted by the Company

During the year 2018-19, the Company conducted one Postal Ballot in accordance with Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The Company had sent the Postal Ballot Notice together with Postal Ballot Form to the Members of the Company for seeking their approval to the business listed therein. The Company had also provided its Members with an e-voting facility through Central Depository Services (India) Ltd.(CDSL), in accordance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI Listing Regulations, in order to enable them to exercise their voting rights by way of electronic means on the resolution proposed through Postal Ballot. The Company had complied with the procedure for Postal Ballot in terms of the provision of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

Shri N.L. Bhatia, Company Secretary (FCS: 1176, COP:422), Managing Partner, M/s. N. L. Bhatia & Associates, Practicing Company Secretaries (UIN:P1996MH055800) was appointed as the Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

The resolution passed by way of postal ballot along with the voting pattern in respect of the Special Resolution passed is as mentioned below:

In order to comply with the provisions of Listing Regulations, 2015, 17(1A) of Amendment Regulations,2018, the Members of the Company vide a Special Resolution passed by means of postal ballot on 20th February, 2019 approved the continuance of Shri Jagdish Capoor as Non-Executive Independent Director of the Company aged above 75 years.

Details of voting pattern of the Special Resolutions passed:

Resolution No.	Particulars	% of votes polled on outstanding shares	% of votes in favour on votes polled	% of votes against on votes polled
01	Continuance of Directorship of Shri Jagdish Capoor, Non-executive Independent Director of the Company aged above 75 years	75.23	97.017	2.983

Details of Proposed Postal Ballots:

At the ensuing Annual General Meeting, facility to members to cast their votes through Postal Ballot has also been provided.

Procedure for Postal Ballot:

In compliance with Schedule V of Listing Regulations, 2015 and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engages the services of CDSL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members / list of beneficiaries as on cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) / the Company's registrar and share transfer agent (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off-date.

Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before the close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman / authorized officer. The results are also displayed on the website of the Company, www.lichousing.com, besides being communicated to the stock exchanges and depositories. The last date of receipt of filled postal ballot form as mentioned in the notice is deemed to be date of passing of the resolution(s).

UNCLAIMED DIVIDENDS AND TRANSFER TO IEPF:

Pursuant to Section 124 of Companies Act 2013, the Company has transferred the unclaimed final dividend for the financial year 2010-11 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 20th August, 2018 (date of last Annual General Meeting) on the website of the Company www.lichousing.com as 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 consecutive financial year from 2011-12 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 Listing Regulations, 2015 were placed before the Audit Committee on quarterly basis during Financial Year 2018-19. The policy on dealing with Related Party transactions and procedures is disclosed on the company's website: www.lichousing.com and Related Party Transaction 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 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.

The above Codes are hosted on the Company's website www.lichousing.com 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:

As provided under Listing Regulations, 2015 Regulations, 2015, all Board and Senior Management personnel affirmed compliance with LIC Housing Finance Limited — Code of Conduct for Board of Directors and Senior Management for the year ended 31st March, 2019.

For LIC Housing Finance Limited
Vinay Sah
Managing Director & CEO

Mumbai, 04th May,2019

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 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 hoisted at www.lichousing.com/Polices & Codes/Policy for Determining Material Subsidiaries. However, none of the Company's subsidiaries' income or networth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or networth of the listed holding company (LIC Housing Finance Limited) and its subsidiaries in the F.Y. 2017-18.

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).

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, lays down the fit and proper criteria of the Directors at the time for their appointment/reappointment and on a continuing basis.

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 Listing Regulations, 2015 the Managing Director & CEO / CFO certificate is appended in the Annual Report.

REPORT OF DIRECTORS ON CORPORATE GOVERNANCE

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE:

As required by Listing Regulations, 2015 Certificate from Shri 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 2018-19, the Company has duly complied with all mandatory requirements of. Listing Regulations, 2015 The Company is in compliance with all the Non – Mandatory requirements listed in Listing Regulations, 2015 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 2019-20 (PROVISIONAL)

a.	Unaudited Financial Result for the first quarter ending 30th June, 2019	In the month of August, 2019
b.	Unaudited Financial Result for the second quarter ending 30th September, 2019	In the month of October, 2019
c.	Unaudited Financial Result for the third quarter ending 31st December, 2019	In the month of January, 2020
d.	Audited Financial Result for the fourth quarter & for the year ending 31st March, 2020	In the month of May, 2020
e.	Annual General Meeting for the year ending March, 2020	In the month of August, 2020

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 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), 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, the Company disseminates information through press and investors' meet.

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 August, 2019 at 3.00 pm.

Venue: "M.C. Ghia Hall", Bhogilal Hargovindas Building, 4th Floor, 18 / 20 Kaikhushru Dubash Marg, Behind Prince of Wales Museum, Mumbai – 400 001.

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 Tuesday, 20th August, 2019 to Wednesday, 28th August, 2019 (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 29th August, 2019 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.

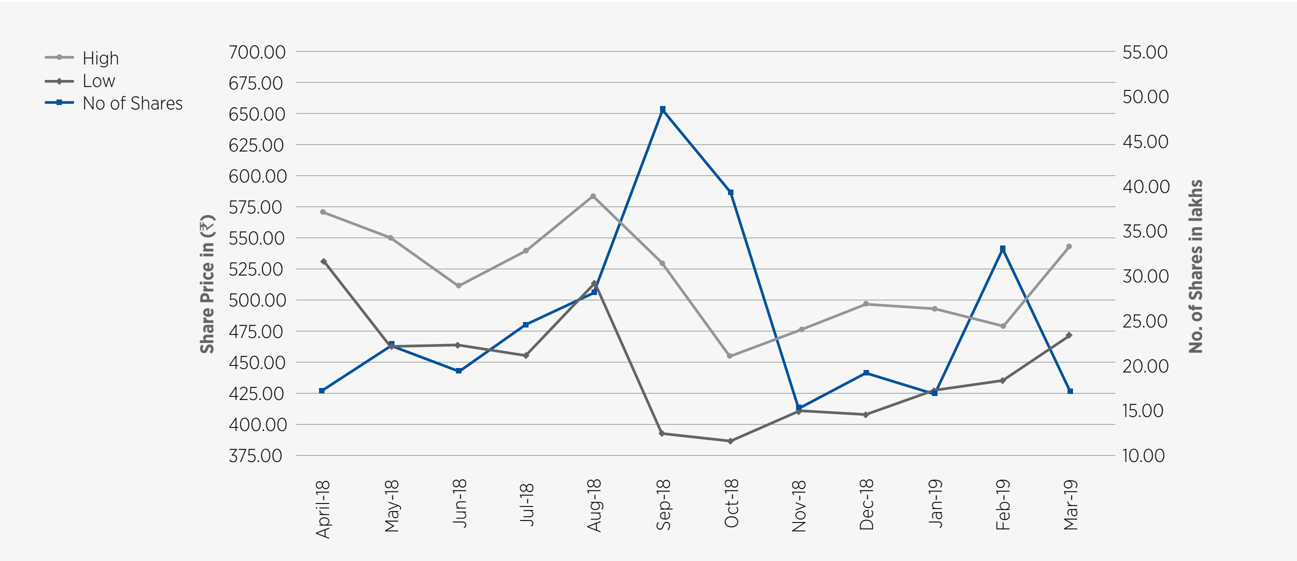
f) Stock Exchanges

Name of Stock Exchanges	Address	Stock Code
Bombay Stock Exchange Ltd.	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001. Tel.Nos. :022-22721233 / 22721234 Fax Nos. : 022-22721919 Website : www.bseindia.com	500253
National Stock Exchange of India Ltd	Exchange Plaza, Plot No.C/1, G Block, Bandra Kurla Complex,Bandra – East, Mumbai – 400051. Tel Nos: 022-26598100-114 Fax Nos. : 022-26598120 Website : www.nseindia.com	LICHSGFIN EQ
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

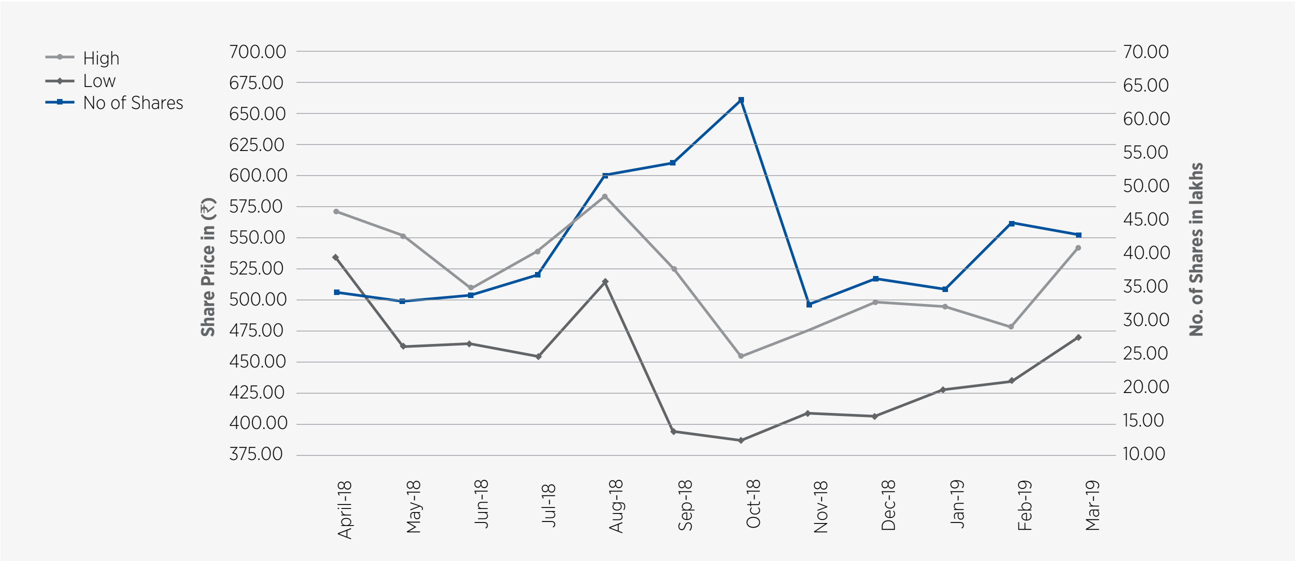
g) International Securities Identification Number (ISIN): INE115A01026

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-18	570.70	532.55	17,28,663	35213.30	32972.56	571.40	532.60	34143878
May-18	551.00	463.40	22,31,892	35993.53	34302.89	551.75	463.05	33002413
Jun-18	512.45	464.70	19,56,190	35877.41	34784.68	509.80	464.40	33877854
Jul-18	540.05	456.50	24,69,619	37644.59	35106.57	540.00	455.40	37070644
Aug-18	583.20	515.00	28,14,496	38989.65	37128.99	583.80	515.95	51915079
Sep-18	530.00	393.00	48,51,168	38934.35	35985.63	525.25	395.10	53369672
Oct-18	453.90	387.60	39,27,143	36616.64	33291.58	454.05	387.60	62940114
Nov-18	476.25	411.00	15,80,154	36389.22	34303.38	476.30	411.25	32474793
Dec-18	499.00	407.95	19,38,335	36554.99	34426.29	498.75	407.70	36445715
Jan-19	493.90	430.00	16,96,858	36701.03	35375.51	494.30	429.60	34497047
Feb-19	478.95	435.80	32,93,645	37172.18	35287.16	478.00	435.75	44760795
Mar-19	542.95	471.40	17,21,659	38748.54	35926.94	543.55	471.30	42981987



REPORT OF DIRECTORS ON CORPORATE GOVERNANCE



i) Details of Shareholders holding more than 1% of the share capital of the Company as at 31st March, 2019 are given below :

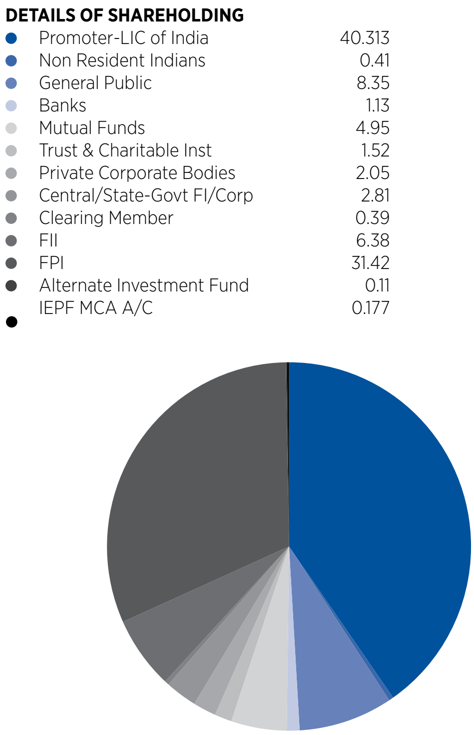
Sr. No.	Name of the shareholders	No. of shares held	% to share capital
1.	LIFE INSURANCE CORPORATION OF INDIA	203442495	40.313
2.	BANK MUSCAT INDIA FUND	11496000	2.278
3	FIDELITY INVESTMENT TRUST SERIES EMERGING MARKET FUNDS	15804076	3.132
4.	GOVERNMENT PENSION FUND GLOBAL	8614250	1.707
5.	NPS TRUST - A/C LIC PENSION FUND SCHEME -ATAL PENSION YOJANA (APY)	7562139	1.498
6.	ICICI PRUDENTIAL S&P BSE 500 ETF	5765585	1.142

Distribution of shareholding as at 31st March, 2019

No. of equity shares held	Folio / Shareholders		Shares	
	Number	Percentage	Number	Percentage
Up to 5,000	210572	98.97	66164554	6.56
5,001-10,000	978	0.46	7272434	0.72
10,001-20,000	422	0.20	6182422	0.61
20,001-30,000	135	0.06	3414662	0.34
30,001-40,000	81	0.04	2853650	0.28
40,001-50,000	54	0.03	2441996	0.24
50,001-1,00,000	141	0.07	10296814	1.02
1,00,001 and Above	350	0.17	910699468	90.23
Total	**212733**	**100.00**	**1009326000**	**100.00**

Details of shareholding based on category as on 31st March, 2019:

	Physical Form		Demat Form		Total		% to total
	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares	Capital
Promoters-Ind	0	0	1	203442495	1	203442495	40.31
NRI	2	1000	4811	2084423	4813	2085423	0.41
Banks	2	10500	16	5685980	18	5696480	1.13
Mutual Funds	2	9000	69	24956263	71	24965263	4.95
Trust & Charitable Inst	1	1000	42	7653627	43	7654627	1.52
Pvt Corp Bodies	32	55500	1393	10265822	1425	10321322	2.05
Central/State-Govt FI/Corp	1	7500	8	14151092	9	14158592	2.81
Clearing Member	0	0	203	1991462	203	1991462	0.39
FII	0	0	71	32197895	71	32197895	6.38
OCB	4	18000	0	0	4	18000	0.00
FPI	0	0	424	158573380	424	158573380	31.42
Aternate Investment Fund	0	0	2	566500	2	566500	0.11
IEPF MCA A/C	0	0	1	835361	1	835361	0.17
General Public	6132	3260696	199516	38895504	205648	42156200	8.35
TOTAL	**6176**	**3363196**	**206557**	**501299804**	**212733**	**504663000**	**100.00**



i) **Global Depository Shares (GDS):**

Of the total 5,00,000 GDS issued by the Company, 1776 GDSs were outstanding as on 31st March, 2019

k) **Plant location:** The Company is mainly engaged in providing housing finance and as such does not have any manufacturing plant.

l) **Address for correspondence:**

Investors and shareholders can correspond with the Company at following address:

A) The Company Secretary

LIC Housing Finance Limited

Corporate Office,

131 Maker Tower, "F" Premises, 13th Floor, Cuffe Parade,

Mumbai - 400 005.

Phones: (91-22) 22178600 / 22178700 / 22178611.

Fax: (91-22) 22178777.

CIN: L65922MH1989PLC052257.

and / or

REPORT OF DIRECTORS ON CORPORATE GOVERNANCE

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 ,

Vikhroli (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 the said 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, 2019, 501299804 equity shares i.e., 99.33% 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

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.

p) 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 2018-2019. The Company has also paid listing fees for listing of Non-Convertible Debenture on Wholesale Debt market segment on NSE for Financial Year 2018-2019. In respect of GDS listed on Luxembourg Stock Exchange, the Company has paid the listing fees to the Luxembourg Stock Exchange.

q) 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.

r) Foreign Exchange Risk and hedging Activities:

The Company has foreign exchange exposure and hedging is done for a significant portion of the same.

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, 2019, as stipulated in Regulations 17 to 27, Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C 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 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 and 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 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

Place: Mumbai
Date: May 4, 2019

CFO CERIFICATE

The Board of Directors
LIC Housing Finance Limited
131 Maker Tower "F" Wing,
13th floor, Cuffe Parade,
Mumbai - 400 005.

Date: 04th May, 2019

ANNUAL CERTIFICATION

We the undersigned Vinay Sah, Managing Director and CEO and P. Narayanan, Chief Financial Officer hereby certify that for the financial year ended 31st March 2019, 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.

Managing Director & CEO **Chief Financial Officer**

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, 2018 to 31st March, 2019.

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 lower rates and follows it up with customer friendly services. The Company started its operations in the year 1989 and since then has emerged as key player in the Housing Sector as it has enabled millions of individuals to own houses. The major thrust of the business of the Company is that of extending loans to individuals for purchase or construction of house. The Company has till 31st March 2019 enabled around 25,97,282 individuals to acquire their dream home. Out of this 5,85,668 are female house owners. The Company also provides loans to builders and professionals. The Company has also extended its operations outside India and have 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 9 Regional offices, 23 Back Offices, 273 marketing offices and 1 Customer Service Point.

The Corporate office frames policies and monitors the overall activities of other offices. The Data Centre is a part of the Corporate Office and is responsible for providing and safeguarding of the data. The Regional Offices oversees the functions of the Area Offices within their jurisdiction and the Back Office are the Accounting units which provides support to the Regional Office 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: ₹ 17,355.02 crore
3. Profit after Taxes: ₹ 2430.97 crore
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 0.77 per cent.
5. List of activities in which expenditure in 4 above has been incurred:

   The activities towards which the company has contributed are hereunder:

S. No.	CSR Project or Activity	Sector in which the project is covered
1.	Support extended to Udayan Care for its project titled "Udayan Care Information Technology and Vocational Training Program" towards providing education and vocational training to girls	Employment enhancing vocation skills
2.	Support extended to Dignity Lifestyle Trust for the construction expenses of Dementia Care Centre	Promoting Health Care
3.	Support extended to Child Help Foundation towards School sanitation support for clean drinking water (water purifiers) and Construction of toilets at 8 schools in Palghar district, Maharashtra.	Promotion of sanitation and making available safe drinking water
4.	Support extended to Bharat Vikas Institute of Medical Sciences for construction of Cancer Hospital and Medical College at Kota-Rajasthan	Promoting Health Care
5.	Support extended to Jagriti Sewa Sansthan for construction of Jagriti Enterprise Centre at Eastern Uttar Pradesh, Purvanchal District - Deoria for promotion of entrepreneurship	Vocational training and entrepreneurship development
6.	Support extended to Indian Association of Blood Cancer & Allied Diseases for purchase of Medical equipment (Haematology Cell Counter and Blood Donor Station)	Promoting Health Care

S. No.	CSR Project or Activity	Sector in which the project is covered
7.	Support extended to Concern India Foundation for installation of Solar Operated Drinking Water Systems (SODWS) in 3 tribal villages of Gogunda block, district Udaipur Rajasthan	Making available safe drinking water
8.	Support extended to M.K Educational Society for purchasing of School Uniforms to 1064 students from Malwani slum area, Mumbai, Maharashtra	Promoting education
9.	Support extended to Social Upliftment and Development for Health Action for purchase and distribution of full school kits-uniform, bags, shoes for the 3 deserving residential tribal school children in Thane and Palghar district , Maharashtra	Promoting education
10.	Support extended to Smile Foundation for enhancing Basic Infrastructure at 15 Mission Education Centres spread across Maharashtra for underprivileged children by way of providing good quality water facilities, construction of permanent toilets , sensitizing children on importance of cleanliness, health seeking behavior and regular usage of toilets	Making available safe drinking water and sanitation, Promoting Health Care and Education
11	Support extended to Navasrushti International Trust for basic infrastructure facility like benches, notebooks, drinking water facility, Construction of Toilets etc at schools located at Mumbai , Maharashtra.	Making available safe drinking water and sanitation, Promoting Health Care and Education
12.	Support extended to Tarun Bharat Sangh for the 3rd year of the Water Harvesting project namely Adapting to Climate change through Water Management in Eastern Rajasthan	Conservation of natural resources and maintaining quality of soil, air and water
13.	Support extended to The Deeds Public Charitable Trust for incurring various Capital Expenditure for purchase of solar panel, radiators, hearing aids and for grill work for windows of hostel	Conservation of natural resources, promoting education, including special education and employment enhancing vocational skills
14.	Support extended to Committed Communities Development Trust for provision of Nutritional Supplement in form of Comfort Bags to 400 families infected/affected with HIV/AIDS in 24 wards of Mumbai	Promoting health care including preventive health care
15.	Support extended to Round table India trust for construction of two class rooms and two toilet blocks at Bhuranakhedi Kamadia Indore, Madhya Pradesh	Promoting Education and Sanitation
16.	Support extended to Purkal Youth Development Society for construction of Hostels at Rikholi Village, Dehradun, Uttarakhand to enable versatile education for the underprivileged children of Uttarakhand	Empowering women and promoting education, including special education and employment enhancing vocation skills
17.	Support extended to Fight Hunger Foundation for their project namely 'The Bal Anand' which will involve refurbishing of 20 Anganwadi Centers (AWC's) in the Kishanganj and Shahbad block of Baran district in Rajasthan	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and Empowering women
18.	Support extended to Bhagwan Mahaveer Cancer Hospital & Research Centre for purchase of mobile ambulance van	Promoting health care including preventive health care

S. No.	CSR Project or Activity	Sector in which the project is covered
19.	Support extended to Baranagar Ramakrishna Math for providing educational assistance to 10 underprivileged students at Baranagar, Kolkata	Promoting education
20.	Support extended to Evangelical Social Action Forum for rebuilding of 20 flood affected government school in Thrissur district, Kerala	Promoting education
21.	Support extended to Gramalaya for construction of one hundred (100) School Sanitation complex in under privileged governments schools in Tamil Nadu	Promoting education and Sanitation
22.	Support extended to Sahbhagi Shikshan Kendra for Promoting Inclusive village development through Sustainable interventions in five (5) Villages of Mahuari Panchayat in Palamu District of Jharkhand	Promoting education and Sanitation, Promoting health care including preventive health care, livelihood enhancement projects
23.	Support extended to Mysore Resettlement and Development Agency for implementing sustainable solutions in water and food security through watershed and women empowerment programmes in 9 villages of Krishnagiri district, Tamil Nadu	Making available safe drinking water, Eradicating hunger, poverty and malnutrition, Conservation of natural resources, Empowering women
24.	Support extended to Yuva Unstoppable for construction of thirty (30) Sanitation units in underprivileged governments schools in Madhya Pradesh.	Promoting education and Sanitation
25.	Support extended to St. Lawrence old boy's association for implementing free health camp for marginalized in Kolkata, West Bengal	Promoting health care including preventive health care
26.	Support extended to LOK Bharathi Educational Society for implementing skill development program for five hundred (500) unemployed youth in Delhi and Karnataka	Promoting education through imparting employment enhancing vocation skills
27.	Support extended to Santhi Medical Information Centre for construction of Mental health and rehabilitation centre for tribal community in Palakkad Kerala	Promoting health care
28.	Support extended to Smart Andhra Pradesh Foundation for installation of Digital Classrooms in schools of Prakasham District, Andhra Pradesh	Promoting education
29.	Support extended to PMs National Relief Fund	Socio-economic development and relief, welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women.
30.	Support extended to Action Aid Association for rebuilding ten (10) educational institutes affected by Gaja Cyclone in Nagapattinam district, Tamil Nadu	Promoting education
31.	Support extended to Chetna for construction of school infrastructure in Lucknow, Uttar Pradesh	Promoting education
32.	Support extended to Nowrosjee Wadia Maternity Hospital for setting up of adult ICU for High Risk Pregnancies in Parel, Mumbai	Promoting health care including preventive health care

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.

BUSINESS RESPONSIBILITY REPORT

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 Companies namely LICHFL Care Homes Limited was floated by the Company in order to cater to the needs of the senior citizens and for providing them with better amenities which would serve their old age related needs. Some of the Subsidiary/(ies) also have 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 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 empaneled with the Company. Some of the codes has 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	02425847
2.	Name	Vinay Sah
3.	Designation	Managing Director & CEO
4.	Telephone number	022-22189214
5.	E-mail id	pa.mdceo@lichousing.com

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 have been 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	Business, should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for the above principles	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders? (Refer Note-1 below)	-	-	-	-	-	-	-	-	-
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 to keep the communication as 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 stakeholder grievances related to the policy / policies?	Yes, the Company has a full-fledged grievance redressal mechanism to address grievances of different stakeholders at different level.								
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 including regulators. 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 is in the process of engaging an external agency to analyze the impact of the CSR support extended by the Company in the year 2018-19. Similar exercise had earlier been carried out with respect to the the CSR projects carried out before Financial Year 2018-19.								

Note-1: The Company is primarily engaged in the business of providing financial services by way of extending housing loans, thus this point has limited applicability. However, all the operations of the Company are carried out in compliance with all the applicable statutes, rules and regulations. Also wherever possible the Company designs its products in such a manner that it helps in uplifting the deserving sections of the society.

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.

- **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 relating 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 to 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 agencies (NGOs) to whom the contribution is being extended has a clean track record.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

   13265 complaints were received during the year 2018-19 (including opening outstanding complaints), from various stakeholders such as shareholders, deposit holders, investors and customers. Out of the total complaints, 13198 complaints, working out to 99.49 percent has been satisfactorily resolved.

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

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 it fulfills 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, is 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.

1. **List upto 3 products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.**

   a) Scheme for Flood affected area of Kerala

   b) Scheme for Teachers- Guru Dakshina

   c) Various products under Pradhan Mantri Awas Yojana.

a) **Scheme for Flood affected areas of Kerala :**

   In order to improve the flow of housing finance at concessional rates to the residents of flood affected districts of Kerala for the purpose of enabling the affected population to reconstruct, repair, renovate and up-grade their existing dwelling units, a special scheme was announced on 31.08.2018 having regard to the territorial rains in several parts of Kerala which had displaced a large segment of population and had resulted in large scale destruction of property.

b) **Scheme for Teachers- Guru Dakshina :**

   n order to honour the teachers, who are the nation builders and the sculpture of the Country’s future, as a token of appreciation for their special contribution in nation building, the Company had launched “Guru Dakshina” scheme in August 2018 with concession in rates and processing fees. All serving Teachers/Professors/Lecturers of schools/ colleges/Universities were eligible under the said scheme.

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) Scheme has been designed to finance to those customers who have no pucca house in any part of India and whose house hold income is upto ₹ 8 Lakhs p.a. Under this Scheme, interest subsidy is provided by Government of India through NHB. The carpet area of houses eligible for interest subsidy under CLSS for MIG was increased to 160 square metre in MIG-I & upto 200 square metre in MIG II. Further, the CLSS for MIG has been extended upto 31.03.2020. The Company could finance 37907 household units under four schemes (EWS/LIG/MIG-I/MIG-II) of PMAY-CLSS.

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

BUSINESS RESPONSIBILITY REPORT

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 papers wherever possible and also re-uses the waste papers to the extent possible.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

   Since the Company is not involved in any manufacturing activity, the reporting on sustainable sourcing is not applicable.

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?**

   The entire business of the Company is sourced through Home Loan Agents and Direct Selling Agents. The Company has the policy of grooming the agents through its various training programmes, meetings and seminars, while updating them regularly with regard to the market practices and strategies. Also a new Distribution Channel (DME) conceptualized during 2017-18 took off last year, wherein 310 DMEs all over the country disbursed ₹ 733 crore of Loans. In this new Channel the Company grooms and handholds the fresh professionals while paying them stipend for 3 months and thereafter incentivizes them based on their performance. There is a lot of training which the Company imparts to these DMEs.

   Further, in order ensure inclusive growth of the agents/ intermediaries etc during 2018-19 the two Empanelled Training Institutes by Corporate Offices could conduct 18 Training sessions in 8 Regional Offices involving 640 Participants which includes both branch managers and Intermediaries.

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, 2019 is 2309.

2. **Please indicate the total number of employees hired on temporary/contractual/ casual basis:**

   During the financial year 2018-19 ,131 individuals were hired on a contractual/temporary basis. The Company also had a recruitment drive in the same period during the course of which it absorbed 5 contractual staff, who had been serving the Company on contractual basis for a reasonable period, as a reward for their loyalty and good performance.

3. **Please indicate the number of permanent women employees:**

   Out of the total employee strength of 2309 permanent employees as on 31st March, 2019, 715 were permanent women employees . This constitutes 30.97 per cent of the total strength.

4. **Please indicate the number of permanent employees with disabilities:**

   Four permanent employees with disabilities are engaged with the company as on 31st March, 2019.

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 the same is 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.**

Sl 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	None	None
3.	Discriminatory employment	None	Not Applicable

8. **What safety & skill up-gradation training was provided in the last year?**

- Permanent employees
- Permanent Women employees
- Casual/ Temporary/ Contractual employees
- Employees with disabilities

During the year 2018-19 twenty seven (27) training programmes for upgrading the skills of employee were conducted in house and the employees of the Company participated in fifteen training programmes conducted by external entities. In these Forty Two (42) training programmes a total of 971 employees of the Company were trained and updated. The Company has the culture of conducting department wise in-house training each quarter. 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 enables 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 all 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 a 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 Internal Complaints Committee (ICC) to conduct its functions and constantly endeavours to ensure 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 the 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 (4) 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 engagement 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 stakeholder. The Company, during the financial year 2018-19 has partnered with nearly 30 Implementation Agency (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 has undertaken several initiatives to engage with and ensure sustainable development of the marginalised groups in the local communities around its sites of operations. In the course of carrying on the above initiatives the Company's CSR Team ensure that the Implementation Agency (NGOs) properly identified the disadvantaged, vulnerable & marginalised stakeholders and extend to support to them.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.**

   The Company believes in inclusive growth. All the activities mentioned in Section B (5) are initiatives taken by the Company in partnership with various implementation agencies with the objective of engaging with disadvantaged, vulnerable and marginalised stakeholders, in order to uplift them and bring them into the main stream by way of extending medical related support, supporting them in skill development and making them employable, creation of better infrastructure for them in order to enable them avail health care and education free of cost or at nominal rates, making safe drinking water and sanitation facilities available to them, rebuilding the lives of affected people after natural disasters, making them self-sufficient by way of engaging in self-help groups and community development programme, helping local communities in natural resource management and water harvesting.

   Among the various CSR initiatives undertaken by the Company some of the noticeable ones are as follows: The Company has engaged with the disadvantaged, vulnerable and marginalised communities of 9 villages of Krishnagiri district, Tamil Nadu through an NGO namely Mysore Resettlement and Development Agency (MYRADA) and has sanctioned an amount to them to the tune of ₹ 2.15 crores for implementing sustainable solutions in water and food security through watershed and women empowerment programmes.

Mr. Neelan, beneficiary of watershed project in Krishnagiri, Tamil Nadu

The Company has also done its bit for the youth community of the economically backward sections and funded some of the skill development programs and also taken initiative in creating infrastructure for imparting skill training and entrepreneurship development of the society through an NGO namely LOK Bharathi Educational Society and has extended its support of ₹ 60 Lakh towards implementing skill development program for five hundred (500) unemployed youth on retail, Business Processing Outsourcing (BPO),Banking Financial services Insurance (BFSI), in Delhi and Karnataka.

Group of beneficiary youth with the MD & CEO of LIC Housing Finance Limited during the inauguration of the LICHFL Centre of excellence at Delhi

Further, in order to encourage the underprivileged children for education and in order to ensure that they have access to their basic right to education in a better way the Company has engaged with children below the age of 14 years through Social Upliftment & Development for Health Action (Suadha) and extended support of around ₹ 37 Lakhs for the purchase and distribution of 'Full School Kits- School Uniforms, School Bag and School Shoes' for the three (3) Residential Tribal School Children in Thane & Palghar districts.

Distribution of School Kits funded by LIC Housing Finance Limited on the occasion of Republic Day

Assembly of children in the School to whom the school kits has been distributed

Apart from the above there have been many more initiatives by the Company during the Financial Year 2018-19 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 enhanced value for its various stakeholders. 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 just and equitable 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 2018-19.

PRINCIPLE 6

Businesses should respect, protect and make efforts to restore the environment

1. **Does the policy related 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.

   The Company is fully aware of the direct and indirect environmental impacts of its operations and considers it as a major criterion in all its decisions. The Company being in the business of granting housing loans encourages housing projects which are environmentally safe and secure. The Company has contributed a part of CSR initiative, towards projects in the field of natural resource management and in the past also the Company has associated itself with projects relating to water harvesting and water conservation.

2. **Does 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.

   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 system to have less carbon emission initiatives.

   The Company has replaced 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.

   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.

   The Company has actively funded projects under its CSR Initiative in the area of water conservation, water harvesting and restoration of the ground water levels which is an important contributory towards climate change and 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, 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?**

   The Company has acquired a stake in Goods and Service Tax Network in order to contribute towards the successful rollout of GST, which has been a historical and progressive indirect tax reform. The employees of the Company are the members of various professional bodies such as the ICAI, ICSI, CMA etc. and in the Company reimburses the membership fees in order to encourage the employees to stay updated by way of attending various lectures, seminars and workshops held by this institutes. The Company has also sent its representative to National Housing Bank (NHB), which is also the Company's regulator, for extending its participation in the IND-AS Core group which had been set-up by NHB in order to ensure smooth implementation of IND-AS across the housing industry.

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)**

   As mentioned earlier the Company has invested in Goods and Service Tax Network (GSTN). Due to this reason a senior employee of the Company holds directorship in GSTN. The Company has from time to time through its representative director in GSTN advocated the cause of easing the procedures of GST compliance for hassle free implementation of GST.

   Further, the Company also 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 industry. Also, by way of better liasoning with NHB and creation of a separate Cell in Corporate Office, considerable increase in receipt of subsidy in PMAY was ensured during the year. Due to this initiative, ₹ 950 Crore of subsidy was received and distributed over more than 45000 beneficiaries.

PRINCIPLE 8

Businesses should support inclusive growth and equitable development

1. **Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof:**

   The Company has made its effort towards inviting proposals from various Implementation agencies (NGOs) and trusts who has been working towards the upliftment of the Society. The Company has through its CSR appraisal mechanism provided funding to some of the NGOs working in the areas of education, health care and Natural resource management. The details in respect thereof has been provided in Section B of this Report. The crux of these contribution has been to ensure that there should be equitable growth and inclusive development. During the year the Company has also partnered with NGOs such as Udayan Care and Jagriti Sewa Sansthan for the purpose of providing Information Technology and Vocational Training skill development Program and by initiating the setting up of a Vocational training and entrepreneurship development centre at Madhya Pradesh for underprivileged.

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 calls for a quarterly monitoring report 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 prices, for a peaceful and enjoyable retired life thus supporting growth and inclusive development.

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. The Company, has also initiated the process of engaging an external agency for analysing the impact of the subsequent years CSR projects.

4. **What is your Company's direct contribution to community development projects – Amount in INR and the details of the project undertaken?**

   While sanctioning the CSR projects the Company ensures the benefit of the local community at large. Many of the projects sanctioned during the year pertains to working with self-help groups in order to develop the quality of lives of the local community of the project area. One of the noticeable among them is the Support extended to an NGO namely Committed Communities Development Trust for provision of Nutritional Supplement in form of Comfort Bags to 400 families infected/affected with HIV/ AIDS in 24 wards of Mumbai.

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.**

   As per the practice of the Company it calls for quarterly monitoring reports from the implementation agencies to ensure the proper utilization of funds. Further, the Company conducts an Impact Analysis of the ongoing and completed projects in order to assess the societal impact of the projects. Also at the time of appraisal of the projects the Company ensures that the implementation agencies being funded has sufficient past experience in the relevant sector. 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 no customer complaints that are pending as on 31st March, 2019 as all the complaints that had been received during the year had been solved 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 telly callers who attends to Customer Calls as an endeavour for speedy resolution.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**

   LICHFL is a housing finance company and hence this question is not applicable. 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. 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 many more additional information is also displayed on the Company's website. The Company also has a Comprehensive notice board on its website which also contains the details with regard to all of its products.

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. The said Committee, through its practical and market related experience proposes the introduction of products in a manner such that the customer sentiments and expectations are factored into it. Thereafter, 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.

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LIC HOUSING FINANCE LIMITED

Report on 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 March 31, 2019, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows 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 March 31, 2019, and profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

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 ('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 ('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.

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
Transition date accounting Refer to the accounting policies in the standalone financial statements: Significant accounting policies – Basis of preparation and Note 4 to the standalone financial statements: "First time adoption of Ind AS"	
Adoption of new accounting framework (Ind AS)	
Effective April 1, 2018, the Company adopted Ind AS notified by the Ministry of Corporate Affairs with the transition date of April 1, 2017. **The following are the major impact areas for the Company upon transition:** • Classification and measurement / valuation of financial instruments: - Determination of Expected Credit Loss (ECL) - Computation of Effective Interest Rate on financial assets and financial liabilities • Classification and measurement of investment in Subsidiaries and Associates • Additional disclosures as per the requirements of the new financial reporting framework Transition to the new financial reporting framework involves multiple decision points for management i.e. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS at the transition date. We identified the transition date accounting as a key audit matter because of the significant degree of management judgement in the first-time application of Ind AS principles as at the transition date particularly in the areas noted above and the additional disclosures associated with Ind AS transition.	**We performed audit procedures set out below** **Design / controls** Assessed the design, implementation and operating effectiveness of key internal controls over management's evaluation of transition date choices and exemptions availed in line with the Ind AS 101. **Substantive tests** • Evaluated management's transition date choices and exemptions for compliance / acceptability under Ind AS 101; • Understood the approach and methodology adopted by management to implement the transition to Ind AS; • Test checked the computations relating to transition adjustments; • Assessed areas of significant estimates and management judgement on transition in line with Ind AS principles; • Compared the reasonableness of management assumptions in respect of recognition and measurement of financial instruments including determination of ECL provisioning as at the date of transition etc.

INDEPENDENT AUDITORS' REPORT

Key Audit Matter	How the matter was addressed in our audit
Expected Credit Loss – Impairment of carrying value of loans and advances	
Refer to the accounting policies in Note 2.14 (f) and Note 37.4.2.3 and 37.4.2.4 to the standalone financial statements: Impairment and write-off; Note 3.1 to the standalone financial statements: use of estimates and judgements – determination of Expected Credit Loss and Note 8 to the standalone financial statements: Loans	
Subjective estimate	**We performed audit procedures set out below**
The calculation of certain credit provisions for the Company is inherently judgemental. Individual and collective impairment provisions (identified and unidentified) may not reflect recent developments in credit quality, arrears experience, or emerging macro-economic risks. With the applicability of Ind AS 109 credit loss assessment is now based on ECL model. The Company's impairment allowance is computed based on estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. **The most significant areas are:** **Complex impairment models –** Models used in the Housing Loan portfolios to estimate the existence of incurred loss events and the resultant expected write-offs. Judgement is required to determine the inputs, methodologies and assumptions and these can significantly impact the provisions held. The most significant judgements include the segmentation level at which historical loss rates are calculated, and the length of the recovery period and the loss emergence period applied to historical loss provisions. **Identification of impairment –** Project Loan exposures of the Company are individually assessed for impairment based on a borrower's financial performance, solvency and liquidity. The nature of this assessment means there is an inherent risk that loss impairment triggers may not be identified on a timely basis. The other significant areas are: - Segmentation of loan book - Loan staging criteria - Calculation of probability of default / Loss given default - Consideration of probability weighted scenarios and forward looking macro-economic factors. There is a large increase in the data inputs required for the computation of ECL. This increases the risk of completeness and accuracy of the data that has been used as a basis of assumptions in the model.	**Design / controls** • For housing loan portfolios, we tested the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs and assumptions into the impairment models, the identification of impaired and restructured accounts and key systems reconciliations. We evaluated controls over the modelling process, including model monitoring, validation and approval. We tested controls over model outputs and recognition and approval of post model adjustments and management overlays. • For Project exposures, we tested design and operating effectiveness of the key controls over the determination of whether loans displayed indicators of impairment; • Understood Company's new / revised processes, systems and controls implemented relating to impairment allowance process including governance controls over the development and implementation of the ECL model; • Test checked the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge; • Test checked management review controls over measurement of impairment allowances and disclosures in the standalone financial statements. **Substantive tests** • Performed substantive procedures over validating completeness and accuracy of the data and reasonableness of assumptions used in the model; • We tested a selection of post model adjustments and management overlays in order to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample back to source data • We have discussed with external specialists to test the working of the ECL model and reasonableness of assumptions used; • Performed cut off procedures on a sample basis relating to recoveries at year end that would impact staging of loans; • Test checked the basis of collateral valuation in the determination of ECL provision.
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	**Our procedures included:** • Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We assessed the management's underlying assumptions in estimating the tax provision 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, 2018 to evaluate whether any change was required to management's position on these uncertainties.

Key Audit Matter	How the matter was addressed in our audit
Temporary Book Overdraft As at March 31, 2019, other financial liability in respect of Temporary Book Overdraft amounting to ₹ 6,909.46 crores which are pending to be encashed . Refer Note 43 to the Standalone Financial Statements	**Our procedures included:** Temporary Book Overdraft represents cheques issued towards disbursements to borrowers and cheques issued for payment of expenses but not encashed. We have reviewed the nature of the amounts paid, the sustainability, clearance of cheque after the balance sheet date and the likelihood of clearance within reasonable period.
Information Technology ('IT') IT systems and controls The Company's key financial accounting and reporting processes are highly dependent on information systems including automated controls in information systems, such that there exists a risk that, gaps in the IT control environment could result in the financial accounting and reporting records being misstated. The Company uses several systems for its overall financial reporting. We have identified 'IT systems and controls' as key audit matter because of significant use of IT system and the scale and complexity of the IT architecture.	**We performed audit procedures set out below** • Understood General IT Control i.e. access controls, program/ system change, program development, computer operations (i.e. job processing, data/ system backup incident management) over key financial accounting and reporting systems, and supporting control systems (referred to as in-scope systems); • Understood IT infrastructure i.e. operating systems and databases supporting the in-scope systems; • Test checked the General IT Controls for design and operating effectiveness for the audit period over the in-scope systems; • Understood IT application controls covering - user access and roles, segregation of duties, and - key interfaces, reports, reconciliations and system processing; • Test checked the IT application controls for design and operating effectiveness for the audit period; • Performed testing to determine that these controls remained unchanged during the audit period or were changed following the standard change management process; • Test checked controls over the IT infrastructure covering user access (including privilege users), data center and system change (e.g. patches).

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.

INDEPENDENT AUDITORS' REPORT

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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under sub-section (3)(i) of section 143 of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements of in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 1, 2017 included in these Standalone Ind AS Financial Statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended March 31, 2018 and March 31, 2017 dated April 23, 2018 and April 25, 2017 respectively expressed an unmodified opinion on those Standalone Financial Statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion on the standalone financial statements is not modified in respect of the above matters.

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 the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by sub-section (3) of Section 143 of the Act, based on our audit, 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 purpose of our audit;

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

(c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of sub-section 2 of Section 164 of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements 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 the requirements of the sub-section 16 of Section 197 of the Act, as amended:

In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 40 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **SHAH GUPTA & CO.**
Chartered Accountants
Firm Registration No.: 109574W

Heneel K Patel
Partner
M. No. 114103

Place: Mumbai
Date: 04.05.2019

For **CHOKSHI & CHOKSHI LLP**
Chartered Accountants
Firm Registration No.: 101872W / W100045

Mitil R Chokshi
Partner
M. No. 047745

Place: Mumbai
Date: 04.05.2019

ANNEXURE A
TO THE INDEPENDENT AUDITORS' 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) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act 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 31 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) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under sub-section 1 of section 148 of the Act, for the products / services of the Company, and, hence, reporting under paragraph 3 (ii) of the order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us, and the records 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, 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 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.

(x) According to the information and explanations given to us, no 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) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we report that the managerial remuneration has been paid / provided 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, 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) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence, reporting under paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, 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 **SHAH GUPTA & CO.**
Chartered Accountants
Firm Registration No.: 109574W

Heneel K Patel
Partner
M. No. 114103

Place: Mumbai
Date: 04.05.2019

For **CHOKSHI & CHOKSHI LLP**
Chartered Accountants
Firm Registration No.: 101872W / W100045

Mitil R Chokshi
Partner
M. No. 047745

Place: Mumbai
Date: 04.05.2019

ANNEXURE B
TO THE INDEPENDENT AUDITORS' 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 over financial reporting of **LIC HOUSING FINANCE LIMITED** (hereinafter referred to as "the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls 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 over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over 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 and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

ANNEXURE B
TO THE INDEPENDENT AUDITORS' REPORT

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SHAH GUPTA & CO.**
Chartered Accountants
Firm Registration No.: 109574W

Heneel K Patel
Partner
M. No. 114103

Place: Mumbai
Date: 04.05.2019

For **CHOKSHI & CHOKSHI LLP**
Chartered Accountants
Firm Registration No.: 101872W / W100045

Mitil R Chokshi
Partner
M. No. 047745

Place: Mumbai
Date: 04.05.2019

BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Crore)

	Note	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS				
(1) Financial Assets				
(a) Cash and Cash Equivalents	5	2,801.80	1,908.34	1,448.32
(b) Bank Balance other than (a) above	6	193.11	188.10	267.08
(c) Derivative Financial Instruments	7	26.98	43.65	85.77
(d) Loans	8	1,92,992.74	1,66,162.32	1,44,716.71
(e) Investments	9	3,595.06	1,972.17	3,369.40
(f) Other Financial Assets	10	31.79	21.21	20.54
Total Financial Assets		**1,99,641.48**	**1,70,295.79**	**1,49,907.82**
(2) Non-Financial Assets				
(a) Current Tax Assets (Net)	11	178.05	183.04	185.57
(b) Deferred Tax Assets (Net)	12	553.37	442.28	260.10
(c) Property, Plant and Equipment	13.1	132.97	94.71	92.88
(d) Other Intangible Assets	13.2	2.88	2.41	3.65
(e) Other Non-Financial Assets	14	74.72	71.59	31.57
Total Non-Financial Assets		**941.99**	**794.03**	**573.77**
Total Assets		**2,00,583.47**	**1,71,089.82**	**1,50,481.59**
LIABILITIES AND EQUITY				
LIABILITIES				
(1) Financial Liabilities				
(a) Derivative Financial Instruments	7	25.79	39.43	88.61
(b) Payables	15			
(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		79.94	61.29	58.97
(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		-	-	-
(c) Debt Securities	16	1,34,615.67	1,19,521.22	1,01,585.21
(d) Borrowings (Other than Debt Securities)	17	26,383.91	16,517.05	15,939.25
(e) Deposits	18	7,667.43	6,771.67	6,292.57
(f) Subordinated Liabilities	19	2,000.00	2,500.00	2,500.00
(g) Other Financial Liabilities	20	13,437.89	11,318.16	11,304.48
Total Financial Liabilities		**1,84,210.63**	**1,56,728.82**	**1,37,769.09**
(2) Non-Financial Liabilities				
(a) Provisions	21	113.39	117.64	98.03
(b) Other Non-Financial Liabilities	22	0.18	2.18	2.52
Total Non-Financial Liabilities		**113.57**	**119.82**	**100.55**
(3) EQUITY				
(a) Equity Share Capital	23	100.99	100.99	100.99
(b) Other Equity	24	16,158.28	14,140.19	12,510.96
Total Equity		**16,259.27**	**14,241.18**	**12,611.95**
Total Liabilities and Equity		**2,00,583.47**	**1,71,089.82**	**1,50,481.59**

See accompanying notes forming part of the Standalone Financial Statement

As per our report of even date attached

For and on behalf of the Board of Directors

For Shah Gupta & Co.
Chartered Accountants
FRN 109574W

For Chokshi & Chokshi LLP
Chartered Accountants
FRN 101872W/W100045

Heneel K Patel
Partner
M.No.114103

Mitil R Chokshi
Partner
M.No. 047745

M. R. Kumar
Chairman
DIN: 03628755

Jagdish Capoor
Director
DIN: 00002516

Vinay Sah
Managing Director & Chief Executive Officer
DIN: 02425847

Nitin K. Jage
General Manager (Tax.) & Company Secretary
FCS No. 8084

P. Narayanan
CFO

Sadhana Deshpande
Chief Manager (Accounts)

Place: Mumbai
Date: May 04, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

	Note	Year Ended March 31, 2019	Year Ended March 31, 2018
(1) REVENUE FROM OPERATIONS			
(i) Interest Income	25	17,256.12	14,729.71
(ii) Fees and Commission Income	26	34.83	35.62
(iii) Net gain on Derecognition of Financial Instruments under amortised cost category	27	10.66	23.92
(iv) Others	28	53.41	47.73
Total Revenue from Operations (1)		**17,355.02**	**14,836.98**
(2) Other Income	29	6.70	3.63
(3) Total Income (1+2)		**17,361.72**	**14,840.61**
(4) Expenses			
(i) Finance Costs	30	12,891.55	11,143.85
(ii) Fees and Commission Expense	31	32.33	46.32
(iii) Net loss on Derecognition of Financial Instruments under amortised cost category	32	267.71	23.29
(iv) Impairment on Financial Instruments (Expected Credit Loss)	33	350.35	468.40
(v) Employee Benefit Expenses	34	247.88	223.16
(vi) Depreciation, Amortization and Impairment	13.1 & 13.2	11.73	9.98
(vii) Others Expenses	35	180.62	160.11
Total Expenses (4)		**13,982.17**	**12,075.11**
(5) Profit Before Tax (3-4)		**3,379.55**	**2,765.50**
(6) Tax Expense:			
- Current Tax (Refer Note 52)		1,059.43	946.57
- Deferred Tax		(110.85)	(183.57)
Total Tax Expenses (6)		**948.58**	**763.00**
(7) Net Profit after Tax (5-6)		**2,430.97**	**2,002.50**
(8) Other Comprehensive Income			
(i) Items that will not be reclassified to Profit or (Loss)		(0.71)	4.01
(ii) Income Tax relating to items that will not be reclassified to Profit or (Loss)		0.25	(1.39)
Other Comprehensive Income		**(0.46)**	**2.62**
(9) Total Comprehensive Income		**2,430.51**	**2,005.12**
(10) Earnings per Equity Share			
Basic (₹)		48.17	39.68
Diluted (₹)		48.17	39.68

See accompanying notes forming part of the Standalone Financial Statement

As per our report of even date attached

For and on behalf of the Board of Directors

For Shah Gupta & Co.
Chartered Accountants
FRN 109574W

For Chokshi & Chokshi LLP
Chartered Accountants
FRN 101872W/W100045

Heneel K Patel
Partner
M.No.114103

Mitil R Chokshi
Partner
M.No. 047745

M. R. Kumar
Chairman
DIN: 03628755

Jagdish Capoor
Director
DIN: 00002516

Vinay Sah
Managing Director & Chief Executive Officer
DIN: 02425847

Nitin K. Jage
General Manager (Tax.) & Company Secretary
FCS No. 8084

P. Narayanan
CFO

Sadhana Deshpande
Chief Manager (Accounts)

Place: Mumbai
Date: May 04, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A. EQUITY SHARE CAPITAL

(₹ in Crore)

Balance as at April 1,2017	Changes in Equity Share Capital during the year	Balance as at March 31, 2018
100.99	-	100.99

Balance as at April 1, 2018	Changes in Equity Share Capital during the year	Balance as at March 31, 2019
100.99	-	100.99

B. OTHER EQUITY

(₹ in Crore)

	Reserve and Surplus							Other items of Other Comprehensive Income	Total Equity
	Statutory Reserves	Capital Reserve	Securities Premium Reserve	General Reserve	Special Reserve I	Special Reserve II	Retained Earnings		
Balance as at April 1, 2017	**0.13**	**0.48**	**1,705.29**	**4,782.97**	**38.98**	**3,794.36**	**2,188.76**	**-**	**12,510.96**
Add: Total Comprehensive Income for the year	-	-	-	-	-	-	2,002.50	2.62	2,005.12
Less: Dividend (including Tax on Dividend of ₹ 63.00 Crore)	-	-	-	-	-	-	(375.89)	-	(375.89)
Transfer to Statutory Reserves	0.01	-	-	-	-	-	(0.01)	-	-
Transfer to General Reserves	-	-	-	500.00	-	-	(500.00)	-	-
Transfer to Special Reserve II	-	-	-	-	-	559.99	(559.99)	-	-
Balance as at March 31, 2018	**0.14**	**0.48**	**1,705.29**	**5,282.97**	**38.98**	**4,354.35**	**2,755.37**	**2.62**	**14,140.19**
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 (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**

See accompanying notes forming part of the Standalone Financial Statement

As per our report of even date attached

For and on behalf of the Board of Directors

For Shah Gupta & Co.
Chartered Accountants
FRN 109574W

For Chokshi & Chokshi LLP
Chartered Accountants
FRN 101872W/W100045

Heneel K Patel
Partner
M.No.114103

Mitil R Chokshi
Partner
M.No. 047745

M. R. Kumar
Chairman
DIN: 03628755

Jagdish Capoor
Director
DIN: 00002516

Vinay Sah
Managing Director &
Chief Executive Officer
DIN: 02425847

Nitin K. Jage
General Manager (Tax.)
& Company Secretary
FCS No. 8084

P. Narayanan
CFO

Sadhana Deshpande
Chief Manager
(Accounts)

Place: Mumbai
Date: May 04, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

		Year Ended March 31, 2019	Year Ended March 31, 2018
A.	**Cash Flow from Operating Activities**		
	Profit Before Tax	3,379.55	2,765.50
	Adjustments for		
	Depreciation, Amortization and Impairment	11.73	9.98
	Impairment on Financial Instruments (Expected Credit Loss)	350.35	468.40
	Loss/(Gain) on disposal of Property, Plant and Equipment	(0.09)	(0.02)
	Dividend and Interest Income classified as Investing Cash Flows	(14.81)	(6.48)
	Unwinding of discount	(421.47)	(39.31)
	Modification Loss/ (Gain)	47.83	23.78
	Interest Expense	12,891.55	11,141.27
	Interest Income	(17,162.80)	(14,667.02)
	Adjustments for		
	Movements in Provisions and Gratuity	(0.46)	2.62
	(Increase) / Decrease in Other Financial Assets	1.08	120.43
	(Increase) / Decrease in Other Non Financial Assets	154.56	270.65
	Increase / (Decrease) in Other Financial Liabilities	1,996.44	(672.47)
	Increase / (Decrease) in Other Non Financial Liabilities	(7.05)	15.96
	Interest Paid	(12,763.45)	(10,502.60)
	Interest Received	16,831.12	14,591.67
	Cash generated from Operations	**5,294.08**	**3,522.36**
	Income Tax paid	(1,054.49)	(944.03)
	Net Cash Outflow from Operations	**4,239.59**	**2,578.33**
	Loans Disbursed (Net)	(26,613.76)	(22,096.49)
	Public Deposits (Net)	845.47	513.65
	Net Cash Outflow from Operating Activities (A)	**(21,528.70)**	**(19,004.51)**
B.	**Cash Flow from Investing Activities**		
	Payments for Property, Plant and Equipment	(50.50)	(10.58)
	Proceeds from Sale of Property, Plant and Equipment	0.14	0.02
	Payments for Purchase of Investments	(1,638.53)	1,857.71
	Proceeds from Sale of Investments	18.23	(473.79)
	Dividends Received	6.70	3.63
	Interest Received	8.12	2.84
	Net Cash (Outflow)/ Inflow from Investing Activities (B)	**(1,655.84)**	**1,379.83**

(₹ in Crore)

		Year Ended March 31, 2019	Year Ended March 31, 2018
C.	**Cash Flow from Financing Activities**		
	Proceeds from Borrowings	154,790.50	69,888.79
	Repayment of Borrowings	(130,300.29)	(51,428.83)
	Transfer to Investor Protection Fund	(0.82)	(0.66)
	Dividends paid to Company's Shareholders	(342.14)	(311.61)
	Dividend Distribution Tax paid	(69.25)	(63.00)
	Net Cash Inflow from Financing Activities (C)	**24,078.00**	**18,084.69**
	Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	**893.46**	**460.01**
	Cash and Cash Equivalents at the beginning of the year	1,908.34	1,448.33
	Cash and Cash Equivalents at the end of the year	**2,801.80**	**1,908.34**
	Cash and Cash Equivalents as per above comprise of the following		
	(i) Cash on hand	6.61	3.67
	(ii) Balances with Banks (of the nature of cash and cash equivalents);	2,470.27	1,710.09
	(iii) Cheques, drafts on hand	324.92	194.58
	Balances as per Statement of Cash Flows	**2,801.80**	**1,908.34**

As per our report of even date attached

For and on behalf of the Board of Directors

For Shah Gupta & Co.
Chartered Accountants
FRN 109574W

For Chokshi & Chokshi LLP
Chartered Accountants
FRN 101872W/W100045

Heneel K Patel
Partner
M.No.114103

Mitil R Chokshi
Partner
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M. R. Kumar
Chairman
DIN: 03628755

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Vinay Sah
Managing Director &
Chief Executive Officer
DIN: 02425847

Nitin K. Jage
General Manager (Tax.)
& Company Secretary
FCS No. 8084

P. Narayanan
CFO

Sadhana Deshpande
Chief Manager
(Accounts)

Place: Mumbai
Date: May 04, 2019

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 1: CORPORATE INFORMATION:

LIC Housing Finance Limited ("the Company") is a Public Limited Company, 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 house/buildings. The Company's Registered Office and Corporate Office is at Mumbai with the widest network of Operating Offices in India and Representative Offices at Dubai and Kuwait.

The Standalone Financial Statements for the year ended March 31, 2019 were authorized for issuance in accordance with resolution of the Board of Directors on May 04, 2019.

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 and the guidelines issued by the National Housing Bank ("NHB") to the extent applicable.

For all periods up to and including the financial year ended March 31, 2018, the Company had prepared its Standalone Financial Statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first IND AS Standalone Financial Statements of the Company. The date of transition to IND AS is April 01, 2017. Refer Note 4 below for the details of first-time adoption exemptions availed by the Company.

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. A statement regarding maturity within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 37.5

2.2 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 April 01, 2017. Accordingly, the Company has prepared these Standalone Financial Statements, which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2019, 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 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. 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 realizable value in IND AS 2 or value in use in IND AS 36.

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:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the amount is received. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms and excluding taxes collected on behalf of government.

i. Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is accrued on a time 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 shareholder'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:

Fee and commission income include fees other than those that are an integral part of EIR. The Company recognises the fee and commission income in accordance with the terms of the relevant contracts / agreement 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 determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a Lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership is classified as a finance lease.

Finance lease is capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate the lessor.

As a Lessor:

Lease in which the Company does not transfer substantially all the risks and rewards of ownership of an asset is classified as operating lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

Lease is classified as finance lease when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amount due from lessee under finance lease is recorded as receivables at the Company's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

periodic rate of return on the net investment outstanding in respect of the lease.

2.5 Functional Currency

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 rates of exchange prevailing at the dates of the transactions 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 historic cost are not translated.

Exchange difference arising on monetary items are recognised in the statement of profit and loss in the year in which they arise.

2.6 Borrowing Costs

Borrowing costs includes 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 is accrued on a time 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 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 statement of financial position 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 statement of financial position 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 entity can no longer withdraw the offer of the termination benefit and when the entity 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 and sick leave 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 short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related 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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 the tax currently payable and deferred tax.

Current Taxes

Current income tax is the amount of expected tax payable based on taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of Income Tax Act, 1961.

Deferred Taxes

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which give future economic benefits in the form of adjustment to future income tax liability, is considered as a deferred asset if there is convincing evidence that the 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 or 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.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition i.e. April 01, 2017 to IND AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

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.

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Type of asset	Useful Lives (in years)
Building	60
Furniture & Fixture	10
Vehicles	5
Office Equipment	5
Computers	3
Severs And Networks Equipment	6

Assets held under finance leases are depreciated over their expected useful lives on the basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the lease term, assets are depreciated over the shorter of lease term and their useful lives.

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 upto ₹ 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 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.

2.10 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.

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.

For transition to IND AS, the Company has elected to continue with the carrying value of all its Intangible Assets recognised as on April 01, 2017 (date of transition) measured as per previous GAAP as its deemed cost on the date of transition.

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.

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.

2.12 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.

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 shown 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.

The Company has elected to continue with the carrying value for its investment in subsidiaries and associates as recognised in the financial statements on transition i.e. April 01, 2017 to IND AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

2.14 Financial Instruments

Financial assets and financial liabilities are recognised 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 and loss are recognised immediately in Statement of Profit and Loss.

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. 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:

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- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the 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 and 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 remeasurement recognised in statement of profit or loss. The net gain or loss recognised in statement of profit or 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 entity,
- 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 group of financial assets to achieve its business objective.

The Company's business model is not assessed on instrument and instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed.

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model.

d) Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding

The Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount)

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors.

Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity 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 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 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 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 Company recalculate 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 the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets) or, when applicable, the revised effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

f) Impairment of Financial Assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. The Company applies a three-stage approach for measuring ECL for the following categories of financial assets that are not measured at fair value through profit or loss:

- debt instruments measured at amortised cost and fair value through other comprehensive income; and
- financial guarantee contracts.

No ECL is recognised on equity investments.

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Expected credit losses are 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:

- 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 are portion of the life-time expected credit losses and represent 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 are recognised using a provision for impairment losses in 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 profit or 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 senior 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, 2019

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.

A. 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 an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of directly attributable transaction costs.

c) Financial Liabilities

Financial liabilities are classified as measured at amortised cost or 'FVTPL'.

A Financial Liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IND AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with IND AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

d) Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

e) Derecognition of Financial Liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.15 Cash and Cash Equivalent:

Cash and cash equivalent in balance sheet comprise of cash at bank, cash on hand and short term highly liquid investments and short-term deposits with an original maturity of three months or less which are subject to insignificant risk of changes in value.

2.16 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 by weighted average no of equity shares year which are adjusted for the effects of all dilutive potential equity shares.

2.17 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 of the Company are segregated based on the available information.

2.18 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.

2.19 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.

2.20 Recent Accounting Pronouncements

STANDARDS ISSUED BUT YET NOT EFFECTIVE-

2.20.1. IND AS 116, Leases - On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified IND AS 116, Leases as part of the Companies (Indian Accounting Standards (IND AS)) Amendment Rules, 2019. IND AS 116 replaces existing standard on leases i.e. IND AS 17, Leases with effect from accounting periods beginning on or after 1 April 2019. IND AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. IND AS 17 required to classify leases as finance lease and operating lease, the same in not required under IND AS 116. The Company is currently evaluating the impact of IND AS 116 on its financial statements.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

2.20.2. IND AS 12 – Taxes on Income The first amendment requires an entity to create a corresponding liability for Dividend Distribution Tax (DDT) when it recognises a liability to pay a dividend. The liability for DDT shall be recorded in statement of profit & loss, other comprehensive income or equity, as the case may be.

The second amendment relates to tax consequence of an item whose tax treatment is uncertain. Tax treatment of an item is considered as uncertain when there is uncertainty whether the relevant taxation authority will accept the tax treatment of that item or not.

If there is uncertainty over tax treatment of an item an entity should predict the resolution of the uncertainty. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amount of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. In vice-versa case, the entity shall show the effect of the uncertainty for each uncertain tax treatment on amount of related items by using either the most likely outcome or the expected outcome of the uncertainty. The Company does not expect this amendment to have any impact on its financial statements.

2.20.3. IND AS 109 – Financial Instruments The amendments notified to IND AS 109 pertain to classification of a financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. The Company does not expect this amendment to have any impact on its financial statements.

2.20.4. IND AS 19 – Employee Benefits The amendments relate to effects of plan amendment, curtailment and settlement. When an entity determines the past service cost at the time of plan amendment or curtailment, it shall remeasure the amount of net defined benefit liability/ asset using the current value of plan assets and current actuarial assumptions which should reflect the benefits offered under the plan and plan assets before and after the plan amendment, curtailment and settlement. The Company does not expect this amendment to have any significant impact on its financial statements.

2.20.5. IND AS 23 – Borrowing Costs The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

2.20.6. IND AS 28 – Long-term Interests in Associates and Joint Ventures IND AS 109 excludes interest in associates and joint ventures that are accounted for in accordance with IND AS 28, Investments in Associates and Joint Ventures from its scope. According to the amendments, IND AS 109 should be applied to the financial instruments, including long-term interests in associates and joint venture that, in substance, form part of an entity's net investment in associate or joint venture, to which the equity method is not applied. The Company applies equity method to all long-term interests in associates and joint ventures.

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.

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 income 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. FIRST TIME ADOPTION OF IND AS

These financial statements, for the year ended 31st March, 2019, are the first financial statements, the Company has prepared in accordance with IND AS. For periods up to and including the year ended 31st March, 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP) and NHB guidelines.

The Company has prepared the opening Standalone Balance Sheet as per IND AS as of April 1, 2017 (the transition date) by,

- recognising all assets and liabilities whose recognition is required by IND AS,
- not recognising items of assets or liabilities which are not permitted by IND AS,
- by reclassifying items from previous GAAP to IND AS as required under IND AS, and
- applying IND AS in measurement of recognised assets and liabilities.

The accounting policies in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2019, comparative information for the year ended March 31, 2018 and the transition Balance Sheet as at April 1, 2017. For the purpose of transition to IND AS, the Company has followed the guidance prescribed in IND AS 101- First time adoption of Indian Accounting Standards, with April 1, 2017 as the Transition date. This note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements, including balance sheet as at April 1, 2017.

This note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements, including the balance sheet as at April 1, 2017 and the financial statements as at and for the year ended March 31, 2018.

4.1. Estimates

The estimates at April 1, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Previous GAAP did not require estimation:

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

- FVPTL / FVOCI – equity and debt instrument
- Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with IND AS reflect conditions at April 1, 2017, the date of transition to IND AS and as of March 31, 2018.

4.2. Fair value measurement of Financial Assets or Financial Liabilities

As per IND AS 101, the Company has not fair valued the financial assets and financial liabilities retrospectively and has measured the same prospectively.

4.3. Classification and Measurement of Financial Assets

The Company has classified financial assets at fair value through profit or loss or amortised cost on the basis of the facts and circumstances that exist at the date of transition to IND AS.

4.4. Impairment of Financial Assets

The Company has applied the impairment requirements of IND AS 109 retrospectively; however, as permitted by IND AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

4.5. Derecognition of Financial Assets and Financial Liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2017 (the transition date). As per IND AS 101 exemption, the Company has not re-assessed the securitization/ assignment transactions entered before the transition date and the same is continued to be derecognised.

4.6. Business Combinations

IND AS 103 "Business Combinations" has not been applied to acquisitions of subsidiaries or of interests in associates that occurred before April 1, 2017. The IGAAP carrying amounts of assets and liabilities, is their deemed cost at the date of acquisition. After the date of acquisition, measurement is in accordance with IND AS. The Company did not recognise or exclude any previously recognised amounts as a result of IND AS recognition requirements.

IND AS 101 requires that IGAAP carrying amount of goodwill must be used in the opening IND AS balance sheet. The Company has tested goodwill for impairment at the date of transition to IND AS but no impairment was deemed necessary at April 1, 2017.

4.7. Leases

Appendix C to IND AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with IND AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used IND AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

4.8. Deemed cost for Property, Plant and Equipment and Intangible Assets

The Company has chosen to continue with carrying value for all of its property, plant and equipment and intangible assets as recognised in its financial statements as of 1st April 2017 (transition date) measured as per the previous GAAP as its deemed cost as at the date of transition .

4.9. Investment in Subsidiaries and Associates

The Company has elected to continue with the carrying value of all of its investments in subsidiaries and associates recognised as of April 1, 2017 (transition date) measured as per the previous GAAP as its deemed cost as at the date of transition.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 5
CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i) Cash on hand	6.61	3.67	3.21
(ii) Balances with Banks	2,470.27	1,710.09	1,207.55
(iii) Cheques, drafts on hand	324.92	194.58	237.56
Total	**2,801.80**	**1,908.34**	**1,448.32**

NOTE 6
BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i) Earmarked balances with banks *	7.97	7.76	7.14
(ii) Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments **	185.14	180.34	259.94
Total	**193.11**	**188.10**	**267.08**

*Balance with Banks includes unclaimed dividend of ₹ 7.97 Crore (F.Y. 2017-18 ₹ 7.76 Crore & As at April 01, 2017 ₹ 7.14 Crore)

**Fixed Deposits with Banks includes earmarked deposits created in favour of trustees for depositors towards maintaining Statutory Liquid Ratio amounting to ₹ 177.25 Crore (F.Y. 2017-18 ₹ 172.99 Crore & As at April 01, 2017 ₹ 253.00 Crore) and ₹ 7.89 Crore (F.Y. 2017-18 ₹ 7.35 Crore & As at April 01, 2017 ₹ 6.94 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, 2019			As at March 31, 2018			As at April 1, 2017		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i) Interest Rate Derivatives									
- Interest Rate Swaps	-	26.98	25.79	-	43.65	39.43	-	85.77	88.61
Total Derivative Financial Instruments	**-**	**26.98**	**25.79**	**-**	**43.65**	**39.43**	**-**	**85.77**	**88.61**

NOTE 8
LOANS - AT AMORTISED COST

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(A)			
(i) Loans *			
- Individual	148,083.01	133,861.70	118,395.52
- Others	33,486.20	25,488.59	21,635.97
- Corporate Bodies/ Builders	13,077.14	8,116.29	5,531.82
(ii) Others			
- Loans to staff	4.86	3.84	3.60
- Loans against Public Deposit	1.01	1.03	0.67

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Total - Gross (A)	**194,652.22**	**167,471.45**	**145,567.58**
Less: Impairment Loss Allowance (Expected Credit Loss)	1,659.48	1,309.13	850.87
Total - Net (A)	**192,992.74**	**166,162.32**	**144,716.71**
(B)			
(i) Secured by Tangible Assets	193,937.94	167,043.03	145,142.47
(ii) Secured by Intangible Assets	277.42	150.52	161.10
(iii) Unsecured	436.86	277.90	264.01
Total - Gross (B)	**194,652.22**	**167,471.45**	**145,567.58**
Less: Impairment Loss Allowance (Expected Credit Loss)	1,659.48	1,309.13	850.87
Total - Net (B)	**192,992.74**	**166,162.32**	**144,716.71**
(C)			
(i) Loans in India			
Individual	148,088.88	133,866.57	118,399.79
Commercial Real Estate Sector	13,858.44	9,941.07	7,322.82
Commercial Real Estate Sector- Others	19,627.75	15,547.52	14,313.15
Builder Loans	9,633.47	7,307.85	4,998.48
Corporate Loans	3,169.01	659.43	410.62
Other Housing Finance Companies	274.67	149.01	122.72
Total - Gross (C) (i)	**194,652.22**	**167,471.45**	**145,567.58**
Less: Impairment Loss Allowance (Expected Credit Loss)	1,659.48	1,309.13	850.87
Total - Net (C) (i)	**192,992.74**	**166,162.32**	**144,716.71**
(ii) Loans outside India	-	-	-
Less: Impairment Loss Allowance (Expected Credit Loss)	-	-	-
Total - Net (C) (ii)	**-**	**-**	**-**
Total (C) (i+ii)	**192,992.74**	**166,162.32**	**144,716.71**

* Loans including interest and installment outstanding due from directors amounts to ₹ 0.04 Crore (F.Y. 2017-18 ₹ 0.06 Crore and As at April 01, 2017 ₹ 0.07 Crore) and other related parties ₹ 0.48 Crore (F.Y. 2017-18 ₹ 0.53 Crore and As at April 01, 2017 ₹ 0.47 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Loan Portfolio includes loans amounting to ₹ 309.63 Crore (F.Y. 2017-18 ₹ 264.29 Crore & As at April 01, 2017 ₹ 233.07 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 ₹ 295.77 Crore (F.Y. 2017-18 ₹ 263.56 Crore & As at April 01, 2017 ₹ 251.86 Crore), being lower of the Fair Value of the asset possessed and the outstanding as at March 31, 2019.

For detail disclosures relating to Credit Risk, Impairment Losses, Movement of Impairment Losses refer Note No 37.4.2 of Standalone Financial Statements.

NOTE 9
INVESTMENTS

(₹ in Crore)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 1, 2017			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Mutual Funds	-	2,227.29	-	**2,227.29**	-	957.30	-	**957.30**	-	2,813.94	-	**2,813.94**
Government Securities *	1,248.12	-	-	**1,248.12**	903.97	-	-	**903.97**	446.63	-	-	**446.63**
"Equity instruments"	-	1.10	-	**1.10**	-	1.10	-	**1.10**	-	1.20	-	**1.20**
Subsidiaries	-	-	68.29	**68.29**	-	-	43.29	**43.29**	-	-	26.84	**26.84**
Associates	-	-	29.71	**29.71**	-	-	29.71	**29.71**	-	-	29.71	**29.71**
Real Estate Venture Fund	-	20.55	-	**20.55**	-	36.80	-	**36.80**	-	51.08	-	**51.08**
Total – Gross (A)	**1,248.12**	**2,248.94**	**98.00**	**3,595.06**	**903.97**	**995.20**	**73.00**	**1,972.17**	**446.63**	**2,866.22**	**56.55**	**3,369.40**
(i) Investments outside India	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
(ii) Investments in India	1,248.12	2,248.94	98.00	**3,595.06**	903.97	995.20	73.00	**1,972.17**	446.63	2,866.22	56.55	**3,369.40**
Total (B)	**1248.12**	**2,248.94**	**98.00**	**3,595.06**	**903.97**	**995.20**	**73.00**	**1,972.17**	**446.63**	**2,866.22**	**56.55**	**3,369.40**

* The Company has not recognised any provision under Expected Credit Loss on Investments made in Government Securities .

(₹ in Crore)

Investment in Mutual Funds carried at Fair Value through Profit & Loss Account	No. of Units as at			Amount as at		
	March 31, 2019	March 31, 2018	April 1, 2017	March 31, 2019	March 31, 2018	April 1, 2017
Aditya Birla Sun Life Liquid Fund - Growth - Regular Plan	2,678,430.33	-	-	80.09	-	-
Aditya Birla Sun Life Floating Rate Fund Short Term Plan - Growth - Regular Plan	-	1,300,539.51	3,238,443.84	-	30.05	70.03
Axis Liquid Fund - Growth	436,338.42	156,424.16	389,424.09	90.11	30.04	70.02
Baroda Liquid Fund - Plan A Growth	374,470.21	151,062.89	537,013.64	80.09	30.05	100.03
BNP Paribas Liquid Fund Growth	140,209.18	75,356.23	200,779.72	40.04	20.02	50.01
BOI AXA Liquid Fund - Regular Plan - Growth	-	100,517.21	-	-	20.03	-
Canara Robeco Liquid Fund - Regular Growth	177,753.19	95,504.84	305,156.13	40.04	20.03	60.01
DHFL Pramerica Insta Cash Plus Fund - Growth	-	1,334,924.56	3,322,823.72	-	30.03	70.02
DSP Liquidity Fund - Regular Plan - Growth	338,851.77	202,383.47	302,047.50	90.09	50.07	70.02
Edelweiss Liquid Fund - Regular Plan - Growth	167,722.39	90,162.29	-	40.04	20.03	-
Franklin India Liquid Fund - Super IP - Growth	179,543.91	77,292.59	288,615.66	50.06	20.01	70.02
HDFC Liquid Fund - Regular Plan - Growth	328,170.16	146,800.33	218,841.41	120.12	50.07	70.02
HSBC Cash Fund - Growth	269,639.36	173,971.17	371,162.87	50.04	30.02	60.01
ICICI Prudential Liquid Fund - Growth	3,634,613.74	-	-	100.10	-	-
ICICI Prudential Money Market Fund - Growth	-	2,090,439.08	4,457,955.02	-	50.07	100.03
IDBI Liquid Fund - Regular Plan - Growth	251,491.89	162,269.09	346,137.48	50.05	30.03	60.02
IDFC Cash Fund - Growth - Regular Plan	354,769.89	95,219.86	304,501.68	80.09	20.03	60.02
Invesco India Liquid Fund - Growth	390,687.77	126,008.57	448,063.42	100.08	30.04	100.03
JM High Liquidity Fund - Growth Option	-	4,227,248.42	22,547,253.41	-	20.03	100.03
Kotak Floater Short Term - Growth (Regular Plan)	-	176,021.05	281,630.60	-	50.07	75.02
Kotak Liquid Regular Plan Growth	318,336.83	-	227,983.79	120.10	-	75.02

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Investment in Mutual Funds carried at Fair Value through Profit & Loss Account	No. of Units as at			Amount as at		
	March 31, 2019	March 31, 2018	April 1, 2017	March 31, 2019	March 31, 2018	April 1, 2017
L & T Liquid Fund - Regular Growth	313,619.63	126,418.99	269,759.57	80.09	30.03	60.01
LIC MF Liquid Fund - Regular Plan - Growth	1,263,442.43	498,200.41	2,768,101.38	425.43	156.23	813.38
Mahindra Liquid Fund - Regular - Growth	414,812.15	-	-	50.06	-	-
Mirae Asset cash Management Fund - Regular Growth Plan	256,645.00	-	-	50.05	-	-
PRINCIPAL CMF Regular Plan Growth	-	118,745.81	380,203.18	-	20.02	60.02
Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option	220,530.96	118,598.90	379,478.07	100.10	50.08	150.04
SBI Premier Liquid Fund - Regular Plan - Growth	411,992.65	110,657.69	275,050.39	120.15	30.05	70.02
Sundaram Money Fund Regular Growth	12,761,580.50	5,488,067.57	20,477,536.14	50.06	20.03	70.02
Tata Liquid Fund Regular Plan - Growth	409,796.32	-	-	120.09	-	-
Tata Money Market Fund Regular Plan - Growth	-	183,613.68	430,844.45	-	50.07	110.03
Union Liquid Fund Growth	-	116,043.06	432,481.06	-	20.03	70.02
UTI - Liquid Cash Plan -Institutuional - Growth	328,272.04	-	564,769.75	100.12	-	150.04
UTI - Money Market Fund - Institutuional Plan - Growth	-	154,866.78	-	-	30.04	-
Total				**2,227.29**	**957.30**	**2,813.94**

(₹ in Crore)

Investments in Government Securities - Quoted, Fully paid up * carried at Amortized Cost	No. of Shares/Units as at			Amount as at		
	March 31, 2019	March 31, 2018	April 1, 2017	March 31, 2019	March 31, 2018	April 1, 2017
8.33% GOI STOCK 2036	30000	30000	30000	0.31	0.31	0.31
8.28% GOI STOCK 2032	828000	828000	828000	8.07	8.06	8.05
7.35% GOI STOCK 2024	1600000	1600000	1600000	16.28	16.28	16.27
8.14% MAHARASHTRA SDL 2019	150000	150000	150000	1.50	1.50	1.51
8.24% GOI STOCK 2027	1100000	1100000	1100000	11.07	11.06	11.06
8.28% GOI STOCK 2027	500000	500000	500000	5.00	5.00	5.00
8.12% GOI STOCK 2020	1000000	1000000	1000000	10.32	10.36	10.39
8.35% GOI STOCK 2022	20000	20000	20000	0.20	0.20	0.20
8.83% GOI STOCK 2023	2500000	2500000	2500000	25.94	25.97	25.99
8.83% GOI STOCK 2023	1700000	1700000	1700000	18.00	18.09	18.17
8.32% GOI STOCK 2032	2000000	2000000	2000000	20.46	20.47	20.48
7.80% GOI STOCK 2020	6500000	6500000	6500000	66.89	66.74	66.61
8.24% GOI STOCK 2033	3000000	3000000	3000000	32.22	32.27	32.31
8.60% GOI STOCK 2028	4500000	4500000	4500000	50.64	50.97	51.29
8.60% GOI STOCK 2028	7950000	7950000	7950000	90.17	90.82	91.41
7.59% GOI STOCK 2029	8500000	8500000	8500000	87.30	87.45	87.58
6.57% GOI STOCK 2033	10500000	10500000	-	104.81	104.72	-
7.35% GOI STOCK 2024	10000000	10000000	-	104.45	104.84	-
6.79% GOI STOCK 2029	11000000	11000000	-	110.84	110.78	-
6.68% GOI STOCK 2031	4000000	4000000	-	38.27	38.19	-
6.68% GOI STOCK 2031	11000000	11000000	-	100.34	99.89	-
7.59% GOI STOCK 2026	2000000	-	-	19.85	-	-
7.17% GOI STOCK 2028	6000000	-	-	59.67	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Investments in Government Securities - Quoted, Fully paid up * carried at Amortized Cost	No. of Shares/Units as at			Amount as at		
	March 31, 2019	March 31, 2018	April 1, 2017	March 31, 2019	March 31, 2018	April 1, 2017
7.40% GOI STOCK 2035	9000000	-	-	87.50	-	-
7.26% GOI STOCK 2029	6000000	-	-	60.51	-	-
7.95% GOI STOCK 2032	6000000	-	-	61.92	-	-
6.57% GOI STOCK 2033	6000000	-	-	55.57	-	-
Total				**1248.12**	**903.97**	**446.63**

* Kept with designated bank for repayment to depositors

(₹ in Crore)

Investments in Equity Instruments - Unquoted, Fully paid up, carried at fair value through Profit & Loss Account	No. of Shares/Units as at			Amount as at		
	March 31, 2019	March 31, 2018	April 1, 2017	March 31, 2019	March 31, 2018	April 1, 2017
Aptech Limited (Face Value of ₹ 10 each)	-	-	4,134	-	-	0.10
Total				**-**	**-**	**0.10**

(₹ in Crore)

Investments in Equity Instruments - Unquoted, Fully paid up	No. of Shares/Units as at			Amount as at		
	March 31, 2019	March 31, 2018	April 1, 2017	March 31, 2019	March 31, 2018	April 1, 2017
In Subsidiaries - Carried at Demeed cost						
LICHFL Care Homes Ltd. (Face Value ₹ 10/- each)	50,000,000	25,000,000	8,550,000	50.00	25.00	8.55
LICHFL Financial Services Ltd. (Face Value ₹ 10/- each)	9,500,000	9,500,000	9,500,000	9.50	9.50	9.50
LICHFL Trustee Company Private Ltd. (Face Value ₹ 10/- each)	90,000	90,000	90,000	0.09	0.09	0.09
LICHFL Asset Management Company Ltd. (Face Value ₹ 10/- each)	8,700,000	8,700,000	8,700,000	8.70	8.70	8.70
In Associates - Carried at Demeed cost						
LIC Mutual Fund Asset Management Ltd. (Face Value ₹ 10,000/- each)	4,323	4,323	4,323	29.69	29.69	29.69
LIC Mutual Fund Trustee Private Ltd. (Face Value ₹ 10/- each)	3,530	3,530	3,530	0.02	0.02	0.02
Others						
Goods and Service Tax Network (Face Value ₹ 10/- each)	1,100,000	1,100,000	1,100,000	1.10	1.10	1.10
Total				**99.10**	**74.10**	**57.65**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Investments carried at Fair value through Profit & Loss Account	No. of Shares/Units as at			Amount as at		
	March 31, 2019	March 31, 2018	April 1, 2017	March 31, 2019	March 31, 2018	April 1, 2017
Contribution to Trust				**0.002**	**0.002**	**0.001**
Other investments-Unquoted, Fully paid up						
(i) Real Estate Venture Fund:**						
Kotak India Real Estate Fund -1 (Face Value ₹ 100,000/- each)	-	-	576.49	-	-	5.76
CIG Reality Fund - 1 (Face Value ₹ 10/- each)	9,714,286	10,000,000	10,000,000	-	-	8.88
				-	**-**	**14.64**
Other investments-Unquoted, Partly paid up						
(i) Real Estate Venture Fund:**						
LICHFL Urban Development Fund (Face Value ₹ 10,000/- each)	50,000	50,000	50,000	19.01	36.80	36.44
LICHFL Housing and Infrastructure Fund (Face Value ₹ 100/- each)		-	-	1.54	-	-
				20.55	**36.80**	**36.44**
Total				**20.55**	**36.80**	**51.08**

**These are close ended schemes subject to lock in till the closure of the Scheme

NOTE 10
OTHER FINANCIAL ASSETS

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i) Interest Accrued But not due on Fixed Deposits with Banks	18.60	10.86	11.16
(ii) Security Deposits	8.85	7.90	7.26
(iii) Dues from Subsidiaries/ Associates	0.57	0.40	0.04
(iv) Other Dues from Staff	1.55	0.84	0.78
(v) Fees Receivable	2.22	1.21	1.30
Total	**31.79**	**21.21**	**20.54**

NOTE 11
CURRENT TAX ASSETS (NET)

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i) Advance Tax (Net of Provision)	107.53	112.52	115.05
(ii) Tax Paid under Protest	70.52	70.52	70.52
Total	**178.05**	**183.04**	**185.57**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 12
DEFERRED TAX ASSETS (NET)

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i) Deferred Tax Assets	2,082.75	1,955.14	1,565.17
(ii) Deferred Tax Liabilities (Refer Note 52)	(1,529.38)	(1,512.86)	(1,305.07)
Total	**553.37**	**442.28**	**260.10**

NOTE 13.1
PROPERTY, PLANT & EQUIPMENT

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 changes in carrying value of the Property, Plant & Equipment for the year ended March 31, 2018 are as follows:-

(₹ in Crore)

Particulars	Freehold Land	Building	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Deemed Cost as on April 1, 2017	**0.04**	**74.73**	**3.10**	**2.75**	**0.21**	**2.29**	**9.76**	**92.88**
Additions	-	0.08	3.47	2.15	-	1.24	3.07	10.01
Deductions	-	-	0.13	0.14	-	0.36	0.29	0.92
Gross carrying value as of March 31, 2018	**0.04**	**74.81**	**6.44**	**4.76**	**0.21**	**3.17**	**12.54**	**101.97**
Accumulated Depreciation as of April 1, 2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	-	1.28	0.85	0.81	0.10	0.88	4.26	8.18
Accumulated Depreciation on Deductions	-	-	0.13	0.14	-	0.36	0.29	0.92
Accumulated Depreciation as of March 31, 2018	**-**	**1.28**	**0.72**	**0.67**	**0.10**	**0.52**	**3.97**	**7.26**
Carrying Value as of March 31, 2018	**0.04**	**73.53**	**5.72**	**4.09**	**0.11**	**2.65**	**8.57**	**94.71**

NOTE 13.2
OTHER INTANGIBLE ASSETS

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**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Particulars	Software License	Total
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**

The Debentures would be secured by mortgage on an immovable Property Owned by the Company. The mortgage would be on a flat owned by the Company valuing approx ₹ 1.31 Crores (Book Value ₹ 0.09 Crores).

The changes in carrying value of the Intangible Assets for the year ended March 31, 2018 are as follows :-

(₹ in Crore)

Particulars	Software License	Total
Deemed Cost as on April 1, 2017	**3.65**	**3.65**
Additions	0.56	0.56
Deductions	-	-
Gross Carrying Value as of March 31, 2018	**4.21**	**4.21**
Accumulated Depreciation as of April 1, 2017	-	-
Depreciation for the year	1.80	1.80
Accumulated Depreciation on Deductions	-	-
Accumulated Depreciation as of March 31, 2018	**1.80**	**1.80**
Carrying Value as of March 31, 2018	**2.41**	**2.41**

NOTE 14
OTHER NON FINANCIAL ASSETS

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i) Capital Advances	1.48	19.64	0.45
(ii) Other Deposits	0.70	0.32	0.31
(iii) Statutory Dues	46.04	11.13	17.83
(iv) Prepaid Expenses	25.45	13.22	11.27
(v) Sundry Advances	0.98	27.21	1.56
(vi) Others	0.07	0.07	0.15
Total	**74.72**	**71.59**	**31.57**

NOTE 15
TRADE PAYABLES

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(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	61.29	58.97
Total	**79.94**	**61.29**	**58.97**

* includes payable to a related party ₹ 12.78 Crore (F.Y. 2017-18 ₹ 7.54 Crore and As at April 01, 2017 ₹ 8.96 Crore)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

OTHER PAYABLES

(₹ in Crore)

Particulars		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(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 16

DEBT SECURITIES - AT AMORTISED COST

(₹ in Crore)

Particulars		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(1)	**SECURED:**			
	Non Convertible Debentures (Refer Note 16.1)	118,860.06	108,947.00	94,880.00
	Zero Coupon Debentures (Refer Note 16.2)	8,615.50	6,524.00	4,427.00
(2)	**UNSECURED:**			
	Commercial Papers (Refer Note 16.3)	7,140.11	4,050.22	2,278.21
Total (A) (1+2)		**134,615.67**	**119,521.22**	**101,585.21**
Debt Securities in India		134,615.67	119,521.22	101,585.21
Debt Securities outside India		-	-	-
Total (B)		**134,615.67**	**119,521.22**	**101,585.21**

NOTE 16.1

"Secured by a negative lien on the assets of the Company (excluding the Company's 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. The mortgage is on the flat owned by the Company valuing approx ₹ 1.31 Crore (Book Value ₹ 0.09 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, 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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2019
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
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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ 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	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
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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2019
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
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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2019
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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2019
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
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				**118,860.06**

* issued at a discount of ₹ 0.64 Crore

Transactions of amount ₹ 17050 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, 2018
14770 NCD's of ₹ 1000000/- each	29-Jan-28	7.9500%	27-Aug-21	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%	26-Nov-20	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%	29-Aug-19	500.00
5000 NCD's of ₹ 1000000/- each	29-Jun-26	8.4800%	29-Aug-18	500.00
3700 NCD's of ₹ 1000000/- each	15-Jun-26	8.4700%	15-Jul-19	370.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2018
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	03-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
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
5000 NCD's of ₹ 1000000/- each	23-Oct-25	8.2500%	23-Nov-18	500.00
2100 NCD's of ₹ 1000000/- each	08-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-Feb-20	200.00
5000 NCD's of ₹ 1000000/- each	14-Aug-25	8.5500%	-	500.00
3000 NCD's of ₹ 1000000/- each	01-Aug-25	8.5800%	03-May-19	300.00
2000 NCD's of ₹ 1000000/- each	18-Jul-25	8.5700%	20-Sep-18	200.00
2050 NCD's of ₹ 1000000/- each	04-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	03-Mar-25	8.5200%	-	425.00
6000 NCD's of ₹ 1000000/- each	24-Feb-25	8.5000%	24-Apr-18	600.00
1000 NCD's of ₹ 1000000/- each	30-Jan-25	8.4000%	-	10.00
10000 NCD's of ₹ 1000000/- each	08-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	06-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	05-Jul-24	9.2900%	-	605.00
2500 NCD's of ₹ 1000000/- each	08-May-24	7.9000%	-	250.00
10000 NCD's of ₹ 1000000/- each	19-Mar-24	9.8000%	-	1,000.00
2000 NCD's of ₹ 1000000/- each	08-Feb-24	8.5800%	15-Mar-19	200.00
10000 NCD's of ₹ 1000000/- each	22-Dec-23	7.2500%	-	1,000.00
2000 NCD's of ₹ 1000000/- each	19-Sep-23	7.8600%	-	200.00
2720 NCD's of ₹ 1000000/- each	09-Jun-23	8.4800%	-	272.00
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	09-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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2018
7500 NCD's of ₹ 1000000/- each	01-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	03-May-22	7.8000%	-	250.00
5000 NCD's of ₹ 1000000/- each	24-Mar-22	7.9500%	-	500.00
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
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
4800 NCD's of ₹ 1000000/- each	21-Oct-21	7.6600%	21-Nov-18	480.00
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
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	07-Jul-21	8.4700%	-	435.00
5000 NCD's of ₹ 1000000/- each	07-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	08-Mar-21	8.7500%	-	600.00
2500 NCD's of ₹ 1000000/- each	07-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	05-Jan-21	8.5000%	-	350.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2018
1500 NCD's of ₹ 1000000/- each	05-Jan-21	8.5000%	28-Feb-19	150.00
1070 NCD's of ₹ 1000000/- each	04-Jan-21	9.3500%	-	107.00
4560 NCD's of ₹ 1000000/- each	28-Dec-20	8.6000%	-	456.00
7500 NCD's of ₹ 1000000/- each	21-Dec-20	8.7500%	-	750.00
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
2000 NCD's of ₹ 1000000/- each	07-Oct-20	7.5400%	-	200.00
4400 NCD's of ₹ 1000000/- each	24-Sep-20	8.5250%	-	440.00
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
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
5000 NCD's of ₹ 1000000/- each	11-Jun-20	7.5850%	-	500.00
5000 NCD's of ₹ 1000000/- each	05-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
6500 NCD's of ₹ 1000000/- each	28-Feb-20	7.5800%	-	650.00
2500 NCD's of ₹ 1000000/- 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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2018
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
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	08-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	03-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
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 ₹ 10000000/- 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	05-Apr-19	8.6900%	-	200.00
11500 NCD's of ₹ 1000000/- each	28-Mar-19	7.9000%	-	1,150.00
5000 NCD's of ₹ 1000000/- each	25-Mar-19	9.6500%	-	500.00
8000 NCD's of ₹ 1000000/- each	08-Mar-19	9.7624%	-	800.00
3500 NCD's of ₹ 1000000/- each	28-Feb-19	8.4000%	-	350.00
3000 NCD's of ₹ 1000000/- each	27-Feb-19	8.3800%	-	300.00
2810 NCD's of ₹ 1000000/- each	26-Feb-19	9.7705%	-	281.00
10250 NCD's of ₹ 1000000/- each	12-Feb-19	7.2000%	-	1,025.00
4150 NCD's of ₹ 10000000/- each	08-Feb-19	8.6500%	-	415.00
5000 NCD's of ₹ 1000000/- each	22-Jan-19	9.6000%	-	500.00
3700 NCD's of ₹ 1000000/- each	22-Jan-19	9.6300%	-	370.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2018
7000 NCD's of ₹ 1000000/- each	16-Jan-19	9.7300%	-	700.00
5000 NCD's of ₹ 1000000/- each	21-Dec-18	7.5600%	-	500.00
3000 NCD's of ₹ 1000000/- each	17-Dec-18	8.7000%	-	300.00
5000 NCD's of ₹ 1000000/- each	06-Dec-18	8.6850%	-	500.00
6500 NCD's of ₹ 1000000/- each	20-Nov-18	7.5072%	-	650.00
7000 NCD's of ₹ 1000000/- each	15-Nov-18	6.9200%	-	700.00
2730 NCD's of ₹ 1000000/- each	01-Nov-18	9.6500%	-	273.00
7750 NCD's of ₹ 1000000/- each	25-Oct-18	9.5500%	-	775.00
5000 NCD's of ₹ 1000000/- each	21-Oct-18	9.6000%	-	500.00
5000 NCD's of ₹ 1000000/- each	15-Oct-18	7.0650%	-	500.00
5000 NCD's of ₹ 1000000/- each	08-Oct-18	8.3800%	-	500.00
5000 NCD's of ₹ 1000000/- each*	27-Sep-18	11.1500%	-	125.00
5250 NCD's of ₹ 1000000/- each	27-Sep-18	8.1800%	-	525.00
1550 NCD's of ₹ 1000000/- each	14-Sep-18	8.7000%	-	155.00
7000 NCD's of ₹ 1000000/- each	12-Sep-18	7.2000%	-	700.00
3000 NCD's of ₹ 1000000/- each	07-Sep-18	8.4500%	-	300.00
5000 NCD's of ₹ 1000000/- each	06-Sep-18	6.9500%	-	500.00
5000 NCD's of ₹ 1000000/- each**	05-Sep-18	9.6000%	-	125.00
5000 NCD's of ₹ 1000000/- each	25-Aug-18	9.6000%	-	500.00
5000 NCD's of ₹ 1000000/- each	14-Aug-18	7.5100%	-	500.00
3000 NCD's of ₹ 1000000/- each	13-Aug-18	11.0800%	-	300.00
4900 NCD's of ₹ 1000000/- each	27-Jul-18	8.6000%	-	490.00
2050 NCD's of ₹ 1000000/- each	04-Jul-18	8.8300%	-	205.00
2500 NCD's of ₹ 1000000/- each	29-Jun-18	7.1800%	-	250.00
285 NCD's of ₹ 10000000/- each	27-Jun-18	7.0000%	-	285.00
3000 NCD's of ₹ 1000000/- each	27-Jun-18	6.9800%	-	300.00
5000 NCD's of ₹ 1000000/- each	22-Jun-18	8.7000%	-	500.00
6600 NCD's of ₹ 1000000/- each	20-Jun-18	8.6000%	-	660.00
3520 NCD's of ₹ 1000000/- each	11-Jun-18	8.4000%	-	352.00
8500 NCD's of ₹ 1000000/- each	28-May-18	8.3400%	-	850.00
3000 NCD's of ₹ 1000000/- each	22-May-18	8.3100%	-	300.00
4000 NCD's of ₹ 1000000/- each	15-May-18	8.7300%	-	400.00
4380 NCD's of ₹ 1000000/- each	14-May-18	8.6500%	-	438.00
5000 NCD's of ₹ 1000000/- each	27-Apr-18	8.3000%	-	500.00
2000 NCD's of ₹ 1000000/- each	27-Apr-18	7.2500%	-	200.00
6000 NCD's of ₹ 1000000/- each	09-Apr-18	9.1100%	-	600.00
				108,947.00

*Redeemable @ ₹ 2.50 Lakhs each on 27-Sep-18

**Redeemable @ ₹ 2.50 Lakhs each on 05-Sep-18

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 April 1, 2017
6000 NCD's of ₹ 1000000/- each	26-Mar-27	7.9500%	-	600.00
10000 NCD's of ₹ 1000000/- each	16-Dec-26	7.1600%	-	1000.00
10000 NCD's of ₹ 1000000/- each	23-Oct-26	7.4800%	-	1000.00
5000 NCD's of ₹ 1000000/- each	25-Sep-26	7.8300%	26-Nov-20	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%	29-Aug-19	500.00
5000 NCD's of ₹ 1000000/- each	29-Jun-26	8.4800%	29-Jun-18	500.00
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	03-Mar-26	8.5700%	-	1000.00
5000 NCD's of ₹ 1000000/- each	26-Feb-26	8.5300%	-	500.00
7500 NCD's of ₹ 1000000/- each	28-Jan-26	8.4200%	-	750.00
7500 NCD's of ₹ 1000000/- each	02-Feb-26	8.4300%	-	750.00
10000 NCD's of ₹ 1000000/- each	12-Dec-25	8.4000%	-	1000.00
10000 NCD's of ₹ 1000000/- each	13-Nov-25	8.2000%	-	1000.00
5000 NCD's of ₹ 1000000/- each	23-Oct-25	8.2500%	23-Nov-18	500.00
2100 NCD's of ₹ 1000000/- each	08-Oct-25	8.3400%	-	210.00
2000 NCD's of ₹ 1000000/- each	29-Aug-25	8.4800%	24-Dec-20	200.00
3000 NCD's of ₹ 1000000/- each	29-Aug-25	8.5000%	-	300.00
5000 NCD's of ₹ 1000000/- each	14-Aug-25	8.5500%	-	500.00
3000 NCD's of ₹ 1000000/- each	01-Aug-25	8.5800%	-	300.00
2000 NCD's of ₹ 1000000/- each	18-Jul-25	8.5700%	20-Sep-18	200.00
2050 NCD's of ₹ 1000000/- each	04-Jun-25	8.5000%	-	205.00
10000 NCD's of ₹ 1000000/- each	29-May-25	8.5500%	-	1000.00
10000 NCD's of ₹ 1000000/- each	31-Mar-25	8.2200%	-	1000.00
4250 NCD's of ₹ 1000000/- each	03-Mar-25	8.5200%	-	425.00
6000 NCD's of ₹ 1000000/- each	24-Feb-25	8.5000%	24-Apr-18	600.00
100 NCD's of ₹ 1000000/- each	30-Jan-25	8.4000%	-	10.00
10000 NCD's of ₹ 1000000/- each	08-Jan-25	8.6200%	-	1000.00
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
5000 NCD's of ₹ 1000000/- each	23-Aug-24	9.4700%	-	500.00
10000 NCD's of ₹ 1000000/- each	23-Aug-24	9.3900%	-	1000.00
6050 NCD's of ₹ 1000000/- each	05-Jul-24	9.2900%	-	605.00
10000 NCD's of ₹ 1000000/- each	19-Mar-24	9.8000%	-	1000.00
2000 NCD's of ₹ 1000000/- each	08-Feb-24	8.5800%	15-Mar-19	200.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at April 1, 2017
10000 NCD's of ₹ 1000000/- each	22-Dec-23	7.2500%	-	1000.00
2000 NCD's of ₹ 1000000/- each	19-Sep-23	7.8600%	-	200.00
2720 NCD's of ₹ 1000000/- each	09-Jun-23	8.4800%	-	272.00
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	09-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	01-Jan-23	9.2500%	-	750.00
5000 NCD's of ₹ 1000000/- each	17-Dec-22	9.3000%	-	500.00
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
5000 NCD's of ₹ 1000000/- each	14-Sep-22	9.3000%	-	500.00
5000 NCD's of ₹ 1000000/- each	24-Jul-22	9.3500%	-	500.00
5000 NCD's of ₹ 1000000/- each	24-Mar-22	7.9500%	-	500.00
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
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
4800 NCD's of ₹ 1000000/- each	21-Oct-21	7.6600%	21-Nov-18	480.00
3000 NCD's of ₹ 1000000/- each	19-Oct-21	7.8100%	17-Nov-17	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
2000 NCD's of ₹ 1000000/- each	27-Aug-21	7.7500%	-	200.00
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	07-Jul-21	8.4700%	-	435.00
5000 NCD's of ₹ 1000000/- each	07-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%	08-Dec-17	505.00
6000 NCD's of ₹ 1000000/- each	08-Mar-21	8.7500%	08-Aug-17	600.00
2500 NCD's of ₹ 1000000/- each	07-Mar-21	9.6000%	-	250.00
3670 NCD's of ₹ 1000000/- each	26-Feb-21	8.6000%	-	367.00
7500 NCD's of ₹ 1000000/- each	12-Feb-21	8.7500%	21-Apr-17	750.00
10000 NCD's of ₹ 1000000/- each	18-Jan-21	9.0000%	-	1000.00
1500 NCD's of ₹ 1000000/- each	05-Jan-21	8.5000%	28-Feb-19	150.00
3500 NCD's of ₹ 1000000/- each	05-Jan-21	8.5000%	28-Feb-18	350.00
1070 NCD's of ₹ 1000000/- each	04-Jan-21	9.3500%	-	107.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at April 1, 2017
4560 NCD's of ₹ 1000000/- each	28-Dec-20	8.6000%	-	456.00
7500 NCD's of ₹ 1000000/- each	21-Dec-20	8.7500%	21-Nov-17	750.00
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
2000 NCD's of ₹ 1000000/- each	07-Oct-20	7.5400%	-	200.00
4400 NCD's of ₹ 1000000/- each	24-Sep-20	8.5250%	-	440.00
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%	-	1000.00
6300 NCD's of ₹ 1000000/- each	10-Aug-20	8.9000%	-	630.00
7500 NCD's of ₹ 1000000/- each	29-Jul-20	8.6000%	23-Feb-18	750.00
6050 NCD's of ₹ 1000000/- each	22-Jul-20	8.6000%	22-Nov-17	605.00
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
5000 NCD's of ₹ 1000000/- each	11-Jun-20	7.5850%	-	500.00
2960 NCD's of ₹ 1000000/- each	31-May-20	8.6000%	-	296.00
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
6500 NCD's of ₹ 1000000/- each	28-Feb-20	7.5800%	-	650.00
2500 NCD's of ₹ 1000000/- 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
3500 NCD's of ₹ 1000000/- each	14-Jan-20	8.7300%	-	350.00
4500 NCD's of ₹ 1000000/- each	14-Jan-20	8.7500%	-	450.00
10000 NCD's of ₹ 1000000/- each	11-Dec-19	8.6100%	-	1000.00
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
7150 NCD's of ₹ 1000000/- each	28-Nov-19	8.7200%	-	715.00
5500 NCD's of ₹ 1000000/- each	18-Nov-19	8.5937%	-	550.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at April 1, 2017
6000 NCD's of ₹ 1000000/- each	08-Nov-19	8.7000%	10-May-17	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%	17-Nov-17	770.00
10000 NCD's of ₹ 1000000/- each	03-Oct-19	8.3700%	02-Nov-17	1000.00
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%	-	1000.00
5750 NCD's of ₹ 1000000/- each	19-Aug-19	9.3500%	-	575.00
10000 NCD's of ₹ 1000000/- each	24-Jul-19	9.5100%	-	1000.00
3000 NCD's of ₹ 1000000/- each	26-Jun-19	8.6900%	-	300.00
3000 NCD's of ₹ 1000000/- each	13-Jun-19	8.6000%	-	300.00
3000 NCD's of ₹ 1000000/- each	13-Jun-19	8.3700%	13-Dec-17	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
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
2000 NCD's of ₹ 1000000/- each	05-Apr-19	8.7300%	-	200.00
5000 NCD's of ₹ 1000000/- each	25-Mar-19	9.6500%	-	500.00
8000 NCD's of ₹ 1000000/- each	08-Mar-19	9.7624%	-	800.00
3500 NCD's of ₹ 1000000/- each	28-Feb-19	8.4000%	-	350.00
3000 NCD's of ₹ 1000000/- each	27-Feb-19	8.3800%	-	300.00
2810 NCD's of ₹ 1000000/- each	26-Feb-19	9.7705%	-	281.00
4150 NCD's of ₹ 1000000/- each	08-Feb-19	8.6500%	-	415.00
3700 NCD's of ₹ 1000000/- each	22-Jan-19	9.6300%	-	370.00
5000 NCD's of ₹ 1000000/- each	22-Jan-19	9.6000%	-	500.00
7000 NCD's of ₹ 1000000/- each	16-Jan-19	9.7300%	-	700.00
5000 NCD's of ₹ 1000000/- each	21-Dec-18	7.5600%	-	500.00
3000 NCD's of ₹ 1000000/- each	17-Dec-18	8.7000%	-	300.00
5000 NCD's of ₹ 1000000/- each	06-Dec-18	8.6850%	-	500.00
6500 NCD's of ₹ 1000000/- each	20-Nov-18	7.5072%	-	650.00
2730 NCD's of ₹ 1000000/- each	01-Nov-18	9.6500%	-	273.00
7750 NCD's of ₹ 1000000/- each	25-Oct-18	9.5500%	-	775.00
5000 NCD's of ₹ 1000000/- each	21-Oct-18	9.6000%	-	500.00
5000 NCD's of ₹ 1000000/- each	08-Oct-18	8.3800%	-	500.00
5000 NCD's of ₹ 1000000/- each*	27-Sep-18	11.1500%	-	125.00
5250 NCD's of ₹ 1000000/- each	27-Sep-18	8.1800%	-	525.00
1550 NCD's of ₹ 1000000/- each	14-Sep-18	8.7000%	13-Apr-17	155.00
3000 NCD's of ₹ 1000000/- each	07-Sep-18	8.4500%	-	300.00
5000 NCD's of ₹ 1000000/- each**	05-Sep-18	9.6000%	-	125.00
5000 NCD's of ₹ 1000000/- each	25-Aug-18	9.6000%	-	500.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at April 1, 2017
5000 NCD's of ₹ 1000000/- each	14-Aug-18	7.5100%	-	500.00
3000 NCD's of ₹ 1000000/- each	13-Aug-18	11.0800%	-	300.00
4900 NCD's of ₹ 1000000/- each	27-Jul-18	8.6000%	-	490.00
2050 NCD's of ₹ 1000000/- each	04-Jul-18	8.8300%	-	205.00
285 NCD's of ₹ 10000000/- each	27-Jun-18	7.0000%	-	285.00
5000 NCD's of ₹ 1000000/- each	22-Jun-18	8.7000%	-	500.00
6600 NCD's of ₹ 1000000/- each	20-Jun-18	8.6000%	-	660.00
3520 NCD's of ₹ 1000000/- each	11-Jun-18	8.4000%	-	352.00
8500 NCD's of ₹ 1000000/- each	28-May-18	8.3400%	-	850.00
3000 NCD's of ₹ 1000000/- each	22-May-18	8.3100%	-	300.00
4000 NCD's of ₹ 1000000/- each	15-May-18	8.7300%	-	400.00
4380 NCD's of ₹ 1000000/- each	14-May-18	8.6500%	-	438.00
2000 NCD's of ₹ 1000000/- each	27-Apr-18	7.2500%	-	200.00
5000 NCD's of ₹ 1000000/- each	27-Apr-18	8.3000%	-	500.00
6000 NCD's of ₹ 1000000/- each	09-Apr-18	9.1100%	-	600.00
1500 NCD's of ₹ 1000000/- each	24-Mar-18	9.7500%	-	150.00
6020 NCD's of ₹ 1000000/- each	28-Feb-18	9.0770%	-	602.00
5000 NCD's of ₹ 1000000/- each	23-Feb-18	8.4600%	-	500.00
6250 NCD's of ₹ 1000000/- each	16-Feb-18	7.3500%	-	625.00
6000 NCD's of ₹ 1000000/- each	01-Feb-18	8.0500%	-	600.00
2000 NCD's of ₹ 1000000/- each	16-Jan-18	9.1400%	-	200.00
2500 NCD's of ₹ 1000000/- each	08-Dec-17	8.6800%	-	250.00
5200 NCD's of ₹ 1000000/- each	24-Nov-17	8.7900%	-	520.00
100 NCD's of ₹ 10000000/- each	25-Nov-17	7.5000%	-	100.00
5000 NCD's of ₹ 1000000/- each	22-Oct-17	9.8000%	-	500.00
7500 NCD's of ₹ 1000000/- each	16-Oct-17	9.2900%	-	750.00
5000 NCD's of ₹ 1000000/- each*	27-Sep-17	11.1500%	-	125.00
2500 NCD's of ₹ 1000000/- each	01-Sep-17	9.4000%	-	250.00
10000 NCD's of ₹ 1000000/- each	07-Sep-17	9.5700%	-	1000.00
5000 NCD's of ₹ 1000000/- each**	05-Sep-17	9.6000%	-	125.00
3000 NCD's of ₹ 1000000/- each	27-Aug-17	9.7500%	-	300.00
5000 NCD's of ₹ 1000000/- each	21-Jul-17	8.7500%	-	500.00
7750 NCD's of ₹ 1000000/- each	03-Jul-17	9.1800%	-	775.00
3600 NCD's of ₹ 1000000/- each	20-Jun-17	9.2200%	-	360.00
3000 NCD's of ₹ 1000000/- each	15-Jun-17	8.7200%	-	300.00
6000 NCD's of ₹ 1000000/- each	11-Jun-17	9.7000%	-	600.00
2500 NCD's of ₹ 1000000/- each	05-Jun-17	9.7500%	-	250.00
1500 NCD's of ₹ 1000000/- each	01-Jun-17	8.5300%	-	150.00
1500 NCD's of ₹ 1000000/- each	28-May-17	8.3300%	-	150.00
4370 NCD's of ₹ 1000000/- each	17-May-17	8.6404%	-	437.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at April 1, 2017
2000 NCD's of ₹ 1000000/- each	16-May-17	8.4000%	-	200.00
3000 NCD's of ₹ 1000000/- each	16-May-17	9.7000%	-	300.00
2000 NCD's of ₹ 1000000/- each	14-May-17	10.2500%	-	200.00
2000 NCD's of ₹ 1000000/- each	13-Apr-17	8.5000%	-	200.00
1680 NCD's of ₹ 1000000/- each	04-Apr-17	8.4000%	-	168.00
				94,880.00

*Redeemable @ ₹ 2.50 Lakh each on 27-Sep-17 and 27-Sep-18

**Redeemable @ ₹ 2.50 Lakhs each on 05-Sep17 and 05-Sep-18

NOTE 16.2

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 the Company's 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. The mortgage would be on a flat owned by the Company valuing approx ₹ 1.31 Crore (Book Value ₹ 0.09 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, 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

The details of Zero Coupon Debentures are as under:

(₹ in Crore)

Description	Date of Redemption		Earliest Put/ Call Option Date	As at March 31, 2018
11730 ZCD's of ₹ 1000000/- each	25-Mar-21	*	-	1173.00
13500 ZCD's of ₹ 1000000/- each	25-Feb-20	**	-	1350.00
10000 ZCD's of ₹ 1000000/- each	23-Jan-20	***	-	1000.00
9000 ZCD's of ₹ 1000000/- each	10-Sep-19	****	-	900.00
10000 ZCD's of ₹ 1000000/- each	02-Sep-19	*****	-	1000.00
3210 ZCD's of ₹ 1000000/- each	09-Apr-19	******	-	321.00
2800 ZCD's of ₹ 1000000/- each	18-Feb-19	*******	-	280.00
5000 ZCD's of ₹ 1000000/- each	26-Nov-18	********	-	500.00
				6,524.00

* Issued at par and redeemable at ₹ 12,70,200/- per debenture including premium.

** Issued at par and redeemable at ₹ 11,58,017/- per debenture including premium.

*** Issued at par and redeemable at ₹ 11,65,320/- per debenture including premium.

**** Issued at par and redeemable at ₹ 15,56,727/- per debenture including premium.

***** Issued at par and redeemable at ₹ 15,66,016/- per debenture including premium.

****** Issued at par and redeemable at ₹ 12,83,584/- per debenture including premium.

*******Issued at par and redeemable at ₹ 12,83,951/- per debenture including premium.

********Issued at par and redeemable at ₹ 15,99,971/- per debenture including premium.

The details of Zero Coupon Debentures are as under:

(₹ in Crore)

Description	Date of Redemption		Earliest Put/ Call Option Date	As at April 1, 2017
9000 ZCD's of ₹ 1,000,000/- each	10-Sep-19	*	-	900.00
10000 ZCD's of ₹ 1,000,000/- each	02-Sep-19	**	-	1000.00
3210 ZCD's of ₹ 1,000,000/- each	09-Apr-19	***	-	321.00
2800 ZCD's of ₹ 1,000,000/- each	18-Feb-19	****	-	280.00
5000 ZCD's of ₹ 1,000,000/- each	26-Nov-18	*****	-	500.00
2260 ZCD's of ₹ 1,000,000/- each	20-Mar-18	******	-	226.00
5000 ZCD's of ₹ 1,000,000/- each	22-Dec-17	*******	-	500.00
7000 ZCD's of ₹ 1,000,000/- each	15-Nov-17	********	-	700.00
				4,427.00

* Issued at par and redeemable at ₹ 1,556,727/- per debenture including premium.

** Issued at par and redeemable at ₹ 1,566,016/- per debenture including premium.

*** Issued at par and redeemable at ₹ 1,283,584/- per debenture including premium.

**** Issued at par and redeemable at ₹ 1,283,951/- per debenture including premium.

***** Issued at par and redeemable at ₹ 1,599,971/- per debenture including premium.

****** Issued at par and redeemable at ₹ 1,282,073/- per debenture including premium.

******* Issued at par and redeemable at ₹ 1,075,435/- per debenture including premium.

********Issued at par and redeemable at ₹ 1,082,224/- per debenture including premium.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 16.3
THE DETAILS OF COMMERCIAL PAPERS ARE AS UNDER:

(₹ in Crore)

Particulars	Date of Maturity	Discounting Rate	As at March 31, 2019
14000 Units of ₹ 500000 each	24-Apr-19	8.60%	696.27
20000 Units of ₹ 500000 each	2-May-19	8.68%	992.77
10000 Units of ₹ 500000 each	28-May-19	8.65%	493.39
9000 Units of ₹ 500000 each	28-Nov-19	8.91%	425.19
5000 Units of ₹ 500000 each	28-May-19	8.65%	246.69
20000 Units of ₹ 500000 each	12-Jun-19	7.90%	984.67
10000 Units of ₹ 500000 each	12-Dec-19	8.29%	472.44
14000 Units of ₹ 500000 each	12-Apr-19	7.46%	698.43
15000 Units of ₹ 500000 each	10-Feb-20	8.27%	699.96
10000 Units of ₹ 500000 each	20-May-19	7.43%	495.05
20000 Units of ₹ 500000 each	30-Jan-20	8.28%	935.25
Total			**7,140.11**

(₹ in Crore)

Particulars	Date of Maturity	Discounting Rate	As at March 31, 2018
14000 Units of ₹ 500000 each	9-May-18	7.57%	694.52
10000 Units of ₹ 500000 each	11-May-18	7.57%	495.88
8000 Units of ₹ 500000 each	23-May-18	7.54%	395.74
6000 Units of ₹ 500000 each	20-Jul-18	7.68%	293.18
15000 Units of ₹ 500000 each	1-Jun-18	7.55%	740.62
8000 Units of ₹ 500000 each	5-Jun-18	7.47%	394.73
16000 Units of ₹ 500000 each	14-Jun-18	6.95%	788.81
5000 Units of ₹ 500000 each	7-Jun-18	7.13%	246.74
Total			**4,050.22**

(₹ in Crore)

Particulars	Date of Maturity	Discounting Rate	As at April 1, 2017
8000 Units of ₹ 500000 each	21-Apr-17	6.95%	398.48
10000 Units of ₹ 500000 each	23-May-17	6.81%	495.18
11000 Units of ₹ 500000 each	8-May-17	6.47%	546.38
7000 Units of ₹ 500000 each	13-Jun-17	6.47%	345.50
5000 Units of ₹ 500000 each	23-Jun-17	6.49%	246.34
5000 Units of ₹ 500000 each	23-Jun-17	6.49%	246.33
Total			**2,278.21**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 17
BORROWINGS (OTHER THAN DEBT SECURITIES) - AT AMORTISED COST

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
SECURED (Refer Note 17.1)			
(a) Term Loans			
(i) from Banks (Rupee Term Loans) **	16,079.23	11,758.81	9,037.44
(ii) from Banks (FCNRB) *	-	-	500.00
(iii) National Housing Bank (Refinance) **	1,310.68	1,958.24	3,744.06
(iv) Other Financial Institutions **	200.00	200.00	200.00
(b) Loans from Related Party (Life Insurance Corporation of India)	-	-	17.75
(c) Loans Repayable on Demand from Banks (Rupee Term Loans) **	8,794.00	2,600.00	2,440.00
Total (A)	**26,383.91**	**16,517.05**	**15,939.25**
Borrowings in India	26,383.91	16,517.05	15,939.25
Borrowings outside India	-	-	-
Total (B)	**26,383.91**	**16,517.05**	**15,939.25**

NOTE 17.1

Negative lien on the assets of the Company (excluding the Company's 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.

*Foreign Currency Term Loan refers to FCNR B Loan from Bank amounting to US $ 81168831.17 equivalent to INR of ₹ 500 crores.

**** Maturity Profile of Term Loans, Loan from Other Financial institutions and National Housing Bank (Refinance)**

(₹ in Crore)

Particulars	As at March 31, 2019		
	Term Loans from Banks	Loan from Other Financial Institutions	National Housing Bank (Refinance)
	(ROI 7.40% - 8.75%)	(ROI 8.25%)	(ROI 6.80% - 8.75%)
Within 12 months	10,889.10	40.00	302.05
Over 1 year to 3 years	7,600.79	80.00	614.68
Over 3 to 5 years	4,715.67	80.00	352.89
Over 5 to 7 years	1,507.67	-	41.06
Over 7 Years	160.00	-	-
Total	**24,873.23**	**200.00**	**1,310.68**

(₹ in Crore)

Particulars	As at March 31, 2018		
	Term Loans from Banks	Loan from Other Financial Institutions	National Housing Bank (Refinance)
	(ROI 7.40% - 8.25%)	(ROI 8.20%)	(ROI 6.50% - 9.10%)
Within 12 months	4,175.05	-	450.66
Over 1 year to 3 years	4,437.64	80.00	740.40
Over 3 to 5 years	3,445.95	80.00	556.85
Over 5 to 7 years	1,858.17	40.00	210.33
Over 7 Years	442.00	-	-
Total	**14,358.81**	**200.00**	**1,958.24**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Particulars	As at April 1, 2017		
	Term Loans from Banks	Loan from Other Financial Institutions	National Housing Bank (Refinance)
	(ROI 7.95% - 9.60%)	(ROI 8.20%)	(ROI 6.00% - 9.25%)
Within 12 months	3,089.98	-	824.89
Over 1 year to 3 years	3,220.55	40.00	1,301.86
Over 3 to 5 years	3,247.75	80.00	1,133.52
Over 5 to 7 years	1,866.66	80.00	423.31
Over 7 Years	52.50	-	60.48
Total	**11,477.44**	**200.00**	**3,744.06**

NOTE 18

DEPOSITS - AT AMORTISED COST

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
UNSECURED:			
(i) Public Deposits	3,932.17	3,430.83	3,142.13
(ii) Corporate Deposits	3,735.26	3,340.84	3,150.44
Total	**7,667.43**	**6,771.67**	**6,292.57**

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 19

SUBORDINATED LIABILITIES - AT AMORTISED COST

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
UNSECURED:			
(i) Subordinate Bonds	500.00	1,000.00	1,000.00
(ii) Upper Tier II Bonds	1,500.00	1,500.00	1,500.00
Total (A)	**2,000.00**	**2,500.00**	**2,500.00**
Subordinated Liabilities in India	2,000.00	2,500.00	2,500.00
Subordinated Liabilities outside India	-	-	-
Total (B)	**2,000.00**	**2,500.00**	**2,500.00**

The details of Subordinate 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**

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, 2019, 20% (F.Y. 2017-18 - 40%) of the book value of the 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, 2019

The details of Subordinate Bonds are as under:

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2018
5000 Bonds of ₹ 1,000,000 each	15-Sep-20	8.95%	-	500.00
5000 Bonds of ₹ 1,000,000 each	01-Jul-18	10.35%	-	500.00
Total				**1,000.00**

The details of Subordinate Bonds are as under:

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at April 1, 2017
5000 Bonds of ₹ 1,000,000 each	15-Sep-20	8.95%	-	500.00
5000 Bonds of ₹ 1,000,000 each	01-Jul-18	10.35%	-	500.00
Total				**1,000.00**

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, 2019
5000 Bonds of ₹ 1,000,000 each*	31-Mar-25	8.70%	31-Mar-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*	29-Nov-25	9.00%	29-Nov-20	500.00
Total				**1,500.00**

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, 2018
5000 Bonds of ₹ 1,000,000 each*	31-Mar-25	8.70%	31-Mar-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*	29-Nov-25	9.00%	29-Nov-20	500.00
Total				**1,500.00**

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 April 1, 2017
5000 Bonds of ₹ 1,000,000 each*	31-Mar-25	8.70%	31-Mar-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*	29-Nov-25	9.00%	29-Nov-20	500.00
Total				**1,500.00**

***Redemption and call option excercisable with prior approval of National Housing Bank.**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 20
OTHER FINANCIAL LIABILITIES

(₹ in Crore)

Particulars		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i)	Interest accrued			
	- Non-Covertible Debentures	4,100.15	4,309.17	4,050.13
	- Zero Coupon Debentures	1,421.32	1,100.61	810.34
	- Term Loan	46.96	53.49	96.25
	- Subordinated Bonds	102.20	141.05	97.55
	- Deposits	481.55	419.76	331.00
	- Related Parties (Life Insurance Corporation of India)	-	-	0.15
(ii)	Unclaimed Dividends *	7.97	7.76	7.14
(iii)	Unclaimed Matured Deposits	86.16	36.32	8.99
(iv)	Oustanding Expenses	40.61	21.32	20.07
(v)	Statutory Dues	51.60	29.54	17.68
(vi)	Book Overdraft (Refer Note 43)	6,909.46	5,064.24	5,739.76
(vii)	Pre-received Interest Liability on NCD Reissuance	1.08	-	-
(viii)	Miscellaneous Liabilities	188.83	134.90	125.42
Total		**13,437.89**	**11,318.16**	**11,304.48**

* As required under Section 125 of the Companies Act 2013, the Company has transferred ₹ 0.82 Crores (F.Y. 2017-18 ₹ 0.66 Crores & F.Y. 16-17 ₹ 0.67 Crores) to the Investor Education and Protection Fund (IEPF) during the year.

NOTE 21
PROVISIONS

(₹ in Crore)

Particulars		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i)	Provision for Employee Benefits	112.97	117.22	97.61
(ii)	Other Provision	0.42	0.42	0.42
Total		**113.39**	**117.64**	**98.03**

NOTE 22
OTHER NON-FINANCIAL LIABILITIES

(₹ in Crore)

Particulars		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i)	Earnest Money Deposit	0.16	0.03	0.37
(ii)	Provision For Tapping Corporate Undertaking	-	2.13	2.13
(iii)	Others	0.02	0.02	0.02
Total		**0.18**	**2.18**	**2.52**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 23
SHARE CAPITAL

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
AUTHORISED			
750,000,000 Equity Shares of ₹ 2/- each (Previous years 750,000,000 Equity Shares of ₹ 2/- each)	150.00	150.00	150.00
ISSUED, SUBSCRIBED AND PAID-UP			
504,663,000 Equity Shares of ₹ 2/- each (Previous Years 504,663,000 Equity Shares of ₹ 2/- each) fully paid up	100.93	100.93	100.93
Add: Forfeited shares as per Note.23 (d) below	0.06	0.06	0.06
Total	**100.99**	**100.99**	**100.99**

Note.23 (a): Reconciliation of number of shares outstanding and amount of Share Capital at the beginning and at the end of the year

Equity Shares	As at March 31, 2019		As at March 31, 2018		As at April 1 ,2017	
	No. of Shares	(₹ in Crore)	No. of Shares	(₹ in Crore)	No. of Shares	(₹ in Crore)
Equity Shares outstanding as at the beginning of the year	504,663,000	100.93	504,663,000	100.93	504,663,000	100.93
Add: Issued during the year	-	-	-	-	-	-
Less: Bought back during the year	-	-	-	-	-	-
Equity Shares outstanding as at the end of the year	**504,663,000**	**100.93**	**504,663,000**	**100.93**	**504,663,000**	**100.93**

Note.23 (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.23 (c): Detail of Shareholders holding more than 5% share in the company are given below

Name of Shareholder	As at March 31, 2019		As at March 31, 2018		As at April 1 ,2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Life Insurance Corporation of India	203,442,495	40.31	203,442,495	40.31	203,442,495	40.31

Note.23 (d): Forfeited Shares

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Amount received on forfeited shares	0.06	0.06	0.06
Total	**0.06**	**0.06**	**0.06**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 24
OTHER EQUITY

(₹ in Crore)

	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i)	**Capital Reserve**			
	As per last Balance Sheet	**0.48**	**0.48**	**0.48**
(ii)	**Securities Premium Account**			
	As per last Balance Sheet	**1,705.29**	**1,705.29**	**1,705.29**
(iii)	**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**	**38.98**
(iv)	**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	0.14	0.13	0.13
	(ii) 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	4,354.35	3,794.36	-
	Total	**4,354.49**	**3,794.49**	**0.13**
	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	559.99	-
	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	0.15	0.14	0.13
	(ii) 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	3,794.36
	Total	**5,104.49**	**4,354.49**	**3,794.49**
(v)	**General Reserve**			
	Opening Balance	5,282.97	4,782.97	-
	Add: Current Year Transfer	600.00	500.00	-
	Closing Balance	**5,882.97**	**5,282.97**	**4,782.97**
(vi)	**Surplus in the Statement of Profit and Loss**			
	Opening balance	2,757.98	2,188.76	-
	Add: Total Comprehensive Income for the year	2,430.51	2,005.12	-
	Less: Appropriations			

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Dividend Paid and Tax on Dividend Paid	412.42	375.90	-
Transfer to General Reserve	600.00	500.00	-
Transfer to Special Reserve - II	749.99	559.99	-
Transfer to Statutory Reserve u/s 29C of the NHB Act, 1987	0.01	0.01	-
Closing Balance	**3,426.07**	**2,757.98**	**2,188.76**
Total	**16,158.28**	**14,140.19**	**12,510.96**

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.

Special Reserve – I:

Special Reserve – I has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company. The amounts of Special Reserve account represents, the reserve created in terms of the provision of Section 36(1)(viii) read together with the proviso thereof, from time to time. Special Reserve No. I relates to the amounts transferred upto the Financial Year 1996-97 (Assessment Year 1997-98) when the word was 'created' only was used in the said section and not 'created and maintained'. Admittedly, the position has changed after the amendment made in Section 36(1)(viii) by the Finance Act 1997 with effect from Assessment year 1998-99, when the mandatory requirement of 'maintaining' the special reserve created was inserted. Accordingly, it was interpreted that the Special Reserve created upto Assessment Year 1997-98 need not be 'maintained'. As a logical corollary, it is construed that upto Assessment Year 1997-98, the amounts carried to special reserve ought to be understood as amounts created by transferring to the credit of Special Reserve from time to time.

Special Reserve – II:

Special Reserve – II has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company transferred from Financial Year 1997-98 (Assessment Year 1998-99). In the F.Y. 2018-19 ₹ 749.99 Crore (F.Y. 2017-18 ₹ 559.99 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 has to mandatorily transfer an amount to 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 to Section 29C of NHB Act, 1987 on the similar lines as that of for Special Reserve – II which has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961. For the year under review an amount of ₹ 1,00,000.00 (F.Y. 2017-18 ₹ 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 25

INTEREST INCOME

(₹ in Crore)

Particulars	On Financial Assets Measured at Amortised Cost	
	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Interest on Loans & Advances	17,162.80	14,667.03
ii) Interest Income from Investments	78.37	48.54
iii) Interest on Deposits with Banks	13.60	14.14
iv) Other Interest Income (Net)	1.35	-
Total	**17,256.12**	**14,729.71**

NOTE 26

FEES & COMMISSION INCOME

(₹ in Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Revenue from Contract with Customers	34.83	35.62
Total	**34.83**	**35.62**

NOTE 27

NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTISED COST CATEGORY

(₹ in Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Gain on Derecognition of Financial Instruments	10.66	23.92
Total	**10.66**	**23.92**

NOTE 28

OTHERS

(₹ in Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Net gain on derecognition of Financial Instruments measured at Fair Value through Profit & Loss Account	21.06	20.87
ii) Miscellaneous Income	32.35	26.86
Total	**53.41**	**47.73**

NOTE 29

OTHER INCOME

(₹ in Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Dividend Income from Subsidiaries	6.27	3.41
ii) Dividend Income from Associates	0.43	0.22
Total	**6.70**	**3.63**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 30
FINANCE COSTS

(₹ in Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Interest on Deposits	586.83	547.95
ii) Interest on Borrowings	1,741.91	1,120.99
iii) Interest on Debt Securities	10,372.02	9,245.41
iv) Interest on Subordinated Liabilities	190.79	229.50
Total	**12,891.55**	**11,143.85**

NOTE 31
FEES AND COMMISSION EXPENSE

(₹ in Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Fees and Commisssion	32.33	46.32
Total	**32.33**	**46.32**

NOTE 32
NET LOSS ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTIZED COST CATEGORY

(₹ in Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Loans Written Off	265.66	23.29
ii) Loss on Derecognition of Financial Instruments	2.05	-
Total	**267.71**	**23.29**

NOTE 33
IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in Crore)

Particulars	On Financial Assets Measured at Amortised Cost	
	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Loans	350.35	458.24
ii) Others	-	10.16
Total	**350.35**	**468.40**

The details relating to movement in Impairment on Loans (Expected Credit Loss) is disclosed in Note 37.4.2.4

NOTE 34
EMPLOYEE BENEFIT EXPENSES

(₹ in Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Salaries and Wages	186.20	166.19
ii) Contribution to Provident and Other Funds (Refer Note 48)	25.29	29.87
iii) Staff Welfare Expenses	26.14	23.30
iv) Provision for Sick Leave and Earned Leave	7.23	2.99
v) Notional Expense on Staff Loan	3.02	0.81
Total	**247.88**	**223.16**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 35
OTHER EXPENSES

(₹ in Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Rent, Rates and Taxes	40.58	60.20
ii) Repairs and Maintenance - Building	1.12	1.42
iii) Repairs and Maintenance - Others	1.62	1.54
iv) Travelling and Conveyance	12.70	11.05
v) Directors Sitting Fees	0.46	0.29
vi) Advertisement & Publicity Expenses	42.03	29.57
vii) Competition Prizes & Conference Expenses	13.10	10.12
viii) Printing and Stationery	7.57	5.90
ix) Postage, Telephones and Telex	12.33	9.20
x) Computer Expenses	7.20	7.16
xi) Legal and Professional Fees:		
(a) Payment to Auditors (Refer Note 44)	0.62	0.60
(b) Other Professional Fees	3.77	1.96
xii) Electricity Expenses	5.59	5.59
xiii) Insurance Charges	0.18	0.13
xiv) (Profit) / Loss on sale of Property, Plant and Equipment (Net)	(0.09)	(0.02)
xv) Fixed Assets written off	0.00	0.00
xvi) Service Charges for Safe Custody of Documents	9.71	8.14
xvii) Listing Fees and Payment to Share Transfer Agents	0.45	0.46
xviii) Contribution towards CSR activites (Refer Note 53)	18.78	6.79
xix) Miscellaneous Expenses	2.90	0.01
Total	**180.62**	**160.11**

36. The transition was carried out from Accounting Principles generally accepted in India (IGAAP), the reconciliations of the effect of Transition have been summarized below:

36.1 Equity Reconciliation for the year ended March 31, 2018 and April 1, 2017:

(₹ in Crore)

Particulars	Note	As at March 31, 2018			As at April 1, 2017		
		Previous GAAP *	Effect of Transition to IND AS	IND AS	Previous * GAAP	Effect of Transition to IND AS	IND AS
ASSETS							
Financial Assets							
Cash and Cash Equivalents		1,908.34	-	1,908.34	1,448.32	-	1,448.32
Bank Balance other than above		188.10	-	188.10	267.08	-	267.08
Derivative Financial Instruments		43.65	-	43.65	85.77	-	85.77
Loans	3,4,5	1,66,177.49	(15.17)	1,66,162.32	1,44,470.96	245.75	1,44,716.71
Investments	2	1,953.08	19.09	1,972.17	3,348.99	20.41	3,369.40
Other Financial Assets		19.99	1.22	21.21	19.24	1.30	20.54
Non-Financial Assets							
Current Tax Assets (Net)		183.04	-	183.04	185.57	-	185.57
Deferred Tax Assets (Net)	6	(1,042.98)	1,485.26	442.28	(917.27)	1,177.37	260.1
Property, Plant and Equipment		94.71	-	94.71	92.88	-	92.88
Other Intangible Assets		2.41	-	2.41	3.65	-	3.65
Other Non- Financial Assets		61.68	9.91	71.59	23.48	8.09	31.57
Total Assets		**1,69,589.51**	**1,500.31**	**1,71,089.82**	**1,49,028.67**	**1,452.92**	**1,50,481.59**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Particulars	Note	As at March 31, 2018			As at April 1, 2017		
		Previous GAAP *	Effect of Transition to IND AS	IND AS	Previous * GAAP	Effect of Transition to IND AS	IND AS
LIABILITIES AND EQUITY							
LIABILITIES							
Financial Liabilities							
Derivative Financial Instruments		39.43	-	39.43	88.61	-	88.61
Payables							
(I) 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		61.29	-	61.29	58.97	-	58.97
Debt Securities	5	1,19,521.72	(0.50)	1,19,521.22	1,01,585.43	(0.22)	1,01,585.21
Borrowings (Other than Debt Securities)		16,517.05	-	16,517.05	15,939.25	-	15,939.25
Deposits	5	6,789.71	(18.04)	6,771.67	6,312.39	(19.82)	6,292.57
Subordinated Liabilities		2,500.00	-	2,500.00	2,500.00	-	2,500.00
Other Financial Liabilities		11,348.53	(30.37)	11363.27	11,363.28	(58.79)	11,304.48
Non-Financial Liabilities							
Provisions		117.64	-	117.64	98.03	-	98.03
Other Non- Financial Liabilities		3.42	(1.24)	2.18	5.70	(3.16)	2.52
Total Liabilities		**1,56,898.77**	**(50.15)**	**1,56,848.62**	**1,37,951.65**	**(82.00)**	**1,37,869.64**
EQUITY							
Equity Share capital		100.99	-	100.99	100.99	-	100.99
Other Equity		12,589.73	1,550.46	14,140.19	10,976.03	1,534.93	12,510.96
Total Liabilities and Equity		**1,69,589.51**	**1,500.31**	**1,71,089.82**	**1,49,028.67**	**1,452.92**	**1,50,481.59**

* The Previous GAAP figures have been reclassified to confirm with IND AS presentation requirements for the purposes of this note.

36.2 Reconciliation of Total Comprehensive Income for the year ended March 31, 2018

(₹ in Crore)

Particulars	Note	Previous GAAP*	Effect of Transition to IND AS	IND AS
Revenue from operations				
Interest Income	5	14,893.11	(163.40)	14,729.71
Fees and Commission Income	5	206.38	(170.76)	35.62
Net gain on de -recognition of financial instruments under amortised cost category		-	23.92	23.92
Others		49.65	(1.92)	47.73
Total Revenue from Operations		**15149.14**	**(312.16)**	**14836.98**
Other Income		3.63	-	3.63
Total Income		**15,152.77**	**(312.16)**	**14,840.61**
Expenses				
Finance Costs	5	11,116.75	27.10	11,143.85
Fees and Commission expense	5	339.67	(293.35)	46.32

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Particulars	Note	Previous GAAP*	Effect of Transition to IND AS	IND AS
Net loss on de -recognition of financial instruments under amortised cost category		23.29	-	23.29
Impairment on Financial Instruments	9	222.76	245.64	468.40
Employee Benefits Expenses		218.34	4.82	223.16
Depreciation, amortization and impairment		9.98	-	9.98
Others Expenses		160.11	-	160.11
Total Expenses		**12,090.90**	**(15.79)**	**12,075.11**
Profit/(Loss) Before Tax		3,061.87	(296.37)	2,765.50
Tax Expense		1,072.28	(309.28)	763.00
Profit/(Loss) for the period		**1,989.59**	**12.91**	**2,002.50**
Other Comprehensive Income				
(i) Items that will not be reclassified to profit or loss		-	4.01	4.01
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	(1.39)	(1.39)
Other Comprehensive Income		-	2.62	2.62
Total Comprehensive Income for the period		1,989.59	15.53	2,005.12

* The Previous GAAP figures have been reclassified to confirm with IND AS presentation requirements for the purposes of this note.

36.3 Effects of IND AS adoption on Cash Flows for year ended March 31, 2018

(₹ in Crore)

Particulars	Previous GAAP*	Effects of transition to IND AS	IND AS
Net cash generated from/(used in) operating activities	(19,543.92)	539.41	(19,004.51)
Net cash generated from/(used in) investing activities	1,387.79	(7.96)	1,379.83
Net cash generated from/(used in) financing activities	18,616.14	(531.45)	18,084.69
Net increase/(decrease) in cash and cash equivalents	**460.01**	**-**	**460.01**
Cash and cash equivalents at start of year/period	1,448.32	-	1,448.32
Cash and cash equivalents at close of year/period	**1,908.34**	**-**	**1,908.34**

* The Previous GAAP figures have been reclassified to confirm with IND AS presentation requirements for the purposes of this note.

Notes:

1. To comply with the Companies (Indian Accounting Standard) Rules, 2015 (as amended), certain account balances have been regrouped as per the format prescribed under Division III of Schedule III to the Companies Act, 2013.

2. **Fair valuation of investments:**

   Investments in long term investments as per Previous GAAP have been measured at fair value through profit or loss as against cost less diminution of other than temporary nature.

   Certain equity investments (other than investments in subsidiaries and associates) have been measured at fair value through profit or loss account (FVTPL).

   The difference between the fair value and previous GAAP carrying value on transition date has been recognised as an adjustment to opening General Reserve.

   IND AS requires investments to be measured at fair value or amortised cost. Under Previous GAAP, the Company accounted for long term investments in debt securities as investment measured at cost less provision for other than temporary diminution

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

in the value of investments. Under IND AS, the Company has measured these debt investments at amortised cost category. The difference between amortised cost and the Previous GAAP carrying amount has been recognised in retained earnings.

3. Housing Loan to customers

Under Previous GAAP, the Company has created provision for impairment of housing loans to customers for incurred losses based on regulatory provisions issued by NHB. Under IND AS, impairment allowance has been determined based on Expected Credit Loss model (ECL). Due to ECL model, the Company impaired its housing loan to customer by ₹ 188.41 Crore on 1st April 2017 which has been eliminated against opening General Reserve. The impact of ₹ 232.60 Crore for year ended on March 31, 2018 has been recognised in the statement of profit and loss.

4. Restatement of provision on standard / non-performing assets (NPA) to Expected Credit Loss (ECL)

Under Previous GAAP provision for NPA and standard asset were presented under provisions. However, under IND AS financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses. Consequently, the Company has restated the Previous GAAP provisions for standard assets / NPA's to ECL amounting to ₹ 850.87 Crore and ₹ 1,309.13 Crore as on 1st April 2017 and March 31, 2018 respectively

5. Effective Interest Rate (EIR):

Borrowings and other financial liabilities which were recognised at historical cost under previous GAAP have been recognised at amortised cost under IND AS as on transition date with the difference been adjusted to opening General Reserve.

Under Previous GAAP, transaction costs incurred on borrowings was charged to statement of profit and loss upfront while under IND AS, such costs are included in the initial recognition amount of financial liabilities and recognised as interest expenses using the effective interest method. Consequently, borrowings on date of transition have decreased by ₹ 20.04 Crore and interest expense for the year ended March 31, 18 has increased by ₹ 27.10 Crore.

Financial assets held on with an objective to collect contractual cash flows in the nature of principal and interest have been recognised at amortised cost on transition date as against historical cost under the previous GAAP with the difference been adjusted to the opening General Reserve.

Under Previous GAAP, transaction costs charged to customers was recognised upfront while under IND AS, such costs are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method. Consequently, loan to customers on date of transition have increased by ₹ 245.76 Crore, processing fees for the year ended 31st March, 2018 has decreased by ₹ 170.76 Crore and interest income for the year ended March 31, 18 has decreased by ₹ 163. 40 Crore.

6 Deferred tax as per balance sheet approach:

Previous GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. IND AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of IND AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

The major change in deferred tax is on account of, as required by the NHB, the Company had recognised deferred tax liability (DTL) in respect of the balance in the Special Reserve (created under section 36(1)(viii) of the Income-tax Act, 1961) amounting to ₹ 1,177.37 Crore as at April 1, 2017. The Company believes that the Special Reserve will not be utilised for payment of dividend or any other purpose and accordingly it does not result in a difference in tax base. Hence, DTL on Special Reserve has been reversed to comply with IND AS 12 on Income Taxes.

7. Defined benefit obligation:

Both under Previous GAAP and IND AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, were charged to profit or loss. Under IND AS, re-measurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. The employee benefit expenses is adjusted by ₹ 2.62 Crore (net of income tax) and recognised in OCI for the year ended March 31, 2018.

8. Other Comprehensive Income:

Under IND AS, all items of income and expense recognised in the period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss and "other comprehensive income" includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

9. Statement of Cash Flows

The transition from Previous GAAP to IND AS has not had a material impact on the statement of cash flows.

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 has complied in full with all its externally imposed capital requirements over the reported period.

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

The Company's objective, when managing Capital, is to safeguard the ability of the Company to continue as a going concern. 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 Capital Gearing Ratio, Debt Equity Ratio and makes use of the same for framing the business strategies.

The Capital Gearing Ratio and Debt Equity Ratio of the Company is calculated as below:

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Debt Securities	1,34,615.67	1,19,521.22	1,01,585.21
Borrowings (Other than Debt Securities)	26,383.91	16,517.05	15,939.25
Deposits	7,667.43	6,771.67	6,292.57
Subordinated Liabilities	2,000.00	2,500.00	2,500.00
A) Total Debt	1,70,667.01	1,45,309.94	1,26,317.03
Less: Cash & Cash Equivalents	2,801.80	1,908.34	1,448.32
B) Net Debt	1,67,865.21	1,43,401.60	1,24,868.71
C) Total Equity-Shareholder's Funds	16,259.27	14,241.18	12,611.95
D) Capital Gearing Ratio (B/C)	10.32	10.07	9.90
E) Debt Equity Ratio (A/C)	10.50	10.20	10.02

Equity includes all capital and reserves of the Company that are managed as capital.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

37.1.1Regulatory Capital

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings including current year profit. Certain adjustments are made to IND AS–based results and reserves, as prescribed by the NHB. The other component of regulatory capital is other Tier 2 Capital Instruments, which includes upper tier II and subordinate bonds.

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Equity Tier1 capital	14,332.29	12,688.32	11,073.38
Other Tier 2 capital instruments	2,403.41	2,356.86	1,900.00
Total capital	16,735.70	15,045.18	12,973.38
Risk weighted assets	1,16,525.68	97,122.97	82,948.78
Tier 1 capital ratio	12.30%	13.06%	13.35%
Total capital ratio	14.36%	15.49%	15.64%

37.2 Categories of Financial Instruments:

(₹ 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	193.11	-	-	193.11
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	31.79	-	-	31.79
Total	**1,97,267.56**	**2,275.92**	**98.00**	**1,99,641.48**
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	13,437.89	-	-	13,437.89
Total	**1,84,184.84**	**25.79**	**-**	**1,84,210.63**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Particulars	As at March 31, 2018			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Financial Assets				
Cash and Cash Equivalents	1,908.34	-	-	1,908.34
Bank Balance other than above	188.10	-	-	188.10
Derivative Financial Instruments	-	43.65	-	43.65
Loans	1,66,162.32	-	-	1,66,162.32
Investments	903.97	995.20	73.00	1,972.17
Other Financial Assets	21.21	-	-	21.21
Total	**1,69,183.94**	**1,038.85**	**73.00**	**1,70,295.79**
Financial Liabilities				
Derivative Financial Instruments	-	39.43	-	39.43
Trade Payables	61.29	-	-	61.29
Debt Securities	1,19,521.22	-	-	1,19,521.22
Borrowings (Other than Debt Securities)	16,517.05	-	-	16,517.05
Deposits	6,771.67	-	-	6,771.67
Subordinated Liabilities	2,500.00	-	-	2,500.00
Other Financial Liabilities	11,318.16	-	-	11,318.16
Total	**1,56,689.39**	**39.43**	**-**	**1,56,728.82**

(₹ in Crore)

Particulars	As at April 1, 2017			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Financial Assets				
Cash and Cash Equivalents	1,448.32	-	-	1,448.32
Bank Balance other than above	267.08	-	-	267.08
Derivative Financial Instruments	-	85.77	-	85.77
Loans	1,44,716.71			1,44,716.71
Investments	446.63	2,866.22	56.55	3,369.40
Other Financial Assets	20.54	-	-	20.54
Total	**1,46,899.28**	**2,951.99**	**56.55**	**1,49,907.82**
Financial Liabilities				
Derivative Financial Instruments	-	88.61	-	88.61
Trade Payables	58.97	-	-	58.97
Debt Securities	1,01,585.21	-	-	101585.21
Borrowings (Other than Debt Securities)	15,939.25	-	-	15939.25
Deposits	6,292.57	-	-	6292.57
Subordinated Liabilities	2,500.00	-	-	2500.00
Other Financial Liabilities	11,304.48	-	-	11304.48
Total	**1,37,680.48**	**88.61**	**-**	**1,37,769.09**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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, 2019	As at March 31, 2018	As at April 1, 2017				
Financial Assets									
i	Mutual funds	FVTPL	2,227.29	957.30	2,813.94	Level 1	Quoted Market Price for Mutual Funds	NA	NA
ii	Aptech	FVTPL	-	-	0.10	Level 1	Quoted Market Price	NA	NA
iii	Kotak India Real Estate Fund	FVTPL	-	-	5.76	Level 2	NAV as on reporting date declared	NA	NA
iv	CIG Realty Fund	FVTPL	-	-	8.88	Level 2	NAV as on reporting date declared	NA	NA
v	Derivative financial instruments	FVTPL	26.98	43.65	85.77	Level 2	On the basis of traded swap yields published	Published yields	NA

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ 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, 2019	As at March 31, 2018	As at April 1, 2017				
vi)	Initial Settlers Contribution Under Indenture Trust	FVTPL	0.002	0.002	0.001	Level 3	Book Value	Refer Note below	Refer Note below
vii)	Goods Services Tax Network	FVTPL	1.10	1.10	1.10	Level 3	Others	Refer Note below	Refer Note below
viii)	LICHFL Urban Development Fund	FVTPL	19.01	36.80	36.44	Level 3	NAV as on reporting date declared by the Fund	Refer Note below	Refer Note below
ix)	LICHFL Housing And Infrastructure Fund	FVTPL	1.54	-	-	Level 3	NAV as on reporting date declared by the Fund	Refer Note below	Refer Note below
Financial Liabilities									
i)	Derivative Financial Instruments	FVTPL	25.79	39.43	88.61	Level 2	On the basis of traded swap yields published	Published yields	NA

There were no transfers between Level 1, Level 2 and Level 3 during the year

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 at Level 1. 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 Level 3.

Equity instruments in non-listed entities included 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.

Interest rate derivatives

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. 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Financial Instruments not measured using Fair Value, i.e. measured using Amortized Cost

The following table is a comparison, by class, of the carrying amounts and fair values of the company'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, 2019			
Financial Assets			
Government Securities	1,248.12	Level 1	1,214.35
As at March 31, 2018			
Financial Assets			
Government Securities	903.97	Level 1	871.99
As at April 1, 2017			
Financial Assets			
Government Securities	446.63	Level 1	445.36

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.

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.

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, 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.

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 a Committee Level.

At present, the risks faced by the Company are broadly categorized as below:-

- Credit Risk
- Liquidity Risk
- Market Risk

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

- Interest Rate Risk
- Operational Risk
  - A. Compliance Risk
  - B. Legal Risk
- Regulatory Risk
- Competition 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 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

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 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 our 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.

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Investment being our ancillary activity is derived of this ALM requirement and it is imperative to constantly monitor the liquidity of our 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 would be 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

1) The overall structural liquidity (as defined by NHB) negative gap (cumulative gap) has not exceeded 30% of the payables or the liabilities.

2) The structural liquidity (as defined by NHB) negative gap upto one year has not exceeded 15% of the cumulative cash outflows upto one year.

3) The structural liquidity (as defined by NHB) negative gap upto 14 days as also over 14 days and upto one month has not exceeded 15% of the cash outflows during those respective durations.

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Contractual Maturities of Financial Liabilities As at March 31, 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	-	26383.90
Deposits	86.15	573.13	3,836.26	2,668.63	606.29	-	-	7770.46
Subordinated Liabilities	-	-	-	500.00	-	1,500.00	-	2,000.00
Other financial liabilities	94.12	11,461.13	1,400.27	391.29	48.23	77.92	-	13,472.96
Total	**9,054.21**	**22,904.24**	**33,918.30**	**54,253.92**	**25,793.91**	**38,634.03**	**-**	**1,84,558.61**

Contractual Maturities of Financial Liabilities As at March 31, 2018

(₹ 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	-	39.43	-	-	-	-	-	39.43
Trade Payables	61.29	-	-	-	-	-	-	61.29
Debt Securities		9,435.00	17,094.00	46,051.00	16,502.00	30,489.00	-	1,19,571.00
Borrowings (Other than Debt Securities)	2,600.00	271.31	1,754.31	5,258.12	4,082.82	2,550.49	-	16,517.05
Deposits	36.32	260.30	3,239.97	2,480.51	808.93	-	-	6,826.03
Subordinated Liabilities	-	-	500.00	500.00	-	1,500.00	-	2,500.00
Other financial liabilities	44.08	9,632.04	596.86	986.98	38.52	77.93	-	11,376.41
Total	**2,741.69**	**19,638.08**	**23,185.14**	**55,276.61**	**21,432.27**	**34,617.42**	**-**	**1,56,891.21**

Contractual Maturities of Financial Liabilities As at April 1,2017

(₹ 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	-	88.61	-	-	-	-	-	88.61
Trade Payables	58.97	-	-	-	-	-	-	58.97
Debt Securities	-	3,315.00	11,598.00	35,700.00	21,037.00	29,957.00		1,01,607.00
Borrowings (Other than Debt Securities)	2,440.00	432.81	1,699.13	4,509.43	4,452.43	2,405.44	-	15,939.24
Deposits	8.98	84.17	3,189.96	1,653.70	1,384.55	-	-	6321.36
Subordinated Liabilities	-	-	-	500.00	500.00	1,500.00	-	2,500.00
Other financial liabilities	16.13	10'052.91	167.29	997.12	113.14	34.41	-	11,381.00
Total	**2,524.08**	**13,973.50**	**16,654.38**	**43,360.25**	**27,487.12**	**33,896.85**	**-**	**1'37,896.18**

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 creditworthy of the counterparties and

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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, 2019 is ₹ 1,94,652.22 Crore (F.Y. 2017-18 ₹ 1,67,471.45 Crore; as at April 1, 2017 ₹ 1,45,567.58 Crore) which best represent the maximum exposure to credit risk, the related Expected credit loss amount to ₹ 1,659.48 Crore (F.Y. 2017-18 ₹ 1,309.13 Crore, as at April 1, 2017 ₹ 850.87 Crore). The Company has right to sell or pledge the collateral in case borrower defaults. The carrying amount of loans as at March 31, 2019 includes ₹ 5.87 Crore towards Loans to Staff and Loans against Public Deposit (F.Y. 2017-18 ₹ 4.87 Crore; as at April 1, 2017 ₹ 4.27 Crore)

37.4.2.1 Credit 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 case 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 house property financed.

- 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. At all times the security cover of at least 1.5 times is maintained. 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. AS per the recent guidelines by Government of India the process of registering the charge with Information Utility under IBC (Indian Bankruptcy Code) is started.

- 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.

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 LICHFL 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 to be amortized over the balance tenor of the swap or underlying liability whichever is less. Loss if any on early termination is to be charged to revenue in the same year. The carry difference, between coupon rate liability and the swap contract rate is to be accounted quarterly on accrual basis

37.4.2.2 Collateral and other credit enhancements

With respect to loans case 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 from the loan is also taken.

The Company after exploring all the possible measures, initiates action under 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 ₹ 309.63 Crore (F.Y. 2017-18 ₹ 264.29 Crore; As at 01.04.2017 ₹ 233.07 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

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against the loan is ₹ 295.77 Crore (F.Y. 2017-18 ₹ 263.56 Crore; As at 01.04.2017 ₹ 251.86 Crore), being lower of the fair value of the asset possessed and the outstanding as at March 31, 2019.

37.4.2.3 Impairment Assessment

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

The Company applies General approach to provide for credit losses prescribed by IND AS 109, which provides to recognised 12-months expected credit losses where credit risk has not increased significantly since initial recognition and to recognised 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 of 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 its contractual payments.

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	
	Outstanding Balance	Impairment Loss	Outstanding Balance	Impairment Loss	Outstanding Balance	Impairment Loss	Outstanding Balance	Impairment Loss
As At March 31, 2019	1,83,129.59	23.91	8,564.12	111.53	2,952.64	1,524.04	1,94,646.35	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
As At April 1, 2017	1,39,516.98	303.32	5,418.99	119.65	627.34	427.90	1,45,563.31	850.87

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.

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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 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 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 Non Performing Accounts 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 considered the rate of inflation as a relevant macro-economic data having a significant impact on the performance of loans based on the historical observation of several quarters in the past. The correlation co-efficient between the inflation rate and the Loans outstanding the 'Not yet due' bucket is negative meaning that the two variables move in opposite directions. When the inflation rate goes up the Not yet due bucket seems to come down meaning that the loans become more irregular.

Considering this fact, and also considering that the inflation seems to be on the decline, the Company has assumed three scenarios as follows with the respective weights.

Scenario	Expected variation in > 90 days buckets	Weight
1	No change	30%
2	2.00%	50%
3	-6.00%	20%

Scenario 1: ECL computed without any change in any of the buckets. This scenario is given a weight of 30%.

Scenario 2: For each and every loan all the buckets > 90 days are bumped up by 2% and the ECL is computed as mentioned in the previous sections to arrive at the ECL. This scenario is given a weight of 50%.

Scenario 3: For each and every loan all the buckets > 90 days are bumped down by 6% and the ECL is computed as mentioned in the previous sections to arrive at the ECL. This scenario is given a weight of 20%

Expected credit loss is then computed based on all the three scenarios. ECL is adjusted with the appropriate weights assigned for each scenario and the weighted average ECL is arrived at as the ECL for the quarter.

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, 2019	As at March 31, 2018	As at April 1, 2017
Financial Assets written off but are still subjected to enforcement activity	269.27	205.38	189.26

Movement of Gross Exposures and impairment provision of the Financial Instruments (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
Gross Carrying Amount -2017	1,39,516.98	303.32	5418.99	119.65	627.34	427.90	1,45,563.31	850.87
Net change in exposures	22,329.71	31.00	(179.94)	(44.77)	(44.79)	496.08	22,104.98	482.32
Transfer to Stage 1	2,071.02	(51.68)	(2,029.96)	46.09	(41.06)	5.59	-	-
Transfer to Stage 2	(3,518.18)	4.50	3,529.02	(10.53)	(10.84)	6.03	-	-
Transfer to Stage 3	(436.55)	(2.92)	(347.48)	6.29	784.03	(3.37)	-	-
Changes in contractual cash flows due to modifications not resulting in derecognition	(173.52)	(0.22)	(4.31)	(0.02)	(0.07)	-	(177.90)	(0.24)
Amounts Written Off	-	-	-	-	(23.82)	(23.82)	(23.82)	(23.82)
Gross Carrying Amount Closing Balance -2018	**1,59,789.46**	**284.00**	**6,386.32**	**116.71**	**1290.79**	**908.43**	**1,67,466.57**	**1,309.13**
Net change in exposures	28,115.18	(273.62)	(464.85)	29.89	(119.83)	860.45	27,530.50	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)	(4.61)	5,655.17	20.58	(45.67)	(15.97)	-	-
Transfer to Stage 3	(1145.04)	(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 Closing Balance -2019	**1,83,129.59**	**23.91**	**8,564.12**	**111.53**	**2,952.64**	**1,524.04**	**1,94,646.35**	**1,659.48**

The movement within the tables is a combination of quarterly movements over the year. The credit impairment charge in the Profit & Loss statement comprises of the amount in Total column.

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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 written 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 Profit and Loss statement 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, 2019	As at March 31, 2018	As at April 1, 2017
Fixed Rate Borrowings	68%	79%	79%
Floating Rate Borrowings	32%	21%	21%
Total Borrowings	100%	100%	100%

The impact of 10 bps change in interest rates on liabilities on the Profit after tax for the year ended March 31, 2019 is ₹ 46.73 Crore (F.Y. 2017-18 ₹ 31.03 Crore).

37.4.5 Operations 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.

   In case of LIC HFL, the Company is regulated by NHB, registered with SEBI and has listed agreements with stock exchanges, i.e. BSE & NSE, making it imperative that the Company follows all the applicable laws. In order to deal with the same, the Company has a designated Compliance Officer whose role would entail complying with the statutory requirements of the Company.

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 project delivery.

   For LIC HFL, the main business is of lending money for/against mortgage loans and is therefore exposed to legal risk. For handling the same, there is 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 our business, and/or change the competitive landscape.

In case of LIC HFL, 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 Company 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.

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 is in Housing Finance business which is going through growth phase due to many reasons including increasing 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 attracted lot of Companies in the market with the result being 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 not only tries to address the customer needs with state of art infrastructure including IT interface but also introduces practices which can attract customers to the Company as well as retain the existing ones. The Company has a market Intelligence system to gather information related to competitors in terms of their product offerings, pricing and other schemes and is in a position to respond to such competition. The entire Marketing force and support teams are continuously aware of challenges of competition through awareness programs, trainings, etc. and the deserving ones are adequately rewarded. The Company has so far been able to increase its market share across time by growing at a faster rate than the industry.

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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, 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	158.86	34.25	193.11
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	19.36	12.43	31.79
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	0.70	74.72
Total Assets	**18,771.36**	**1,81,812.11**	**2,00,583.47**
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	13,026.02	411.87	13,437.89
Non-Financial Liabilities			
Current Tax Liabilities (Net)			
Provisions	57.16	56.23	113.39
Deferred Tax Liabilities (Net)	-	-	-
Other Non-Financial Liabilities	0.18	-	0.18
Total Liabilities	**65,853.46**	**118,470.74**	**184,324.20**
NET	**(47,082.10)**	**63,341.37**	**16,259.27**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

As at March 31, 2018

(₹ in Crore)

Particulars	Upto 12 months	More than 12 months	TOTAL
ASSETS			
Financial Assets			
Cash and Cash Equivalents	1,908.34	-	1,908.34
Bank Balance other than above	87.85	100.25	188.10
Derivative Financial Instruments	43.65	-	43.65
Loans	11,827.39	1,54,334.93	1,66,162.32
Investments	972.46	999.71	1,972.17
Other Financial Assets	4.62	16.59	21.21
Non-Financial Assets			
Current Tax assets (Net)	-	183.04	183.04
Deferred Tax Assets (Net)	-	442.28	442.28
Property, Plant and Equipment	-	94.71	94.71
Other Intangible assets	-	2.41	2.41
Other Non-Financial Assets	71.27	0.32	71.59
Total Assets	**14,915.58**	**1,56,174.24**	**1,71,089.82**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Derivative financial instruments	39.43	-	39.43
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	61.29	-	61.29
Debt Securities	26,479.22	93,042.00	1,19,521.22
Borrowings (Other than Debt Securities)	4,625.71	11,891.34	16,517.05
Deposits	3,548.13	3,223.54	6,771.67
Subordinated Liabilities	500.00	2,000.00	2,500.00
Other Financial Liabilities	10,360.18	957.98	11,318.16
Non-Financial Liabilities			
Current Tax Liabilities (Net)	-	-	-
Provisions	67.88	49.76	117.64
Deferred Tax Liabilities (Net)	-	-	-
Other Non-Financial Liabilities	0.02	2.16	2.18
Total Liabilities	**45,681.86**	**111,166.78**	**156,848.64**
NET	**(30,766.28)**	**45,007.46**	**14,241.18**

As at April 1, 2017

(₹ in Crore)

Particulars	Upto 12 months	More than 12 months	TOTAL
ASSETS			
Financial Assets			
Cash and Cash Equivalents	1,448.32	-	1,448.32
Bank Balance other than above	201.08	66.00	267.08
Derivative financial instruments	85.77	-	85.77
Loans	10,002.89	1,34,713.82	1,44,716.71

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Particulars	Upto 12 months	More than 12 months	TOTAL
Investments	2,822.30	547.10	3,369.40
Other Financial Assets	10.39	10.15	20.54
Non-Financial Assets			
Current Tax Assets (Net)	-	185.57	185.57
Deferred Tax Assets (Net)	-	260.10	260.10
Property, Plant and Equipment	-	92.88	92.88
Other Intangible assets	-	3.65	3.65
Other Non-Financial Assets	31.26	0.31	31.57
Total Assets	**14,602.01**	**1,35,879.58**	**1,50,481.59**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Derivative Financial Instruments	88.61	-	88.61
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	58.97	-	58.97
Debt Securities	14,891.21	86,694.00	1,01,585.21
Borrowings (Other than Debt Securities)	4,431.81	11,507.44	15,939.25
Deposits	3,348.14	2,944.43	6,292.57
Subordinated Liabilities	-	2,500.00	2,500.00
Other Financial Liabilities	10,195.65	1,108.83	11,304.48
Non-Financial Liabilities			
Current Tax Liabilities (Net)	-	-	-
Provisions	50.88	47.15	98.03
Deferred Tax Liabilities (Net)	-	-	-
Other Non-Financial Liabilities	0.02	2.50	2.52
Total Liabilities	**33,065.29**	**104,804.35**	**137,869.64**
NET	**(18,463.28)**	**31,075.23**	**12,611.95**

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 the Indian Accounting Standard (IND AS) 108 on 'Segment Reporting'. Segment reporting is done in the consolidated financial statements as prescribed by IND AS 108.

39. COMMITMENTS:

a) Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 0.40 Crore (F.Y. 2017-18 ₹ 18.40 Crore; As at 01.04.2017 Rs. 0.55 Crore).

b) Other Commitments: Uncalled liability of ₹ 1.14 Crore (F.Y. ₹ 1.47 Crore; As at 01.04.2017 Rs. 3.16 Crore) in respect of commitment made for contribution to LICHFL Urban Development Fund by subscription of 50,000 units (F.Y. 2017-18 50,000 units; As at 01.04.2017 50,000 units) of ₹ 10,000/- face value each, paid up value being ₹ 3,857.34 (F.Y. 2017-18 ₹ 7360.32/-; As at 01.04.2017 Rs. 7287.40/-) 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, 2019 is ₹ 1.54 Crore.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

40. CONTINGENT LIABILITIES IN RESPECT OF:

a) Claims against the Company not acknowledged as debts ₹ 0.91 Crore (F.Y. 2017-18 ₹ 0.64 Crore; As at 01.04.2017 Rs. 0.51 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.

41. MOVEMENT IN PROVISION FOR CONTINGENCIES AS UNDER:

a. Provision includes:

i. Provision for untapped corporate undertaking given for securitization of loans. The outflows in respect of untapped corporate undertaking would arise in the event of a shortfall, if any, in the cash flows of the pool of the securitized receivables, and

ii. Provision for doubtful advances and provision for probable loss on account of bank reconciliation differences.

b. The movement in provisions is as below:

(₹ in Crore)

Provision for Untapped Corporate Undertaking	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Opening balance	2.13	2.13	1.56
Add: Top up of Corporate Undertaking / additional provisional for doubtful advances	-	-	1.14
Less: Amounts utilized during the year / provision written back for doubtful advances	2.13	-	0.57
Less: Reversal of provision for corporate undertaking	-	-	-
Closing balance	**-**	**2.13**	**2.13**

(₹ in Crore)

Provision for Doubtful Advances	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Opening balance	0.42	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**	**0.42**

42. Fixed Deposits with Banks includes earmarked deposits created in favour of trustees for depositors towards maintaining Statutory Liquid Ratio amounting to ₹ 177.25 Crore (F.Y. 2017-18 ₹ 172.99 Crore; As at 01.04.2017 ₹ 253.00 Crore). The Company has beneficial interest on the income earned from these deposits.

43. Temporary Book Overdraft of ₹ 6,909.46 Crore (F.Y. 2017-18 ₹ 5,064.24 Crore; As at 01.04.2017 ₹ 5,739.76 Crore) represents cheques issued towards disbursements to borrowers for ₹ 6,894.71 Crore (F.Y. 2017-18 ₹ 5,048.24 Crore As at 01.04.2017 ₹ 5,728.27 Crore) and cheques issued for payment of expenses of ₹ 14.75 Crore (F.Y. 2017-18 ₹ 16.00 Crore, As at 01.04.2017 ₹ 11.48 Crore), but not encashed as at March 31, 2019.

44. AUDITOR'S REMUNERATION*:

(₹ in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
As auditor	0.32	0.32
As advisor or in any other capacity in respect of tax audit	0.08	0.08
For Quarterly Limited Reviews	0.17	0.17
In any other manner (Certification work)	0.03	0.03
Reimbursement of Expenses to Auditors	0.02	-
Total	**0.62**	**0.60**

* Excluding GST

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

45. EXPENDITURE IN FOREIGN CURRENCIES:

(₹ in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Travelling Expenses	0.17	0.05
Professional Fees	0.07	0.02
Fees for filing returns and Trade License fees	0.04	0.05
Salary to Overseas Staff	0.68	0.55
Rent for Overseas Staff Residence	0.59	0.21
Flat Annual Fees	0.72	0.45
Commission	0.08	0.02
Other Expenses	0.08	0.50
Total	**2.43**	**1.85**

46. PROPOSED DIVIDEND

The Board has recommended a dividend of ₹ 7.60 per share of ₹ 2/- each (380%) subject to approval of the members of the Company at the forthcoming Annual General Meeting.

(₹ in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) Equity Shares		
Final Dividend for the year ended	343.17	312.89
(₹ 6.80 for March 31, 2018, ₹ 6.20 for March 31, 2017) per fully paid share		
DDT on Final Dividend	69.25	63.00
(ii) Dividends not recognised at the end of reporting period		
The directors have recommended the payment of final dividend of ₹ 7.60 per fully paid equity share (March 31, 2018 ₹ 6.80). This proposed dividend is subjected to approval of shareholders in ensuing Annual General Meeting.	383.54	343.17
DDT on Proposed Dividend	77.61	69.25

47. The Company had requested its suppliers to confirm the status as to whether they are covered 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 ₹ 15.23 Crore (Previous Year ₹ 13.56 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, ₹ 0.43 Crore (Previous Year ₹ 0.44 Crore) have been contributed towards LIC of India (Employees) Pension Rules, 1995.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Gratuity Liability

(₹ in Crore)

Changes in the Present Value of Projected Benefit Obligation:	**2018-19**	**2017-18**
Present Value of Benefit Obligation at the Beginning of the Year	70.06	62.22
Interest Cost	5.50	4.48
Current Service Cost	3.51	3.72
Past Service Cost	-	4.34
Benefit Paid from the Fund	(1.24)	(0.81)
Actuarial Loss/(Gain) on obligations	(2.50)	(3.89)
Present Value of Benefit Obligation at the End of the Year	**75.33**	**70.06**

(₹ in Crore)

Fair Value of the Plan Assets:	**2018-19**	**2017-18**
Fair Value of Plan Asset at the Beginning of the Year	42.70	36.78
Interest Income	3.35	2.65
Contributions by the Employer	25.15	3.95
Benefit Paid from the Fund	(1.24)	(0.80)
Actuarial Gain / (Loss) on Plan Assets	(3.21)	0.12
Fair value of Plan Assets at the End of the Year	66.75	42.70
Total Actuarial Loss/(Gain) to be Recognised	**0.71**	**(4.01)**

(₹ in Crore)

Actual Return on Plan Assets:	**2018-19**	**2017-18**
Expected Return on Plan Assets	3.35	2.65
Actuarial Gain / (Loss) on Plan Assets	(3.21)	0.12
Actual Return on Plan Assets	**0.14**	**2.77**

(₹ in Crore)

Amount Recognised in the Balance Sheet:	**2018-19**	**2017-18**
Liability at the end of the year	(75.33)	(70.06)
Fair Value of Plan Assets at the end of the year	66.75	42.70
Funded Status (Surplus/(Deficit))	(8.58)	(27.37)
Amount recognised in the Balance Sheet	**(8.58)**	**(27.36)**

(₹ in Crore)

Net Interest Cost for Current Year:	**2018-19**	**2017-18**
Present Value of Benefit Obligation at the Beginning of the Year	70.06	62.22
Fair value of Plan Assets at the Beginning of the Year	42.70	36.78
Net Liability/(Asset) at the Beginning of the Year	27.37	25.44
Interest Cost	5.50	4.48
Interest Income	(3.35)	(2.65)
Net Interest Cost for Next Year	**2.15**	**1.83**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Expense Recognised in the Statement of Profit and Loss for Current Year:	2018-19	2017-18
Current Service Cost	3.51	3.72
Interest Cost	2.15	1.83
Expected Return on Plan Assets	-	-
Past Service Cost	-	4.34
Expense recognised in the Statement of Profit and Loss under staff expenses	**5.66**	**9.89**

(₹ in Crore)

Expense Recognised in Other Comprehensive Income (OCI) for Current Year:	2018-19	2017-18
Actuarial Loss/(Gain) on obligations	(2.50)	(3.89)
Return on Plan Assets, excluding Interest Income	3.21	(0.12)
Change in Asset Ceiling	-	-
Net (Income)/Expense for the year recognised in OCI	**0.71**	**(4.01)**

(₹ in Crore)

Reconciliation of the Liability recognised in the Balance Sheet:	2018-19	2017-18
Opening Net Liability	27.37	25.44
Expenses recognised in the Statement of Profit & Loss	5.66	9.89
Expenses recognised in OCI	0.71	(4.01)
Contribution by the Company	(25.15)	(3.95)
Amount recognised in the Balance Sheet under "Provision for Retirement Benefits"	**8.59**	**27.37**

(₹ in Crore)

Net Interest Cost for Next Year:	2018-19	2017-18
Present Value of Benefit Obligation at the End of the Year	75.33	70.06
Fair value of Plan Assets at the End of the Year	66.75	42.70
Net Liability/(Asset) at the End 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 Next Year:	2018-19	2017-18
Current Service Cost	4.13	3.51
Net Interest Cost	0.67	2.15
Expense recognised in the Statement of Profit and Loss under staff expenses	**4.80**	**5.66**

Maturity Analysis of the Benefit Payments : From the Fund

Proiected Benefits Payable in Future Years From the Date of Reporting

(₹ in Crore)

Net Interest Cost for Next Year:	2018-19	2017-18
Ist Following Year	2.64	2.33
2nd Following Year	2.84	2.10
3rd Following Year	4.53	3.07
4th Following Year	6.21	4.66
5th Following Year	6.10	6.17
Sum of Years 6 to 10	44.89	43.31
Sum of Years 11 and above	**117.92**	**115.22**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Sensitivity Analysis	2018-19	2017-18
Projected Benefit Obligation on Current Assumptions	75.33	70.06
Delta Effect of +1% Change in Rate of Discounting	(6.39)	(6.14)
Delta Effect of -1% Change in Rate of Discounting	7.41	7.12
Delta Effect of +1% Change in Rate of Salary Increase	3.48	3.55
Delta Effect of -1% Change in Rate of Salary Increase	(3.69)	(3.64)
Delta Effect of +1%Chanse in Rate of Employee Turnover	0.75	0.69
Delta Effect of -1%Chanse in Rate of Employee Turnover	**(0.82)**	**(0.76)**

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Assumptions:	31.03.2019	31.03.2018
Discount Rate	7.79%	7.85%
Rate of Return on Plan Assets	7.79%	7.85%
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.

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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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, 2019 is ₹ 11.47 Crore (Previous Year ₹ 9.77 Crore).

Leave Encashment

Changes in the Benefit Obligation:	2018-19	2018-17
Liability at the Beginning of the year	41.84	39.53
Interest Cost	3.29	2.85
Current Service Cost	1.70	1.82
Benefit Paid	(2.66)	(1.75)
Actuarial (Gain) / Loss on obligations	3.63	(0.61)
Liability at the end of the year	**47.80**	**41.84**

(₹ in Crore)

Amount Recognised in the Balance Sheet:	2018-19	2017-18
Liability at the end of the year	47.80	41.84
Fair Value of Plan Assets at the end of the year	-	-
Amount recognised in the Balance Sheet*	**(47.80)**	**(41.84)**

(₹ in Crore)

Expense Recognised in the Statement of Profit and Loss:	2018-19	2017-18
Current Service Cost	1.70	1.82
Interest Cost	3.29	2.85
Expected Return on Plan Assets	-	-
Net Actuarial (Gain) / Loss to be recognised	3.63	(0.61)
Expense recognised in the Statement of Profit and Loss under staff expenses	**8.62**	**4.06**

(₹ in Crore)

Reconciliation of the Liability recognised in the Balance Sheet:	2018-19	2017-18
Opening Net Liability	41.84	39.53
Expense recognised	8.62	4.06
Contribution/Benefit Paid by the Company	(2.66)	(1.75)
Amount recognised in the Balance Sheet under "Provision for Retirement Benefits"	**47.80**	**41.84**

Assumptions:	2018-19	2017-18
Retirement Age	58 Years	58 Years
Discount Rate	7.79%	7.85%
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 ₹ 0.08 Crore (previous year ₹ 0.06 Crore) towards additional provision made for LIC employees.

Sick Leave

The Company has recognised ₹ 1.24 Crore (Previous year ₹ 0.62 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, 2019

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

Life Insurance Corporation of India

(ii) Enterprise over which Control exists

LICHFL Care Homes Limited

LICHFL Financial Services Limited

LICHFL Asset Management Company Limited

LICHFL Trustee Company Private Limited

(iii) Enterprise over which significant influence exists

LIC Mutual Fund Asset Management Limited

LIC Mutual Fund Trustee Private Limited

(iv) Key Management Personnel

Ms. Sunita Sharma, MD and Chief Executive Officer (From April 1, 2017 to April 11, 2017)

Mr. Vinay Sah, MD and Chief Executive Officer (From April 12, 2017)

Mr. Nitin K Jage, Company Secretary

Mr. P Narayanan, Chief Financial Officer

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, 2019	For the year ended March 31, 2018
Life Insurance Corporation of India	Repayment of non-convertible debentures	1,750.00	263.70
	Repayment of Secured loan	-	17.75
	Interest expenses on Secured and Unsecured loans	1,531.38	1,646.82
	Dividend Payment	138.34	126.13
	Rent Rates and Taxes	6.71	5.56
	Payment of Electricity Expenses	0.49	0.55
	Payment for Staff training, Conference, etc.	0.14	0.19
	Reimbursement of Gratuity for staff on deputation from LIC	0.43	0.39
	Net Contribution to LIC of India, P & GS, for Gratuity premium for employees (Post Employment Benefit Fund with Related Entity)	#24.05	(5.72)
	Balance as at the year-end (Credit)	17,628.82	19,398.49
LICHFL Care Homes Limited			
	Dividend Income	(0.25)	(0.17)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Related Party	Nature of transactions	For the year ended March 31, 2019	For the year ended March 31, 2018
	Investment in Share Capital of LICHFL Care Homes Limited	25.00	16.45
	Investment in Share Application (Pending Allotment) of LICHFL Care Homes Limited	-	25.00
	Rent Received	(0.14)	-
	Balance as at the year-end (Debit)	-	-
LICHFL Financial Services Limited			
	Dividend Income	(4.28)	(2.38)
	Commission Expenses on Loan Business	47.87	41.56
	Commission Expenses on Public Deposit	0.10	0.05
	Rent Received	(0.45)	-
	Payment of Expenses	0.44	0.35
	Reimbursement of Expenses	(0.44)	(0.35)
	Balance as at the year-end (Credit)	12.78	7.59
LICHFL Asset Management Company Limited			
	Dividend Income	(1.74)	(0.87)
	Investment in Public Deposit by LICHFL Asset Management Co. Ltd in LIC HFL	(8.29)	(1.81)
	Accrued Interest on Public Deposit BY LICHFL	0.18	0.01
	Interest paid on Public Deposit by LICHFL	0.24	-
	Payment of Expenses	0.20	0.19
	Reimbursement of Expenses	(0.20)	(0.19)
	Balance as at the year-end (Debit)	10.09	1.80
LIC Mutual Fund Asset Management Limited			
	Dividend Income	(0.43)	(0.22)
Shri Vinay Sah, MD & CEO & Ms. Sunita Sharma, Ex MD & CEO	*Managerial remuneration-Total	0.57	**0.52
	Short Term Employment Benefits	0.56	0.51
	Post Employment Benefits	0.01	0.01
Shri Nitin K Jage, Company Secretary	Managerial remuneration-Total	0.38	0.30
	Short Term Employment Benefits	0.38	0.30
	Post Employment Benefits	***0.20	***0.20
Shri P Narayanan, CFO	Managerial remuneration-Total	0.28	0.27
	Short Term Employment Benefits	0.27	0.26
	Post Employment Benefits	0.01	0.01

*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 2018-19 has been included.

**The amount includes Performance Linked Incentive (PLI) paid to Ms. Sunita Sharma ,Ex MD & CEO during the Financial Year 2017-18 and salary paid to Mr. Vinay Sah, MD & CEO for Financial Year 2017-18.

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

#Includes premium of ₹ 25.36 Crore paid on 22.02.2019 due to increase in Gratuity limit to ₹ 0.20 Crore.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

50. OPERATING LEASES:

The Company has taken various offices and residential premises on cancellable operating lease basis for periods which range from 11 to 180 months with an option to renew the lease by mutual consent on mutually agreeable terms. Lease payments recognised in the Statement of Profit and Loss for such premises are ₹ 35.19 Crore (Previous year ₹ 29.54 Crore).

In respect of the Non-cancellable leases, the future minimum lease payments are as follows:

(₹ in Crore)

Period	For the year ended March 31, 2019	For the year ended March 31, 2018
Not later than one year	18.08	4.44
Later than one year but not later than five years	0.01	0.12
Later than five years	-	-
Total	**18.09**	**4.56**

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, 2019	For the year ended March 31, 2018
Profit after tax attributable to equity shareholders	(₹ in Crore)	2,430.97	2,002.50
Weighted average number of equity shares outstanding during the year	Nos.	504,663,000	504,663,000
Basic and Diluted Earnings per equity share	₹	48.17	39.68
Face value per equity share	₹	2/-	2/-

52. TAXES ON INCOME:

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**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Particulars	As at April 1, 2017	Profit or Loss	Other Comprehensive Income	Total	As at March 31, 2018
Property, plant and equipment	(3.96)	0.53	-	0.53	(3.43)
Expected credit losses	294.09	163.37	-	163.37	457.46
Provisions other than those pertaining					
to Expected credit loss	27.03	2.54	-	2.54	29.56
Financial assets at fair value through profit or loss	0.39	3.11	-	3.11	3.49
Re-measurements of employee benefits					
through OCI	-	-	(1.39)	(1.39)	(1.39)
Adjustments pertaining to Income					
and expense recognition based on					
Expected Interest rate	(53.37)	(49.31)	-	(49.31)	(102.68)
Income recognition on NPA cases	(3.95)	(4.01)	-	(4.01)	(7.96)
Others	(0.13)	67.34	-	67.34	67.21
Total	**260.10**	**183.57**	**(1.39)**	**182.18**	**442.28**

Income Tax recognised in profit or loss:

(₹ in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Tax		
In respect of Current Year	1059.43	946.57
In respect of prior years	-	-
Deferred Tax		
In respect to of Current Year	(110.85)	(183.57)
Total Income Tax expense recognised in the current year	**948.58**	**763.00**

Reconciliation of income tax expense of the year to the accounting profit is as follows:

(₹ in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Standalone Profit before tax	3,379.55	2,765.50
Income tax expense calculated at 34.944% (Previous Year 34.608%)	1,180.95	957.09
Effect of expenses that are not deductible in determining taxable profit	112.71	180.02
Effect of incomes which are exempt from tax	(2.34)	(1.26)
Effect on deferred tax balances due to the changes in income tax rate	-	2.24
Deduction under section 36(1)(viii) of the Income tax Act, 1961	(232.05)	(191.42)
Others	0.17	(0.10)
Income tax expense recognised in statement of profit and loss	**1,059.43**	**946.57**

The tax rate used for the reconciliations above is the corporate tax rate of 34.944% for the year 2018-19 and 34.608% 2017-18 payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

53. CORPORATE SOCIAL RESPONSIBILITY

Establishment and Other expenses includes ₹ 18.78 Crore for the year ended March 31, 2019 (Previous year ₹ 6.79 Crore) for contribution towards Corporate Social Responsibility (CSR) in accordance with Companies Act, 2013.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Details of CSR expenditure during the Financial Year

a) Gross amount required to be spent by the company during the year is ₹ 57.49 Crore (Previous Year ₹ 50.80 Crore).

b) Amount spent during the year:

(₹ in Crore)

Sl. No	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	13.00		13.00
		(1.11)	(-)	(1.11)
(ii)	On purposes other than (i) above	5.78	-	5.78
		(5.68)	(-)	(5.68)

Figures in bracket are in respect of the Previous Year

a) Details of related party transactions as per Indian Accounting Standard (IND AS-24), "Related Party Disclosures" - Nil

b) No provision has been made for CSR expenditure by the company as on March 31, 2019 (Previous Year Nil).

54. TRANSFER TO 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 (F.Y. 2017-18 ₹ 559.99 Crore; As at 01.04.2017 ₹ 569.99 Crore) has been transferred to Special Reserve No. II in terms of Section 36(1)(viii) of the Income tax Act, 1961 and an amount of ₹ 0.01 Crore (F.Y. 2017-18 ₹ 0.01 Crore; As at 01.04.2017 ₹ 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.

Signature to Notes 1 to 54

As per our report of even date attached

For and on behalf of the Board of Directors

For Shah Gupta & Co.
Chartered Accountants
FRN 109574W

For Chokshi & Chokshi LLP
Chartered Accountants
FRN 101872W/W100045

Heneel K Patel
Partner
M.No.114103

Mitil R Chokshi
Partner
M.No. 047745

M. R. Kumar
Chairman
DIN: 03628755

Jagdish Capoor
Director
DIN: 00002516

Vinay Sah
Managing Director &
Chief Executive Officer
DIN: 02425847

Nitin K. Jage
General Manager (Tax.)
& Company Secretary
FCS No. 8084

P. Narayanan
CFO

Sadhana Deshpande
Chief Manager
(Accounts)

Place: Mumbai
Date: May 04, 2019

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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, 2019. 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, 2018. These disclosures have been certified separately by the statutory auditors of the Company.

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.

Summary of Significant Accounting Policies

The accounting policies regarding key areas of operations are disclosed as note 2 to the Standalone Financial Statement for the year ended March 31, 2019.

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 the NHB Direction Housing Finance Company 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	276.67	-	276.67	-	Book debt on specific assets
	(149.50)	(-)	(149.50)	(-)	
Loan given under Lease Rental Discounting	122.66	29.28	93.38	-	Rights over receivables
	(134.14)	(28.77)	(105.37)	(-)	
Loan given to Individuals	157.50	99.49	-	58.01	Immovable Property
	(59.69)	(38.89)	(-)	(20.80)	
Loan Against Deposit	0.79	-	0.79	-	Fixed Deposit Receipt
	(0.93)	(-)	(0.93)	(-)	
Total	**557.62**	**128.77**	**370.84**	**58.01**	
	(344.26)	**(67.66)**	**(255.80)**	**(20.80)**	

- 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 shall be reckoned as unsecured.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

c. **Housing Loans and Non-Housing Loans**

(₹ in Crore)

Asset Classification	Housing		Non-Housing	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Standard Assets				
a) Total Outstanding Amount				
(i) Total Outstanding Amount	1,54,474.02	1,39,371.49	35,775.58	25,687.77
(ii) Accrued Interest*	985.82	884.27	248.91	173.40
b) Provisions made	559.55	526.75	243.86	130.11
Sub-Standard Assets				
a) Total Outstanding Amount	1,390.67	394.14	417.47	232.39
b) Provisions made	208.60	59.12	62.62	34.86
Doubtful Assets – Category-I				
a) Total Outstanding Amount	268.62	79.81	101.47	7.66
b) Provisions made	67.15	19.95	25.37	1.91
Doubtful Assets – Category-II				
a) Total Outstanding Amount	310.51	168.83	134.04	20.36
b) Provisions made	124.20	67.53	53.62	8.14
Doubtful Assets – Category-III				
a) Total Outstanding Amount	129.40	190.54	113.09	150.27
b) Provisions made	129.40	190.54	113.09	150.27
Loss Assets				
a) Total Outstanding Amount	88.75	53.81	17.68	5.79
b) Provisions made	88.75	53.81	17.68	5.79
Total				
a) Total Outstanding Amount				
(i) Total Outstanding Amount of the Portfolio	**1,56,661.97**	**1,40,258.62**	**36,559.33**	**26,104.24**
(ii) Accrued interest*	**985.82**	**884.27**	**248.91**	**173.40**
b) Provisions made	**1,177.65**	**917.71**	**516.24**	**331.08**

* Accrued Interest includes Interest Accrued but not due and Interest Accrued and due.

d. **Movement of NPAs**

(₹ in Crore)

Period	For the year ended March 31, 2019	For the year ended March 31, 2018
(I) Net NPAs to Net Advances (%)	1.08%	0.43%
(II) Movement of NPAs (Gross)		
a) Opening balance	1,303.60	627.06
b) Additions during the year	2,188.90	763.04
c) Reductions during the year	520.80	86.49
d) Closing balance	2,971.70	1,303.60

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Period	For the year ended March 31, 2019	For the year ended March 31, 2018
(III) Movement of Net NPAs		
a) Opening balance	711.66	213.44
b) Additions during the year	1624.74	561.42
c) Reductions during the year	255.20	63.20
d) Closing balance	2,081.20	711.66
(IV) Movement of Provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	591.94	413.62
b) Provisions made during the year	564.16	201.62
c) Write-off/write-back of excess provisions	265.62	23..29
d) Closing balance	890.48	591.94

2. **Investments**

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
A. Value of Investments		
i) Gross value of Investments	1,334.52	986.79
(a) In India	1,334.52	986.79
(b) Outside India	-	-
ii) Provisions for Depreciation	10.00	10.00
(a) In India	10.00	10.00
(b) Outside India	-	-
iii) Net value of Investments	1,324.52	976.79
(a) In India	1,324.52	976.79
(b) Outside India		-
B. Movement of provisions held towards depreciation on investments		
(i) Opening balance	10.00	1.12
(ii) Add: Provisions made during the year	-	10.15
(iii) Less: Write-off / Written-back of excess provisions during the year	-	1.27
(iv) Closing Balances	10.00	10.00

3. **Derivative Instruments:**

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

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
i) The notional principal of swap agreements	396.00	696.00
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	5.34	12.13
iii) Collateral required by the HFC upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps	5.34	12.13
v) The fair value of the swap book	5.34	11.21

(a) Interest Rate Swaps for hedging underlying liability aggregate to ₹ 396.00 Crore (F.Y. 2017-18 ₹ 696.00 Crore).

(b) Foreign currency exposure in respect of coupon linked with LIBOR that are not hedged by derivative instruments as on March 31, 2019 amount to ₹ NIL Crore (F.Y. 2017-18 ₹ NIL Crore).

Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

The exposure of LICHFL 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 to be amortized over the balance tenor of the swap or underlying liability whichever is less. Loss if any on early termination is to be charged to revenue in the same year. The carry difference, between coupon rate liability and the swap contract rate is to be accounted quarterly on accrual basis.

B. Quantitative Disclosure

(₹ in Crore)

Particulars	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)	-	396.00
(ii) Marked to Market Positions		
(a) Assets (+)	-	5.34
(b) Liability (-)	-	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

4. Break up of 'Provisions and Contingencies' pursuant to NHB norms

(₹ in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1. Provisions for depreciation on Investment		
Provisions for depreciation on Investment	-	10.16
Long term investment written off (Non Trade)	1.45	4.34
Less - Provision for Investments written back	-	(1.27)
2. Provision made towards Income tax	1,059.43	946.57
3. Provision towards NPA		
(i) Provision towards NPA	564.16	201.62
Less - Provision for loans written back	(265.62)	(23.29)
(ii) Loans written off	265.66	23.29
Less - Loans written off recovered	(13.22)	(7.18)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
4. Provision for Standard Assets* (with details like teaser loan, CRE, CRE-RH, etc.)	146.55	32.30
5. Other Provision and Contingencies:		
(i) Provision For Other Doubtful Asset Receivable	-	-
(ii) Provisions for Contingency Written Back	0.00	(0.00)
(iii) Provision For Other Doubtful Asset Written Back	-	(1.10)
(iv) Provision for Loan Against Public Deposit	0.00	0.00
Total	**1,758.41**	**1,185.44**

* Provision on Standard Asset includes provision on Individual Housing Loan ₹ NIL Crore (Previous Year ₹ (12.68 Crore), CRE-RH ₹ 32.80 Crore (Previous Year ₹ 15.98 Crore), CRE ₹ 122.33 Crore (Previous Year ₹ 5.61 Crore) and CRE Others of ₹ 8.58 Crore (Previous Year ₹ 23.29 Crore)

5. Concentration of Public Deposits, Advances, Exposures and NPAs

5.1 Concentration of Public Deposits

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Deposits of twenty largest Public depositors	1,415.05	1,070.52
Percentage of Deposits of twenty largest Public depositors to Total Deposits of the Company	35.85%	31.06%

5.2 Concentration of Loans & Advances

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Loans & Advances to twenty largest borrowers	8,040.10	5,110.00
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the Company	4.16%	3.07%

5.3 Concentration of all Exposure (including off-balance sheet exposure)

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Exposure to twenty largest borrowers / customers	8,569.08	5,137.60
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	3.89%	2.67%

5.4 Concentration of NPAs

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Exposure to top ten NPA accounts	785.31	612.68

5.5 Sector-wise NPAs

Sr. No	Sector	Percentage of NPAs to Total Advances in that sector
A.	Housing Loans:	
1	Individuals	0.95%
2	Builders/Project Loans	8.11%
3	Corporates	-
4	Others (specify)	-
B.	Non-Housing Loans:	
1	Individuals	2.29%
2	Builders/Project Loans	3.65%
3	Corporates	-
4	Others (Commercial)	1.57%

6. Exposure

6.1 Exposure to Real Estate Sector

(₹ in Crore)

Category		As at March 31, 2019	As at March 31, 2018
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 : ₹ 41,067.59 Crore (F.Y. ₹ 2017-18 ₹ 40,976.11 Crore)	1,75,812.88	1,55,462.36
(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	17,038.36	10,585.95
(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)	276.67	149.50

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

6.2 Exposure to Capital Market

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
(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; *	99.1	74.1
(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)	30.54	46.8
Total Exposure to Capital Market	**129.64**	**120.9**

* includes Investment in Subsidiary Companies and Investment in Associate Companies & other Company.

7. Capital to Risk Assets Ratio (CRAR)

Particulars	As at March 31, 2019	As at March 31, 2018
i. CRAR (%)	14.36%	15.49%
ii. CRAR - Tier I capital (%)	12.30%	13.06%
iii. CRAR - Tier II Capital (%)	2.06%	2.43%
iv. Amount of subordinated debt raised as Tier- II Capital (₹ in Crore)	500.00	1,000.00
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	1day to 30-31 days (one month)	Over one month to 2months	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	185.37	279.38	194.61	838.59	2,997.68	2,668.63	606.20	-	-	-	7,770.46
Borrowing from Banks	-	119.18	421.37	624.74	9,724.11	7,600.71	4,715.58	1,507.57	159.97	-	24,873.23
Market Borrowings***	3,143.44	4,660.01	3,490.00	8,421.40	22,847.72	45,420.19	18,272.56	18,713.72	13,367.20	-	1,38,336.24
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances*	1,877.20	1,858.70	1,971.10	7,527.70	17,871.50	18,341.40	19,698.60	21,048.00	32,701.00	67,354.60	1,90,249.80
Investments**	-	-	-	-	1.50	94.29	42.20	116.00	365.21	734.22	1,353.42
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

* Net of Provisions

** Net of Investment diminutions and G-Sec taken at face value.

*** Commercial Paper & Zero Coupon Bond taken at face value.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

9. Disclosure regarding penalty or adverse comments as per Housing Finance Companies (NHB) Directions, 2010 during the current year:

a. In respect of thirteen loan accounts, pursuant to the letter dated 30/01/2019 from National Housing Bank (NHB), the Company has paid penalty of ₹ 2,60,000/- (Rupees Two Lakh Sixty Thousand only) plus GST @18%, due to error in asset classification, provisioning and disclosure identified by NHB with reference to Company's position as on 31.03.2017.

b. In respect of two loan accounts, pursuant to the letter dated 11/04/2019 from NHB, the Company has paid penalty of ₹ 10,000/-(Rupees Ten Thousand only) plus GST @ 18% for non-compliance with the para 4.1(iv) (e) of the NHB Master Circular dated 01.07.2016 on Fair Practice Code.

c. The observations from NHB Inspection Report with reference to the Company's position as on 31/03/2017 have been suitably addressed and replied to the NHB. As regards inspection for the position as on 31/03/2018, the Company has not yet received the report.

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.

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, 2019	As at March 31, 2018
Total Tangible Assets	0.01	0.03
Balance in Dubai Foreign Account	0.45	0.39

14. Disclosure of Complaints

Customers Complaints

Particulars	As at March 31, 2019	As at March 31, 2018
a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year	11,656	10,657
c) No. of complaints redressed during the year	11,656	10,657
d) No. of complaints pending at the end of the year	-	-

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.

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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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	CRISIL 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	CRISIL Ratings
1	Commercial Paper	ICRA A1+

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

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, 2019	As at March 31, 2018
Balance at the beginning of the year			
a)	Statutory Reserve u/s 29C of the National Housing Bank Act,1987	0.14	0.13
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	4,354.35	3,794.36
Total		**4,354.49**	**3,794.49**
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	559.99
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.	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Particulars		As at March 31, 2019	As at March 31, 2018
Balance at the end 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 under Section 29C of the NHB Act, 1987	5,104.35	4,354.35
Total		**5,104.49**	**4,354.49**

17. Exchange Traded Interest Rate (IR) Derivative

(₹ in Crore)

Particulars		Amount
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrumentwise)	-
	(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)	-

18. Securitisation

18.1 These disclosures should be made in the format given below.

(₹ in Crore)

Sr. No.	Particulars	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 otherthan 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)	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Sr. No.	Particulars	Amount
	(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, 2019	As at March 31, 2018
(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		-

18.3 Details of Assignment transactions undertaken by HFCs

(₹ in Crore)

Particulars		As at March 31, 2019	As at March 31, 2018
(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		-

18.4 Details of non-performing financial assets purchased or sold

A. Details of non-performing financial assets purchased:

(₹ in Crore)

Sr. No.	Particulars		As at March 31, 2019	As at March 31, 2018
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:

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1.	No. of accounts sold	74	52
2.	Aggregate outstanding (₹ in Crore)	19.72	9.14
3.	Aggregate consideration received (₹ in Crore)	25.37	11.72

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
-	-

20. The additional Information pursuant to Schedule III to the Companies Act, 2013 are either Nil or Not Applicable.

21. The previous year figures have been reclassified / regrouped / restated to conform to current year's classification.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LIC HOUSING FINANCE LIMITED

Report on 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 (the Holding Company and its subsidiaries together referred to as the 'Group') and its associates, which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows 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, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and associates as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (hereinafter referred to as '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 and its associates as at 31 March 2019, of its consolidated profit and total comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

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
Transition date accounting	
Refer to the accounting policies in the consolidated financial statements: Significant accounting policies – Basis of preparation and Note 4 to the consolidated financial statements: "First time adoption of Ind AS"	
Adoption of new accounting framework (Ind AS)	

Effective April 1, 2018, the Holding Company adopted Ind AS notified by the Ministry of Corporate Affairs with the transition date of April 1, 2017.
 	
The following are the major impact areas for the Holding Company upon transition:
• Classification and measurement / valuation of financial instruments:
  - Determination of Expected Credit Loss (ECL)
  - Computation of Effective Interest Rate on financial assets and financial liabilities
• Classification and measurement of investment in Subsidiaries and Associates
• Additional disclosures as per the requirements of the new financial reporting framework
 	
Transition to the new financial reporting framework involves multiple decision points for management i.e. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS at the transition date.
	We performed audit procedures set out below
	
	Design / controls
	
	Assessed the design, implementation and operating effectiveness of key internal controls over management's evaluation of transition date choices and exemptions availed in line with the Ind AS 101.
	
	Substantive tests
	• Evaluated management's transition date choices and exemptions for compliance / acceptability under Ind AS 101;
	• Understood the approach and methodology adopted by management to implement the transition to Ind AS;
	• Test checked the computations relating to transition adjustments;
	• Assessed areas of significant estimates and management judgement on transition in line with Ind AS principles;
	• Compared the reasonableness of management assumptions in respect of recognition and measurement of financial instruments including determination of ECL provisioning as at the date of transition etc.

Key Audit Matter	How the matter was addressed in our audit
We identified the transition date accounting as a key audit matter because of the significant degree of management judgement in the first-time application of Ind AS principles as at the transition date particularly in the areas noted above and the additional disclosures associated with Ind AS transition.	
Expected Credit Loss – Impairment of carrying value of loans and advances	
Refer to the accounting policies in Note 2.15 (f) and Note 41.4.2.3 and 41.2.2.4 to the consolidated financial statements: Impairment and write-off; Note 3.1 to the consolidated financial statements: use of estimates and judgements – determination of Expected Credit Loss and Note 9 to the consolidated financial statements: Loan	
Subjective estimate	**We performed audit procedures set out below**
The calculation of certain credit provisions for the Holding Company is inherently judgemental	**Design / controls**
Individual and collective impairment provisions (identified and unidentified) may not reflect recent developments in credit quality, arrears experience, or emerging macro-economic risks. With the applicability of Ind AS 109 credit loss assessment is now based on ECL model. The Holding Company's impairment allowance is computed based on estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. **The most significant areas are:** **Complex impairment models –** Models used in the Housing Loan portfolios to estimate the existence of incurred loss events and the resultant expected write-offs. Judgement is required to determine the inputs, methodologies and assumptions and these can significantly impact the provisions held. The most significant judgements include the segmentation level at which historical loss rates are calculated, and the length of the recovery period and the loss emergence period applied to historical loss provisions. **Identification of impairment** – Project Loan exposures of the Holding Company are individually assessed for impairment based on a borrower's financial performance, solvency and liquidity. The nature of this assessment means there is an inherent risk that loss impairment triggers may not be identified on a timely basis. The other significant areas are: - Segmentation of loan book - Loan staging criteria - Calculation of probability of default / Loss given default - Consideration of probability weighted scenarios and forward looking macro-economic factors. There is a large increase in the data inputs required for the computation of ECL. This increases the risk of completeness and accuracy of the data that has been used as a basis of assumptions in the model.	• For housing loan portfolios, we tested the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs and assumptions into the impairment models, the identification of impaired and restructured accounts and key systems reconciliations. We evaluated controls over the modelling process, including model monitoring, validation and approval. We tested controls over model outputs and recognition and approval of post model adjustments and management overlays. • For Project exposures, we tested design and operating effectiveness of the key controls over the determination of whether loans displayed indicators of impairment; • Understood Holding Company's new / revised processes, systems and controls implemented relating to impairment allowance process including governance controls over the development and implementation of the ECL model; • Test checked the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge; • Test checked management review controls over measurement of impairment allowances and disclosures in the consolidated financial statements. **Substantive tests** • Performed substantive procedures over validating completeness and accuracy of the data and reasonableness of assumptions used in the model; • We tested a selection of post model adjustments and management overlays in order to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample back to source data • We have discussed with external specialists to test the working of the ECL model and reasonableness of assumptions used; • Performed cut off procedures on a sample basis relating to recoveries at year end that would impact staging of loans; • Test checked the basis of collateral valuation in the determination of ECL provision.

INDEPENDENT AUDITORS' REPORT

Key Audit Matter	How the matter was addressed in our audit
Evaluation of uncertain tax positions The Holding Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Note 44 (b) to the Consolidated Financial Statements.	**Our procedures included:** • Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We assessed the management's underlying assumptions in estimating the tax provision 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, 2018 to evaluate whether any change was required to management's position on these uncertainties.
Temporary Book Overdraft– In respect of Holding Company As at March 31, 2019, other financial liability in respect of Temporary Book Overdraft amounting to ₹ 6,909.46 crores which are pending to be encashed Refer Note 47 to the Consolidated Financial Statements.	**Our procedures included:** Temporary Book Overdraft represents cheques issued towards disbursements to borrowers and cheques issued for payment of expenses but not encashed. We have reviewed the nature of the amounts paid, the sustainability, clearance of cheque after the balance sheet date and the likelihood of clearance within reasonable period.
Information Technology ('IT') – In respect of Holding Company IT systems and controls : The Holding Company's key financial accounting and reporting processes are highly dependent on information systems including automated controls in information systems, such that there exists a risk that, gaps in the IT control environment could result in the financial accounting and reporting records being misstated. The Holding Company uses several systems for its overall financial reporting. We have identified 'IT systems and controls' as key audit matter because of significant use of IT system and the scale and complexity of the IT architecture.	**We performed audit procedures set out below** • Understood General IT Control i.e. access controls, program/ system change, program development, computer operations (i.e. job processing, data/ system backup incident management) over key financial accounting and reporting systems, and supporting control systems (referred to as in-scope systems); • Understood IT infrastructure i.e. operating systems and databases supporting the in-scope systems; • Test checked the General IT Controls for design and operating effectiveness for the audit period over the in-scope systems; • Understood IT application controls covering - user access and roles, segregation of duties, and - key interfaces, reports, reconciliations and system processing; • Test checked the IT application controls for design and operating effectiveness for the audit period; • Performed testing to determine that these controls remained unchanged during the audit period or were changed following the standard change management process; • Test checked controls over the IT infrastructure covering user access (including privilege users), data center and system change (e.g. patches).

B. Key Audit Matters for Subsidiary Companies – No Key Audit Matters reported by the Subsidiary Companies auditors for the year ended on March 31, 2019.

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 other information. The other information comprises the information included in the Holding Company's Director's report and Management Discussion and Analysis (MD&A) report, but does not include the consolidated financial statements and our auditors' 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 consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of 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 Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of their respective Companies and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of their respective companies 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 respective company 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 their respective companies.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

- As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under sub-section (3)(i) of section 143 of the Act, we are also responsible for expressing our opinion on whether the Group and associates has adequate internal financial controls system in place and the operating effectiveness of such controls. Our opinion is based on audit evidence obtained by us and audit evidence obtained by other auditors of subsidiary and associate companies, which are incorporated in India in terms of their reports referred to in the 'Other Matters' paragraph to this report.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Holding Company's management.
- Conclude on the appropriateness of Holding Company management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group (Holding Company and subsidiaries) as well as associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors, 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. Our responsibilities in this regard are further described in para titled 'Other Matters' in this audit report.

INDEPENDENT AUDITORS' REPORT

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2019 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

(a) The comparative financial information of the Group and its associates for the year ended March 31, 2018 and the transition date opening balance sheet as at April 1, 2017 included in these consolidated financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 as amended, audited by us whose report for the year ended March 31, 2018 and March 31, 2017 dated April 23, 2018 and April 25, 2017 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group and its associates on transition to the Ind AS, which have been audited by us with respect to the Holding Company and by other auditors with respect to the subsidiaries and associates as noted below. Our opinion is not modified in respect of this matter.

(b) We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ₹ 228.99 crore as at March 31, 2019, total revenue of ₹ 76.55 crore, and net cash flows amounting to ₹ 2.68 crore, for the year ended on that date, as considered in the preparation of the consolidated financial statements. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. 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 such other auditors.

(c) The consolidated financial statements also include the Group's share of net loss of ₹ 0.10 crore for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of associates, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates 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 statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above 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 and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by sub-section (3) of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

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

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, is disqualified as on March 31, 2019 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial control over financial reporting with reference to these consolidated financial statements of the Holding Company and its subsidiary companies, refer to our separate Report in "Annexure A" to this report;

(g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of the sub-section 16 of Section 197 of the Act, as amended:

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, 2019 has been paid / provided by the Holding Company and its subsidiaries to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 44 to the consolidated financial statements;

ii. The Group 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 Group.

For **SHAH GUPTA & CO.**
Chartered Accountants
Firm Registration No.: 109574W

Heneel K Patel
Partner
M. No. 114103

Place: Mumbai
Date: 04.05.2019

For **CHOKSHI & CHOKSHI LLP**
Chartered Accountants
Firm Registration No.: 101872W / W100045

Mitil R Chokshi
Partner
M. No. 047745

Place: Mumbai
Date: 04.05.2019

ANNEXURE A TO THE INDEPENDENT AUDITORS' 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')

In conjunction with our audit of the consolidated financial statements of **LIC HOUSING FINANCE LIMITED** as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of LIC HOUSING FINANCE LIMITED (hereinafter referred to as the "Holding Company") and its subsidiary companies, as of 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 over 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, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 auditors' 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 over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these consolidated financial statements

A Company's internal financial control over financial reporting with reference to these 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 over financial reporting with reference to these 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 Over Financial Reporting with Reference to these consolidated financial statement

Because of the inherent limitations of internal financial controls over financial reporting 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 over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting 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.

Opinion

In our opinion, the Holding Company and its subsidiary companies, have maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control over 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 issued by the Institute of Chartered Accountants of India.

Other Matters

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 over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to these four subsidiary companies, is based on the corresponding reports of the auditors of such subsidiary companies.

For **SHAH GUPTA & CO.**
Chartered Accountants
Firm Registration No.: 109574W

Heneel K Patel
Partner
M. No. 114103

Place: Mumbai
Date: 04.05.2019

For **CHOKSHI & CHOKSHI LLP**
Chartered Accountants
Firm Registration No.: 101872W / W100045

Mitil R Chokshi
Partner
M. No. 047745

Place: Mumbai
Date: 04.05.2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Crore)

		Note	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	ASSETS				
(1)	**Financial Assets**				
(a)	Cash and Cash Equivalents	5	2,802.85	1,915.35	1,450.07
(b)	Bank Balance other than (a) above	6	229.51	227.66	303.52
(c)	Derivative Financial Instruments	7	26.98	43.65	85.77
(d)	Receivables	8			
	(I) Trade Receivables		11.99	13.50	2.77
	(II) Other Receivables		-	-	-
(e)	Loans	9	192,951.84	166,134.01	144,699.36
(f)	Investments	10	3,617.34	2,008.22	3,406.99
(g)	Other Financial Assets	11	75.86	68.19	69.62
	Total Financial Assets		**199,716.37**	**170,410.58**	**150,018.10**
(2)	**Non-Financial Assets**				
(a)	Current Tax Assets (Net)	12	181.66	185.01	185.95
(b)	Deferred Tax Assets (Net)	13	561.71	449.65	268.22
(c)	Property, Plant and Equipment	14.1	164.96	126.83	103.00
(d)	Other Intangible Assets	14.2	2.91	2.42	3.66
(e)	Capital Work in Progress	14.3	2.19	2.74	0.57
(f)	Goodwill on Consolidation		0.21	0.21	0.21
(g)	Other Non-Financial Assets	15	77.42	50.72	35.01
	Total Non-Financial Assets		**991.06**	**817.58**	**596.62**
	Total Assets		**200,707.43**	**171,228.16**	**150,614.72**
	LIABILITIES AND EQUITY				
	LIABILITIES				
(1)	**Financial Liabilities**				
(a)	Derivative Financial Instruments	7	25.79	39.43	88.61
(b)	Payables	16			
	(A) Trade Payables				
	(i) Total outstanding dues of micro enterprises and small enterprises		0.17	0.22	0.14
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		74.73	52.41	51.30
	(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		-	-	-
(c)	Debt Securities	17	134,615.67	119,521.22	101,585.21
(d)	Borrowings (Other than Debt Securities)	18	26,383.91	16,517.05	15,939.25
(e)	Deposits	19	7,657.56	6,770.10	6,292.77
(f)	Subordinated Liabilities	20	2,000.00	2,500.00	2,500.00
(g)	Other Financial Liabilities	21	13,497.87	11,390.13	11,366.69
	Total Financial Liabilities		**184,255.70**	**156,790.56**	**137,823.97**
(2)	**Non-Financial Liabilities**				
(a)	Provisions	22	118.54	122.32	104.40
(b)	Other Non-Financial Liabilities	23	0.18	2.22	10.50
	Total Non-Financial Liabilities		**118.72**	**124.54**	**114.90**
(3)	**EQUITY**				
(a)	Equity Share Capital	24	100.99	100.99	100.99
(b)	Other Equity	25	16,229.83	14,210.19	12,573.14
(c)	Non Controlling Interest		2.19	1.88	1.72
	Total Equity		**16,333.01**	**14,313.06**	**12,675.85**
	Total Liabilities and Equity		**200,707.43**	**171,228.16**	**150,614.72**

See accompanying notes forming part of the Consolidated Financial Statement

As per our report of even date attached

For and on behalf of the Board of Directors

For Shah Gupta & Co.
Chartered Accountants
FRN 109574W

For Chokshi & Chokshi LLP
Chartered Accountants
FRN 101872W/W100045

Heneel K Patel
Partner
M.No.114103

Mitil R Chokshi
Partner
M.No. 047745

M. R. Kumar
Chairman
DIN: 03628755

Jagdish Capoor
Director
DIN: 00002516

Vinay Sah
Managing Director & Chief Executive Officer
DIN: 02425847

Nitin K. Jage
General Manager (Tax.) & Company Secretary
FCS No. 8084

P. Narayanan
CFO

Sadhana Deshpande
Chief Manager (Accounts)

Place: Mumbai
Date: May 04, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

		Note	Year Ended March 31, 2019	Year Ended March 31, 2018
(1)	**REVENUE FROM OPERATIONS**			
(i)	Interest Income	26	17,263.96	14,738.89
(ii)	Fees and Commission Income	27	55.84	51.45
(iii)	Net gain on Fair Value Changes	28	1.21	1.41
(iv)	Net gain on Derecognition of Financial Instruments under amortised cost category	29	10.66	23.92
(v)	Sale of Products	30	5.01	9.37
(vi)	Others	31	55.91	49.83
	Total Revenue from Operations (1)		**17,392.59**	**14,874.87**
(2)	**Other Income**	32	2.99	1.57
(3)	**Total Income (1+2)**		**17,395.58**	**14,876.44**
(4)	**Expenses**			
(i)	Finance Costs	33	12,891.03	11,143.82
(ii)	Fees and Commission Expense	34	18.04	30.42
(iii)	Net Loss on Derecognition of Financial Instruments under amortised cost category	35	267.71	23.29
(iv)	Impairment on Financial Instruments (Expected Credit Loss)	36	350.35	468.40
(v)	Cost of Materials Consumed	37	4.18	7.18
(vi)	Employee Benefits Expenses	38	274.58	245.10
(vii)	Depreciation, Amortization and Impairment	14.1 & 14.2	11.92	10.21
(viii)	Others Expenses	39	186.02	166.04
	Total Expenses (4)		**14,003.83**	**12,094.46**
(5)	**Profit Before Tax (3-4)**		**3,391.75**	**2,781.98**
(6)	**Tax Expense:**			
	- Current Tax		1,069.19	956.62
	- Deferred Tax		(111.81)	(182.80)
	Total Tax Expenses (6)		**957.38**	**773.82**
(7)	**Net Profit after Tax (5-6)**		**2,434.37**	**2,008.16**
(8)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to Profit or (Loss)		(0.77)	4.09
	(ii) Income Tax relating to items that will not be reclassified to Profit or (Loss)		(0.27)	1.41
	Other Comprehensive Income		**(0.50)**	**2.68**
(9)	**Total Comprehensive Income for the year (before Share of Profit/ (Loss) of Associate and Non Controlling Interest)**		**2,433.87**	**2,010.84**
(10)	Share of Profit/(Loss) of Associates		(0.10)	3.05
(11)	Share of Profit/(Loss) of Non-Controlling Interest		(0.42)	(0.22)
	Total Comprehensive Income for the year (Comprising Profit / (Loss) and other Comprehensive Income for the period) (9+10+11)		**2,433.35**	**2,013.67**
	Profit for the year attributable to:			
	Shareholders of the Company		2,433.95	2,007.93
	Non-Controlling Interests		0.42	0.22
	Total Comprehensive Income for the year attributable to:			
	Shareholders of the Company		2,432.93	2,013.44
	Non-Controlling Interests		0.42	0.22
(12)	**Earnings per Equity Share**			
	Basic (₹)		48.23	39.85
	Diluted (₹)		48.23	39.85

See accompanying notes forming part of the Consolidated Financial Statement

As per our report of even date attached

For and on behalf of the Board of Directors

For Shah Gupta & Co.
Chartered Accountants
FRN 109574W

For Chokshi & Chokshi LLP
Chartered Accountants
FRN 101872W/W100045

Heneel K Patel
Partner
M.No.114103

Mitil R Chokshi
Partner
M.No. 047745

M. R. Kumar
Chairman
DIN: 03628755

Jagdish Capoor
Director
DIN: 00002516

Vinay Sah
Managing Director &
Chief Executive Officer
DIN: 02425847

Nitin K. Jage
General Manager (Tax.)
& Company Secretary
FCS No. 8084

P. Narayanan
CFO

Sadhana Deshpande
Chief Manager
(Accounts)

Place: Mumbai
Date: May 04, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A. EQUITY SHARE CAPITAL

(₹ in Crore)

Balance as at April 1,2017	Changes in Equity Share Capital during the year	Balance as at March 31, 2018
100.99		100.99

Balance as at April 1, 2018	Changes in Equity Share Capital during the year	Balance as at March 31, 2019
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				
Balance as at April 1, 2017	**0.13**	**0.48**	**1,721.09**	**4,752.93**	**38.98**	**3,794.36**	**2,265.18**		**12,573.14**	**1.72**	**12,574.86**
Add: Total Comprehensive Income for the year	-	-	-	-	-	-	2,008.16	2.68	2,010.84	-	2,010.84
Add: Share of Profit of Associates	-	-	-	-	-	-	3.05	-	3.05	-	3.05
Less: Share of Non-Controlling Interests	-	-	-	-	-	-	(0.22)	-	(0.22)	0.22	-
Less: Dividend (including Tax on Dividend of ₹ 63.68 crores)	-	-	-	-	-	-	(376.59)	-	(376.59)	(0.06)	(376.65)
Transfer to Statutory Reserves	0.01	-	-	-	-	-	(0.01)	-	-	-	-
Transfer to General Reserves	-	-	-	500.38	-	-	(500.38)	-	-	-	-
Transfer to Special Reserve II	-	-	-		-	559.99	(559.99)	-	-	-	-
Share of Post-Acquisition Profit considered for Cost of Control for Additional shares in LICHFL Care Homes Ltd	-	8.77	-	(0.33)	-	-	(8.44)	-	-	-	-
Balance as at March 31, 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**
Balance as at April 1, 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 crores)	-	-	-	-	-	-	(413.70)	-	(413.70)	(0.12)	(413.82)
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**

See accompanying notes forming Part of the Consolidated Financial Statement

As per our report of even date attached

For and on behalf of the Board of Directors

For Shah Gupta & Co.
Chartered Accountants
FRN 109574W

For Chokshi & Chokshi LLP
Chartered Accountants
FRN 101872W/W100045

Heneel K Patel
Partner
M.No.114103

Mitil R Chokshi
Partner
M.No. 047745

M. R. Kumar
Chairman
DIN: 03628755

Jagdish Capoor
Director
DIN: 00002516

Vinay Sah
Managing Director & Chief Executive Officer
DIN: 02425847

Nitin K. Jage
General Manager (Tax.) & Company Secretary
FCS No. 8084

P. Narayanan
CFO

Sadhana Deshpande
Chief Manager (Accounts)

Place: Mumbai
Date: May 04, 2019

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

		Year Ended March 31, 2019	Year Ended March 31, 2018
A.	**Cash Flow from Operating Activities**		
	Profit Before Tax	3,391.75	2,781.98
	Adjustments for		
	Depreciation, Amortization and Impairment	11.92	10.21
	Impairment on Financial Instruments (Expected Credit Loss)	350.35	468.40
	Loss/(Gain) on disposal of Property, Plant and Equipment	(0.08)	(0.02)
	Dividend and Interest Income classified as investing cash flows	(8.55)	(3.06)
	Unwinding of Discount	(384.97)	(22.82)
	Modification Loss/ (Gain)	47.83	23.78
	Interest Expense	12,891.03	11,143.82
	Interest Income	(17,170.11)	(14,675.31)
	Share of profits of associates	(0.10)	3.05
	Adjustments for		
	Movements in Provisions and Gratuity	(0.50)	2.68
	(Increase) / Decrease in Other Financial Assets	3.50	100.18
	(Increase) / Decrease in Other Non Financial Assets	135.39	293.21
	Increase / (Decrease) in Other Financial Liabilities	1,987.16	(662.87)
	Increase / (Decrease) in Other Non Financial Liabilities	(6.61)	1.97
	Interests Paid	(12,762.04)	(10,505.17)
	Interest Received	16,851.05	14,610.90
	Cash generated from Operations	**5,337.02**	**3,570.93**
	Income tax paid	(1,065.90)	(955.69)
	Net Cash Outflow from Operations	**4,271.12**	**2,615.24**
	Loans Disbursed (Net)	(26,654.66)	(22,105.92)
	Public Deposits (Net)	845.47	513.65
	Net Cash Outflow from Operating Activities (A)	**(21,538.07)**	**(18,977.03)**
B.	**Cash Flow from Investing Activities**		
	Payments for Property, Plant and Equipment	(50.66)	(34.94)
	Proceeds from Sale of Property, Plant and Equipment	0.75	0.03
	Payments for Purchase of Investments	(1,619.70)	(452.18)
	Proceeds from Sale of Investments	18.33	1,851.99
	Dividends Received	0.43	0.22
	Interest Received	8.12	2.84
	Net Cash (Outflow)/ Inflow from Investing Activities (B)	**(1,642.73)**	**1,367.96**

(₹ in Crore)

		Year Ended March 31, 2019	Year Ended March 31, 2018
C.	**Cash Flow from Financing Activities**		
	Proceeds from Borrowings	154,790.50	69,888.79
	Repayment of Borrowings	(130,308.60)	(51,438.42)
	Transfer to Investor Protection Fund	(0.82)	(0.66)
	Dividends paid to Company's Shareholders	(342.14)	(311.63)
	Dividends paid to Non Controlling Interest	(0.10)	(0.05)
	Dividend Distribution Tax Paid	(70.55)	(63.68)
	Net Cash Inflow from Financing Activities (C)	**24,068.29**	**18,074.35**
	Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	**887.49**	**465.28**
	Cash and Cash Equivalents at the beginning of the year	1,915.36	1,450.07
	Cash and Cash Equivalents at the end of the year	**2,802.85**	**1,915.35**
	Cash and Cash Equivalents as per above comprise of the following		
	(i) Cash on hand	6.63	3.70
	(ii) Balances with Banks (of the nature of cash and cash equivalents);	2,471.30	1,717.07
	(iii) Cheques, drafts on hand	324.92	194.58
	Balances as per Statement of Cash Flows	**2,802.85**	**1,915.35**

As per our report of even date attached

For and on behalf of the Board of Directors

For Shah Gupta & Co.
Chartered Accountants
FRN 109574W

For Chokshi & Chokshi LLP
Chartered Accountants
FRN 101872W/W100045

Heneel K Patel
Partner
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Managing Director &
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DIN: 02425847

Nitin K. Jage
General Manager (Tax.)
& Company Secretary
FCS No. 8084

P. Narayanan
CFO

Sadhana Deshpande
Chief Manager
(Accounts)

Place: Mumbai
Date: May 04, 2019

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 1: CORPORATE INFORMATION:

LIC Housing Finance Limited ('the Company or the Parent') is a Public Limited Company, 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 house/buildings. The Company's Registered Office and Corporate Office is at Mumbai with the widest network of Operating Offices in India and Representative Offices at Dubai and Kuwait. The Company is holding company for investments in its subsidiary companies and associates.

The Consolidated Financial Statements for the year ended March 31, 2019 were authorized for issuance in accordance with resolution of the Board of Directors on May 04, 2019.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

(A) Significant Accounting Policies:

2.1 Statement of Compliance

The Consolidated Financial Statements 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 and the guidelines issued by the National Housing Bank ("NHB") to the extent applicable.

For all periods up to and including the financial year ended March 31, 2018, the Company had prepared its Consolidated Financial Statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Indian GAAP" or "Previous GAAP"). These are the first IND AS Consolidated Financial Statements of the Group. The date of transition to IND AS is April 01, 2017. Refer Note 4 below for the details of first-time adoption exemptions availed by the Group.

The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Consolidated 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. A statement regarding maturity within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 41.5.

2.2 Basis of preparation of Consolidated Ind-AS Financial Statements:

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Consolidated 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 April 01, 2017. Accordingly, the Company has prepared these Consolidated Financial Statements, which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss, the Consolidated Statements of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended March 31, 2019, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements" or "Financial Statements").

The Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial instruments and certain employee benefit assets 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 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. 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 realizable value in IND AS 2 or value in use in IND AS 36.

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

- 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 and entities and its subsidiaries (together referred to as 'the Group') and associates as at end for the year ended March 31, 2019. 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 reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it 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 or 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, eliminated the carrying amount of parent's investment in each subsidiary and parent's portion of equity of each subsidiary in accordance with Indian Accounting Standard.

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, 2019. The reporting period of these financial statements is same as the reporting period of the Company.

d) In accordance with IND AS 101, provisions related to the first time adoption, the Group has elected to apply IND AS accounting for business combinations prospectively from April 1, 2017. As such, the IGAAP balances relating to business combinations entered into before that date, including goodwill have been carried forward. (Refer Note 4.7) The same first time adoption exemption is also used for associates.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

The details of the subsidiaries are as under:

Name of the Group	Nature of relationship	Proportion of ownership interest / voting power		Country of Incorporation
		As at March 31, 2019	As at March 31, 2018	
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	Subsidiary	94.62%	94.62%	India
LICHFL Trustee Company Private Limited	Subsidiary	100.00%	100.00%	India

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 is not control over 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 component of equity in such cases are being 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 Associates are as under:

Name of the Associates	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:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the amount is received. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms and excluding taxes collected on behalf of government.

i. Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

ii. Dividend Income:

Dividend income from investment is recognised when the shareholder'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:

Fee and commission income include fees other than those that are an integral part of EIR. The Company recognises the fee and commission income in accordance with the terms of the relevant contracts / agreement 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 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 from customers is booked on cash basis.

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 determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement

As a Lessee:

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership is classified as a finance lease.

Finance lease is capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate the lessor.

As a Lessor:

Lease in which the Group does not transfer substantially all the risks and rewards of ownership of an asset is classified as operating lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

Lease is classified as finance lease when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amount due from lessee under finance lease is recorded as receivables at the Group's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

2.6 Functional Currency

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 rates of exchange prevailing at the dates of the transactions 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 historic cost are not translated.

Exchange difference arising on monetary items are recognised in the statement of profit and loss in the year in which they arise.

2.7 Borrowing Costs

Borrowing costs includes 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 is accrued on a time 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 statement of financial position 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 statement of financial position 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 entity can no longer withdraw the offer of the termination benefit and when the entity 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 and sick leave 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 short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

2.9 Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Taxes

Current income tax is the amount of expected tax payable based on taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of Income Tax Act, 1961.

Deferred Taxes

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which give future economic benefits in the form of adjustment to future income tax liability, is considered as a deferred asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Group.

Current and Deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they are relating to items that are recognised in the other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.10 Property, Plant and Equipment

Property, Plant and Equipment are recorded at their cost of acquisition, net of refundable taxes or levies, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit or 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.

The Group has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition i.e. April 01, 2017 to IND AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition.

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
Severs And Networks Equipment	6

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Assets held under finance leases are depreciated over their expected useful lives on the basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the lease term, assets are depreciated over the shorter of lease term and their useful lives.

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 upto ₹ 5,000/- is fully provided in the year of purchase. Depreciation on Assets sold, discarded, demolished or scrapped, is provided upto the date on which the said Asset is sold, discarded, demolished or scrapped.

The Group 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.

For transition to IND AS, the Group has elected to continue with the carrying value of all its Intangible Assets recognised as on April 01, 2017 (date of transition) measured as per Previous GAAP as its deemed cost on the date of transition.

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.

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.

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.

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 recognized 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 shown 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.

The Company has elected to continue with the carrying value for its investment in subsidiaries and associates as recognised in the financial statements on transition i.e. April 01, 2017 to IND AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition.

2.15 Financial Instruments

Financial assets and financial liabilities are recognised when Group 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 Statement of Profit and 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 and 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. 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:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

- 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 recognized in the Other Comprehensive Income (OCI). However, the Group recognizes 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 the 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 recognized 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 recognized 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 and 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 remeasurement recognized in statement of profit or loss. The net gain or loss recognized in statement of profit or 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 recognized 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 entity,
- 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 group of financial assets to achieve its business objective.

The Group's business model is not assessed an instrument and 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 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; and

At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model.

d) Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding

The Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount)

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgment and considers relevant factors.

Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

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 recalculate 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 the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets) or, when applicable, the revised effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset

f) Impairment of Financial Assets

The Group applies the expected credit loss (ECL) model for recognising impairment loss on financial assets. The Group applies a three-stage approach for measuring ECL for the following categories of financial assets that are not measured at fair value through profit or loss:

- debt instruments measured at amortised cost and fair value through other comprehensive income; and
- financial guarantee contracts.

No ECL is recognised on equity investments.

Expected credit losses are 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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 recognized as a collective or specific provision, and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Determining the stage for impairment

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for impairment losses reverts from lifetime ECL to 12-months ECL. Exposures that have not deteriorated significantly since origination are considered to have a low credit risk. The provision for impairment losses for these financial assets is based on a 12-months ECL. When an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the income statement.

The Group assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, class of borrowers, credit risk ratings, date of initial recognition, remaining term to maturity, industry and other relevant factors.

Measurement of ECL

ECL are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent 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 Group calculates ECL including the use of forward looking information, refer to the Credit quality of financial assets in Note 41.4.2.4. Financial risk management.

ECL are recognised using a provision for impairment losses in 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 recognized in profit or 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 senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of directly attributable transaction costs.

c) Financial Liabilities

Financial liabilities are classified as measured at amortised cost or 'FVTPL'.

A Financial Liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IND AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with IND AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

d) Other Financial Liabilities:

Other financial liabilities (including borrowings and trade 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 Cash and Cash Equivalent:

Cash and cash equivalent in balance sheet comprise of cash at bank, cash on hand and short term highly liquid investments 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 by weighted average no of equity shares year which are adjusted for the effects of all dilutive potential equity shares.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 of the Group are segregated based on the available information.

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.

2.21 Recent Accounting Pronouncements – Standards issued but yet not effective-

2.21.1IND AS 116, Leases On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified IND AS 116, Leases as part of the Companies (Indian Accounting Standards (IND AS)) Amendment Rules, 2019. IND AS 116 replaces existing standard on leases i.e. IND AS 17, Leases with effect from accounting periods beginning on or after 1 April 2019. IND AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. IND AS 17 required to classify leases as finance lease and operating lease, the same in not required under IND AS 116. The Group is currently evaluating the impact of IND AS 116 on its financial statements.

2.21.2IND AS 12 - Taxes on Income The first amendment requires an entity to create a corresponding liability for Dividend Distribution Tax (DDT) when it recognises a liability to pay a dividend. The liability for DDT shall be recorded in statement of profit & loss, other comprehensive income or equity, as the case may be.

The second amendment relates to tax consequence of an item whose tax treatment is uncertain. Tax treatment of an item is considered as uncertain when there is uncertainty whether the relevant taxation authority will accept the tax treatment of that item or not.

If there is uncertainty over tax treatment of an item an entity should predict the resolution of the uncertainty. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amount of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. In vice-versa case, the entity shall show the effect of the uncertainty for each uncertain tax treatment on amount of related items by using either the most likely outcome or the expected outcome of the uncertainty. The Group does not expect this amendment to have any impact on its financial statements.

2.21.3IND AS 109 – Financial Instruments The amendments notified to IND AS 109 pertain to classification of a financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. The Group does not expect this amendment to have any impact on its financial statements.

2.21.4IND AS 19 – Employee Benefits The amendments relate to effects of plan amendment, curtailment and settlement. When an entity determines the past service cost at the time of plan amendment or curtailment, it shall remeasure the amount of net defined benefit liability/asset using the current value of plan assets and current actuarial assumptions which should reflect the benefits offered under the plan and plan assets before and after the plan amendment, curtailment and settlement. The Group does not expect this amendment to have any significant impact on its financial statements.

2.21.5IND AS 23 – Borrowing Costs The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

2.21.6IND AS 28 – Long-term Interests in Associates and Joint Ventures IND AS 109 excludes interest in associates and

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

joint ventures that are accounted for in accordance with IND AS 28, Investments in Associates and Joint Ventures from its scope. According to the amendments, IND AS 109 should be applied to the financial instruments, including long-term interests in associates and joint venture that, in substance, form part of an entity's net investment in associate or joint venture, to which the equity method is not applied. The Group applies equity method to all long-term interests in associates and joint ventures.

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") for Housing Loans

The measurement of impairment loss (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.

The various inputs used and process followed by the Company in measurement of ECL has been detailed in Note 41.4.2.4.

3.2. Determination of Expected Credit Loss (ECL) for Trade Receivables:

The Group follows simplified approach for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

3.3. Fair Value Measurements

In case of financial assets and financial liabilities recorded or disclosed in financial statements the Group uses the quoted prices in active markets for identical assets or based on inputs which are observable either directly or indirectly for determining the fair value. However in certain cases, the Group adopts valuation techniques and inputs which are not based on market data. When Market observable information is not available, the Group has applied appropriate valuation techniques and inputs to the valuation model.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Information about the valuation techniques and inputs used in determining the fair value of Investments are disclosed in Note 41.3.

3.4. Income Taxes

The Group's tax jurisdiction is in India. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for certain tax positions.

3.5. 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

3.6. 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. FIRST TIME ADOPTION OF IND AS –

These financial statements, for the year ended March 31, 2019, are the first financial statements, the Group has prepared in accordance with IND AS. For periods up to and including the year ended March 31, 2018, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or Previous GAAP) and NHB guidelines as applicable.

The Group has prepared the opening Consolidated Balance Sheet as per IND AS as of April 1, 2017 (the transition date) by,

- recognising all assets and liabilities whose recognition is required by IND AS,
- not recognising items of assets or liabilities which are not permitted by IND AS,
- by reclassifying items from Previous GAAP to IND AS as required under IND AS, and
- applying IND AS in measurement of recognised assets and liabilities.

The accounting policies in Note 2(A) have been applied in preparing the financial statements for the year ended March 31, 2019, comparative information for the year ended March 31,2018 and the transition Balance Sheet as at April 1, 2017. For the purpose of transition to IND AS, the Group has followed the guidance prescribed in IND AS 101- First time adoption of Indian Accounting Standards, with April 1, 2017 as the Transition date. This note explains the principal adjustments made by the Group in restating its Previous GAAP financial statements, including balance sheet as at April 1, 2017.

This note explains the principal adjustments made by the Group in restating its Previous GAAP financial statements, including the balance sheet as at April 1, 2017 and the financial statements as at and for the year ended March 31,2018.

4.1. Estimates

The estimates at April 1, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Previous GAAP did not require estimation:

- FVPTL / FVOCI – equity and debt instrument
- Impairment of financial assets based on expected credit loss model

The estimates used by the Group to present these amounts in accordance with IND AS reflect conditions at April 1, 2017, the date of transition to IND AS and as of March 31, 2018.

4.2. Fair value measurement of Financial Assets or Financial Liabilities

As per IND AS 101, the Group has not fair valued the financial assets and financial liabilities retrospectively and has measured the same prospectively.

4.3. Classification and Measurement of Financial Assets

The Group has classified financial assets at fair value through profit or loss or amortised cost on the basis of the facts and circumstances that exist at the date of transition to IND AS.

4.4. Impairment of Financial Assets

The Group has applied the impairment requirements of IND AS 109 retrospectively; however, as permitted by IND AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

4.5. De-recognition of Financial Assets and Financial Liabilities

The Group has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2017 (the transition date). As per IND AS 101 exemption, the Group has not re-assessed the securitization/ assignment transactions entered before the transition date and the same is continued to be derecognized.

4.6. Non-Controlling Interests

The requirements of IND AS 110 that total comprehensive income is attributed to the owners of the parents and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance and loss of control of a subsidiary have been applied by the Company prospectively from the date of transition.

4.7. Business Combinations

IND AS 103 “Business Combinations” has not been applied

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

to acquisitions of subsidiaries or of interests in associates that occurred before April 1, 2017. The IGAAP carrying amounts of assets and liabilities, is their deemed cost at the date of acquisition. After the date of acquisition, measurement is in accordance with IND AS. The Group did not recognize or exclude any previously recognized amounts as a result of IND AS recognition requirements.

IND AS 101 requires that IGAAP carrying amount of goodwill must be used in the opening IND AS balance sheet. The Group has tested goodwill for impairment at the date of transition to IND AS but no impairment was deemed necessary at April 1, 2017.

4.8. Leases

Appendix C to IND AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with IND AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Group has used IND AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

4.9. Deemed cost for Property, Plant and Equipment, Intangible Assets and Capital Work In Progress

The Group has chosen to continue with carrying value for all of its property, plant and equipment , intangible assets and capital work in progress as recognized in its financial statements as of April 1, 2017 (transition date) measured as per the Previous GAAP as its deemed cost as at the date of transition.

4.10. Investment in Subsidiaries and Associates

The Company has elected to continue with the carrying value of all of its investments in subsidiaries and associates recognised as of April 1, 2017 (transition date) measured as per the Previous GAAP as its deemed cost as at the date of transition.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 5
CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i)	Cash on hand	6.63	3.70	3.23
(ii)	Balances with Banks	2,471.30	1,717.07	1,209.28
(iii)	Cheques, drafts on hand	324.92	194.58	237.56
Total		**2,802.85**	**1,915.35**	**1,450.07**

NOTE 6
BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i)	Earmarked balances with banks*	7.97	7.76	7.14
(ii)	Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments**	221.54	219.90	296.38
Total		**229.51**	**227.66**	**303.52**

*Balance with Banks includes unclaimed dividend of ₹ 7.97 Crore (F.Y. 2017-18 ₹ 7.76 Crore and As at April 01, 2017 ₹ 7.14 Crore)

**Fixed Deposits with Banks includes earmarked deposits created in favour of trustees for depositors towards maintaining Statutory Liquid Ratio amounting to ₹ 177.25 Crore (F.Y. 2017-18 ₹ 172.99 Crore and As at April 01, 2017 ₹ 253.00 Crore); ₹ 7.89 Crore (F.Y. 2017-18 ₹ 7.35 Crore and As at April 01, 2017 ₹ 6.94 Crore) created for excess sale proceeds recovered under SARFAESI Act 2002; earmarked deposit in favour of PFRDA ₹ 0.20 Crore (F.Y. 2017-18 ₹ 0.20 Crore and As at April 01, 2017 ₹ NIL) and margin money of ₹ 0.44 Crore (F.Y. 2017-18 ₹ 0.44 Crore and As at April 01, 2017 ₹ 0.44 Crore)

NOTE 7
DERIVATIVE FINANCIAL INSTRUMENTS

(₹ in Crore)

Particulars	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
(i) Interest Rate Derivatives									
- Interest Rate Swaps	-	26.98	25.79	-	43.65	39.43	-	85.77	88.61
Total	**-**	**26.98**	**25.79**	**-**	**43.65**	**39.43**	**-**	**85.77**	**88.61**

NOTE 8
RECEIVABLES:

(₹ in Crore)

Particulars		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(I)	Trade Receivables			
(i)	Secured, considered good	10.20	10.08	1.96
(ii)	Unsecured, considered good	1.79	3.42	0.81
		11.99	**13.50**	**2.77**
(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		**11.99**	**13.50**	**2.77**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 9

LOANS - AT AMORTISED COST

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(A)			
(i) Term Loans*			
- Individual	148,042.10	133,833.40	118,378.17
- Others	33,486.20	25,488.59	21,635.97
- Corporate Bodies/ Builders	13,077.15	8,116.29	5,531.82
(ii) Others			
- Loans to staff	4.86	3.83	3.60
- Loans against Public Deposit	1.01	1.03	0.67
Total - Gross (A)	**194,611.32**	**167,443.14**	**145,550.23**
Less: Impairment Loss Allowance (Expected Credit Loss)	1,659.48	1,309.13	850.87
Total - Net (A)	**192,951.84**	**166,134.01**	**144,699.36**
(B)			
(i) Secured by Tangible Assets	193,897.04	167,014.72	145,125.11
(ii) Secured by Intangible Assets	277.42	150.52	161.10
(iii) Unsecured	436.86	277.90	264.02
Total - Gross (B)	**194,611.32**	**167,443.14**	**145,550.23**
Less: Impairment Loss Allowance (Expected Credit Loss)	1,659.48	1,309.13	850.87
Total - Net (B)	**192,951.84**	**166,134.01**	**144,699.36**
(C)			
(i) Loans in India			
Individual	148,047.98	133,838.26	118,382.44
Commercial Real Estate Sector	13,858.44	9,941.07	7,322.82
Commercial Real Estate Sector- Others	19,627.75	15,547.52	14,313.15
Builder Loans	9,633.47	7,307.85	4,998.48
Corporate Loans	3,169.01	659.43	410.62
Other Housing Finance Companies	274.67	149.01	122.72
Total - Gross (C) (i)	**194,611.32**	**167,443.14**	**145,550.23**
Less: Impairment Loss Allowance (Expected Credit Loss)	1,659.48	1,309.13	850.87
Total - Net (C) (i)	**192,951.84**	**166,134.01**	**144,699.36**
(ii) Loans outside India	-	-	-
Less: Impairment Loss Allowance (Expected Credit Loss)	-	-	-
Total - Net (C) (ii)	**-**	**-**	**-**
Total (C) (i+ii)	**192,951.84**	**166,134.01**	**144,699.36**

* Loans including interest and installment outstanding due from directors amounts to ₹ 0.04 Crore (F.Y. 2017-18 ₹ 0.06 Crore and As at April 01, 2017 ₹ 0.07 Crore) and other related parties ₹ 0.48 Crore (F.Y. 2017-18 ₹ 0.53 Crore and As at April 01, 2017 ₹ 0.47 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 ₹ 309.63 Crore (F.Y. 2017-18 ₹ 264.29 Crore & As at April 01, 2017 ₹ 233.07 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 ₹ 295.77 Crore (F.Y. 2017-18 ₹ 263.56 Crore & As at April 01, 2017 ₹ 251.86 Crore), being lower of the Fair Value of the asset possessed and the outstanding as at March 31, 2019.

For detail disclosures relating to Credit Risk, Impairment Losses, Movement of Impairment Losses refer Note No 41.4.2 of Consolidated Financial Statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 10
INVESTMENTS

(₹ in Crore)

Particulars	As at March 31, 2019				As at March 31, 2018				As at April 1, 2017			
	Amortised cost	Deemed Cost*	At Fair Value Through profit or loss	Total	Amortised cost	Deemed Cost*	At Fair Value Through profit or loss	Total	Amortised cost	Deemed Cost*	At Fair Value Through profit or loss	Total
Mutual Funds	-	-	2,294.15	**2,294.15**	-	-	1,013.74	**1,013.74**	-	-	2,858.51	**2,858.51**
Government Securities *	1,248.13	-	-	**1,248.13**	903.97	-	-	**903.97**	446.63	-	-	**446.63**
Equity Instruments	-	-	1.10	**1.10**	-	-	1.10	**1.10**	-	-	1.20	**1.20**
Associates	-	52.45	-	**52.45**	-	52.55	-	**52.55**	-	49.51	-	**49.51**
Real Estate Venture Fund	-	-	21.51	**21.51**	-	-	36.86	**36.86**	-	-	51.14	**51.14**
Total - Gross (A)	**1,248.13**	**52.45**	**2,316.76**	**3,617.34**	**903.97**	**52.55**	**1,051.70**	**2,008.22**	**446.63**	**49.51**	**2,910.85**	**3,406.99**
(i) Investments outside India	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(ii) Investments in India	1,248.13	52.45	2,316.76	**3,617.34**	903.97	52.55	1,051.70	**2,008.22**	446.63	49.51	2,910.85	3,406.99
Total (B)	**1,248.13**	**52.45**	**2,316.76**	**3,617.34**	**903.97**	**52.55**	**1,051.70**	**2,008.22**	**446.63**	**49.51**	**2,910.85**	**3,406.99**

* The Company has not recognised any provision under Expected Credit Loss on Investments made in Government Securities .

(₹ in Crore)

Investments in Equity Instruments - Unquoted, Fully paid up, carried at fair value through Profit & Loss Account	No. of Shares / Units			As at	As at	As at
	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2019	March 31, 2018	March 31, 2017
Aptech Limited (Face Value of ₹ 10 each)	-	-	4,134	-	-	0.10
Total				**-**	**-**	**0.10**

(₹ in Crore)

Investments in Equity Instruments - Unquoted, Fully paid up	No. of Shares / Units			As at	As at	As at
	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2019	March 31, 2018	March 31, 2017
Others						
Goods and Service Tax Network (Face Value ₹ 10/- each)	1,100,000	1,100,000	1,100,000	1.10	1.10	1.10
Total				**1.10**	**1.10**	**1.10**

Investment in Associates	(₹ in Crore)
Opening Carrying amount of Investment (LIC MF Asset Management) as on 01.04.2017	**49.48**
Add: Carrying amount of additional share of Investments	-
Add: Share of profit during the year	3.04
Add: Goodwill on acquisition of shares of Associates	-
Closing Carrying amount of Investment (LIC MF Asset Management) as on 31.03.2018	**52.51**
Add: Carrying amount of additional share of Investments	-
Add: Share of profit during the year	(0.11)
Add: Goodwill on acquisition of shares of Associates	-
Closing Carrying amount of Investment (LIC MF Asset Management) as on 31.03.2019	**52.40**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Investment in Associates	(₹ in Crore)
Opening Carrying amount of Investment (LIC MF Trustee) as on 01.04.2017	**0.03**
Add: Carrying amount of additional share of Investments	-
Add: Share of profit during the year	0.01
Less: Capital Reserve on acquisition of shares of Associates	-
Closing Carrying amount of Investment (LIC MF Trustee) as on 31.03.2018	**0.04**
Add: Carrying amount of additional share of Investments	-
Add: Share of profit during the year	0.01
Add: Goodwill on acquisition of shares of Associates	-
Closing Carrying amount of Investment (LIC MF Trustee) as on 31.03.2019	**0.05**

(₹ in Crore)

Investments carried at Fair value through Profit & Loss Account	No. of Shares/Units as at			As at	As at	As at
	March 31, 2019	March 31, 2018	April 1, 2017	March 31, 2019	March 31, 2018	April 1, 2017
Contribution to Trust				**0.002**	**0.002**	**0.001**
Other investments-Unquoted, Fully paid up						
(i) Real Estate Venture Fund:**						
Kotak India Real Estate Fund -1 (Face Value ₹ 100,000/- each)	-	-	576.49	-	-	5.76
CIG Reality Fund - 1 (Face Value ₹ 10/- each)	9,714,286	10,000,000	10,000,000	-	-	8.88
Total				**-**	**-**	**14.64**
Other investments-Unquoted, Partly paid up						
(i) Real Estate Venture Fund:**						
LICHFL Urban Development Fund (Face Value ₹ 10,000/- each)	50,000	50,000	50,000	19.07	36.86	36.50
LICHFL Housing and Infrastructure Fund (Face Value ₹ 100/- each)		-	-	2.44	-	-
Total				**21.51**	**36.86**	**51.14**

**These are close ended schemes subject to lock in till the closure of the Scheme

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 11
OTHER FINANCIAL ASSETS

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i) Interest accrued but not due on Fixed Deposits with Banks	19.50	11.45	12.00
(ii) Fixed Deposits with Banks with maturity more than 12 months	1.27	4.00	5.22
(iii) Security Deposits	50.39	50.30	50.27
(iv) Dues from Associates	0.56	0.38	0.03
(v) Other dues from Staff	1.55	0.84	0.79
(vi) Fees Receivable	2.22	1.22	1.31
(vii) Unbilled Revenue	0.37	-	-
Total	**75.86**	**68.19**	**69.62**

NOTE 12
CURRENT TAX ASSETS (NET)

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i) Provision under Income Tax (Net)	111.14	114.49	115.43
(ii) Tax Paid under Protest	70.52	70.52	70.52
Total	**181.66**	**185.01**	**185.95**

NOTE 13
DEFERRED TAX ASSETS (NET)

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i) Deferred Tax Assets (Refer Note 55)	2,091.11	1,962.57	1,574.13
(ii) Deferred Tax Liabilities	(1,529.40)	(1,512.92)	(1,305.91)
Total	**561.71**	**449.65**	**268.22**

NOTE 14.1
PROPERTY, PLANT & EQUIPMENT

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**	**10.70**	**8.33**	**0.38**	**4.42**	**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**	**2.61**	**1.87**	**0.18**	**1.49**	**8.54**	**17.73**
Carrying Value as of March 31, 2019	**27.90**	**1.68**	**107.86**	**8.09**	**6.46**	**0.20**	**2.93**	**9.85**	**164.96**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

The changes in carrying value of the Property, Plant & Equipment for the year ended March 31, 2018 are as follows:-

(₹ in Crore)

Particulars	Freehold Land	Leasehold Land	Building	Leasehold Improvements	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Deemed Cost as on April 1, 2017	**5.80**	**1.72**	**77.00**	**3.10**	**2.81**	**0.22**	**2.35**	**10.00**	**103.00**
Additions	22.10	-	0.08	3.47	2.21	-	1.25	3.13	32.24
Deductions	-	-	-	0.13	0.14	-	0.37	0.28	0.92
Gross carrying value as of March 31, 2018	**27.90**	**1.72**	**77.08**	**6.44**	**4.88**	**0.22**	**3.23**	**12.85**	**134.32**
Accumulated Depreciation as of April 1, 2017									
Depreciation	-	0.02	1.32	0.85	0.82	0.10	0.90	4.39	8.40
Accumulated Depreciation on Deductions	-	-	-	0.13	0.14	-	0.36	0.28	0.91
Accumulated Depreciation as of March 31, 2018	**-**	**0.02**	**1.32**	**0.72**	**0.68**	**0.10**	**0.54**	**4.11**	**7.49**
Carrying Value as of March 31, 2018	**27.90**	**1.70**	**75.76**	**5.72**	**4.20**	**0.12**	**2.69**	**8.74**	**126.83**

NOTE 14.2
OTHER INTANGIBLE ASSETS

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	2.12	2.12
Deductions	-	-
Gross Carrying Value as of March 31, 2019	**6.35**	**6.35**
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	**3.44**	**3.44**
Carrying Value as of March 31, 2019	**2.91**	**2.91**

The changes in carrying value of the Intangible Assets for the year ended March 31, 2018 are as follows :-

(₹ in Crore)

Particulars	Software License	Total
Deemed Cost as on April 1, 2017	**3.67**	**3.67**
Additions	0.56	0.56
Deductions	-	-
Gross Carrying Value as of March 31, 2018	**4.23**	**4.23**
Accumulated Depreciation as of April 1, 2017	**-**	**-**
Depreciation for the year	1.81	1.81
Accumulated Depreciation on Deductions	-	-
Accumulated Depreciation as of March 31, 2018	**1.81**	**1.81**
Carrying Value as of March 31, 2018	**2.42**	**2.42**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 14.3
CAPITAL WORK IN PROGRESS

The changes in carrying value of Capital Work in Progress for the year ended March 31, 2019 are as follows :-

(₹ in Crore)

Particulars	Software License	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**

The changes in carrying value of Capital Work in Progress for the year ended March 31, 2018 are as follows :-

(₹ in Crore)

Particulars	Software License	Total
Deemed Cost as on April 1, 2017	**0.62**	**0.62**
Additions	2.12	2.12
Deductions	-	-
Gross Carrying Value as of March 31, 2018	**2.74**	**2.74**
Accumulated Depreciation as of April 1, 2017	**-**	**-**
Depreciation for the year	-	-
Accumulated Depreciation on Deductions	-	-
Accumulated Depreciation as of March 31, 2018	**-**	**-**
Carrying Value as of March 31, 2018	**2.74**	**2.74**

NOTE 15
OTHER NON FINANCIAL ASSETS

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i) Capital Advances	1.72	21.73	2.46
(ii) Other Deposits	0.70	0.41	0.40
(iii) Statutory Dues	48.16	12.81	18.97
(iv) Prepaid Expenses	25.70	13.44	11.38
(v) Sundry Advances	1.06	2.26	1.64
(vi) Others	0.08	0.07	0.15
Total	**77.42**	**50.72**	**35.01**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 16
PAYABLES

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i) Total outstanding dues of micro enterprises and small enterprises	0.17	0.22	0.14
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	74.73	52.41	51.30
Total	**74.90**	**52.63**	**51.44**

OTHER PAYABLES

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(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)

Trade Payables	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(1) SECURED:			
Non Convertible Debentures (Refer Note 17.1)	118,860.06	108,947.00	94,880.00
Zero Coupon Debentures (Refer Note 17.2)	8,615.50	6,524.00	4,427.00
(2) UNSECURED:			
Commercial Paper (Refer Note 17.3)	7,140.11	4,050.22	2,278.21
Total (A) (1+2)	**134,615.67**	**119,521.22**	**101,585.21**
Debt securities in India	134,615.67	119,521.22	101,585.21
Debt securities outside India	-	-	-
Total (B)	**134,615.67**	**119,521.22**	**101,585.21**

NOTE 17.1

Secured by a negative lien on the assets of the Company (excluding the Company's 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. The mortgage is on the flat owned by the Company valuing approx ₹ 1.31 Crore (Book Value ₹ 0.09 Crore).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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
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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ 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	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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ 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	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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2019
4650 NCD's of ₹ 1000000/- each	13-Oct-20	8.8800%	-	465.00
5000 NCD's of ₹ 1000000/- each	12-Oct-20	8.1400%	-	500.00
2000 NCD's of ₹ 1000000/- each	7-Oct-20	7.5400%	-	200.00
4400 NCD's of ₹ 1000000/- each	24-Sep-20	8.5250%	-	440.00
5550 NCD's of ₹ 1000000/- each	24-Sep-20	9.2500%	-	555.00
2050 NCD's of ₹ 1000000/- each	15-Sep-20	8.6500%	-	205.00
5030 NCD's of ₹ 1000000/- each	15-Sep-20	8.6500%	-	503.00
10000 NCD's of ₹ 1000000/- each	25-Aug-20	8.6700%	-	1,000.00
2500 NCD's of ₹ 1000000/- each	18-Aug-20	7.4000%	-	250.00
2500 NCD's of ₹ 1000000/- each	14-Aug-20	7.4000%	-	250.00
6300 NCD's of ₹ 1000000/- each	10-Aug-20	8.9000%	-	630.00
7500 NCD's of ₹ 1000000/- each	29-Jul-20	8.6000%	-	750.00
6050 NCD's of ₹ 1000000/- each	22-Jul-20	8.6000%	-	605.00
3000 NCD's of ₹ 1000000/- each	13-Jul-20	7.4700%	-	300.00
7500 NCD's of ₹ 1000000/- each	13-Jul-20	8.4000%	-	750.00
5000 NCD's of ₹ 1000000/- each	24-Jun-20	7.7800%	-	500.00
2000 NCD's of ₹ 1000000/- each	19-Jun-20	7.7900%	-	200.00
20000 NCD's of ₹ 1000000/- each	19-Jun-20	9.1106%	-	2,000.00
5000 NCD's of ₹ 1000000/- each	11-Jun-20	7.5850%	-	500.00
5000 NCD's of ₹ 1000000/- each	5-Jun-20	7.7400%	-	500.00
2960 NCD's of ₹ 1000000/- each	31-May-20	8.6000%	-	296.00
7000 NCD's of ₹ 1000000/- each	22-May-20	7.7000%	-	700.00
4000 NCD's of ₹ 1000000/- each	15-May-20	7.9800%	-	400.00
3500 NCD's of ₹ 1000000/- each	11-May-20	7.5200%	-	350.00
3000 NCD's of ₹ 1000000/- each	28-Apr-20	8.4900%	-	300.00
5000 NCD's of ₹ 1000000/- each	27-Apr-20	7.8130%	-	500.00
5750 NCD's of ₹ 1000000/- each	24-Apr-20	7.2000%	-	575.00
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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ 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	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
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				**118,860.06**

* issued at a discount of ₹ 0.64 Crore

Transactions of amount ₹ 17050 Crore are with related party

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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, 2018
14770 NCD's of ₹ 1000000/- each	29-Jan-28	7.9500%	27-Aug-21	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%	26-Nov-20	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%	29-Aug-19	500.00
5000 NCD's of ₹ 1000000/- each	29-Jun-26	8.4800%	29-Aug-18	500.00
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	03-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
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
5000 NCD's of ₹ 1000000/- each	23-Oct-25	8.2500%	23-Nov-18	500.00
2100 NCD's of ₹ 1000000/- each	08-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-Feb-20	200.00
5000 NCD's of ₹ 1000000/- each	14-Aug-25	8.5500%	-	500.00
3000 NCD's of ₹ 1000000/- each	01-Aug-25	8.5800%	03-May-19	300.00
2000 NCD's of ₹ 1000000/- each	18-Jul-25	8.5700%	20-Sep-18	200.00
2050 NCD's of ₹ 1000000/- each	04-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	03-Mar-25	8.5200%	-	425.00
6000 NCD's of ₹ 1000000/- each	24-Feb-25	8.5000%	24-Apr-18	600.00
1000 NCD's of ₹ 1000000/- each	30-Jan-25	8.4000%	-	10.00
10000 NCD's of ₹ 1000000/- each	08-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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2018
10000 NCD's of ₹ 1000000/- each	06-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	05-Jul-24	9.2900%	-	605.00
2500 NCD's of ₹ 1000000/- each	08-May-24	7.9000%	-	250.00
10000 NCD's of ₹ 1000000/- each	19-Mar-24	9.8000%	-	1,000.00
2000 NCD's of ₹ 1000000/- each	08-Feb-24	8.5800%	15-Mar-19	200.00
10000 NCD's of ₹ 1000000/- each	22-Dec-23	7.2500%	-	1,000.00
2000 NCD's of ₹ 1000000/- each	19-Sep-23	7.8600%	-	200.00
2720 NCD's of ₹ 1000000/- each	09-Jun-23	8.4800%	-	272.00
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	09-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	01-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	03-May-22	7.8000%	-	250.00
5000 NCD's of ₹ 1000000/- each	24-Mar-22	7.9500%	-	500.00
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
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
4800 NCD's of ₹ 1000000/- each	21-Oct-21	7.6600%	21-Nov-18	480.00
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
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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2018
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	07-Jul-21	8.4700%	-	435.00
5000 NCD's of ₹ 1000000/- each	07-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	08-Mar-21	8.7500%	-	600.00
2500 NCD's of ₹ 1000000/- each	07-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	05-Jan-21	8.5000%	-	350.00
1500 NCD's of ₹ 1000000/- each	05-Jan-21	8.5000%	28-Feb-19	150.00
1070 NCD's of ₹ 1000000/- each	04-Jan-21	9.3500%	-	107.00
4560 NCD's of ₹ 1000000/- each	28-Dec-20	8.6000%	-	456.00
7500 NCD's of ₹ 1000000/- each	21-Dec-20	8.7500%	-	750.00
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
2000 NCD's of ₹ 1000000/- each	07-Oct-20	7.5400%	-	200.00
4400 NCD's of ₹ 1000000/- each	24-Sep-20	8.5250%	-	440.00
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
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
5000 NCD's of ₹ 1000000/- each	11-Jun-20	7.5850%	-	500.00
5000 NCD's of ₹ 1000000/- each	05-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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2018
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
6500 NCD's of ₹ 1000000/- each	28-Feb-20	7.5800%	-	650.00
2500 NCD's of ₹ 1000000/- 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
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	08-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	03-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
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 ₹ 10000000/- each	17-May-19	8.6900%	-	200.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2018
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	05-Apr-19	8.6900%	-	200.00
11500 NCD's of ₹ 1000000/- each	28-Mar-19	7.9000%	-	1,150.00
5000 NCD's of ₹ 1000000/- each	25-Mar-19	9.6500%	-	500.00
8000 NCD's of ₹ 1000000/- each	08-Mar-19	9.7624%	-	800.00
3500 NCD's of ₹ 1000000/- each	28-Feb-19	8.4000%	-	350.00
3000 NCD's of ₹ 1000000/- each	27-Feb-19	8.3800%	-	300.00
2810 NCD's of ₹ 1000000/- each	26-Feb-19	9.7705%	-	281.00
10250 NCD's of ₹ 1000000/- each	12-Feb-19	7.2000%	-	1,025.00
4150 NCD's of ₹ 10000000/- each	08-Feb-19	8.6500%	-	415.00
5000 NCD's of ₹ 1000000/- each	22-Jan-19	9.6000%	-	500.00
3700 NCD's of ₹ 1000000/- each	22-Jan-19	9.6300%	-	370.00
7000 NCD's of ₹ 1000000/- each	16-Jan-19	9.7300%	-	700.00
5000 NCD's of ₹ 1000000/- each	21-Dec-18	7.5600%	-	500.00
3000 NCD's of ₹ 1000000/- each	17-Dec-18	8.7000%	-	300.00
5000 NCD's of ₹ 1000000/- each	06-Dec-18	8.6850%	-	500.00
6500 NCD's of ₹ 1000000/- each	20-Nov-18	7.5072%	-	650.00
7000 NCD's of ₹ 1000000/- each	15-Nov-18	6.9200%	-	700.00
2730 NCD's of ₹ 1000000/- each	01-Nov-18	9.6500%	-	273.00
7750 NCD's of ₹ 1000000/- each	25-Oct-18	9.5500%	-	775.00
5000 NCD's of ₹ 1000000/- each	21-Oct-18	9.6000%	-	500.00
5000 NCD's of ₹ 1000000/- each	15-Oct-18	7.0650%	-	500.00
5000 NCD's of ₹ 1000000/- each	08-Oct-18	8.3800%	-	500.00
5000 NCD's of ₹ 1000000/- each*	27-Sep-18	11.1500%	-	125.00
5250 NCD's of ₹ 1000000/- each	27-Sep-18	8.1800%	-	525.00
1550 NCD's of ₹ 1000000/- each	14-Sep-18	8.7000%	-	155.00
7000 NCD's of ₹ 1000000/- each	12-Sep-18	7.2000%	-	700.00
3000 NCD's of ₹ 1000000/- each	07-Sep-18	8.4500%	-	300.00
5000 NCD's of ₹ 1000000/- each	06-Sep-18	6.9500%	-	500.00
5000 NCD's of ₹ 1000000/- each**	05-Sep-18	9.6000%	-	125.00
5000 NCD's of ₹ 1000000/- each	25-Aug-18	9.6000%	-	500.00
5000 NCD's of ₹ 1000000/- each	14-Aug-18	7.5100%	-	500.00
3000 NCD's of ₹ 1000000/- each	13-Aug-18	11.0800%	-	300.00
4900 NCD's of ₹ 1000000/- each	27-Jul-18	8.6000%	-	490.00
2050 NCD's of ₹ 1000000/- each	04-Jul-18	8.8300%	-	205.00
2500 NCD's of ₹ 1000000/- each	29-Jun-18	7.1800%	-	250.00
285 NCD's of ₹ 10000000/- each	27-Jun-18	7.0000%	-	285.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at March 31, 2018
3000 NCD's of ₹ 1000000/- each	27-Jun-18	6.9800%	-	300.00
5000 NCD's of ₹ 1000000/- each	22-Jun-18	8.7000%	-	500.00
6600 NCD's of ₹ 1000000/- each	20-Jun-18	8.6000%	-	660.00
3520 NCD's of ₹ 1000000/- each	11-Jun-18	8.4000%	-	352.00
8500 NCD's of ₹ 1000000/- each	28-May-18	8.3400%	-	850.00
3000 NCD's of ₹ 1000000/- each	22-May-18	8.3100%	-	300.00
4000 NCD's of ₹ 1000000/- each	15-May-18	8.7300%	-	400.00
4380 NCD's of ₹ 1000000/- each	14-May-18	8.6500%	-	438.00
5000 NCD's of ₹ 1000000/- each	27-Apr-18	8.3000%	-	500.00
2000 NCD's of ₹ 1000000/- each	27-Apr-18	7.2500%	-	200.00
6000 NCD's of ₹ 1000000/- each	09-Apr-18	9.1100%	-	600.00
				108,947.00

*Redeemable @ ₹ 2.50 Lakhs each on 27-Sep-18

**Redeemable @ ₹ 2.50 Lakhs each on 05-Sep-18

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 April 1, 2017
6000 NCD's of ₹ 1000000/- each	26-Mar-27	7.9500%	-	600.00
10000 NCD's of ₹ 1000000/- each	16-Dec-26	7.1600%	-	1000.00
10000 NCD's of ₹ 1000000/- each	23-Oct-26	7.4800%	-	1000.00
5000 NCD's of ₹ 1000000/- each	25-Sep-26	7.8300%	26-Nov-20	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%	29-Aug-19	500.00
5000 NCD's of ₹ 1000000/- each	29-Jun-26	8.4800%	29-Jun-18	500.00
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	03-Mar-26	8.5700%	-	1000.00
5000 NCD's of ₹ 1000000/- each	26-Feb-26	8.5300%	-	500.00
7500 NCD's of ₹ 1000000/- each	28-Jan-26	8.4200%	-	750.00
7500 NCD's of ₹ 1000000/- each	02-Feb-26	8.4300%	-	750.00
10000 NCD's of ₹ 1000000/- each	12-Dec-25	8.4000%	-	1000.00
10000 NCD's of ₹ 1000000/- each	13-Nov-25	8.2000%	-	1000.00
5000 NCD's of ₹ 1000000/- each	23-Oct-25	8.2500%	23-Nov-18	500.00
2100 NCD's of ₹ 1000000/- each	08-Oct-25	8.3400%	-	210.00
2000 NCD's of ₹ 1000000/- each	29-Aug-25	8.4800%	24-Dec-20	200.00
3000 NCD's of ₹ 1000000/- each	29-Aug-25	8.5000%	-	300.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at April 1, 2017
5000 NCD's of ₹ 1000000/- each	14-Aug-25	8.5500%	-	500.00
3000 NCD's of ₹ 1000000/- each	01-Aug-25	8.5800%	-	300.00
2000 NCD's of ₹ 1000000/- each	18-Jul-25	8.5700%	20-Sep-18	200.00
2050 NCD's of ₹ 1000000/- each	04-Jun-25	8.5000%	-	205.00
10000 NCD's of ₹ 1000000/- each	29-May-25	8.5500%	-	1000.00
10000 NCD's of ₹ 1000000/- each	31-Mar-25	8.2200%	-	1000.00
4250 NCD's of ₹ 1000000/- each	03-Mar-25	8.5200%	-	425.00
6000 NCD's of ₹ 1000000/- each	24-Feb-25	8.5000%	24-Apr-18	600.00
100 NCD's of ₹ 1000000/- each	30-Jan-25	8.4000%	-	10.00
10000 NCD's of ₹ 1000000/- each	08-Jan-25	8.6200%	-	1000.00
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
5000 NCD's of ₹ 1000000/- each	23-Aug-24	9.4700%	-	500.00
10000 NCD's of ₹ 1000000/- each	23-Aug-24	9.3900%	-	1000.00
6050 NCD's of ₹ 1000000/- each	05-Jul-24	9.2900%	-	605.00
10000 NCD's of ₹ 1000000/- each	19-Mar-24	9.8000%	-	1000.00
2000 NCD's of ₹ 1000000/- each	08-Feb-24	8.5800%	15-Mar-19	200.00
10000 NCD's of ₹ 1000000/- each	22-Dec-23	7.2500%	-	1000.00
2000 NCD's of ₹ 1000000/- each	19-Sep-23	7.8600%	-	200.00
2720 NCD's of ₹ 1000000/- each	09-Jun-23	8.4800%	-	272.00
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	09-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	01-Jan-23	9.2500%	-	750.00
5000 NCD's of ₹ 1000000/- each	17-Dec-22	9.3000%	-	500.00
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
5000 NCD's of ₹ 1000000/- each	14-Sep-22	9.3000%	-	500.00
5000 NCD's of ₹ 1000000/- each	24-Jul-22	9.3500%	-	500.00
5000 NCD's of ₹ 1000000/- each	24-Mar-22	7.9500%	-	500.00
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
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
4800 NCD's of ₹ 1000000/- each	21-Oct-21	7.6600%	21-Nov-18	480.00
3000 NCD's of ₹ 1000000/- each	19-Oct-21	7.8100%	17-Nov-17	300.00
4970 NCD's of ₹ 1000000/- each	14-Oct-21	7.5900%	-	497.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at April 1, 2017
5000 NCD's of ₹ 1000000/- each	19-Sep-21	9.4000%	-	500.00
2000 NCD's of ₹ 1000000/- each	27-Aug-21	7.7500%	-	200.00
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	07-Jul-21	8.4700%	-	435.00
5000 NCD's of ₹ 1000000/- each	07-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%	08-Dec-17	505.00
6000 NCD's of ₹ 1000000/- each	08-Mar-21	8.7500%	08-Aug-17	600.00
2500 NCD's of ₹ 1000000/- each	07-Mar-21	9.6000%	-	250.00
3670 NCD's of ₹ 1000000/- each	26-Feb-21	8.6000%	-	367.00
7500 NCD's of ₹ 1000000/- each	12-Feb-21	8.7500%	21-Apr-17	750.00
10000 NCD's of ₹ 1000000/- each	18-Jan-21	9.0000%	-	1000.00
1500 NCD's of ₹ 1000000/- each	05-Jan-21	8.5000%	28-Feb-19	150.00
3500 NCD's of ₹ 1000000/- each	05-Jan-21	8.5000%	28-Feb-18	350.00
1070 NCD's of ₹ 1000000/- each	04-Jan-21	9.3500%	-	107.00
4560 NCD's of ₹ 1000000/- each	28-Dec-20	8.6000%	-	456.00
7500 NCD's of ₹ 1000000/- each	21-Dec-20	8.7500%	21-Nov-17	750.00
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
2000 NCD's of ₹ 1000000/- each	07-Oct-20	7.5400%	-	200.00
4400 NCD's of ₹ 1000000/- each	24-Sep-20	8.5250%	-	440.00
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%	-	1000.00
6300 NCD's of ₹ 1000000/- each	10-Aug-20	8.9000%	-	630.00
7500 NCD's of ₹ 1000000/- each	29-Jul-20	8.6000%	23-Feb-18	750.00
6050 NCD's of ₹ 1000000/- each	22-Jul-20	8.6000%	22-Nov-17	605.00
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
5000 NCD's of ₹ 1000000/- each	11-Jun-20	7.5850%	-	500.00
2960 NCD's of ₹ 1000000/- each	31-May-20	8.6000%	-	296.00
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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at April 1, 2017
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
6500 NCD's of ₹ 1000000/- each	28-Feb-20	7.5800%	-	650.00
2500 NCD's of ₹ 1000000/- 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
3500 NCD's of ₹ 1000000/- each	14-Jan-20	8.7300%	-	350.00
4500 NCD's of ₹ 1000000/- each	14-Jan-20	8.7500%	-	450.00
10000 NCD's of ₹ 1000000/- each	11-Dec-19	8.6100%	-	1000.00
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
7150 NCD's of ₹ 1000000/- each	28-Nov-19	8.7200%	-	715.00
5500 NCD's of ₹ 1000000/- each	18-Nov-19	8.5937%	-	550.00
6000 NCD's of ₹ 1000000/- each	08-Nov-19	8.7000%	10-May-17	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%	17-Nov-17	770.00
10000 NCD's of ₹ 1000000/- each	03-Oct-19	8.3700%	02-Nov-17	1000.00
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%	-	1000.00
5750 NCD's of ₹ 1000000/- each	19-Aug-19	9.3500%	-	575.00
10000 NCD's of ₹ 1000000/- each	24-Jul-19	9.5100%	-	1000.00
3000 NCD's of ₹ 1000000/- each	26-Jun-19	8.6900%	-	300.00
3000 NCD's of ₹ 1000000/- each	13-Jun-19	8.6000%	-	300.00
3000 NCD's of ₹ 1000000/- each	13-Jun-19	8.3700%	13-Dec-17	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
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
2000 NCD's of ₹ 1000000/- each	05-Apr-19	8.7300%	-	200.00
5000 NCD's of ₹ 1000000/- each	25-Mar-19	9.6500%	-	500.00
8000 NCD's of ₹ 1000000/- each	08-Mar-19	9.7624%	-	800.00
3500 NCD's of ₹ 1000000/- each	28-Feb-19	8.4000%	-	350.00
3000 NCD's of ₹ 1000000/- each	27-Feb-19	8.3800%	-	300.00
2810 NCD's of ₹ 1000000/- each	26-Feb-19	9.7705%	-	281.00
4150 NCD's of ₹ 1000000/- each	08-Feb-19	8.6500%	-	415.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at April 1, 2017
3700 NCD's of ₹ 1000000/- each	22-Jan-19	9.6300%	-	370.00
5000 NCD's of ₹ 1000000/- each	22-Jan-19	9.6000%	-	500.00
7000 NCD's of ₹ 1000000/- each	16-Jan-19	9.7300%	-	700.00
5000 NCD's of ₹ 1000000/- each	21-Dec-18	7.5600%	-	500.00
3000 NCD's of ₹ 1000000/- each	17-Dec-18	8.7000%	-	300.00
5000 NCD's of ₹ 1000000/- each	06-Dec-18	8.6850%	-	500.00
6500 NCD's of ₹ 1000000/- each	20-Nov-18	7.5072%	-	650.00
2730 NCD's of ₹ 1000000/- each	01-Nov-18	9.6500%	-	273.00
7750 NCD's of ₹ 1000000/- each	25-Oct-18	9.5500%	-	775.00
5000 NCD's of ₹ 1000000/- each	21-Oct-18	9.6000%	-	500.00
5000 NCD's of ₹ 1000000/- each	08-Oct-18	8.3800%	-	500.00
5000 NCD's of ₹ 1000000/- each*	27-Sep-18	11.1500%	-	125.00
5250 NCD's of ₹ 1000000/- each	27-Sep-18	8.1800%	-	525.00
1550 NCD's of ₹ 1000000/- each	14-Sep-18	8.7000%	13-Apr-17	155.00
3000 NCD's of ₹ 1000000/- each	07-Sep-18	8.4500%	-	300.00
5000 NCD's of ₹ 1000000/- each**	05-Sep-18	9.6000%	-	125.00
5000 NCD's of ₹ 1000000/- each	25-Aug-18	9.6000%	-	500.00
5000 NCD's of ₹ 1000000/- each	14-Aug-18	7.5100%	-	500.00
3000 NCD's of ₹ 1000000/- each	13-Aug-18	11.0800%	-	300.00
4900 NCD's of ₹ 1000000/- each	27-Jul-18	8.6000%	-	490.00
2050 NCD's of ₹ 1000000/- each	04-Jul-18	8.8300%	-	205.00
285 NCD's of ₹ 10000000/- each	27-Jun-18	7.0000%	-	285.00
5000 NCD's of ₹ 1000000/- each	22-Jun-18	8.7000%	-	500.00
6600 NCD's of ₹ 1000000/- each	20-Jun-18	8.6000%	-	660.00
3520 NCD's of ₹ 1000000/- each	11-Jun-18	8.4000%	-	352.00
8500 NCD's of ₹ 1000000/- each	28-May-18	8.3400%	-	850.00
3000 NCD's of ₹ 1000000/- each	22-May-18	8.3100%	-	300.00
4000 NCD's of ₹ 1000000/- each	15-May-18	8.7300%	-	400.00
4380 NCD's of ₹ 1000000/- each	14-May-18	8.6500%	-	438.00
2000 NCD's of ₹ 1000000/- each	27-Apr-18	7.2500%	-	200.00
5000 NCD's of ₹ 1000000/- each	27-Apr-18	8.3000%	-	500.00
6000 NCD's of ₹ 1000000/- each	09-Apr-18	9.1100%	-	600.00
1500 NCD's of ₹ 1000000/- each	24-Mar-18	9.7500%	-	150.00
6020 NCD's of ₹ 1000000/- each	28-Feb-18	9.0770%	-	602.00
5000 NCD's of ₹ 1000000/- each	23-Feb-18	8.4600%	-	500.00
6250 NCD's of ₹ 1000000/- each	16-Feb-18	7.3500%	-	625.00
6000 NCD's of ₹ 1000000/- each	01-Feb-18	8.0500%	-	600.00
2000 NCD's of ₹ 1000000/- each	16-Jan-18	9.1400%	-	200.00
2500 NCD's of ₹ 1000000/- each	08-Dec-17	8.6800%	-	250.00
5200 NCD's of ₹ 1000000/- each	24-Nov-17	8.7900%	-	520.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option date	As at April 1, 2017
100 NCD's of ₹ 10000000/- each	25-Nov-17	7.5000%	-	100.00
5000 NCD's of ₹ 1000000/- each	22-Oct-17	9.8000%	-	500.00
7500 NCD's of ₹ 1000000/- each	16-Oct-17	9.2900%	-	750.00
5000 NCD's of ₹ 1000000/- each*	27-Sep-17	11.1500%	-	125.00
2500 NCD's of ₹ 1000000/- each	01-Sep-17	9.4000%	-	250.00
10000 NCD's of ₹ 1000000/- each	07-Sep-17	9.5700%	-	1000.00
5000 NCD's of ₹ 1000000/- each**	05-Sep-17	9.6000%	-	125.00
3000 NCD's of ₹ 1000000/- each	27-Aug-17	9.7500%	-	300.00
5000 NCD's of ₹ 1000000/- each	21-Jul-17	8.7500%	-	500.00
7750 NCD's of ₹ 1000000/- each	03-Jul-17	9.1800%	-	775.00
3600 NCD's of ₹ 1000000/- each	20-Jun-17	9.2200%	-	360.00
3000 NCD's of ₹ 1000000/- each	15-Jun-17	8.7200%	-	300.00
6000 NCD's of ₹ 1000000/- each	11-Jun-17	9.7000%	-	600.00
2500 NCD's of ₹ 1000000/- each	05-Jun-17	9.7500%	-	250.00
1500 NCD's of ₹ 1000000/- each	01-Jun-17	8.5300%	-	150.00
1500 NCD's of ₹ 1000000/- each	28-May-17	8.3300%	-	150.00
4370 NCD's of ₹ 1000000/- each	17-May-17	8.6404%	-	437.00
2000 NCD's of ₹ 1000000/- each	16-May-17	8.4000%	-	200.00
3000 NCD's of ₹ 1000000/- each	16-May-17	9.7000%	-	300.00
2000 NCD's of ₹ 1000000/- each	14-May-17	10.2500%	-	200.00
2000 NCD's of ₹ 1000000/- each	13-Apr-17	8.5000%	-	200.00
1680 NCD's of ₹ 1000000/- each	04-Apr-17	8.4000%	-	168.00
				94,880.00

*Redeemable @ ₹ 2.50 Lakh each on 27-Sep-17 and 27-Sep-18

**Redeemable @ ₹ 2.50 Lakhs each on 05-Sep17 and 05-Sep-18

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 the Company's 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. The mortgage would be on a flat owned by the Company valuing approx ₹ 1.31 Crore (Book Value ₹ 0.09 Crore).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

The details of Zero Coupon Debentures are as under:

(₹ in Crore)

Description	Date of Redemption		Earliest Put/ Call Option Date	As at March 31, 2018
11730 ZCD's of ₹ 1000000/- each	25-Mar-21	*	-	1173.00
13500 ZCD's of ₹ 1000000/- each	25-Feb-20	**	-	1350.00
10000 ZCD's of ₹ 1000000/- each	23-Jan-20	***	-	1000.00
9000 ZCD's of ₹ 1000000/- each	10-Sep-19	****	-	900.00
10000 ZCD's of ₹ 1000000/- each	02-Sep-19	*****	-	1000.00
3210 ZCD's of ₹ 1000000/- each	09-Apr-19	******	-	321.00
2800 ZCD's of ₹ 1000000/- each	18-Feb-19	*******	-	280.00
5000 ZCD's of ₹ 1000000/- each	26-Nov-18	********	-	500.00
				6,524.00

* Issued at par and redeemable at ₹ 12,70,200/- per debenture including premium.

** Issued at par and redeemable at ₹ 11,58,017/- per debenture including premium.

*** Issued at par and redeemable at ₹ 11,65,320/- per debenture including premium.

**** Issued at par and redeemable at ₹ 15,56,727/- per debenture including premium.

***** Issued at par and redeemable at ₹ 15,66,016/- per debenture including premium.

****** Issued at par and redeemable at ₹ 12,83,584/- per debenture including premium.

*******Issued at par and redeemable at ₹ 12,83,951/- per debenture including premium.

********Issued at par and redeemable at ₹ 15,99,971/- per debenture including premium.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

The details of Zero Coupon Debentures are as under:

(₹ in Crore)

Description	Date of Redemption		Earliest Put/ Call Option Date	As at April 1, 2017
9000 ZCD's of ₹ 1,000,000/- each	10-Sep-19	*	-	900.00
10000 ZCD's of ₹ 1,000,000/- each	02-Sep-19	**	-	1000.00
3210 ZCD's of ₹ 1,000,000/- each	09-Apr-19	***	-	321.00
2800 ZCD's of ₹ 1,000,000/- each	18-Feb-19	****	-	280.00
5000 ZCD's of ₹ 1,000,000/- each	26-Nov-18	*****	-	500.00
2260 ZCD's of ₹ 1,000,000/- each	20-Mar-18	******	-	226.00
5000 ZCD's of ₹ 1,000,000/- each	22-Dec-17	*******	-	500.00
7000 ZCD's of ₹ 1,000,000/- each	15-Nov-17	********	-	700.00
				4,427.00

* Issued at par and redeemable at ₹ 1,556,727/- per debenture including premium.

** Issued at par and redeemable at ₹ 1,566,016/- per debenture including premium.

*** Issued at par and redeemable at ₹ 1,283,584/- per debenture including premium.

**** Issued at par and redeemable at ₹ 1,283,951/- per debenture including premium.

***** Issued at par and redeemable at ₹ 1,599,971/- per debenture including premium.

****** Issued at par and redeemable at ₹ 1,282,073/- per debenture including premium.

******* Issued at par and redeemable at ₹ 1,075,435/- per debenture including premium.

********Issued at par and redeemable at ₹ 1,082,224/- 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, 2019
14000 Units of ₹ 500000 each	24-Apr-19	8.60%	696.27
20000 Units of ₹ 500000 each	2-May-19	8.68%	992.77
10000 Units of ₹ 500000 each	28-May-19	8.65%	493.39
9000 Units of ₹ 500000 each	28-Nov-19	8.91%	425.19
5000 Units of ₹ 500000 each	28-May-19	8.65%	246.69
20000 Units of ₹ 500000 each	12-Jun-19	7.90%	984.67
10000 Units of ₹ 500000 each	12-Dec-19	8.29%	472.44
14000 Units of ₹ 500000 each	12-Apr-19	7.46%	698.43
15000 Units of ₹ 500000 each	10-Feb-20	8.27%	699.96
10000 Units of ₹ 500000 each	20-May-19	7.43%	495.05
20000 Units of ₹ 500000 each	30-Jan-20	8.28%	935.25
Total			**7,140.11**

(₹ in Crore)

Particulars	Date of Maturity	Discounting Rate	As at March 31, 2018
14000 Units of ₹ 500000 each	9-May-18	7.57%	694.52
10000 Units of ₹ 500000 each	11-May-18	7.57%	495.88
8000 Units of ₹ 500000 each	23-May-18	7.54%	395.74
6000 Units of ₹ 500000 each	20-Jul-18	7.68%	293.18
15000 Units of ₹ 500000 each	1-Jun-18	7.55%	740.62
8000 Units of ₹ 500000 each	5-Jun-18	7.47%	394.73
16000 Units of ₹ 500000 each	14-Jun-18	6.95%	788.81
5000 Units of ₹ 500000 each	7-Jun-18	7.13%	246.74
Total			**4,050.22**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Particulars	Date of Maturity	Discounting Rate	As at April 1, 2017
8000 Units of ₹ 500000 each	21-Apr-17	6.95%	398.48
10000 Units of ₹ 500000 each	23-May-17	6.81%	495.18
11000 Units of ₹ 500000 each	8-May-17	6.47%	546.38
7000 Units of ₹ 500000 each	13-Jun-17	6.47%	345.50
5000 Units of ₹ 500000 each	23-Jun-17	6.49%	246.34
5000 Units of ₹ 500000 each	23-Jun-17	6.49%	246.33
Total			**2,278.21**

NOTE 18

BORROWINGS (OTHER THAN DEBT SECURITIES) - AT AMORTISED COST

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
SECURED (Refer Note 18.1)			
(a) Term Loans			
(i) from banks (Rupee Term Loans) **	16,079.23	11,758.81	9,037.44
(ii) from banks (FCNRB) *	-	-	500.00
(iii) National Housing Bank (Refinance) **	1,310.68	1,958.24	3,744.06
(iv) Other Financial Institutions **	200.00	200.00	200.00
(b) Loans from Related Party (Life Insurance Corporation of India)	-	-	17.75
(c) Loans repayable on demand from Banks (Rupee Term Loans) **	8,794.00	2,600.00	2,440.00
Total (A)	**26,383.91**	**16,517.05**	**15,939.25**
Borrowings in India	26,383.91	16,517.05	15,939.25
Borrowings outside India	-	-	-
Total (B)	**26,383.91**	**16,517.05**	**15,939.25**

NOTE 18.1

Negative lien on the assets of the Company (excluding the Company's 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.

*Foreign Currency Term Loan refers to FCNR B Loan from Bank amounting to US $ 81168831.17 equivalent to INR of ₹ 500 crores.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

**** Maturity Profile of Term Loans, Loan from Other Financial institutions and National Housing Bank (Refinance)**

(₹ in Crore)

Particulars	As at March 31, 2019		
	Term Loans from Banks	Loan from Other Financial Institutions	National Housing Bank (Refinance)
	(ROI 7.40% - 8.75%)	(ROI 8.25%)	(ROI 6.80% - 8.75%)
Within 12 months	10,889.10	40.00	302.05
Over 1 year to 3 years	7,600.79	80.00	614.68
Over 3 to 5 years	4,715.67	80.00	352.89
Over 5 to 7 years	1,507.67	-	41.06
Over 7 Years	160.00	-	-
Total	**24,873.23**	**200.00**	**1,310.68**

(₹ in Crore)

Particulars	As at March 31, 2018		
	Term Loans from Banks	Loan from Other Financial Institutions	National Housing Bank (Refinance)
	(ROI 7.40% - 8.25%)	(ROI 8.20%)	(ROI 6.50% - 9.10%)
Within 12 months	4,175.05	-	450.66
Over 1 year to 3 years	4,437.64	80.00	740.40
Over 3 to 5 years	3,445.95	80.00	556.85
Over 5 to 7 years	1,858.17	40.00	210.33
Over 7 Years	442.00	-	-
Total	**14,358.81**	**200.00**	**1,958.24**

(₹ in Crore)

Particulars	As at April 1, 2017		
	Term Loans from Banks	Loan from Other Financial Institutions	National Housing Bank (Refinance)
	(ROI 7.95% - 9.60%)	(ROI 8.20%)	(ROI 6.00% - 9.25%)
Within 12 months	3,089.98	-	824.89
Over 1 year to 3 years	3,220.55	40.00	1,301.86
Over 3 to 5 years	3,247.75	80.00	1,133.52
Over 5 to 7 years	1,866.66	80.00	423.31
Over 7 Years	52.50	-	60.48
Total	**11,477.44**	**200.00**	**3,744.06**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 19
DEPOSITS - AT AMORTISED COST

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
UNSECURED:			
(i) Public Deposits	3,932.17	3,430.83	3,142.33
(ii) Corporate Deposits	3,725.39	3,339.27	3,150.44
Total	**7,657.56**	**6,770.10**	**6,292.77**

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, 2019	As at March 31, 2018	As at April 1, 2017
UNSECURED:			
(i) Subordinate Bonds	500.00	1,000.00	1,000.00
(ii) Upper Tier II Bonds	1,500.00	1,500.00	1,500.00
Total (A)	**2,000.00**	**2,500.00**	**2,500.00**
Subordinated Liabilities in India	2,000.00	2,500.00	2,500.00
Subordinated Liabilities outside India	-	-	-
Total (B)	**2,000.00**	**2,500.00**	**2,500.00**

The details of Subordinate 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 Subordinate Bonds are as under:

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at March 31, 2018
5000 Bonds of ₹ 1,000,000 each	15-Sep-20	8.95%	-	500.00
5000 Bonds of ₹ 1,000,000 each	01-Jul-18	10.35%	-	500.00
Total				**1,000.00**

The details of Subordinate Bonds are as under:

(₹ in Crore)

Description	Date of Redemption	Rate of Interest	Earliest Put/ Call Option Date	As at April 1, 2017
5000 Bonds of ₹ 1,000,000 each	15-Sep-20	8.95%	-	500.00
5000 Bonds of ₹ 1,000,000 each	01-Jul-18	10.35%	-	500.00
Total				**1,000.00**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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*	31-Mar-25	8.70%	31-Mar-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*	29-Nov-25	9.00%	29-Nov-20	500.00
Total				**1,500.00**

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, 2018
5000 Bonds of ₹ 1,000,000 each*	31-Mar-25	8.70%	31-Mar-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*	29-Nov-25	9.00%	29-Nov-20	500.00
Total				**1,500.00**

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 April 1, 2017
5000 Bonds of ₹ 1,000,000 each*	31-Mar-25	8.70%	31-Mar-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*	29-Nov-25	9.00%	29-Nov-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, 2019	As at March 31, 2018	As at April 1, 2017
(i)	Interest accrued			
	- Non-Covertible Debentures	4,100.15	4,309.17	4,050.13
	- Zero Coupon Debentures	1,421.32	1,100.61	810.34
	- Term Loan	46.96	53.49	96.25
	- Subordinated Bonds	102.20	141.05	97.55
	- Deposits	481.37	419.75	331.00
	- Related Party (Life Insurance Corporation of India)	-	-	0.15
(ii)	Unclaimed Dividends *	7.97	7.76	7.14
(iii)	Unclaimed Matured Deposits	86.16	36.32	8.99
(iv)	Oustanding Expenses	36.86	23.88	21.10
(v)	Statutory Dues	53.49	31.85	18.67
(vi)	Book Overdraft (Refer No 47)	6,909.46	5,064.24	5,739.76
(vii)	Pre-received Interest Liability on NCD Reissuance	1.08	-	-
(viii)	Miscellaneous Liabilities	250.85	202.01	185.61
Total		**13,497.87**	**11,390.13**	**11,366.69**

* As required under Section 125 of the Companies Act 2013, the Company has transferred ₹ 0.82 Crores (F.Y. 2017-18 ₹ 0.66 Crores & F.Y. 16-17 ₹ 0.67 Crores) to the Investor Education and Protection Fund (IEPF) during the year.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 22
PROVISIONS

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i) Provision for Employee Benefits	118.12	121.90	103.98
(ii) Other Provision	0.42	0.42	0.42
Total	**118.54**	**122.32**	**104.40**

NOTE 23
OTHER NON-FINANCIAL LIABILITIES

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i) Earnest Money Deposit	0.16	0.03	0.37
(ii) Provision For Tapping Corporate Undertaking	-	2.13	2.13
(iii) Others	0.02	0.06	8.00
Total	**0.18**	**2.22**	**10.50**

NOTE 24
SHARE CAPITAL

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
AUTHORISED			
750,000,000 Equity Shares of ₹ 2/- each (Previous year 750,000,000 Equity Shares of ₹ 2/- each)	150.00	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	100.93
Add: Forfeited shares as per Note.24(d) below	0.06	0.06	0.06
Total	**100.99**	**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, 2019		As at March 31, 2018		As at April 1 ,2017	
	No. of Shares	(₹ in Crore)	No. of Shares	(₹ in Crore)	No. of Shares	(₹ in Crore)
Equity Shares outstanding as at the beginning of the year	504,663,000	100.93	504,663,000	100.93	504,663,000	100.93
Add: Issued during the year	-	-	-	-	-	-
Less: Bought back during the year	-	-	-	-	-	-
Equity Shares outstanding as at the end of the year	**504,663,000**	**100.93**	**504,663,000**	**100.93**	**504,663,000**	**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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note.24(c): Detail of Shareholders holding more than 5% share in the company are given below

Name of Shareholder	As at March 31, 2019		As at March 31, 2018		As at April 1 ,2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Life Insurance Corporation of India	203,442,495	40.31	203,442,495	40.31	203,442,495	40.31

Note.24(d): Forfeited Shares

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Amount received on forfeited shares	0.06	0.06	0.06
Total	**0.06**	**0.06**	**0.06**

NOTE 25
OTHER EQUITY

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i) (a) Capital Reserve			
As per last Balance Sheet	**0.48**	**0.48**	**0.48**
(b) Capital Reserve on acquisition of shares in LICHFL Care Homes	**27.88**	**8.77**	**-**
(ii) Securities Premium Account			
As per last Balance Sheet	**1,721.09**	**1,721.09**	**1,721.09**
(iii) 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**	**38.98**
(iv) 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	0.14	0.13	-
(ii) 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	4,354.35	3,794.36	-
Total	**4,354.49**	**3,794.49**	**-**
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	559.99	-
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	-	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Particulars		As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	Balance at the end of the year			
	(i) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	0.15	0.14	0.13
	(ii) 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	3,794.36
	Total	**5,104.49**	**4,354.49**	**3,794.49**
(v)	**General Reserve**			
	Opening Balance	5,252.98	4,752.93	-
	Add: Current Year Transfer	599.99	500.38	-
	Add: Minority Adjustment	-	-	-
	Less : Considered for Cost of Control for additional shares in LICHFL Care Homes Ltd	0.25	0.33	-
	Closing Balance	**5,852.72**	**5,252.98**	**4,752.93**
(vi)	**Surplus in the Statement of Profit and Loss**			
	Opening balance	2,833.41	2,265.18	-
	Add: Total Comprehensive Income for the year	2,433.35	2,013.67	-
	Less: Appropriations			
	Dividend Paid and Tax on Dividend Paid	413.70	376.62	-
	Transfer to General Reserve	599.99	500.38	-
	Transfer to Special Reserve - II	749.99	559.99	-
	Transfer to Statutory Reserve u/s 29C of the NHB Act, 1987	0.01	0.01	-
	Share of Post Acquistion Profit considered in Cost of Control for additional shares in LICHFL Care Homes Ltd.	18.86	8.44	-
	Closing Balance	**3,484.21**	**2,833.41**	**2,265.18**
Total		**16,229.83**	**14,210.19**	**12,573.14**

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.

Special Reserve – I:

Special Reserve – I has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company. The amounts of Special Reserve account represents, the reserve created in terms of the provision of Section 36(1)(viii) read together with the proviso thereof, from time to time. Special Reserve No. I relates to the amounts transferred upto the Financial Year 1996-97 (Assessment Year 1997-98) when the word was 'created' only was used in the said section and not 'created and maintained'. Admittedly, the position has changed after the amendment made in Section 36(1)(viii) by the Finance Act 1997 with effect from Assessment year 1998-99, when the mandatory requirement of 'maintaining' the special reserve created was inserted. Accordingly, it was interpreted that the Special Reserve created upto Assessment Year 1997-98 need not be 'maintained'. As a logical corollary, it is construed that upto Assessment Year 1997-98, the amounts carried to special reserve ought to be understood as amounts created by transferring to the credit of special reserve from time to time.

Special Reserve – II:

Special Reserve – II has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961, out of the distributable profits of the Company transferred from Financial Year 1997-98 (Assessment Year 1998-99). In the F.Y. 2018-19 ₹ 749.99 Crore (F.Y. 2017-18 ₹ 559.99 Crore) has been transferred to Special Reserve No. II in terms of Section 36(1)(viii) of the Income tax Act, 1961.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Statutory Reserves under Section 29C (Regulatory Capital) of NHB:

Upto financial year 1996-97: The Company being regulated by NHB has to mandatorily transfer an amount to 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 to Section 29C of NHB Act, 1987 on the similar lines as that of for Special Reserve – II which has been created over the years in terms of Section 36(1)(viii) of the Income-tax Act, 1961. For the year under review an amount of ₹ 1,00,000.00 (F.Y. 2017-18 ₹ 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.

NOTE 26

INTEREST INCOME

(₹ in Crore)

Particulars	On Financial Assets Measured at Amortised Cost	
	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Interest on Loans & Advances	17,170.11	14,675.28
ii) Interest Income from Investments	78.37	48.54
iii) Interest on Deposits with Banks	14.08	15.03
iv) Other Interest Income (Net)	1.40	0.04
Total	**17,263.96**	**14,738.89**

NOTE 27

FEES & COMMISSION INCOME

(₹ in Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Revenue from Contract with Customers	55.84	51.45
Total	**55.84**	**51.45**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 28
NET GAIN ON FAIR VALUE CHANGES

(₹ in Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Net Gain on Financial Instruments at Fair Value through Profit or (Loss)		
(i) On Trading Portfolio		
- Investments	**1.21**	**1.41**
Total Net Gain on Fair Value changes	1.21	1.41
Fair Value changes:		1.41
Realised	0.35	1.37
Unrealised	**0.86**	**0.04**
Total Net Gain on Fair Value changes	**1.21**	**1.41**

NOTE 29
NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTISED COST CATEGORY

(₹ in Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Gain on Derecognition of Financial Instruments	10.66	23.92
Total	**10.66**	**23.92**

NOTE 30
SALE OF PRODUCTS

(₹ in Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Sale of Products	5.01	9.37
Total	**5.01**	**9.37**

NOTE 31
OTHERS

(₹ in Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Net gain on derecognition of Financial Instruments measured at Fair Value through Profit & Loss Account	21.06	20.87
ii) Miscellaneous Income	34.85	28.96
Total	**55.91**	**49.83**

NOTE 32
OTHER INCOME

(₹ in Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Dividend Income from Subsidiaries	0.43	0.22
ii) Dividend Income from Associates	2.56	1.35
Total	**2.99**	**1.57**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 33
FINANCE COSTS

(₹ in Crore)

Particulars	On Financial Assets Measured at Amortised Cost	
	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Interest on Deposits	586.31	547.92
ii) Interest on Borrowings	1,741.91	1,120.99
iii) Interest on Debt Securities	10,372.02	9,245.41
iv) Interest on Subordinated Liabilities	190.79	229.50
Total	**12,891.03**	**11,143.82**

NOTE 34
FEES AND COMMISSION EXPENSE

(₹ in Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Fees and Commisssion	18.04	30.42
Total	**18.04**	**30.42**

NOTE 35
NET LOSS ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTIZED COST CATEGORY

(₹ in Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Loans Written Off	265.66	23.29
ii) Loss on Derecognition of Financial Instruments	2.05	-
Total	**267.71**	**23.29**

NOTE 36
IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in Crore)

Particulars	On Financial Assets Measured at Amortised Cost	
	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Loans	350.35	459.51
ii) Investments	-	8.89
Total	**350.35**	**468.40**

NOTE 37
COST OF MATERIALS CONSUMED

(₹ in Crore)

Particulars	On Financial Assets Measured at Amortised Cost	
	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Cost of Materials	4.18	7.18
Total	**4.18**	**7.18**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 38
EMPLOYEE BENEFIT EXPENSES

(₹ in Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Salaries and Wages	209.63	186.19
ii) Contribution to Provident and Other Funds (Refer Note 51)	26.56	31.02
iii) Staff Welfare Expenses	28.14	24.09
iv) Provision for Sick Leave and Earned Leave	7.23	2.99
v) Notional Expense on Staff Loan	3.02	0.81
Total	**274.58**	**245.10**

NOTE 39
OTHER EXPENSES

(₹ in Crore)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
i) Rent, Rates and Taxes	43.49	60.20
ii) Repairs and Maintenance - Building	1.13	1.42
iii) Repairs and Maintenance - Others	1.62	1.54
iv) Travelling and Conveyance	13.15	11.05
v) Directors Sitting Fees	0.51	0.30
vi) Advertisement & Publicity Expenses	42.65	29.57
vii) Competition Prizes & Conference Expenses	13.10	10.12
viii) Printing and Stationery	7.57	5.90
ix) Postage, Telephones and Telex	12.33	9.20
x) Computer Expenses	7.20	7.16
xi) Legal and Professional Fees:		
(a) Payment to Auditors (Refer Note 51)	0.69	0.66
(b) Other Professional Fees	4.04	1.90
xii) Electricity Expenses	5.69	5.59
xiii) Insurance Charges	0.18	0.13
xiv) (Profit) / Loss on sale of Property, Plant and Equipment (Net)	(0.09)	(0.02)
xv) Fixed Assets written off	0.00	0.00
xvi) Service Charges for Safe Custody of Documents	9.71	8.14
xvii) Listing Fees and Payment to Share Transfer Agents	0.45	0.46
xviii) Contribution towards CSR activites (Refer Note 56)	18.94	6.79
xix) Miscellaneous Expenses	3.66	5.94
Total	**186.02**	**166.04**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

40. The transition was carried out from Accounting Principles generally accepted in India (IGAAP), the reconciliations of the effect of Transition have been summarized below:

40.1 Equity Reconciliation as at March 31, 2018 and April 1, 2017:

(₹ in Crore)

Particulars	Note	As at March 31, 2018			As at April 1, 2017		
		Previous GAAP *	Effect of Transition to IND AS	IND AS	Previous GAAP*	Effect of Transition to IND AS	IND AS
ASSETS							
Financial Assets							
Cash and Cash Equivalents		1,915.35	-	1,915.35	1,450.07	-	1,450.07
Bank Balance other than above		227.66	-	227.66	303.52	-	303.52
Derivative Financial Instruments		43.65	-	43.65	85.77	-	85.77
Receivables		22.41	(8.91)	13.50	2.77	-	2.77
Loans	3,4,5	1,66,177.49	(43.48)	1,66,134.01	1,44,471.16	228.20	1,44,699.36
Investments	2	1,990.95	17.27	2,008.22	3,383.47	23.52	3,406.99
Other Financial Assets		66.97	1.22	68.19	78.60	(8.98)	69.62
Non-Financial Assets							
Current Tax Assets (Net)		185.39	(0.38)	185.01	185.95	-	185.95
Deferred Tax Assets (Net)	6	(1,042.94)	1,492.59	449.65	(917.32)	1,185.54	268.22
Property, Plant and Equipment	10	100.21	26.62	126.83	103.00	-	103.00
Other Intangible Assets		2.42	-	2.42	3.66	-	3.66
Capital Work in Progress		29.33	(26.59)	2.74	0.57	-	0.57
Goodwill		0.21	-	0.21	0.21	-	0.21
Other Non-Financial Assets		40.81	9.91	50.72	27.01	8.00	35.01
Total Assets		**1,69,759.91**	**1,468.25**	**1,71,228.16**	**1,49,178.44**	**1,436.28**	**1,50,614.72**
LIABILITIES AND EQUITY							
LIABILITIES							
Financial Liabilities							
Derivative Financial Instruments		39.43	-	39.43	88.61	-	88.61
Payables							
Trade Payables							
(i) total outstanding dues of micro enterprises and small enterprises		0.22	-	0.22	0.14	-	0.14
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		52.41	-	52.41	51.30	-	51.30
Debt Securities	5	1,19,521.72	(0.50)	1,19,521.22	1,01,585.43	(0.22)	1,01,585.21
Borrowings (Other than Debt Securities)		16,517.05	-	16,517.05	15,939.25	-	15,939.25
Deposits	5	6,787.91	(17.81)	6,770.10	6,312.59	(19.82)	6,292.77
Subordinated Liabilities		2,500.00	-	2,500.00	2,500.00	-	2,500.00
Other Financial Liabilities		11,420.31	(30.18)	11,390.13	11,425.48	(58.79)	11,366.69
Non-Financial Liabilities							
Provisions		122.32	-	122.32	104.40	-	104.40
Deferred Tax Liabilities (Net)		-	-	-	-	-	-
Other Non-Financial Liabilities		3.46	(1.24)	2.22	13.76	(3.26)	10.50
EQUITY							
Equity Share capital		100.99	-	100.99	100.99	-	100.99
Other Equity		12,692.11	1,518.08	14,210.19	11,054.85	1,518.29	12,573.14
Non-Controlling Interest		1.98	(0.10)	1.88	1.64	0.08	1.72
Total Liabilities and Equity		**1,69,759.91**	**1,468.25**	**1,71,228.16**	**1,49,178.44**	**1,436.28**	**1,50,614.72**

* The Previous GAAP figures have been reclassified to confirm IND AS presentation requirements for the purposes of this note.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

40.2 Reconciliation of Total Comprehensive Income for the year ended March 31, 2018

(₹ in Crore)

Particulars	Notes	Previous GAAP*	Effect of Transition to IND AS	IND AS
Revenue from operations				
Interest Income	5	14,902.29	(163.40)	14,738.89
Fees and Commission Income	5	235.81	(184.36)	51.45
Net gain on fair value changes		-	1.41	1.41
Net gain on de-recognition of financial instruments under amortised cost category		-	23.92	23.92
Sale of Products		9.37	-	9.37
Others		55.32	(5.49)	49.83
Total Revenue from operations		**15,202.79**	**(327.92)**	**14,874.87**
Other Income		1.57	-	1.57
Total Income		**15,204.36**	**(327.92)**	**14,876.44**
Expenses				
Finance Costs	5	11,116.72	27.10	11,143.82
Fees and Commission Expense	5	323.78	(293.36)	30.42
Net loss on de -recognition of financial instruments under amortised cost category		23.29	-	23.29
Impairment on financial instruments		222.76	245.64	468.40
Cost of materials consumed		7.18	-	7.18
Employee Benefits Expenses		240.30	4.80	245.10
Depreciation, amortization and impairment		10.23	(0.02)	10.21
Others expenses		165.96	0.08	166.04
Total Expenses		**12,110.22**	**(15.76)**	**12,094.46**
Profit/(loss) before tax		3,094.14	(312.18)	2,781.98
Tax Expense:		1,082.33	(308.51)	773.82
Profit/(loss) for the period		**2,011.81**	**(3.65)**	**2,008.16**
Other Comprehensive Income				
(i) Items that will not be reclassified to profit or loss		-	4.09	4.09
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	(1.41)	(1.41)
Other Comprehensive Income		**-**	**2.68**	**2.68**
Total Comprehensive Income for the year before Share of Profit/Loss of Associates and Share of Profit/Loss of Non-Controlling Interest		**2,011.81**	**(0.97)**	**2,010.84**
Share of Profit/Loss of Associates		2.45	0.60	3.05
Share of Profit/Loss of Non-Controlling Interest		(0.34)	0.12	(0.22)
Total Comprehensive Income for the period		**2,013.92**	**(0.25)**	**2,013.67**

* The Previous GAAP figures have been reclassified to confirm IND AS presentation requirements for the purposes of this note.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

40.3 Effects of IND AS adoption on Cash Flows for year ended March 31, 2018

(₹ in Crore)

Particulars	Previous GAAP*	Effects of transition to IND AS	IND AS
Net cash generated from/(used in) operating activities	(19,485.67)	508.64	(18,977.03)
Net cash generated from/(used in) investing activities	1,344.80	23.16	1,367.96
Net cash generated from/(used in) financing activities	18,613.92	90.43	18,704.35
Net increase/(decrease) in cash and cash equivalents	**473.05**	**622.23**	**1095.28**
Cash and cash equivalents at start of year/period	1,450.07	-	1,450.07
Cash and cash equivalents at close of year/period	1,915.35	-	1,915.35

* The Previous GAAP figures have been reclassified to confirm with IND AS presentation requirements for the purposes of this note.

Notes:

1. To comply with the Companies (Indian Accounting Standard) Rules, 2015 (as amended), certain account balances have been regrouped as per the format prescribed under Division III of Schedule III to the Companies Act, 2013.

2. **Fair valuation of investments:**

   Investments in long term investments as per Previous GAAP have been measured at fair value through profit or loss as against cost less diminution of other than temporary nature.

   Certain equity investments (other than investments in subsidiaries and associates) have been measured at fair value through profit or loss account (FVTPL).

   The difference between the fair value and Previous GAAP carrying value on transition date has been recognised as an adjustment to opening General Reserve.

   IND AS requires investments to be measured at fair value or amortised cost. Under Previous GAAP, the Group accounted for long term investments in debt securities as investment measured at cost less provision for other than temporary diminution in the value of investments. Under IND AS, the Group has measured these debt investments at amortised cost category. The difference between amortised cost and the Previous GAAP carrying amount has been recognised in retained earnings.

3. **Housing Loan to customers**

   Under Previous GAAP, the Company has created provision for impairment of housing loans to customer for incurred losses based on regulatory provisions issued by NHB. Under IND AS, impairment allowance has been determined based on Expected Loss model (ECL). Due to ECL model, the Company impaired its housing loan to customer by ₹ 188.41 Crore on April 1, 2017 which has been eliminated against Opening General Reserve. The impact of ₹ 232.60 Crore for year ended on March 31, 2018 has been recognised in the statement of profit or loss.

4. **Restatement of provision on standard / non-performing assets (NPA) to Expected Credit Loss (ECL)**

   Under Previous GAAP, provision for NPA and standard asset were presented under provisions. However, under IND AS financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses. Consequently, the Company has restated the Previous GAAP provisions for standard assets / NPA's to ECL amounting to ₹ 850.87 Crore and ₹ 1,309.13 Crore as on 1st April 2017 and March 31, 2018 respectively.

5. **Effective interest rate (EIR):**

   Borrowings and other financial liabilities which were recognised at historical cost under Previous GAAP have been recognised at amortised cost under IND AS on transition date with the difference been adjusted to opening General Reserve

   Under Previous GAAP, transaction costs incurred on borrowings was charged to statement of profit or loss upfront while under IND AS, such costs are included in the initial recognition amount of financial liabilities and recognised as interest expenses using the effective interest method. Consequently, borrowings on date of transition have decreased by ₹ 20.04 Crore and interest expense for the year ended March 31, 2018 has increased by ₹ 27.10 Crore.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Financial assets held on with an objective to collect contractual cash flows in the nature of principal and interest have been recognised at amortised cost on transition date as against historical cost under the Previous GAAP with the difference been adjusted to the opening General Reserve

Under Previous GAAP, transaction costs charged to customers was recognised upfront while under IND AS, such costs are included in the initial recognition amount of financial asset and recognised as interest income using the effective interest method. Consequently, loan to customers on date of transition date have increased by ₹ 228.20 Crore, processing fees for the year ended March 31, 2018 has decreased by ₹ 184.36 Crore and interest income for the year ended March 31, 2018 has decreased by ₹ 163.40 Crore.

6 Deferred tax as per balance sheet approach:

Previous GAAP requires deferred tax accounting using the statement of profit or loss approach, which focuses on differences between taxable profits and accounting profits for the period. IND AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of IND AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

The major change in deferred tax is on account of, as required by the NHB, the Company had recognised deferred tax liability (DTL) in respect of the balance in the Special Reserve (created under section 36(1)(viii) of the Income-tax Act, 1961) amounting to ₹ 1,177.37 Crore as at April 1, 2017. The Company believes that the Special Reserve will not be utilised for payment of dividend or any other purpose and accordingly it does not result in a difference in tax base. Hence, DTL on Special Reserve has been reversed to comply with IND AS 12 on Income Taxes.

7. Defined benefit obligation:

Both under Previous GAAP and IND AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, were charged to profit or loss. Under IND AS, re-measurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. The employee benefit expenses is adjusted by ₹ 2.68 Crore and recognised in OCI for the year ended March 31, 2018

8. Other comprehensive income:

Under IND AS, all items of income and expense recognized in the period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss and "other comprehensive income" includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under Previous GAAP.

9. Statement of cash flows

The transition from Previous GAAP to IND AS has not had any material impact on the statement of cash flows.

10. Finance lease arrangements:

In respect of certain long-term arrangements, existing at the date of transition and identified to be in the nature of finance lease where the Group is lessee, the underlying assets and corresponding finance lease obligation determined at the inception of respective arrangements have been recognized on the date of transition with the adjustment of difference, if any, in the opening General Reserve resulting into increase in finance cost and depreciation charge and reduction in the cost of goods / services procured and valuation of underlying inventories. Such arrangements were recognized as per their legal form under the Previous GAAP.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

41. FINANCIAL INSTRUMENTS

41.1 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 has complied in full with all its externally imposed capital requirements over the reported period.

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

The Group's objective, when managing Capital, is to safeguard the ability of the Group to continue as a going concern. 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 Capital Gearing Ratio and Debt Equity Ratio of the Group is calculated as below:

(₹ in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Debt Securities	1,34,615.67	1,19,521.22	1,01,585.21
Borrowings (Other than Debt Securities)	26,383.91	16,517.05	15,939.25
Deposits	7,657.56	6,770.10	6,292.77
Subordinated Liabilities	2,000.00	2,500.00	2,500.00
A) Total Debt	1,70,657.14	1,45,308.37	1,26,317.23
Less: Cash & Cash Equivalents	2,802.85	1,915.35	1,450.07
B) Net Debt	1,67,854.29	1,43,393.02	1,24,867.16
C) Total Equity-Shareholder's Funds	16,333.01	14,313.06	12,675.85
D) Capital Gearing Ratio (B/C)	10.28	10.02	9.85
E) Debt Equity Ratio (A/C)	10.45	10.15	9.97

Equity includes all capital and reserves of the Company that are managed as capital.

41.2 Categories of Financial Instruments:

(₹ 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	229.51	-	-	229.51
Derivative Financial Instruments	-	26.98	-	26.98
Receivables	11.99	-	-	11.99
Loans	1,92,951.84	-	-	1,92,951.84

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Particulars	As at March 31, 2019			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Investments	1,249.10	2,315.79	52.45	3,617.34
Other Financial Assets	75.86	-	-	75.86
Total	**1,97,321.15**	**2,342.77**	**52.45**	**1,99,716.37**
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	13,497.87	-	-	13,497.87
Total	**1,84,229.91**	**25.79**	**-**	**1,84,255.70**

(₹ in Crore)

Particulars	As at March 31, 2018			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Financial Assets				
Cash and Cash Equivalents	1,915.35	-	-	1,915.35
Bank Balance other than above	227.66	-	-	227.66
Derivative Financial Instruments	-	43.65	-	43.65
Receivables	13.50	-	-	13.50
Loans	1,66,134.01	-	-	1,66,134.01
Investments	904.03	1,051.64	52.55	2,008.22
Other Financial Assets	68.19	-	-	68.19
Total	**1,69,262.74**	**1,095.29**	**52.55**	**1,70,410.58**
Financial Liabilities				
Derivative Financial Instruments	-	39.43	-	39.43
Trade Payables	52.63	-	-	52.63
Debt Securities	1,19,521.22	-	-	1,19,521.22
Borrowings (Other than Debt Securities)	16,517.05	-	-	16,517.05
Deposits	6,770.10	-	-	6,770.10
Subordinated Liabilities	2,500.00	-	-	2,500.00
Other Financial Liabilities	11,390.13	-	-	11,390.13
Total	**1,56,751.13**	**39.43**	**-**	**1,56,790.56**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Particulars	As at April 1,2017			
	Amortised cost	At Fair Value Through profit or loss	At Deemed Cost	Total
Financial Assets				
Cash and Cash Equivalents	1,450.07	-	-	1,450.07
Bank Balance other than above	303.52	-	-	303.52
Derivative Financial Instruments	-	85.77	-	85.77
Receivables	2.77	-	-	2.77
Loans	1,44,699.36	-	-	1,44,699.36
Investments	446.69	2,910.79	49.51	3,406.99
Other Financial Assets	69.62	-	-	69.62
Total	**1,46,972.03**	**2,996.56**	**49.51**	**1,50,018.10**
Financial Liabilities				
Derivative Financial Instruments	-	88.61	-	88.61
Trade Payables	51.44	-	-	51.44
Debt Securities	1,01,585.21	-	-	1,01,585.21
Borrowings (Other than Debt Securities)	15,939.25	-	-	15,939.25
Deposits	6,292.77	-	-	6,292.77
Subordinated Liabilities	2,500.00	-	-	2,500.00
Other Financial Liabilities	11,366.69	-	-	11,366.69
Total	**1,37,735.36**	**88.61**	**-**	**1,37,823.97**

41.3 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)

Sr. No.	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, 2019	As at March 31, 2018	As at April 1, 2017				
	Mutual Funds	FVTPL	2,294.15	1,013.74	2,858.51	Level 1	Quoted Market Price for Mutual Funds	NA	NA
	Aptech	FVTPL	-	-	0.10	Level 1	Quoted Market Price	NA	NA
	Kotak India Real Estate Fund	FVTPL	-	-	5.76	Level 2	NAV as on reporting date declared	NA	NA
	CIG Realty Fund	FVTPL	-	-	8.88	Level 2	NAV as on reporting date declared	NA	NA
	Derivative Financial Instruments	FVTPL	26.98	43.65	85.77	Level 2	On the basis of traded swap yields published	Published yields	NA
	Initial Settlers Contribution Under Indenture Trust	FVTPL	0.002	0.002	0.001	Level 3	Book Value	Refer Note below	NA
	Goods Services Tax Network	FVTPL	1.10	1.10	1.10	Level 3	Others	Refer Note below	Refer Note below
	LICHFL Urban Development Fund	FVTPL	19.07	36.86	36.50	Level 3	NAV as on reporting date declared by the Fund	Refer Note below	Refer Note below
	LICHFL Housing And Infrastructure Fund	FVTPL	2.44	-	-	Level 3			
Financial Liabilities									
	Derivative Financial Instruments	FVTPL	25.79	39.43	88.61	Level 2	On the basis of traded swap yields published	Published yields	NA

There were no transfers between Level 1, Level 2 and Level 3 during the year.

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 at Level 1. 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 Level 3.

Equity instruments in non-listed entities included 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.

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Interest rate derivatives

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. 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

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, 2019			
Financial Assets			
Government Securities	1,248.12	Level 1	1,214.35
As at March 31, 2018			
Financial Assets			
Government Securities	903.97	Level 1	871.99
As at April 0 1, 2017			
Financial Assets			
Government Securities	446.63	Level 1	445.36

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only.

Government debt securities

Government debt securities are financial instruments issued by sovereign governments and include long term bonds with fixed rate interest payments. These instruments are generally highly liquid and traded in active markets resulting in a Level 1 classification. When active market prices are not available, the Group uses discounted cash flow models with observable market inputs of similar instruments and bond prices to estimate future index levels and extrapolating yields outside the range of active market trading, in which instances the Group classifies those securities as Level 2. The Group does not have Level 3 government securities where valuation inputs would be unobservable.

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.

41.4 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 and market risk.

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.

At present, the risks faced by the Company are broadly categorized as below:-

- Credit Risk
- Liquidity Risk
- Market Risk
- Interest Rate 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 Others

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:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

41.4.1 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 the committed repayments is the fundamental objective of the Asset Liability Management (ALM) framework. Investment being the ancillary activity is derived of this 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 would be 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.

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Changes from previous period

There are no significant changes in the Financial Policies.

Liquidity Ratios

1) The overall structural liquidity (as defined by NHB) negative gap (cumulative gap) has not exceeded 30% of the payables or the liabilities.

2) The structural liquidity (as defined by NHB) negative gap upto one year has not exceeded 15% of the cumulative cash outflows upto one year.

3) 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.

Liquidity Risk for Others:

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.

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	-	-	-	-	-	25.97
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	86.15	573.13	3,826.16	2,668.63	606.29	-	-	7,760.36
Subordinated Liabilities	-	-	-	500.00	-	1,500.00	-	2,000.00
Other financial liabilities	94.12	11,528.90	1,392.46	340.74	98.78	77.92	-	13,532.92
Total	**9,049.17**	**22,972.01**	**33,900.39**	**54,203.37**	**25,844.46**	**38,634.03**		**1,84,603.43**

Contractual Maturities of Financial Liabilities of the Group as at March 31, 2018

(₹ 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	-	39.43	-	-	-	-	-	39.43
Trade Payables	52.65	-	-	-	-	-	-	52.65
Debt Securities	-	9,435.00	17,094.00	46,051.00	16,502.00	30,489.00	-	1,19,571.00
Borrowings (Other than Debt Securities)	2,600.00	271.31	1,754.31	5,258.12	4,082.82	2,550.49	-	16,517.05
Deposits	-	260.32	3,238.16	2,480.51	808.93	-	-	6,787.92
Subordinated Liabilities	-	-	500.00	500.00	-	1,500.00	-	2,500.00
Other financial liabilities	44.08	9,704.04	596.84	986.98	38.52	77.93	-	11,448.39
Total	**2,696.73**	**19,710.10**	**23,183.31**	**55,276.61**	**21,432.27**	**34,617.42**	**-**	**1,56,916.44**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Contractual Maturities of Financial Liabilities of the Group as at April 1, 2017

(₹ 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	-	88.61	-	-	-	-	-	88.61
Trade Payables	51.44	-	-	-	-	-	-	51.44
Debt Securities	-	3,315.00	11,598.00	35,700.00	21,037.00	29,957.00		101,607.00
Borrowings (Other than Debt Securities)	2,440.00	432.81	1,699.13	4,509.43	4,452.43	2,405.44		15,939.24
Deposits	8.98	84.17	3,190.17	1,653.70	1,384.55	-	-	6,321.57
Subordinated Liabilities	-	-	-	500.00	500.00	1,500.00		2,500.00
Other financial liabilities	16.13	10,114.16	167.28	997.12	113.14	34.41	-	11,442.24
Total	**2,516.55**	**14,034.75**	**16,654.58**	**43,360.25**	**27,487.12**	**33,896.85**	**-**	**137,950.10**

41.4.2 Credit Risk for Parent

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has defined Loan selection principles for establishing 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, 2019 is ₹ 1,94,611.32 Crore (F.Y. 2017-18 ₹ 1,67,443.14 Crore; As at 01.04.2017 ₹ 1,45,550.23 Crore) which best represent the maximum exposure to credit risk, the related Expected credit loss amount to ₹ 1,659.48 Crore (F.Y. 2017-18 ₹ 1,309.13 Crore, As at 01.04.2017 ₹ 850.87 Crore). The Group has right to sell or pledge the collateral in case borrower defaults.The carrying amount of loans as at March 31, 2019 includes ₹ 5.87Crore towards Loans to Staff and Loans against Public Deposit (F.Y. 2017-18 ₹ 4.86Crore; As at 01.04.2017 ₹ 4.27 Crore).

Credit Risk for Others

The Credit Risk arising on Trade Receivables is low. 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 Group 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.

41.4.2.1 Credit Mitigation measures for Housing Finance

Independent internal legal and technical evaluation team in the Company makes credit decisions more robust and in line to manage collateral risk. The in-house Credit team conducts a credit check and verification procedure on each customer, ensuring consistent quality standards to minimize future losses. To review the adherence to laid down policies and quality of appraisal, Company's independent internal audit team conducts a regular review of files on a sample basis. A dedicated collection and recovery team manages lifecycle of transactions and monitors the portfolio quality.

Credit Norms: - Certain credit norms and policies are being followed by the Company to manage credit risk, including a standard credit appraisal policy based on customer credit worthiness. These criteria change between loan products and typically include factors such as profile of applicant, income and certain stability factors such as the employment and dependency detail, other financial obligations of the applicant, Loan to value and the loan-to-cost ratio. Standardized credit approval process including a comprehensive credit risk assessment is in place which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower.

The Credit Policy defines parameters such as Borrower's ability to pay, Reputation of Employer, Nature of employment/ Self-employed, Qualification of Applicants, Stability of Residence, Family size and dependence on Applicants income, Insufficient sales proceeds to pay the dues in case of Project Loans due to project slowdown etc. to ensure consistency of credit quality.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Credit Mitigation measures for Others

To manage credit risk, the Group periodically assessed the financial reliability of customers, taking into account the financial conditions, current economic trends and analysis of historical bad debts and ageing of accounts receivable.

Retail lending for Housing Finance:

For retail lending, credit risk management is achieved by considering various factors like:

-Assessment of borrower's capability to pay – a detailed assessment of borrower's capability to pay is conducted. The approach of assessment is laid down in the credit policy of the Company. Various factors considered for assessment are credit information report, analysis of bank account statement and valuation of property.

-Security cover – Analysing the value of the property which is offered as security for the loan is essential for the overall underwriting of the loan. It is essential that it is valued before the disbursement of loan to arrive at a clear idea about its cost, valuation, marketability and loan to property ratio.

-Additional Security – Additional Security can be by way of pledge of acceptable Additional Collaterals such as LIC Policies or other Securities like NSCs, FDs, Kisan Vikas Patra, etc. is considered. This is taken depending on nature of loan proposal and amount of risk involved.

-Geographical region – The Company monitors loan performance in a particular region to assess if there is any stress due to natural calamities etc. impacting the performance of the loan in a particular geographic region.

Project lending for Housing Finance:

For project lending, credit risk management is achieved by considering various factors like:

-Promoter's strength – a detailed assessment of borrower's capability to pay is conducted. Various factors considered for promoter's assessment are the financial capability, past track record of repayment, management and performance perspective.

-Credit information report – It is very essential to check the 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 case 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 house property financed.

-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. At all times the security cover of at least 1.5 times is maintained. 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. As per the recent guidelines by Government of India the process of registering the charge with Information Utility under IBC (Indian Bankruptcy Code) is started.

-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.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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 to be amortized over the balance tenor of the swap or underlying liability whichever is less. Loss if any on early termination is to be charged to revenue in the same year. The carry difference, between coupon rate liability and the swap contract rate is to be accounted quarterly on accrual basis.

41.4.2.2 Collateral and other credit enhancements

With respect to loans case 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 from the loan is also taken.

The Company after exploring all the possible measures, initiates action under SARFAESI against the mortgaged properties as a last resort to recover. The 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 ₹ 309.63 Crore (F.Y. 2017-18 ₹ 264.29 Crore, As at 01.04.2017 ₹ 233.07 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 ₹ 295.77 Crore (F.Y. 2017-18 ₹ 263.56 Crore, As at 01.04.2017 ₹ 251.86 Crore), being lower of the fair value of the asset possessed and the outstanding as at March 31, 2019.

41.4.2.3 Impairment Assessment for Housing Finance:

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

The Company applies General approach to provide for credit losses prescribed by IND AS 109, which provides to recognised 12-months expected credit losses where credit risk has not increased significantly since initial recognition and to recognised 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 of forward looking.

Definition of Default for Housing Finance:

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 its contractual payments.

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

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Stage wise categorisation of Loan Assets

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

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

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

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

Retail Loans:

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

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

Project Loans:

Project loans are less in number and more in terms of value per loan. The total number of loans are far less than that of the retail loans. 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	
	Outstanding Balance	Impairment Loss	Outstanding Balance	Impairment Loss	Outstanding Balance	Impairment Loss	Outstanding Balance	Impairment Loss
As At March 31, 2019	1,83,088.69	23.91	8,564.12	111.53	2,952.64	1,524.04	1,94,605.45	1,659.48
As At March 31, 2018	1,59,761.16	283.99	6,386.32	116.71	1,290.80	908.43	1,67,438.28	1,309.13
As At April 1, 2017	1,39,499.63	303.32	5,418.99	119.65	627.34	427.90	1,45,545.96	850.87

41.4.2.4 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,

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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 for Housing Finance

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

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

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

Exposure at default for Housing Finance

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

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

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Loss given default for Housing Finance

Value of collateral property:The loans are secured by 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 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 considered the rate of inflation as a relevant macro-economic data having a significant impact on the performance of loans based on the historical observation of several quarters in the past. The correlation co-efficient between the inflation rate and the Loans outstanding the 'Not yet due' bucket is negative meaning that the two variables move in opposite directions. When the inflation rate goes up the Not yet due bucket seems to come down meaning that the loans become more irregular.

Considering this fact, and also considering that the inflation seems to be on the decline, the Company has assumed three scenarios as follows with the respective weights.

Scenario	Expected variation in > 90 days buckets	Weight
1	No change	30%
2	2.00%	50%
3	-6.00%	20%

Scenario 1: ECL computed without any change in any of the buckets. This scenario is given a weight of 30%.

Scenario 2: For each and every loan all the buckets > 90 days are bumped up by 2% and the ECL is computed as mentioned in the previous sections to arrive at the ECL. This scenario is given a weight of 50%.

Scenario 3: For each and every loan all the buckets > 90 days are bumped down by 6% and the ECL is computed as mentioned in the previous sections to arrive at the ECL. This scenario is given a weight of 20%

Expected credit loss is then computed based on all the three scenarios. ECL is adjusted with the appropriate weights assigned for each scenario and the weighted average ECL is arrived at as the ECL for the quarter.

Write off policy for Housing Finance

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. 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, 2019	As at March 31, 2018	As at April 1, 2017
Financial Assets written off but are still subjected to enforcement activity	269.27	205.38	189.26

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Movement of Gross Exposures and impairment provision of the Financial Instruments (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
Gross Carrying Amount -2017	1,39,499.63	303.32	5,418.99	119.65	627.34	427.90	1,45,545.96	850.87
Net change in exposures	22,318.76	31.01	(179.93)	(44.77)	(44.79)	496.08	22,094.04	482.32
Transfer to Stage 1	2,071.02	(51.68)	(2,029.96)	46.09	(41.06)	5.59	-	-
Transfer to Stage 2	(3,518.17)	4.48	3,529.01	(10.53)	(10.84)	6.05	-	-
Transfer to Stage 3	(436.55)	(2.92)	(347.48)	6.29	784.03	(3.37)	-	-
Changes in contractual cash flows due to modifications not resulting in derecognition	(173.52)	(0.22)	(4.31)	(0.02)	(0.07)	-	(177.90)	(0.24)
Amounts Written Off	-	-	-	-	(23.82)	(23.82)	(23.82)	(23.82)
Gross Carrying Amount Closing Balance -2018	**1,59,761.17**	**283.99**	**6,386.32**	**116.71**	**1,290.79**	**908.42**	**1,67,438.28**	**1,309.13**
Net change in exposures	28,102.57	(273.62)	(464.85)	29.89	(119.83)	860.45	27,517.89	616.72
Transfer to Stage 1	2062.90	53.08	(2027.41)	(37.82)	(35.49)	(15.26)	-	-
Transfer to Stage 2	(5,609.50)	(4.61)	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 Closing Balance -2019	**1,83,088.71**	**23.91**	**8,564.12**	**111.53**	**2,952.62**	**1,524.02**	**1,94,605.45**	**1,659.48**

The movement within the tables is acombination of quarterly movements over the year. The credit impairment charge in the Profit & Loss statement 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 written less repayments in the year.

41.4.2.5 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 Profit and Loss statement representing the difference between the original cashflows 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.

41.4.3 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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

41.4.4 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 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 the Group tracks the composition and pricing of assets and liabilities on a continuous basis.

41.5 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, 2019

(₹ in Crore)

Particulars	Upto 12 months	More than 12 months	Amount
ASSETS			
Financial Assets			
Cash and Cash Equivalents	2,802.85	-	2,802.85
Bank Balance other than above	195.26	34.25	229.51
Derivative Financial Instruments	26.98	-	26.98
Receivables			
(I) Trade Receivables	11.99	-	11.99
(II) Other Receivables	-	-	-
Loans	13,442.58	1,79,509.26	1,92,951.84
Investments	2,290.47	1,326.87	3,617.34
Other Financial Assets	22.74	53.12	75.86
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
Other Intangible Assets	-	2.91	2.91
Capital Work in Progress	2.19	-	2.19
Goodwill	-	0.21	0.21
Other Non-Financial Assets	76.36	1.06	77.42
Total Assets	**18,871.42**	**1,81,836.01**	**2,00,707.43**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Derivative Financial Instruments	25.79	-	25.79
Payables			
(i) Trade Payables			
(ii) total outstanding dues of micro enterprises and small enterprises	0.17	-	0.17

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Particulars	Upto 12 months	More than 12 months	Amount
(iii) total outstanding dues of creditors other than micro enterprises and small enterprises	74.73	-	74.73
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	13,021.50	476.37	13,497.87
Non-Financial Liabilities			
Provisions	62.20	56.34	118.54
Other Non-Financial Liabilities	0.18	-	0.18
Total Liabilities	**65,843.08**	**1,18,531.24**	**1,84,374.42**
NET	**(46,971.66)**	**63,304.67**	**16,333.01**

As at March 31, 2018

(₹ in Crore)

Particulars	Upto 12 months	More than 12 months	Amount
ASSETS			
Financial Assets			
Cash and Cash Equivalents	1,915.35	-	1,915.35
Bank Balance other than above	127.21	100.45	227.66
Derivative Financial Instruments	43.65	-	43.65
Receivables			
(I) Trade Receivables	13.50	-	13.50
(II) Other Receivables	-	-	-
Loans	11,825.33	1,54,308.68	1,66,134.01
Investments	1,007.52	1,000.70	2,008.22
Other Financial Assets	6.14	62.05	68.19
Non-financial Assets			
Current Tax Assets (Net)	-	185.01	185.01
Deferred tax Assets (Net)	-	449.65	449.65
Property, Plant and Equipment	-	126.83	126.83
Other Intangible Assets	-	2.42	2.42
Capital Work in Progress	-	2.74	2.74
Goodwill	-	0.21	0.21
Other Non-Financial Assets	48.22	2.50	50.72
Total Assets	**14,986.92**	**1,56,241.24**	**1,71,228.16**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Derivative Financial Instruments	39.43	-	39.43
Payables			
(i) Trade Payables			

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Particulars	Upto 12 months	More than 12 months	Amount
(ii) total outstanding dues of micro enterprises and small enterprises	0.22	-	0.22
(iii) total outstanding dues of creditors other than micro enterprises and small enterprises	52.41	-	52.41
Debt Securities	26,479.22	93,042.00	1,19,521.22
Borrowings (Other than Debt Securities)	4,625.71	11,891.34	16,517.05
Deposits	3,546.56	3,223.54	6,770.10
Subordinated Liabilities	500.00	2,000.00	2,500.00
Other Financial Liabilities	10,371.39	1,018.74	11,390.13
Non-Financial Liabilities			
Provisions	72.11	50.21	122.32
Other Non-Financial Liabilities	0.06	2.16	2.22
Total Liabilities	**45,687.11**	**1,11,227.99**	**156,915.10**
NET	**(30,700.19)**	**45,013.25**	**14,313.06**

As at April 1, 2017

(₹ in Crore)

Particulars	Upto 12 months	More than 12 months	Amount
ASSETS			
Financial Assets			
Cash and Cash Equivalents	1,450.07	-	1,450.07
Bank Balance other than above	234.98	68.54	303.52
Derivative Financial Instruments	85.77	-	85.77
Receivables			
(I) Trade Receivables	2.77	-	2.77
(II) Other Receivables	-	-	-
Loans	10,001.69	1,34,697.67	1,44,699.36
Investments	2,846.66	560.33	3,406.99
Other Financial Assets	16.25	53.37	69.62
Non-financial Assets			
Current Tax Assets (Net)	185.72	0.23	185.95
Deferred tax Assets (Net)	266.17	2.05	268.22
Property, Plant and Equipment	-	103.00	103.00
Other Intangible Assets	-	3.66	3.66
Capital Work in Progress	-	0.57	0.57
Goodwill	-	0.21	0.21
Other Non-Financial Assets	32.60	2.41	35.01
Total Assets	**15,122.68**	**1,35,492.04**	**1,50,614.72**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Derivative Financial Instruments	88.61	-	88.61
Payables			
Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	0.14	-	0.14

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Particulars	Upto 12 months	More than 12 months	Amount
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	51.30	-	51.30
Debt Securities	14,891.21	86,694.00	1,01,585.21
Borrowings (Other than Debt Securities)	4,431.81	11,507.44	15,939.25
Deposits	3,348.34	2,944.43	6,292.77
Subordinated Liabilities	0.00	2,500.00	2,500.00
Other Financial Liabilities	10,196.92	1,169.77	11,366.69
Non-Financial Liabilities			
Provisions	56.85	47.55	104.40
Other Non-Financial Liabilities	8.00	2.50	10.50
Total Liabilities	**33,073.18**	**1,04,865.69**	**1,37,938.87**
NET	**(17,950.50)**	**30,626.35**	**12,675.85**

42. SEGMENT REPORTING:

As per the IND AS 108 dealing with 'Operating Segments', the main segments and the relevant disclosures relating thereto are as follows:

(₹ in Crore)

Particulars	Loans		Other Segments		Inter Segment Adjustments		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Segment Revenue	17,361.72	14,840.61	52.82	52.95	7.67	10.81	15.89	10.28
Segment Result	3,379.55	2,765.50	19.01	24.14	0.86	1.47	11.02	5.18
Share of profit of Associates							(0.10)	3.05
Current Tax							1,069.19	956.62
Deferred Tax							(111.81)	(182.80)
Total Result	3,379.55	2,765.50	31.05	30.85	(976.23)	(788.19)	2,434.37	2,008.16
Segment Assets	2,00,583.47	1,71,089.82	228.97	218.77	(105.01)	(80.43)	2,00,707.43	1,71,228.16
Segment Liabilities	1,84,324.20	1,56,848.64	73.15	76.94	(22.93)	(10.48)	1,84,374.42	1,56,915.10
Net Assets	16,259.27	14,241.18	155.82	141.83	(82.08)	(69.95)	16,333.01	14,313.06
Depre -ciation & Amorti-zation	11.73	9.98	0.19	0.23	-	-	11.92	10.21
Non-Cash Expenses other Depre-ciation & Amorti-zation	618.06	491.69	-	-	-	-	618.06	491.69

(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, 2019 and March 31, 2018.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

43. COMMITMENTS:

a) Estimated amounts of contracts remaining to be executed on capital account and not provided for - (net of advance) are ₹ 4.24 Crore (F. Y. 2017-18 ₹ 26.78 Crore; As at 01.04.2017 ₹ 18.73 Crore).

b) Other Commitments: Uncalled liability of ₹ 1.14 Crore (F. Y. 2017-18 ₹ 1.47 Crore ; As at 01.04.2017 ₹ 3.16 Crore) in respect of commitment made for contribution to LICHFL Urban Development Fund by subscription of 50,000 units (F. Y. 2017-18 50,000 units ; As at 01.04.2017 50,000 Units) of ₹ 10,000/- face value each, paid up value being ₹ 3,857.34 (F. Y. 2017-18 ₹ 7,360.32/-; As at 01.04.2017 ₹ 7,287.40/-) 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 March 31, 2019 is ₹ 1.54 Crore.

44. CONTINGENT LIABILITIES IN RESPECT OF:

a) Claims against the Group not acknowledged as debts ₹ 0.91 Crores (F. Y. 2017-18 ₹ 0.64 Crores ; As at 01.04.2017 ₹ 0.51 Crore).

b) On completion of income tax assessment, the Group had received a demand of ₹ 3.48 Crores - (including interest of ₹ 0.20 Crores) for A. Y. 2003-04, ₹ 22.17 Crores (including interest of ₹ 7.22 Crores) for A. Y. 2004-05 against which the Group received refund of ₹ 2.20 Crores , ₹ 35.72 Crores (including interest of ₹ 6.68 Crores) against which ₹ 19.51 Crores was paid under protest for A.Y. 2005-06, ₹ 23.85 Crores (including interest of ₹ 1.38 Crores against which the Company received refund of ₹ 1.37 Crores for A.Y. 2006-07 and ₹ 15.03 Crores (including interest of ₹ 6.34 Crores) for A.Y. 2007-08. The said amounts are disputed and the Group 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 Crores (F. Y. 2017-18 ₹ 0.58 Crores. The Company is in process of filing replies to the Department. (F. Y. 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 ₹ 0.28 Crores for A.Y. 2017-18.

Also, interest payment liability of LICHFL Care Homes Limited, if any, arises in respect of Bhubaneswar project shall be accounted as and when the certainty of payment of interest shall be established. At present the amount is unascertainable.

45. MOVEMENT IN PROVISION FOR CONTINGENCIES AS UNDER:

a. Provision includes:

i. Provision for untapped corporate undertaking given for securitization of loans. The outflows in respect of untapped corporate undertaking would arise in the event of a shortfall, if any, in the cash flows of the pool of the securitized receivables, and

ii. Provision for doubtful advances and provision for probable loss on account of bank reconciliation differences.

b. The movement in provisions is as below:

(₹ in Crore)

Provision for Untapped Corporate Undertaking	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Opening balance	2.13	2.13	1.56
Add: Top up of Corporate Undertaking / additional provisional for doubtful advances	-	-	1.14
Less: Amounts utilized during the year / provision written back for doubtful advances	2.13	-	0.57
Less: Reversal of provision for corporate undertaking	-	-	-
Closing balance	**-**	**2.13**	**2.13**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Provision for Doubtful Advances	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Opening balance	0.42	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**	**0.42**

46. Fixed Deposits with Banks includes earmarked deposits created in favour of trustees for depositors towards maintaining Statutory Liquid Ratio amounting to ₹ 177.25 Crore (F. Y. 2017-18 ₹ 172.99 Crore; As at 01.04.2017 ₹ 253.00 Crore). The Company has beneficial interest on the income earned from these deposits.

47. Temporary Book Overdraft of ₹ 6,909.46 Crore (F. Y. 2017-18 ₹ 5,064.24 Crore; As at 01.04.2017 ₹ 5,739.76 Crore) represents cheques issued towards disbursements to borrowers for ₹ 6,894.71 Crore (F. Y. 2017-18 ₹ 5,048.24 Crore As at 01.04.2017 ₹ 5,728.27 Crore) and cheques issued for payment of expenses of ₹ 14.75 Crore (F. Y. 2017-18 ₹ 16.00 Crore, As at 01.04.2017 ₹ 11.48 Crore), but not encashed as at March 31, 2019.

48. AUDITOR'S REMUNERATION*:

(₹ in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
As auditor	0.37	0.37
As advisor or in any other capacity in respect of tax audit	0.09	0.09
For Quarterly Limited Reviews	0.17	0.17
In any other manner (Certification work)	0.04	0.03
Reimbursement of Expenses to Auditors	0.02	-
Total	**0.69**	**0.66**

* Excluding GST

49. PROPOSED DIVIDEND

(₹ in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) Equity Shares		
Final Dividend for the year ended	343.15	312.91
DDT on Final Dividend	70.55	63.68
(ii) Dividends not recognised at the end of reporting period	383.67	343.15
DDT on Proposed Dividend	78.86	70.55

50. The Group had requested its suppliers to confirm the status as to whether they are covered 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

51. 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 Group has recognized ₹ 15.95 Crore (F. Y. 2017-18 ₹ 14.17 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, ₹ 0.51 Crore (F. Y. 2017-18 ₹ 0.51 Crore) have been contributed towards LIC of India (Employees) Pension Rules, 1995.

Gratuity Liability

(₹ in Crore)

Changes in the Benefit Obligation:	2018-19	2017-18
Liability at the Beginning of the year	70.55	62.64
Interest Cost	5.54	4.52
Current Service Cost	3.62	3.84
Past Service Cost	-	4.34
Benefit Paid	(1.29)	(0.82)
Actuarial Loss/(Gain) on obligations	(2.44)	(3.97)
Liability at the end of the year	75.98	70.55

(₹ in Crore)

Fair Value of the Plan Assets:	2018-19	2017-18
Fair Value of Plan Asset at the beginning of the year	43.09	37.02
Expected Return on Plan Assets	3.38	2.67
Contributions	25.28	4.10
Benefit paid	(1.29)	(0.82)
Actuarial Gain / (Loss) on Plan Assets	(3.21)	0.12
Fair value of Plan Assets at the end of the year	67.25	43.09
Total Actuarial Loss to be Recognized	0.77	(4.09)

(₹ in Crore)

Actual Return on Plan Assets:	2018-19	2017-18
Expected Return on Plan Assets	3.38	2.67
Actuarial Gain / (Loss) on Plan Assets	(3.21)	0.12
Actual Return on Plan Assets	0.17	2.79

(₹ in Crore)

Amount Recognised in the Balance Sheet:	2018-19	2017-18
Liability at the end of the year	(75.98)	(70.55)
Fair Value of Plan Assets at the end of the year	67.25	43.09
Amount recognised in the Balance Sheet	(8.73)	(27.46)

(₹ in Crore)

Net Interest Cost for Current Year:	2018-19	2017-18
Present Value of Benefit Obligation at the Beginning of the Year	70.55	62.64
Fair value of Plan Assets at the Beginning of the Year	(43.09)	(37.02)
Net Liability/(Asset) at the Beginning of the Year	27.46	25.62
Interest Cost	5.54	4.52
Interest Income	(3.38)	(2.67)
Net Interest Cost for Next Year	2.16	1.85

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Expense Recognised in the Statement of Profit and Loss for Current Year:	2018-19	2017-18
Current Service Cost	3.62	3.84
Interest Cost	2.16	1.85
Past Service Cost	-	4.34
Expense recognized in the Statement of Profit and Loss under staff expenses	5.78	10.03

(₹ in Crore)

Expense Recognised in Other Comprehensive Income (OCI) for Current Year:	2018-19	2017-18
Actuarial Loss/(Gain) on obligations	(2.44)	(3.97)
Return on Plan Assets, excluding Interest Income	3.21	(0.12)
Net (Income)/Expense for the year recognised in OCI	0.77	(4.09)

(₹ in Crore)

Reconciliation of the Liability recognised in the Balance Sheet:	2018-19	2017-18
Opening Net Liability	27.46	25.62
Expenses recognised in the Statement of Profit & Loss	5.78	10.03
Expense recognized in Other Comprehensive Income	0.77	(4.09)
Contribution by the Group	(25.28)	(4.10)
Amount recognised in the Balance Sheet under "Provision for Retirement Benefits"	8.73	27.46

Maturity Analysis of the Benefit Payments : From the Fund

(₹ in Crore)

Proiected Benefits Payable in Future Years From the Date of Reporting	2018-19	2017-18
Ist Following Year	2.76	2.42
2nd Following Year	2.95	2.18
3rd Following Year	4.63	3.14
4th Following Year	6.27	4.72
5th Following Year	6.18	6.21
Sum of Years 6 to 10	45.06	43.45
Sum of Years 11 and above	118.41	115.70

(₹ in Crore)

Sensitivity Analysis	2018-19	2017-18
Projected Benefit Obligation on Current Assumptions	75.98	70.55
Delta Effect of +1% Change in Rate of Discounting	(6.95)	(6.54)
Delta Effect of -1% Change in Rate of Discounting	8.03	7.56
Delta Effect of +1% Change in Rate of Salary Increase	4.10	3.99
Delta Effect of -1% Change in Rate of Salary Increase	(4.25)	(4.04)
Delta Effect of +1%Chanse in Rate of Employee Turnover	1.32	1.10
Delta Effect of -1%Chanse in Rate of Employee Turnover	(1.40)	(1.17)

Assumptions:	31.03.2019	31.03.2018
Discount Rate	7.79%/6.90%/7.94%	7.85%/7.70%/7.83%
Rate of Return on Plan Assets	7.79%/6.90%/7.94%	7.85%/7.50%/7.83%
Salary Escalation	8.00%/7.00%/8.00%	8.00%/7.00%/8.00%
Attrition Rate	2.00%	2.00%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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.

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 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 requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

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 Group's best estimate of contributions expected to be paid to the plan during the annual period beginning after March 31, 2018 is ₹ 11.47 Crore (F. Y. 2017-18 ₹ 9.77 Crore).

Leave Encashment

(₹ in Crore)

Changes in the Benefit Obligation:	2018-19	2018-17
Liability at the Beginning of the year	41.92	39.60
Interest Cost	3.29	2.85
Current Service Cost	1.70	1.82
Benefit Paid	(2.66)	(1.75)
Actuarial (Gain) / Loss on obligations	3.62	(0.60)
Liability at the end of the year	**47.87**	**41.92**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Amount Recognized in the Balance Sheet:	2018-19	2017-18
Liability at the end of the year	(47.87)	(41.92)
Fair Value of Plan Assets at the end of the year	-	-
Amount recognised in the Balance Sheet*	**(47.87)**	**(41.92)**

(₹ in Crore)

Expense Recognized in the Statement of Profit and Loss:	2018-19	2017-18
Current Service Cost	1.70	1.82
Interest Cost	3.29	2.85
Expected Return on Plan Assets	-	-
Net Actuarial (Gain) / Loss to be recognised	3.62	(0.60)
Expense recognized in the Statement of Profit and Loss under staff expenses	**8.61**	**4.07**

(₹ in Crore)

Reconciliation of the Liability recognised in the Balance Sheet:	2018-19	2017-18
Opening Net Liability	41.92	39.60
Expense recognised	8.61	4.07
Contribution/Benefit Paid by the Group	(2.66)	(1.75)
Amount recognized in the Balance Sheet under "Provision for Retirement Benefits"	**47.87**	**41.92**

Assumptions:	2018-19	2017-18
Retirement Age	58 Years	58 Years
Discount Rate	7.79%/7.94%	7.85%/7.83%
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 ₹ 0.08 Crore (F. Y. 2017-18 ₹ 0.06 Crore) towards additional provision made for LIC employees.

Sick Leave

The Group has recognised ₹ 1.24 Crore (F. Y. 2017-18 ₹ 0.62 Crore) in the Statement of Profit and Loss towards sick leave in respect of company employees.

52. RELATED PARTY DISCLOSURE:

a. Names of related parties:

(i) Enterprise having significant influence

Life Insurance Corporation of India

(ii) Enterprise over which significant influence exists

LIC Mutual Fund Asset Management Limited

LIC Mutual Fund Trustee Private Limited

(iii) Key Management Personnel

Ms. Sunita Sharma, MD and Chief Executive Officer (From April 1, 2017 to April 11, 2017)

Mr. Vinay Sah, MD and Chief Executive Officer (From April 12, 2017)

Mr. Nitin K Jage, Company Secretary

Mr. P Narayanan, Chief Financial Officer

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

b. Details of transactions with related parties: :

(₹ in Crore)

Nature of transactions	For the year ended March 31, 2019	For the year ended March 31, 2018
Life Insurance Corporation of India:		
Repayment of non-convertible debentures	1,750.00	263.70
Repayment of Secured loan	-	17.75
Interest expenses on Secured and Unsecured loans	1,531.38	1,646.82
Dividend Payment by LIC Housing Finance Limited to LIC of India	138.34	126.13
Dividend Payment by LICHFL Asset Management Company Limited to LIC of India	0.10	0.05
Rent Rates and Taxes	6.71	5.56
Reimbursement of Electricity Expenses	0.49	0.55
Payment for Staff training, Conference, etc.	0.14	0.19
Reimbursement of Expenses	(0.31)	(0.41)
Reimbursement of Gratuity for staff on deputation from LIC	0.43	0.39
Net Contribution to LIC of India, P & GS, for Gratuity premium for employees (Post Employment Benefit)	#24.05	(5.72)
Year-end Balance (Credit)	**17,628.82**	**19,398.49**
LIC Mutual Fund Asset Management Company		
Dividend Income	(0.43)	(0.22)
Shri Vinay Sah, MD & CEO & Ms. Sunita Sharma, Ex MD & CEO		
*Managerial remuneration-Total	0.57	**0.51
Short Term Employment Benefits	0.56	0.50
Post-Employment Benefits	0.01	0.01
Shri Nitin K Jage, Company Secretary		
Managerial remuneration-Total	0.38	0.30
Short Term Employment Benefits	0.38	0.30
Post-Employment Benefits	***0.20	***0.20
Shri P Narayanan, CFO		
Managerial remuneration-Total	0.28	0.27
Short Term Employment Benefits	0.27	0.26
Post- Benefits Employment	0.01	0.01

* As the Provision for Performance Linked Incentive (PLI) and Leave Encashment is accrued for the Group as a whole and not decided individually, hence not included. However payment made during the financial year 2018-19 has been included.

**The amount includes Performance Linked Incentive (PLI) paid to Ms. Sunita Sharma, Ex MD & CEO during the Financial year 2017-18 and salary paid to Mr. Vinay Sah, MD & CEO for financial year 2017-18.

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

#Includes premium of ₹ 25.36 Crore paid on 22.02.2019 due to increase in Gratuity limit to ₹ 0.20 Crore.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

53. OPERATING LEASES:

The Group has taken various offices and residential premises on cancellable operating lease basis for periods which range from 11 to 180 months with an option to renew the lease by mutual consent on mutually agreeable terms. Lease payments recognized in the Statement of Profit or Loss for premises are ₹ 37.79 Crore(F. Y. 2017-18 ₹ 32.20 Crore).

In respect of the Non-cancellable leases, the future minimum lease payments are as follows:

(₹ in Crore)

Period	For the year ended March 31, 2019	For the year ended March 31, 2018
Not later than one year	19.18	5.54
Later than one year but not later than five years	0.97	1.08
Later than five years	-	-
Total	**20.15**	**6.62**

54. 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, 2019	For the year ended March 31, 2018
Profit after tax attributable to equity shareholders	(₹ in Crore)	2,433.95	2,007.93
Weighted average number of equity shares outstanding during the year	Nos.	504,663,000	504,663,000
Basic and Diluted Earnings per equity share	₹	48.23	39.85
Face value per equity share	₹	2/-	2/-

55. TAXES ON INCOME:

Movement in Deferred Tax Assets / Liabilities

(₹ in Crore)

Particulars	As at March 31, 2018	Profit or Loss	Other Comprehensive Income	Total	As at March 31, 2019
Property, plant and equipment	(0.38)	(0.15)	-	(0.15)	(0.52)
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)	(1.07)
Remeasurements 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**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Crore)

Particulars	As at April 1, 2017	Profit or Loss	Other Comprehensive Income	Total	As at March 31, 2018
Property, plant and equipment	(0.92)	0.54	-	0.54	(0.38)
Expected credit losses	294.09	163.37	-	163.37	457.46
Provisions other than those pertaining to Expected credit loss	27.03	2.54	-	2.54	29.57
Financial assets at fair value through profit or loss	(0.45)	3.11	-	3.11	2.66
Remeasurements of employee benefits through OCI	(0.04)	0.77	(1.41)	(0.63)	(0.67)
Adjustments pertaining to Income and expense recognition based on Expected Interest rate	(47.54)	(51.57)	-	(51.57)	(99.11)
Income recognition on NPA cases	(3.95)	(4.01)	-	(4.01)	(7.96)
Others	0.01	68.05	-	68.05	68.06
Total	**268.22**	**182.80**	**(1.41)**	**181.40**	**449.65**

Income Tax recognised in profit or loss:

(₹ in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Tax		
In respect to of Current Year	1,069.19	956.62
In respect of prior years	-	-
Deferred Tax		
In respect to of Current Year	(111.81)	(182.80)
Total Income Tax expense recognised in the current year	**957.38**	**773.82**

Reconciliation of income tax expense of the year to the accounting profit is as follows:

(₹ in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Consolidated Profit before tax	3,391.75	2,781.98
Income tax expense calculated *	1,189.99	965.98
Effect of expenses that are not deductible in determining taxable profit	113.10	179.96
Effect of incomes which are exempt from tax	(2.34)	(1.26)
Effect on deferred tax balances due to the changes in income tax rate	-	2.24
Deduction under section 36(1)(viii) of the Income tax Act, 1961	(232.05)	(191.42)
Others	0.49	1.12
Income tax expense recognised in statement of profit and loss	**1,069.19**	**956.62**

*The tax rate used for the reconciliations above is the corporate tax rate of ranging from 25.82% to 34.944% payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

56. CORPORATE SOCIAL RESPONSIBILITY

Establishment and Other expenses includes ₹ 18.94 Crore for the year ended March 31, 2019 (F. Y. 2017-18 ₹ 6.94 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 ₹ 57.49 Crore (F. Y. 2017-18 ₹ 50.94 Crore).

b) Amount spent during the year:

(₹ in Crore)

Sl. No	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	13.00	-	13.00
		(1.11)	(-)	(1.11)
(ii)	On purposes other than (i) above	5.94	-	5.94
		(5.83)	(-)	(5.83)

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) No provision has been made for CSR expenditure by the Group as on March 31, 2019 (F. Y. 2017-18 Nil).

57. TRANSFER TO 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 (F. Y. 2017-18 ₹ 559.99 Crore) has been transferred to Special Reserve No. II in terms of Section 36(1)(viii) of the Income tax Act, 1961 and an amount of ₹ 0.01 Crore (F. Y. 2017-18 ₹ 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.

58. INTERESTS IN OTHER ENTITIES

(a) Subsidiaries

The Company's Subsidiaries as at March 31, 2019 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, 2019	As at March 31, 2018	As at April 01, 2017	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017	
		%	%	%	%	%	%	
LICHFL Asset Management Company Ltd.	India	94.62	94.62	94.62	5.38	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	100.00	-	-	-	To act as Trustee to Venture Capital Funds and Alternative Investment Funds
LICHFL Financial Services Ltd.	India	100.00	100.00	100.00	-	-	-	To provide Financial Services to Various Clients
LICHFL Carehomes Ltd.	India	100.00	100.00	100.00	-	-	-	To develop residential Projects for Senior Citizens

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

59. 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.

Additional information, as required under Schedule III of the Companies Act, 2013, of enterprises consolidated as Subsidiaries / Associates

(₹ in Crore)

Name of 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								
LICHFL	98.88%	16,149.91	101.42%	2,468.92	92.00%	(0.46)	101.44%	2,468.46
Subsidiaries								
LICHFL AMC	0.19%	30.34	0.30%	7.40			0.30%	7.40
LICHFL CARE HOMES	0.39%	63.52	0.03%	0.76	(2.00%)	0.01	0.03%	0.77
TRUSTEE	0.00%	0.38	0.00%	0.12			0.00%	0.12
FSL	0.24%	38.39	(1.76%)	(42.83)	10.00%	(0.05)	(1.76%)	(42.88)
Goodwill on Consolidation	0.00%	0.21						
Associate	0.32%	52.45					0.00%	(0.10)
Non Controlling Interest	(0.01%)	(2.19)					(0.02%)	(0.42)
	100.00%	**16,333.01**	**100.00%**	**2,434.37**	**100.00%**	**(0.50)**	**100.00%**	**2,433.35**

60. The previous year figures have been reclassified / regrouped / restated to conform to current year's classification.

Signature to Notes 1 to 60

As per our report of even date attached

For and on behalf of the Board of Directors

For Shah Gupta & Co.
Chartered Accountants
FRN 109574W

For Chokshi & Chokshi LLP
Chartered Accountants
FRN 101872W/W100045

Heneel K Patel
Partner
M.No.114103

Mitil R Chokshi
Partner
M.No. 047745

M. R. Kumar
Chairman
DIN: 03628755

Jagdish Capoor
Director
DIN: 00002516

Vinay Sah
Managing Director & Chief Executive Officer
DIN: 02425847

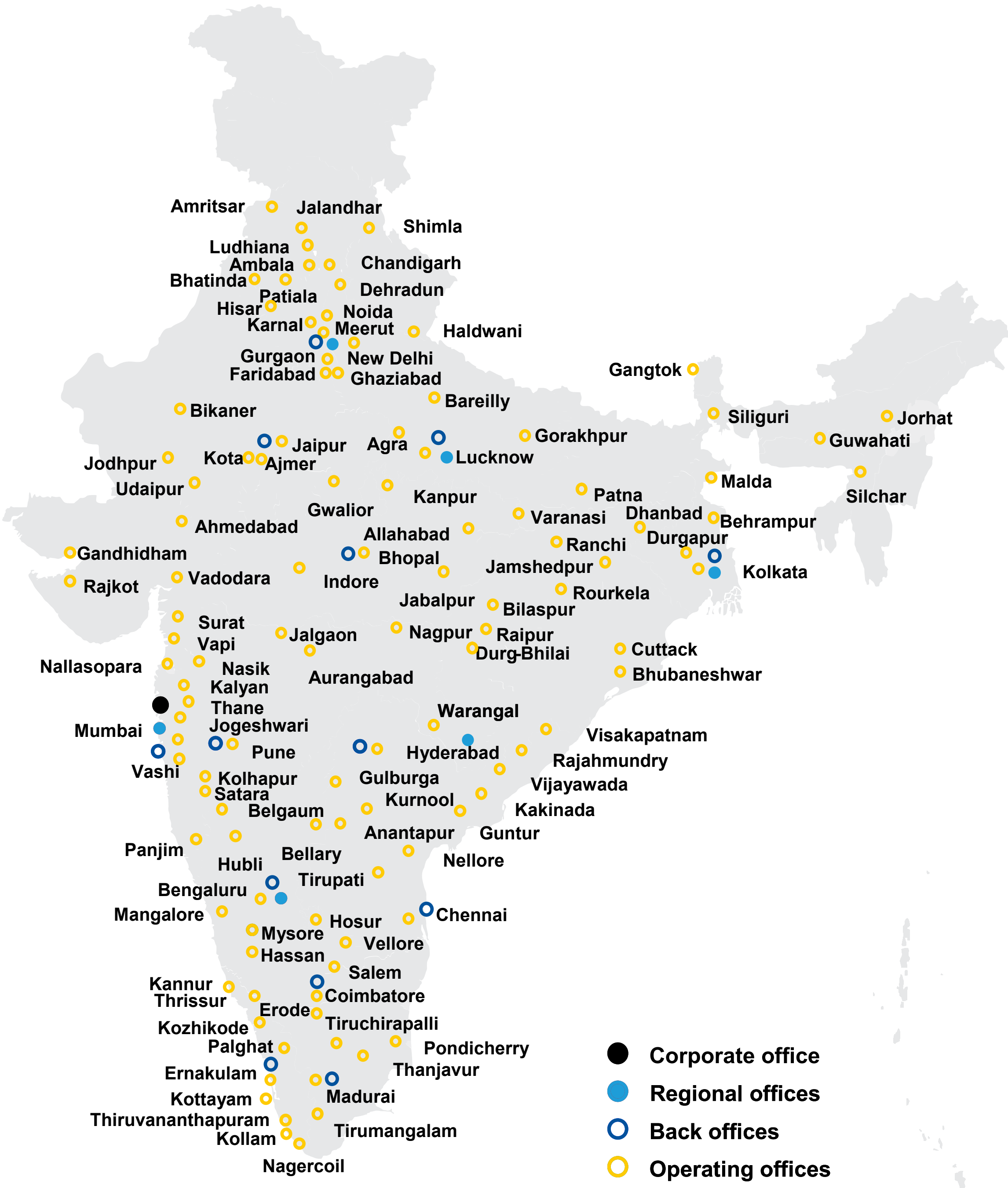
Nitin K. Jage
General Manager (Tax.) & Company Secretary
FCS No. 8084

P. Narayanan
CFO

Sadhana Deshpande
Chief Manager (Accounts)

Place: Mumbai
Date: May 04, 2019

OUR PAN INDIA PRESENCE



CORPORATE OFFICE

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