Notes forming part of the standalone financial statements

1 Overview

Housing Development Finance Corporation Limited ('HDFC' or 'the Corporation' or 'the Company') was incorporated in 1977 as the first specialised Mortgage Company domiciled in India as a limited company having its Corporate office at HDFC House, H T Parekh Marg, Churchgate, Mumbai 400 020. The principal business is providing finance to individuals, corporates and developers for the purchase, construction, development and repair of houses, apartments and commercial properties in India. The business is conducted through its branches in India and its overseas offices at London, Singapore and Dubai supported by a network of agents for sourcing loans as well as deposits. HDFC is the holding company for investments in its associates and subsidiary companies. The Corporation is a public limited company and its shares are listed on the BSE Limited, India, and the National Stock Exchange of India Ltd. (NSE), India, and the Corporation's Synthetic INR Denominated bonds are listed on the London Stock Exchange.

2 Basis of Preparation and Presentation

2.1 Statement of Compliance and Basis of Preparation and Presentation

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 Companies Act, 2013 (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 Balance Sheet, Statement of Profit and Loss, Statement of Cash Flow and Statement of Changes in Equity are together referred as the financial statement of the Corporation.

The standalone financial statements of the Corporation are prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of Act and relevant amendment rules issued thereafter ("Ind AS").

The financial statements are prepared and presented on going concern basis and the relevant provisions of Act and the guidelines and directives issued by the Reserve Bank of India (RBI) and National Housing Bank ("NHB") to the extent applicable.

Amounts in the financial statements are presented in Indian Rupees in crore rounded off to two decimal places as permitted by Schedule III to the Act. Per share data is presented in Indian Rupee to two decimal places. The Corporation presents its Balance Sheet in the order of liquidity. An analysis regarding maturity of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 39.

Accounting policies are consistently applied except where a newly-issued Ind AS initially adopted or a revision to an existing Ind AS requires a change in the accounting policy.

2.2 Functional and Presentation Currency

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

2.3 Basis of Measurement

The financial statements have been prepared on historical cost basis except for certain financial instruments that are measured at fair values.

A historical cost is a measure of value used for accounting in which the price of an asset on the balance sheet is based on its historical cost, it is generally fair value of consideration given in exchange for goods and services at the time of transaction or original cost when acquired by the Corporation.

Fair value is the price that likely to be received on sell of an asset or paid to transfer a liability in an orderly transaction between market participants on 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 Corporation takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102 Share based payment, leasing transactions that are within the scope of Ind AS 116 Leases.

Fair value measurements under Ind AS are categorised into fair value hierarchy 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 measurement in its entirety, which are described as follows:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities that the Corporation can access on measurement date;
- Level 2 inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 where unobservable inputs are used for the valuation of assets or liabilities.

2.4 Use of 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. Some of the areas involving significant estimation / judgement are determination of Expected Credit Loss, fair valuation of Investments, Income taxes, share based payments and employee benefits.

3 Significant Accounting Policies

3.1 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

3.1.1 Interest

Interest income on financial instruments is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets measured at fair value through profit and loss ("FVTPL"), transaction costs are recognised in the statement of profit and loss at initial recognition.

Notes forming part of the standalone financial statements (Continued)

Interest income/expenses is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets/liabilities (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets, interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses).

3.1.2 **Dividend Income**

Dividend income is recognised when the Corporation's right to receive dividend is established.

3.1.3 **Fee and Commission Income**

Fee and commission income include fees other than those that are an integral part of EIR. The Corporation recognises the fee and commission income in accordance with the terms of the relevant contracts / agreement and when it is probable that the Corporation will collect the consideration.

3.1.4 **Income on Derecognised (Assigned) loans**

Gains arising out of direct assignment transactions comprises of the difference between interest on the loan portfolio and the applicable rate at which the direct assignment is entered into with the assignee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flow on execution of the transaction, discounted at the applicable rate entered into with the assignee is recorded upfront in the statement of profit and loss.

3.1.5 **Rental Income**

Income from operating leases are recognised in the statement of profit and loss as per the contractual rentals unless another systematic basis is more representative of the time pattern in which benefits are derived from the leased assets.

3.1.6 **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.

3.2 **Financial Instruments**

3.2.1 **Fair Valuation of Investments (other than Investment in Subsidiaries and Associates)**

Some of the Corporation's Investments (other than Investment in Subsidiaries and Associates) are measured at fair value. In determining the fair value of such Investments, the Corporation uses quoted prices (unadjusted) in active markets for identical assets or based on inputs which are observable either directly or indirectly. However in certain cases, the Corporation adopts valuation techniques and inputs which are not based on market data. When Market observable information is not available, the Corporation has applied appropriate valuation techniques and inputs to the valuation model.

The Corporation 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 43.3.2.

3.2.2 **Recognition and Initial Measurement**

All financial assets and liabilities, (including financial instruments received in settlement of erstwhile loan assets) with the exception of loans, debt securities, deposits and borrowings are initially recognised on the trade date, i.e., the date that the Corporation becomes a party to the contractual provisions of the instrument.

Notes forming part of the standalone financial statements (Continued)

Loans are recognised when fund transfer is initiated or disbursement cheque is issued to the customer. The Corporation recognises debt securities, deposits and borrowings when funds are received by the Corporation.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities measured at FVTPL are recognised immediately in the statement of profit and loss.

If the transaction price differs from fair value at initial recognition, the Corporation recognise for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in the statement of profit and loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to defer the difference between the fair value at initial recognition and the transaction price.

After initial recognition, the deferred gain or loss will be recognised in the statement of profit and loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

3.2.3 Classification and Subsequent Measurement of Financial Assets and Liabilities

3.2.3.1 *Financial Assets*

The Corporation classifies and measures all its financial assets based on the business model for managing the assets and the asset's contractual terms, either at:

- Amortised cost
- Fair Value through other comprehensive income
- Fair Value through Profit and Loss

3.2.3.1.1 *Amortised Cost*

The Corporation classifies and measures cash and bank balances, Loans, Trade receivable, certain debt investments and other financial assets at amortised cost if the following condition is met:

- Financial Assets that are held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows, and that have contractual cash flows that are SPPI;

3.2.3.1.2 *Fair Value through Other Comprehensive Income ("FVOCI")*

The Corporation classifies and measures certain debt instruments at FVOCI when the investments are held within a business model, the objective of which is achieved by both, collecting contractual cash flows and selling the financial instruments and the contractual terms of the financial instruments meet the Solely Payment of Principal and Interest on principal amount outstanding ('SPPI') test.

The Corporation measures all equity investments at fair value through profit or loss, unless the investments is not for trading and the Corporation's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Notes forming part of the standalone financial statements (Continued)

3.2.3.1.3 ***Fair Value through Profit and Loss ("FVTPL")***

Financial assets at FVTPL are:

- assets with contractual cash flows that are not SPPI; and/or
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement is recognised in the statement of profit and loss.

3.2.4 **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 (refer note 3.2.4.1). The Corporation determines the business model at a level that reflects how the Corporation's financial instruments are managed together to achieve a particular business objective.

The Corporation 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 Corporation'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.

3.2.4.1 ***Business Model Test***

An assessment of business model for managing financial assets is fundamental to the classification of a financial asset. The Corporation determines the business model at a level that reflects how financial assets are managed together to achieve a particular business objective. The Corporation's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Corporation considers all relevant information and evidence available when making the business model assessment such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Corporation'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; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Corporation determines whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model. The Corporation reassesses it's business model at each reporting period to determine whether the business model has changed since the preceding period. For the current and prior reporting period the Corporation has not identified a change in its business model.

The loans initiated by the Corporation and outstanding as at reporting date include loans for which an option is given to a third party to acquire loans by way of assignment. This is consequent to an arrangement with the party that sources loans for the Corporation and has an option to acquire certain quantum of loans through assignment, which is a fixed percentage of the aggregate value of loans sourced by it for the Corporation at a predetermined price. As per the arrangement, loans assigned are substituted by newly sourced loans by the third party which ensures contractual cash flows are collected by the Corporation. Accordingly, all such outstanding loans have been classified at amortised cost under the current Business model. Assignment of loans that occur for other reasons, such as assignment made to manage credit concentration risk (without an increase in the assets' credit risk), is consistent with a business model whose objective is to hold financial assets in order to collect contractual cash flows. In particular, such assignment is consistent with a business model whose objective is to hold financial assets in order to collect contractual cash flows.

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

For an asset to be classified and measured at amortised cost or at FVOCI, its contractual terms should give rise to cash flows that meet SPPI test.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

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, such financial assets are either classified as fair value through profit & loss account or fair value through other comprehensive income.

3.2.4.1.1 **Subsequent Measurement and Gain and Losses**

Financial Assets at Amortised Cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment loss are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Debt Instrument at FVOCI

These assets are subsequently measured at fair value. Interest income and impairment loss are recognised in statement of profit and loss. Any gain or loss on subsequent measurement is recognised in OCI and on derecognition the cumulative gain or loss recognised in OCI will be recycled to statement of profit and loss.

Equity Instrument at FVOCI

Gains and losses on equity instruments measured at FVOCI are recognised in other comprehensive income and never recycled to the statement of profit and loss. Dividends are recognised in profit or loss as dividend income when the right to receive payment has been established, except when the Corporation benefits from such proceeds as a recovery of whole or part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are fair valued at each reporting date and not subject to an impairment assessment.

Financial Assets at FVTPL

These assets are subsequently measured at fair value. Net gain or losses, including any interest or dividend income, are recognised in the statement of profit and loss.

3.2.4.1.2 **Reclassifications**

If the business model under which the Corporation holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply

Notes forming part of the standalone financial statements (Continued)

prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Corporation's financial assets.

3.2.4.2 **Financial Liabilities and Equity Instruments**

3.2.4.2.1 ***Classification as Debt or Equity***

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Corporation or a contract that will or may be settled in the Corporation's own equity instruments and is a non-derivative contract for which the Corporation is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Corporation's own equity instruments.

3.2.4.2.2 ***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 Corporation are recognised at the face value and proceeds received in excess of the face value are recognised as Securities Premium.

3.2.4.2.3 ***Subsequent Measurement and Gain and Losses***

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

3.2.5 **Impairment and Write-off**

The Corporation recognises loss allowances for Expected Credit Losses on the following financial instruments that are not measured at FVTPL:

– Loans and advances to customers;

– Other financial assets;

– Debt instruments measured at amortised cost and at FVOCI;

– Loan commitments; and

– Financial guarantees.

Equity instruments are measured at fair value and not subject to an impairment loss.

ECL is required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. loss allowance on default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Lifetime ECL, i.e. lifetime ECL that results from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECL is measured at an amount equal to the 12-month ECL.

Notes forming part of the standalone financial statements (Continued)

The Corporation has established a policy to perform an assessment at the end of each reporting period whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instruments.

Based on the above process, the Corporation categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When loans are first recognised, the Corporation recognises an allowance based on 12 months ECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Corporation records an allowance for the life time expected credit losses. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2.

Stage 3: When loans are considered credit-impaired, the Corporation records an allowance for the life time expected credit losses.

For financial assets for which the Corporation has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

3.2.6 **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 Corporation'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 judgments and estimates include:

- Bifurcation of the financial assets into different portfolios when ECL is assessed on a collective basis.
- Corporation'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 the process followed by the Corporation in measurement of ECL has been detailed below.

3.2.6.1 ***Measurement of Expected Credit Losses***

The Corporation calculates ECL based on probability-weighted scenarios to measure expected cash shortfalls, discounted at an approximation to the portfolio. A cash shortfall is a difference between the cash flows that are due to the Corporation in accordance with the contract and the cash flows that the Corporation expects to receive.

When estimating ECL for undrawn loan commitments, the Corporation estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the Interest rate on the loan.

The Corporation's ECL for financial guarantee is estimated based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs.

Notes forming part of the standalone financial statements (Continued)

The Corporation measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Exposure at Default (EAD) is an total amount outstanding including accrued interest as of reporting date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities after considering the credit conversion factor (for Stage 1 and Stage 2 assets), and accrued interest from missed payments.

Probability of Default (PD) is the probability of whether borrowers will default on their obligations which are calculated based on historical default rate summary of past years using origination vintage analysis. Historical default rate are further calibrated with forward looking macroeconomic factors to determine the PD.

Loss Given Default (LGD) is an estimate of the loss from a financial asset given that a default occurs. The LGD is computed using the Corporation's own loss and recovery experience. It is usually expressed as a percentage of the EAD.

3.2.6.2 ***Significant Increase in Credit Risk***

The Corporation monitors all financial assets, including loan commitments and financial guarantee contracts issued that are subject to impairment requirements, to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Corporation measures the loss allowance based on lifetime rather than 12-month ECL. The Corporation monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to impairment for a significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Corporation compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Corporation considers both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort.

The quantitative factors that indicate a significant increase in credit risk are reflected in PD models on a timely basis. However, the Corporation still considers separately some qualitative factors to assess if credit risk has increased significantly. For corporate lending, there is a particular focus on assets that are included on a 'watch list'. Given an exposure is on a watch list once, there is a concern that the creditworthiness of the specific counterparty has deteriorated. ECL assessment for watch list accounts is done on a case by case approach after considering the probability of weighted average in a different recovery scenario. For individual loans the Corporation considers the expectation of forbearance, payment holidays, and events such as unemployment, bankruptcy, divorce, or death.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD is more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

As a back-stop when a financial asset becomes 30 days past due and overdue more than 1 calendar month, but not Stage 3; in addition to SICR accounts, the Corporation considers that a significant increase in credit risk has occurred and the asset is classified in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

3.2.6.3 ***Credit-Impaired Financial Assets***

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- restructuring of loans due to financial difficulty of the borrowers;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event. Instead the combined effect of several events may have caused financial assets to become credit-impaired. The Corporation assesses whether debt instruments that are financial assets measured at amortised cost or FVOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Corporation considers factors such as bond yields, credit ratings and the ability of the borrower to raise funds.

A loan is considered credit-impaired when a concession is granted to the borrower due to deterioration in the borrower's financial condition. The definition of default includes unlikeliness to pay indicators and a back-stop if amounts are overdue for more than 90 days.

Borrowers forming part of schemes released under the regulatory packages like Moratorium, One-Time Restructuring (OTR) 1 & 2 and Emergency credit linked guaranteed scheme were evaluated for credit impairment.

3.2.6.4 ***Definition of Default***

The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL.

The Corporation considers the following as constituting an event of default:

- the borrower is past due more than 90 days + Accounts Identified by the Corporation as NPA as per regulatory guidelines + Objective Evidence for impairment (Qualitative Overlay); or
- the borrower is unlikely to pay its credit obligations to the Corporation.

When assessing if the borrower is unlikely to pay its credit obligation, the Corporation takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the breach of covenants, which is not as relevant for individual lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis.

Pursuant to RBI Circular RBI/2021-22/125 DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021, on "Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications" the Corporation has taken necessary steps to revise its process of NPA classification to flag the borrower as overdue as part of the day-end process for the due date.

Further to this, on February 15, 2022, RBI allowed deferment of para 10 of the aforesaid circular till September 30, 2022 pertaining to upgrade of non performing accounts. However, the Corporation has not opted for the deferment.

3.2.6.5 ***Write-off***

Loans and debt securities are written off when the Corporation has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Corporation determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to

Notes forming part of the standalone financial statements (Continued)

repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Corporation may apply enforcement activities to financial assets written off/ may assign / sell loan exposure to ARC / Bank / a financial institution for a negotiated consideration. Recoveries resulting from the Corporation's enforcement activities could result in impairment gains. The corporation has a Board approved policy on Write off and one time settlement of loans.

3.2.7 **Modification and Derecognition of Financial Assets**

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between the initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Corporation renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified the Corporation assesses whether this modification results in derecognition. In accordance with the Corporation's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Corporation considers the following:

Qualitative factors, such as contractual cash flows after modification, are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants, if these do not clearly indicate a substantial modification, then; a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original EIR. If there is a significant difference in present value, the Corporation deems the arrangement substantially different, leading to derecognition.

In the case where the financial asset is derecognised the loss allowances for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the revised terms may lead to a gain or loss on derecognition. The new financial asset may have a loss allowance measured based on 12-month ECL except where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Corporation monitors the credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Corporation determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- The remaining lifetime PD estimated based on data at initial recognition and the original contractual terms;
- The remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification does not result in derecognition, the estimate of PD reflects the Corporation's ability to collect the modified cash flows taking into account the Corporation's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition, the loss allowance is continued to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans is generally measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition, the Corporation calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Corporation measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Corporation derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Corporation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Corporation recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Corporation retains substantially all the risks and rewards of ownership of a transferred financial asset, the Corporation 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/loss that had been recognised in OCI and accumulated in equity is recognised in the statement of profit and loss, with the exception of equity investment designated as measured at FVOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the statement of profit and loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Corporation retains an option to repurchase part of a transferred asset), the Corporation 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/loss allocated to it that had been recognised in OCI is recognised in the statement of profit and loss. A cumulative gain/loss that had been recognised in OCI 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. This does not apply for equity investments designated as measured at FVOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the statement of profit and loss.

3.2.8 Derecognition of Financial Liabilities

The Corporation derecognises financial liabilities when, and only when, the Corporation's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

3.2.9 Collateral Valuation and Repossession

The Corporation provides fully secured, partially secured, to individuals and Corporates. to mitigate the credit risk on financial assets, the Corporation seeks to use collateral, where possible as per the powers conferred on the Housing Finance Companies under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ("SARFAESI").

Notes forming part of the standalone financial statements (Continued)

In its normal course of business, the Corporation does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet and not treated as non–current assets held for sale.

3.2.10 **Servicing of Assets / Liabilities**

The Corporation transfers loans through securitisation and direct assignment transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Corporation transfers substantially all risks and rewards specified in the underlying assigned loan contract. In accordance with the Ind AS 109, on de-recognition of a financial asset under assigned transactions for a fee, the Corporation recognises the fair value of future service fee income over service obligations cost on net basis as service fee income in the statement of profit and loss and, correspondingly creates a service asset in balance sheet.

The Corporation recognises either a servicing asset or a servicing liability for servicing contract. If the fee to be received is not expected to compensate the Corporation adequately for performing the servicing activities, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing activities, a servicing asset is recognised. Corresponding amount is recognised in Statement of Profit and Loss.

3.2.11 **Derivative Financial Instruments**

The Corporation enters into a variety of derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held include foreign exchange forward contracts, interest rate swaps, cross currency interest rate swaps and foreign exchange option contracts.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. The Corporation designates certain derivatives as either hedges of the fair value of recognised assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions (cash flow hedges).

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

3.2.11.1 ***Hedge Accounting***

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

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

Notes forming part of the standalone financial statements (Continued)

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

3.2.11.2 ***Fair Value Hedges***

Fair value hedges hedge the exposure to changes in the fair value of a recognised asset or liability, or an identified portion of such an asset, liability, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the statement of profit and loss in Finance Costs. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the balance sheet and is also recognised in the statement of profit and loss in Finance Cost.

The Corporation classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable asset or liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationship is fixed rate debt issued and other borrowed funds. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Corporation discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the statement of profit and loss.

3.2.11.3 ***Cash Flow Hedges***

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

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

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

3.2.12 **Financial Guarantee Contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Corporation are initially measured at their fair values and, if not designated as at FVTPL and not arising from a transfer of a financial asset, are subsequently measured at the higher of:

Notes forming part of the standalone financial statements (Continued)

- the amount of the loss allowance determined in accordance with Ind AS 109; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the Corporation's revenue recognition policies.

The Corporation has not designated any financial guarantee contracts as FVTPL.

3.2.13 **Accounting for Repo/Reverse Repo Transactions**

The Repo / Reverse repo are accounted as collateralized borrowing (classified as borrowings) and lending transactions. Costs and revenues are accounted as interest expenditure / interest income, as the case may be. The underlying securities under repo continue to be accounted as investment thereby reflecting continued economic interest in the securities during the repo period. Underlying Securities against reverse repo (lending) is not included in Investment accounts.

3.3 **Property, Plant and Equipment ("PPE")**

PPE held for use are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

PPE is recognised when it is probable that future economic benefits associated with the item is expected to flow to the Corporation and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes professional fees related to the acquisition of PPE.

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 the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

3.4 **Investment Property**

Investment properties are properties held to earn rentals and/or capital appreciation and are measured and reported at cost, less accumulated depreciation and accumulated impairment losses.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of property is recognised in the Statement of Profit and Loss in the same period.

3.5 **Intangible Assets**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Corporation and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognised in the statement of profit and loss when the asset is derecognised.

Notes forming part of the standalone financial statements (Continued)

3.6 Investment Property under construction / Capital work-in-progress

Investment Property under construction / Capital work in progress includes assets not ready for the intended use and is carried at cost, comprising direct cost and related incidental expenses.

3.7 Depreciation and Amortisation

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land) less their residual values over their estimated useful lives specified in Schedule II to the Act, or in case of assets where the estimated useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is recognised on prospective basis.

Depreciation for additions to/deductions from, owned assets is calculated pro rata to the period of use.

Freehold land is not depreciated. Leasehold land is amortised over the duration of the lease. The useful life of the property, plant and equipment held by the Corporation is as follows:

Class of Assets	Useful Life
Buildings	60 years
Computer Hardware*	4 years
Furniture & Fittings	10 years
Office Equipment	5 years
Vehicles*	5 years
Computer Software*	4 years

* For the above class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Act.

Intangible assets with finite useful lives are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives are tested for impairment by comparing its recoverable amount with its carrying amount annually and whenever there is an indication that the intangible asset may be impaired.

3.8 Impairment of Assets other than Financial Instruments

As at the end of each accounting year, the Corporation reviews the carrying amounts of its PPE, investment property and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any.

3.9 Employee Benefits

3.9.1 Share-based Payment Arrangements

Estimating fair value for share-based payment transactions requires use of an appropriate valuation model. The Corporation measures the cost of equity-settled transactions with Option holders using Black-Scholes Model to determine the fair value of the options on the grant date.

Notes forming part of the standalone financial statements (Continued)

Inputs into the valuation model, includes assumption such as the expected life of the share option, volatility and dividend yield. The stock options granted to employees pursuant to the Corporation's Stock Options Schemes, are measured at the fair value of the options at the grant date using Black Scholes Model. The fair value of the options determined at grant date is accounted as employee compensation cost over the vesting period on a straight line basis over the period of option, based on the number of grants expected to vest, with corresponding increase in equity. On cancellation or lapse of option granted to employees, the compensation cost charged to statement of profit & loss is credited with corresponding decrease in equity.

3.9.2 Defined Contribution Plans

3.9.2.1 *Superannuation Fund*

The Corporation's contribution to superannuation fund is considered as a defined contribution plan and is charged as an expense based on the amount of contribution required to be made.

3.9.3 Defined Benefit Plans

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

3.9.3.1 *Provident Fund*

All employees of the Corporation are entitled to receive benefits under the Provident Fund. The Corporation makes a contribution to provident fund and the schemes thereunder, as recognised by the Income-tax authorities and administered by the trust. The contributions are recognised as an expense in the year in which they are incurred. The Rules of the Corporation's Provident Fund administered by a Trust require that if the Board of Trustees is unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Corporation. Actuarial valuation of this Provident Fund interest shortfall is done as per the guidance note issued in this respect by The Institute of Actuaries of India (IAI) and provision towards this liability, if any is recognised.

3.9.3.2 *Gratuity and Other Post Retirement Benefits*

For defined benefit plans in the form of gratuity fund and post retirement pension scheme for whole-time Directors, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurements are recognised in the Other Comprehensive Income in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of planned assets.

3.9.3.3 Short-term Employee Benefits

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

3.9.3.4 ***Long-term Employee Benefits***

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date, based on actuarial valuation.

3.10 **Leases**

The Corporation as Lessee

The Corporation's lease asset classes primarily consist of leases for office premises. The Corporation assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Corporation assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Corporation has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Corporation has the right to direct the use of the asset.

At the date of commencement of the lease, the Corporation recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Corporation changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Corporation as Lessor

Leases for which the Corporation is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

3.11 **Dividends on Equity Shares**

The Corporation recognises a liability to make cash distributions to equity shareholders of the Corporation when the dividend is authorised and the distribution is no longer at the discretion of the Corporation and a corresponding amount is recognised directly in equity. As per the corporate laws in India, an interim dividend

Notes forming part of the standalone financial statements (Continued)

is authorised when it is approved by the Board of Directors and final dividend is authorised when it is approved by the shareholders.

3.12 **Cash and Cash Equivalents**

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term deposits with banks (with an original maturity of three months or less from the date of placement) and cheques on hand. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

3.13 **Securities Premium Account**

Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares and issue expenses of securities which qualify as equity instruments.

3.14 **Finance Costs**

Finance costs include interest expense calculated using the EIR on respective financial instruments / deposits and borrowings including external commercial borrowings is measured at amortised cost, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs. Also refer 3.2.11.1 for accounting of hedges.

3.15 **Foreign Currencies**

(i) Functional currency of the Corporation and foreign operations has been determined based on the primary economic environment in which the Corporation and its foreign operations operate considering the currency in which funds are generated, spent and retained.

(ii) Transactions in currencies other than the Corporation's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the year-end. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

3.16 **Segments**

The Corporation's main business is financing by way of loans for the purchase or construction of residential houses, commercial real estate or certain other purposes, in India. All other activities of the Corporation revolve around the main business. This in the context of Ind AS 108 – Operating Segments reporting is considered to constitute one reportable segment.

3.17 **Investments in Subsidiaries, Joint Ventures and Associates**

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

3.18 **Earnings Per Share**

Basic earnings per share is computed by dividing profit or loss attributable to ordinary equity holders by the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

Notes forming part of the standalone financial statements (Continued)

3.19 **Taxes on Income**

The Corporation'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.

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss except when they relate to items that are recognized outside statement of profit and loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside statement of profit and loss.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date, and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

Significant accounting estimates and judgements are involved in determining Corporation's tax charge for the year which includes an interpretation of local tax laws, judicial pronouncements and an assessment whether the tax authorities will accept the position taken. These judgements, also, take account of external advice, wherever appropriate, and the Corporation's view on settling with the tax authorities.

The Corporation provides for current tax liabilities at the best estimate that is expected to be paid to the tax authorities where an outflow is probable.

3.20 **Goods and Services Input Tax Credit**

Goods and Services tax input credit is recognised for in the books in the period in which the supply of goods or service received is recognised and when there is no uncertainty in availing/utilising the credits.

3.21 **Provisions, Contingent Liabilities and Contingent Assets**

<u>Provisions are recognised only when:</u>

(i) The Corporation has a present obligation (legal or constructive) as a result of a past event; and

(ii) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(iii) A reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows.

<u>Contingent Liability is disclosed in case of:</u>

(i) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; or

Notes forming part of the standalone financial statements (Continued)

(ii) A present obligation arising from past events, when no reliable estimate is possible.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

Contingent Assets:

Contingent assets are not recognised in the financial statements.

Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

3.22 **Commitments**

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for;

b) Uncalled liability on shares and other investments partly paid;

c) Funding related commitment to associate and joint venture companies; and

d) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

3.23 **Non-Current Assets held for Sale**

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

3.24 **Statement of Cash Flows**

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

i. changes during the period in operating receivables and payables transactions of a non-cash nature;

ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses; and

iii. All other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

4. The outbreak of the COVID-19 pandemic had led to a nationwide lockdown in April - May 2020. This was followed by localised lockdown in areas with significant number of COVID -19 cases. Following the easing of lockdown measures, there was an improvement in economic activity in the second half of fiscal 2021. Since then, our country experienced two waves of COVID - 19 pandemic following the discovery of mutant coronavirus variants. These waves led to temporary re-imposition of localised / regional lockdown, that were subsequently lifted. The extent to which the pandemic may impact the Corporation's results, including impairment on financial instruments, will depend on future developments, which are uncertain, including amongst other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact, whether government mandated or elected by us.

Notes forming part of the standalone financial statements (Continued)

5. Cash and cash equivalents

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Cash on hand	**0.59**	0.49
(ii) Balances with banks:		
- In current accounts	**31.53**	367.87
- In deposit accounts with original maturity of 3 months or less	**500.03**	200.23
(iii) Cheques, drafts on hand	**33.34**	201.38
Total	**565.49**	769.97

6. Bank balances other than cash and cash equivalents

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(i) In other deposit accounts		
- original maturity more than 3 months	**153.24**	254.33
(ii) Earmarked balances with banks		
- In current accounts	**10.43**	15.31
- Unclaimed dividend account	**23.46**	24.22
- Towards guarantees issued by banks	**0.78**	0.73
- In deposit accounts	**18.56**	23.74
- Others - against foreign currency loans	**20.97**	56.45
Total	**227.44**	374.78

Notes forming part of the standalone financial statements (Continued)

7. Derivative financial instruments

The Corporation enters into derivatives for risk management purposes which meets the criteria for hedge accounting.

The table below summarises the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amount.

₹ in Crore

Particulars	As at March 31, 2022			As at March 31, 2021		
	Notional amounts*	Fair value - assets	Fair value - liabilities	Notional amounts*	Fair value - assets	Fair value - liabilities
Part I						
(i) Currency derivatives:						
- Forwards	635.00	-	8.44	1,054.00	-	64.33
- Currency swaps	15,999.46	648.60	378.52	15,333.00	925.47	135.41
- Options purchased (net)	-	-	-	-	-	-
Subtotal (i)	**16,634.46**	**648.60**	**386.96**	**16,387.00**	**925.47**	**199.74**
(ii) Interest rate derivatives:						
- INR Interest rate swaps	1,44,845.00	392.80	3,436.76	93,160.00	1,229.01	1,306.58
- USD interest swaps	9,563.00	281.40	0.64	8,722.00	-	154.54
Subtotal (ii)	**1,54,408.00**	**674.20**	**3,437.40**	**1,01,882.00**	**1,229.01**	**1,461.12**
Total derivative financial instruments (i)+(ii)	**1,71,042.46**	**1,322.80**	**3,824.36**	**1,18,269.00**	**2,154.48**	**1,660.86**
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Fair value hedging:						
- Interest rate derivatives	1,44,845.00	392.80	3,436.76	93,160.00	1,229.01	1,306.58
Subtotal (i)	**1,44,845.00**	**392.80**	**3,436.76**	**93,160.00**	**1,229.01**	**1,306.58**
(ii) Cash flow hedging:						
- Currency derivatives	16,634.46	648.60	386.96	16,387.00	925.47	199.74
- Interest rate derivatives	9,563.00	281.40	0.64	8,722.00	-	154.54
Subtotal (ii)	**26,197.46**	**930.00**	**387.60**	**25,109.00**	**925.47**	**354.28**
Total derivative financial instruments (i)+(ii)	**1,71,042.46**	**1,322.80**	**3,824.36**	**1,18,269.00**	**2,154.48**	**1,660.86**

* The notional amounts are not indicative of either the market risk or credit risk. Notional amounts of the respective currencies have been converted using exchange rates as at the balance sheet date. The notional on currency swaps includes ₹ **19.48 Crore** (Previous Year ₹ 54.97 Crore) on account of **USD 60 million** (Previous Year USD 60 million) loan from Asian Development Bank naturally hedged by equivalent deposit in USD.

7.1 The Corporation has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Corporation has reviewed and ensured that adequate provision as required under Ind AS for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

7.2 Refer note 43.6.1 for foreign currency risk disclosures.

Notes forming part of the standalone financial statements (Continued)

8. Trade receivables

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Receivables considered good - unsecured	**182.63**	160.82
Receivables which have significant increase in credit risk	**-**	-
Sub Total	**182.63**	160.82
Less: Provision for expected credit loss	**3.98**	5.44
Total	**178.65**	155.38

8.1 Trade receivable aging schedule (net)

(figures for the Previous Year in brackets)

₹ in Crore

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	>6 months - 1 year	>1-2 years	>2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	178.65 *(155.38)*	- -	- -	- -	- -	178.65 *(155.38)*
(ii) Undisputed trade receivables – which have significant increase in credit risk	- *(-)*	- *(-)*	- *(-)*	- *(-)*	- *(-)*	- *(-)*
(iii) Undisputed trade receivables – credit impaired	- *(-)*	- *(-)*	- *(-)*	- *(-)*	- *(-)*	- *(-)*
(iv) Disputed trade receivables – considered good	- *(-)*	- *(-)*	- *(-)*	- *(-)*	- *(-)*	- *(-)*
(v) Disputed trade receivables – which have significant increase in credit risk	- *(-)*	- *(-)*	- *(-)*	- *(-)*	- *(-)*	- *(-)*
(vi) Disputed trade receivables – credit impaired	- *(-)*	- *(-)*	- *(-)*	- *(-)*	- *(-)*	- *(-)*
Total	**178.65** *(155.38)*	**-** *(-)*	**-** *(-)*	**-** *(-)*	**-** *(-)*	**178.65** *(155.38)*

Note: There is no unbilled revenue receivable for the year ended March 31, 2022 (Previous Year Nil).

8.2 Trade receivables includes amounts due from related parties ₹ **85.93 Crore** (Previous Year ₹ 73.82 Crore) [Refer Note 42].

No trade or other receivable are due from directors or other officer of the Corporation or firms or private companies in which any director of the Corporation is a director or partner, either severally or jointly with any other person / entity other than those disclosed under related party.

Notes forming part of the standalone financial statements (Continued)

9. Loans

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Loans (Amortised cost)		
Individual loans *	**4,31,553.48**	3,68,804.14
Corporate bodies	**1,30,679.12**	1,22,706.60
Others	**6,130.69**	6,787.29
Total – Gross	**5,68,363.29**	4,98,298.03
Less: Impairment loss allowance (Expected credit loss)	**13,500.78**	13,003.77
Total – Net (A)	**5,54,862.51**	4,85,294.26
(a) Secured by tangible assets	**5,40,434.71**	4,68,641.73
(b) Secured by intangible assets	**2,600.73**	11,004.78
(c) Covered by bank / government guarantee	**2,468.32**	1,953.30
(d) Unsecured	**22,859.53**	16,698.22
Total – Gross	**5,68,363.29**	4,98,298.03
Less: Impairment loss allowance (Expected credit loss)	**13,500.78**	13,003.77
Total – Net (B)	**5,54,862.51**	4,85,294.26
(I) Loans in India		
(i) Public Sector	**806.55**	1,044.63
(ii) Other than Public Sector	**5,67,556.74**	4,97,253.40
Total – Gross	**5,68,363.29**	4,98,298.03
Less: Impairment loss allowance (Expected credit loss)	**13,500.78**	13,003.77
Total – Net (C)(I)	**5,54,862.51**	4,85,294.26
(II) Loans outside India	**-**	-
Less: Impairment loss allowance (Expected credit loss)	**-**	-
Total – Net (C)(II)	**-**	-
Total (C) (I) and (II)	**5,54,862.51**	4,85,294.26

* Individual loans includes staff housing loan of ₹ **337.34 Crore** (Previous Year ₹ 294.93 Crore) and non housing staff loan of ₹ **40.07 Crore** (Previous Year ₹ 35.36 Crore).

9 (a) Loans details

₹ in Crore

Particulars	Principal	Installment / interest O/s	EIR adjustment	Total
As at March 31, 2022				
Individual loans	4,27,131.22	1,998.17	2,424.09	**4,31,553.48**
Corporate bodies	1,29,434.91	1,915.11	(670.89)	**1,30,679.12**
Others	6,037.07	93.61	-	**6,130.69**
Total	**5,62,603.20**	**4,006.89**	**1,753.20**	**5,68,363.29**
As at March 31, 2021				
Individual loans	3,65,170.36	1,946.85	1,686.93	**3,68,804.14**
Corporate bodies	1,20,512.57	2,830.45	(636.42)	**1,22,706.60**
Others	6,520.52	266.77	-	**6,787.29**
Total	**4,92,203.45**	**5,044.07**	**1,050.51**	**4,98,298.03**

Notes forming part of the standalone financial statements (Continued)

9 (b) Loans granted by the Corporation are secured or partly secured by one or combination of the following securities;

- Registered / equitable mortgage of property;
- Hypothecation of assets;
- Bank guarantee, company guarantee or personal guarantee;
- Assignment of receivables;
- Lien on fixed deposit;
- Negative lien;
- Pledge of shares, units, other securities, assignment of life insurance policies;
- Non disposal undertakings in respect of shares;
- Liquidity support collateral [e.g. DSRA (Debt Service Reserve Account)].

9 (c) Loans including installment and interest outstanding due from related parties ₹ **19.31 Crore** (Previous Year ₹ 23.91 Crore) [Refer Note 42].

9 (d) The Corporation has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment

9 (e) The Corporation have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Corporation shall;

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Corporation (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

9 (f) There were no loans given against the collateral of gold jewellery and hence the percentage of such loans to the total outstanding asset is **Nil** (Previous Year Nil).

9 (g) Loans including installment and interest outstanding amounts to ₹ **1,255.39 Crore** (Previous Year ₹ 529.41 Crore) in respect of properties held for disposal under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 [SARFAESI].

9 (h) **Expected credit loss**

For financial reporting, expected credit loss is a calculation of the present value of the amount expected not to be recovered on financial assets. Credit risk is the potential that the obligor and counterparty will fail to meet its financial obligations to the lender. This requires an effective assessment and management of the credit risk at individual and portfolio level.

Notes forming part of the standalone financial statements (Continued)

The key components of Credit Risk assessment are:

- Probability of default (PD): represents the likelihood of default over a defined time horizon.
- Exposure at default (EAD): represents total amount outstanding including accrued interest as at the reporting date.
- Loss given default (LGD): represents the proportion of EAD, that is likely-loss post default.

The definition of default is taken as more than 90 days past due (DPD) for all loans, individual, corporate and others.

Delinquency buckets considered for the staging of loans:

- 0-30 days past due (DPD) and overdue up to one calendar month are classified as stage 1,
- 31-90 DPD and overdue more than one calendar month, but not stage 3; in addition, SICR accounts are classified as stage 2, and
- > 90 DPD + Accounts identified by the Corporation as Non-Performing Accounts under regulatory guidelines + objective evidence for impairment (Qualitative Overlay) are classified as stage 3.

EAD is the total amount outstanding including accrued interest as at reporting date. The ECL is computed as a product of PD, LGD and EAD.

Macro-economic Variables: The measurement of ECL should be forward looking in nature. In order to incorporate forward looking macro-economic characteristics into ECL, relationships with macroeconomic variables such as Gross Domestic Product, Inflation, Total investments, National Savings, etc. (relevant variables to the underlying loan portfolio) are analysed and modelled into estimates of Probability of Default (PD). Forecasted 12-months and Lifetime PDs are driven by IMF macroeconomic forecasts for India released as part of World Economic Outlook, October 2021.

COVID-19 Impact Analysis: Further, the Corporation has also evaluated its individual and non-individual portfolios to determine any specific category of customers which may reflect higher credit losses (e.g. based on specific sectors) or borrowers who have shown stress due to COVID like salary cut / loss of pay, job loss temporary / permanent, business closed, business related financial difficulty, increase in business expenditure, etc. Basis such determination, the Corporation has recognised provisions as management overlay for specific categories of customers. Cumulative COVID-19 provision as at March 31, 2022 stood at ₹ **1,242.02 Crore** (Previous Year ₹ 843.57 Crore).

Notes forming part of the standalone financial statements (Continued)

9.1 **Individual loans**

9.1.1 **Credit quality of assets**

For the purpose of computing PD, the Corporation classifies all individual loans at amortized cost and has assessed them at the collective pool level.

The individual loan book has been divided into the following segments –

- Housing and Non-Housing
- Salaried and Self Employed
- Geographical location (North, East, West and South)

The 12 months default rates have been forecasted to create the PD term structure which incorporates both 12 months (stage 1 Loans) and lifetime PD (stage 2 Loans). The historical 12 months default rates are modelled against relevant macro-economic variables to arrive at future 12 months point-in-time default rates. The forecasted default rates are then used to create point-in-time PD term structure.

The vintage analysis methodology has been used to create the LGD vintage. The LGD vintage takes into account the recovery experience across accounts of a particular portfolio post default. The recoveries are tracked and discounted to the date of default using the interest rate. The individual loans portfolio has been considered together for the LGD computation.

9.2 **Non-individual loans**

9.2.1 **Credit quality of assets**

Measurement of ECL for stage 1 and certain stage 2 non-individual / corporate loans is based on portfolio approach where PD and LGD is calculated based on historic performance of the portfolio further segmented into: i) Corporate Finance ii) Construction Finance iii) Lease Rental Discounting iv) Inter-Corporate Deposits. Certain loans classified as stage 2 and all the loans classified as stage 3 are assessed for ECL provisioning based on case to case approach by calculating probability weighted average cashflows under different recovery scenarios.

The vintage analysis methodology has been used to create the LGD vintage for measurement of ECL, based on a portfolio approach. The LGD vintage takes into account the recovery experience across accounts of a particular portfolio post default. The recoveries are tracked and discounted to the date of default using the effective interest rate.

The Corporation has identified certain non-individual accounts as Watch List under Stage 2 based on the following criteria:

- Builders' Cash flows are insufficient to service the loan due to slow sales or the project is stalled.
- Borrowers' operational cashflows are insufficient indicating possibility of further delayed payments.
- Security cover is insufficient for repayment of loans.
- Where the borrowing company has been proceeded upon under Insolvency and Bankruptcy Code (IBC) by creditors and such reference has been admitted by the National Company Law Tribunal (NCLT).

Notes forming part of the standalone financial statements (Continued)

Such accounts identified as watchlist are upgraded by the Corporation, where the management is satisfied that the risks associated with the account has abated.

9.3 ECL Provision

In addition to the management overlays described above in relation to the impact of COVID 19, the management has recognised additional provisions towards overlay in relation to specific categories of individual customers e.g. loans associated with incomplete / delayed projects, reduction in collateral value, loans associated with specific stage 3 customers, loans associated with projects covered by subvention schemes.

Further, the Corporation has also applied point in time method for determining the probability of default in relation to computation of provision under the expected credit loss model for non-individual customers.

9.4 An analysis of changes in the gross carrying amount of loans and the corresponding ECL allowances in relation to loans are as follows:

₹ in Crore

Particulars	2021-22				2020-21			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	4,55,242.58	31,460.80	11,594.65	**4,98,298.03**	4,15,864.43	24,794.46	10,243.87	**4,50,902.76**
Increase in EAD - new assets originated or purchased / further increase in existing assets / further interest accrual on existing assets [Net]	1,88,304.47	677.31	1,135.61	**1,90,117.39**	1,40,913.53	1,698.19	722.98	**1,43,334.70**
Assets repaid in part or full / reversal of interest accrued on stage 3 loans [Net] $	(77,002.47)	(8,531.76)	(2,938.56)	**(88,472.79)**	(70,759.32)	(2,916.89)	(1,916.49)	**(75,592.70)**
Assets derecognised (loans assigned)	(29,955.26)	-	-	**(29,955.26)**	(18,979.78)	-	-	**(18,979.78)**
Principal amount written off	-	-	(1,624.08)	**(1,624.08)**	-	-	(1,366.95)	**(1,366.95)**
Transfers to Stage 1	4,503.85	(3,774.26)	(729.59)	-	2,810.54	(2,444.37)	(366.17)	-
Transfers to Stage 2	(8,858.01)	8,998.11	(140.10)	-	(13,456.74)	14,080.15	(623.41)	-
Transfers to Stage 3	(1,997.35)	(3,574.65)	5,572.00	-	(1,150.08)	(3,750.74)	4,900.82	-
Gross carrying amount closing balance *	**5,30,237.81**	**25,255.55**	**12,869.93**	**5,68,363.29**	**4,55,242.58**	**31,460.80**	**11,594.65**	**4,98,298.03**

$ Interest reversed during the financial year amount to ₹ 440.72 Crore.
* 37,143 loan accounts in Stage 3 as on March 31, 2022.

Notes forming part of the standalone financial statements (Continued)

9.5 Reconciliation of ECL balance is given below:

₹ in Crore

Particulars	2021-22				2020-21			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
ECL opening balance	1,087.73	5,880.16	6,035.88	**13,003.77**	346.12	5,750.29	4,863.07	**10,959.48**
ECL remeasurements due to changes in EAD / assumptions [Net]	868.77	512.03	740.29	**2,121.09**	1,358.65	1,739.22	313.37	**3,411.24**
Assets written off	-	-	(1,624.08)	**(1,624.08)**	-	-	(1,366.95)	**(1,366.95)**
Transfers to Stage 1	220.18	(137.56)	(82.62)	-	136.85	(100.51)	(36.34)	-
Transfers to Stage 2	(697.54)	717.00	(19.46)	-	(653.28)	811.41	(158.13)	-
Transfers to Stage 3	(104.30)	(1,831.64)	1,935.94	-	(100.61)	(2,320.25)	2,420.86	-
ECL closing balance	**1,374.84**	**5,139.99**	**6,985.95**	**13,500.78**	**1,087.73**	**5,880.16**	**6,035.88**	**13,003.77**

The ECL shown above is computed on EAD which comprises of the gross carrying amount adjusted for the following amounts:

₹ in Crore

Particulars	**As at March 31, 2022**	As at March 31, 2021
EMI / interest amounts received in advance	**(300.32)**	(317.75)
Undisbursed loan (sanctioned) (after applying credit conversion factor)	**54,008.00**	47,620.30
Financial guarantees	**367.83**	299.50

9.6 Summary of impairment loss allowance (expected credit loss)

₹ in Crore

Particulars	Stage 1	Stage 2	Stage 3	Total
As at March 31, 2022	1,374.84	5,139.99	6,985.95	13,500.78
As at March 31, 2021	1,087.73	5,880.16	6,035.88	13,003.77

Stage 1 - Loss allowance measured at 12 months expected credit losses.

Stage 2 and 3 - Loss allowance measured at life-time expected credit losses.

9.7 Ratio

Particulars	**As at March 31, 2022**	As at March 31, 2021
(a) Gross stage III (%) [Gross stage III loans EAD / Gross total loans EAD]	**2.27%**	2.33%
(b) Net stage III (%) [(Gross stage III loans EAD - Impairment loss allowance for stage III) / (Gross Total loans EAD - Impairment loss allowance for stage III)]	**1.06%**	1.15%
(c) Provision coverage ratio (%) [Total Impairment loss allowance for stage III / Gross stage III loans EAD]	**54.33%**	52.06%

9.8 Concentration of exposure

₹ in Crore

Particulars	**As at March 31, 2022**	As at March 31, 2021
Loan exposure to twenty largest borrowers *	**65,419.66**	58,927.60
Percentage of loans to twenty largest borrowers to total loan exposure of the Corporation	**10.45%**	10.69%

* Loan exposure (principal outstanding, accrued interest, undrawn loan commitment and financial guarantees) outstanding as at reporting date has been considered for the computation of concentration of exposure.

Notes forming part of the standalone financial statements (Continued)

10. Investments

₹ in Crore

Investments	As at March 31, 2022						
	Amortised cost	At Fair Value				Others*	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-Total		
	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)
Mutual Funds	-	-	2,330.18	-	2,330.18	-	2,330.18
Government securities[$]	36,906.05	-	-	-	-	-	36,906.05
Equity shares	-	6,018.08	1,321.20	-	7,339.28	-	7,339.28
Preference shares	3.84	-	-	-	-	-	3.84
Debentures	963.79	17.29	62.97	-	80.26	-	1,044.05
Subsidiaries - Equity shares	-	-	-	-	-	4,953.45	4,953.45
Subsidiaries - Venture fund	-	-	-	-	-	247.74	247.74
Associates - Equity shares	-	-	-	-	-	14,050.49	14,050.49
Pass-through certificates	14.32	-	-	-	-	-	14.32
Security receipts	-	-	139.49	-	139.49	-	139.49
Investment in units of venture capital fund and alternate investment fund (AIF)	-	-	1,255.57	-	1,255.57	-	1,255.57
Investment in units of Real Estate Investment Trust ('REIT')	-	-	322.71	-	322.71	-	322.71
Total – Gross (A)	37,888.00	6,035.37	5,432.12	-	11,467.49	19,251.68	68,607.17
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investments in India	37,888.00	6,035.37	5,432.12	-	11,467.49	19,251.68	68,607.17
Total – Gross (B)	37,888.00	6,035.37	5,432.12	-	11,467.49	19,251.68	68,607.17
Less: Expected credit loss	1.22	-	-	-	-	-	1.22
Less: Allowance for impairment Loss (C)	-	-	-	-	-	13.73	13.73
Total – Net (D) = (A)-(C)	37,886.78	6,035.37	5,432.12	-	11,467.49	19,237.95	68,592.22

$ Investment in Government Securities amounting to ₹ 8,997.51 Crore (Face Value), has been utilized towards repurchase transactions (REPO). Further the Corporation has not recognised any provision under expected credit loss on investments in government securities.

* Others includes investment in subsidiaries and associates which are carried at cost.

Notes forming part of the standalone financial statements (Continued)

₹ in Crore

Investments	As at March 31, 2021						
	Amortised cost	At Fair Value				Others*	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Sub-Total		
	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)
Mutual funds	-	-	16,497.02	-	16,497.02	-	16,497.02
Government securities $	22,567.13	-	-	-	-	-	22,567.13
Equity shares	-	7,025.68	1,099.19	-	8,124.87	-	8,124.87
Preference shares	3.50	-	-	-	-	-	3.50
Debentures	803.50	32.85	33.57	-	66.42	-	869.92
Subsidiaries - Equity shares	-	-	-	-	-	4,934.61	4,934.61
Subsidiaries - Venture fund	-	-	-	-	-	334.39	334.39
Associates - Equity shares	-	-	-	-	-	14,050.24	14,050.24
Pass-through certificates	18.33	-	-	-	-	-	18.33
Security receipts	-	-	175.00	-	175.00	-	175.00
Investment in units of venture capital fund and alternate investment fund (AIF)	-	-	996.74	-	996.74	-	996.74
Investment in Units of Real Estate Investment Trust ('REIT')	-	-	79.44	-	79.44	-	79.44
Total – Gross (A)	**23,392.46**	**7,058.53**	**18,880.96**	**-**	**25,939.49**	**19,319.24**	**68,651.19**
(i) Investments outside India	-	-	-		-		-
(ii) Investments in India	23,392.46	7,058.53	18,880.96	-	25,939.49	19,319.24	68,651.19
Total (B)	**23,392.46**	**7,058.53**	**18,880.96**	**-**	**25,939.49**	**19,319.24**	**68,651.19**
Less: Expected credit loss	0.69	-	-	-	-	-	0.69
Less: Allowance for impairment Loss (C)	-	-	-	-	-	13.73	13.73
Total – Net (D) = (A)-(C)	**23,391.77**	**7,058.53**	**18,880.96**	**-**	**25,939.49**	**19,305.51**	**68,636.77**

$ The Corporation has not recognised any provision under expected credit loss on investments in government securities.

* Others includes investment in subsidiaries and associates which are carried at cost.

Note 10.1 HDFC Life Insurance Company Limited

During the year, the Board of Directors of HDFC Life Insurance Company Limited (HDFC Life), a subsidiary of the Corporation under Ind AS 110, had approved a share purchase and share swap agreement among HDFC Life, Exide Industries Limited and Exide Life Insurance Company Limited (Exide Life), in connection with the acquisition of 100% of the equity share capital and subsequent merger of Exide Life into HDFC Life for a total consideration of ₹ 6,687 Crore. Pursuant to the agreement and subsequent to receipt of regulatory approvals, on January 1, 2022, HDFC Life has paid ₹ 726 Crore and issued 8,70,22,222 equity shares at an issue price of ₹ 685 per share as consideration. Accordingly, Exide Life has become a wholly owned subsidiary of HDFC Life with effect from January 1, 2022. Further, the Board of Directors of HDFC Life has filed a scheme for amalgamation of Exide Life with and into HDFC Life and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 and Sections 35 to 37 of the Insurance Act, 1938 and other applicable laws and regulations to give effect to the said amalgamation, subject to receipt of requisite approvals from various regulatory and statutory authorities, their respective shareholders and creditors.

Note 10.2 HDFC ERGO General Insurance Company Limited

During the year, the Corporation has sold 44,12,000 equity shares of HDFC ERGO General Insurance Company Limited (HDFC ERGO) resulting in a pre tax gain of ₹ 208.85 crore. As at March 31, 2022, the Corporation's equity shareholding in HDFC ERGO stood at 49.98% which is in compliance with the RBI requirement to reduce its shareholding to 50 percent or below. Further, the

Notes forming part of the standalone financial statements (Continued)

Board of Directors of the Corporation in Q1- FY22 had approved the sale of 3,55,67,724 equity shares of ₹ 10 each, representing 4.99% stake in HDFC ERGO to HDFC Bank Ltd., which is pending due to regulatory approvals.

Note 10.3 Good Host Spaces Private Limited

During the year, the Corporation has sold its entire holding i.e. **47,75,241** equity shares representing **24.48%** of the equity capital of Good Host Spaces Private Limited (Good Host) an associate (refer note 29.5.2).

Note 10.4 HDFC ERGO Health Insurance Limited

During the previous year, the National Company Law Tribunal has sanctioned the scheme of amalgamation for merger of HDFC ERGO Health Insurance Limited (formerly Apollo Munich Health Insurance Company Limited) (HDFC ERGO Health) with and into HDFC ERGO General Insurance Company Limited (HDFC ERGO), subsidiaries of the Corporation and Insurance Regulatory and Development Authority of India (IRDAI) had issued final approval for the merger. Consequently, HDFC ERGO Health had merged with HDFC ERGO from appointed date i.e. March 1, 2020.

Note 10.5 Debt Asset Swap

During the year, the Corporation has disposed off certain investment costing of ₹ 173.86 Crore which were acquired through debt asset swap in earlier years. The gross carrying value (fair value) of Investments under debt asset swap as at March 31, 2022 stood at ₹ **305.85 Crore** (Previous Year ₹ 347.71 Crore).

11. Other financial assets

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	**43.78**	38.39
Receivables on assigned loans *	**2,059.40**	1,717.83
Amounts receivable on swaps and other derivatives	**1,596.38**	1,454.98
Inter-corporate deposit	**5.11**	21.12
Receivables on sale of investments (trade date accounting)	**219.19**	32.40
Receivable for ex-gratia interest - government scheme (refer note 11.1)	-	65.14
Mark to market on derivative - Credit support annex (CSA)	**1,668.29**	83.48
Total Other financial assets (gross)	**5,592.15**	**3,413.34**
Less: Impairment loss allowance (Expected credit loss)		
Inter-corporate deposit	**5.11**	21.12
Others	**13.50**	10.80
Total Other financial assets (net)	**5,573.54**	**3,381.42**

* includes retained excess interest spread and servicing asset on assigned / derecognised loans

11.1 During the previous year, the Government of India, Ministry of Finance, vide its notification dated October 23, 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts ('the Scheme'), as per the eligibility criteria and other aspects specified therein and irrespective of whether the moratorium was availed or not. The Corporation had implemented the Scheme and credited an amount to the eligible borrowers loan account as per the Scheme and during the current year received reimbursement from SBI - Nodal office in accordance with the relief scheme.

12. Taxes on income

12.1 Current tax assets (net)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Advance tax (Net of provision)	**2,617.55**	2,356.88

Notes forming part of the standalone financial statements (Continued)

12.2 Deferred tax assets (Net)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets (Net)	**1,549.88**	1,655.30

12.2.1 Movement in Deferred tax assets / (liability)

₹ in Crore

Particulars	As at March 31, 2021	Profit or loss	Other Comprehensive Income	Total	As at March 31, 2022
Items on timing difference:					
Property, plant and equipment	(21.71)	(1.45)	-	(1.45)	(23.16)
Expected credit loss	2,735.75	361.04	-	361.04	3,096.79
Provisions other than expected credit loss	53.47	5.89	-	5.89	59.36
Fair valuation on financial assets at FVTPL	(987.82)	(89.53)	-	(89.53)	(1,077.35)
Fair valuation on financial assets at FVOCI	600.07	-	(1.01)	(1.01)	599.06
Remeasurements of employee benefits through OCI	2.28	-	(1.07)	(1.07)	1.21
Impact of accounting under effective interest rate (EIR)	(807.12)	(282.26)	-	(282.26)	(1,089.38)
Foreign exchange transactions and translations	80.38	16.43	(113.46)	(97.03)	(16.65)
Total	**1,655.30**	**10.12**	**(115.54)**	**(105.42)**	**1,549.88**

12.2.1 (Previous Year)

₹ in Crore

Particulars	As at March 31, 2020	Profit or loss	Other Comprehensive Income	Total	As at March 31, 2021
Items on timing difference:					
Property, plant and equipment	(21.24)	(0.47)	-	(0.47)	(21.71)
Expected credit loss	2,284.79	450.96	-	450.96	2,735.75
Provisions other than expected credit loss	50.17	3.30	-	3.30	53.47
Fair valuation on financial assets at FVTPL	(963.43)	(24.39)	-	(24.39)	(987.82)
Fair valuation on financial assets at FVOCI	736.05	-	(135.98)	(135.98)	600.07
Remeasurements of employee benefits through OCI	2.96	-	(0.68)	(0.68)	2.28
Impact of accounting under effective interest rate (EIR)	(626.11)	(181.01)	-	(181.01)	(807.12)
Foreign exchange transactions and translations	104.76	4.47	(28.85)	(24.38)	80.38
Total	**1,567.95**	**252.86**	**(165.51)**	**87.35**	**1,655.30**

Notes forming part of the standalone financial statements (Continued)

12.3 **Income tax recognised in profit or loss**

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax		
In respect of the current year	**3,514.25**	3,040.65
Deferred tax		
In respect of the current year	**(10.12)**	(252.86)
Total Income tax expense recognised in the current year relating to continuing operations	**3,504.13**	2,787.79

12.3.1 The evaluation of uncertain tax positions involves an interpretation of relevant tax laws which could be subject to challenge by the tax authorities and an assessment of whether the tax authorities will accept the position taken. The Corporation does not currently consider that assumptions or judgements made in assessing tax liabilities have a significant risk resulting in a material adjustment within the next financial year. (Refer note 40.2).

12.3.2 **Reconciliation of income tax expense of the year can be reconciled to the accounting profit as follows:**

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Standalone Profit before tax	**17,246.31**	14,815.09
Income tax expense calculated at 25.168%	**4,340.55**	3,728.66
Effect of expenses that are not deductible in determining taxable profit	**163.86**	206.28
Effect of incomes which are taxed at different rates	**(73.45)**	(183.06)
Effect of incomes which are exempt from tax	**(467.50)**	(536.49)
Deduction under Section 36(1)(viii) of the Income tax Act, 1961	**(459.33)**	(427.60)
Income tax expense recognised in statement of profit and loss	**3,504.13**	2,787.79
Effective tax rate (%)	**20.32%**	18.82%

The tax rate used for the reconciliations above is the corporate tax rate of **25.168%** (Previous Year 25.168%) for the financial year ended March 31, 2022 payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

Notes forming part of the standalone financial statements (Continued)

13. Investment Property

₹ in Crore

Particulars		As at March 31, 2022	As at March 31, 2021
Gross carrying amount			
Opening gross carrying amount		**638.67**	661.54
Additions		**15.54**	73.44
Disposal		**(46.82)**	(13.27)
Transfer to Property, plant and equipment / held for sale (net)		**(5.39)**	(83.04)
Closing gross carrying amount	(a)	**602.00**	638.67
Accumulated depreciation			
Opening accumulated depreciation		**28.20**	21.42
Depreciation charge		**9.62**	11.81
Depreciation on sale		**(3.71)**	(0.89)
Transfer to Property, plant and equipment / held for sale (net)		**(1.98)**	(4.14)
Closing accumulated depreciation	(b)	**32.13**	28.20
Accumulated impairment			
Opening accumulated impairment		**21.65**	21.65
Impairment charge / (reversal on sale)		**(19.87)**	-
Closing accumulated impairment	(c)	**1.78**	21.65
Net carrying value of investment property		**568.09**	588.82
Investment Property - under construction	(d)	**2,117.65**	251.75
Total Investment property	(a - b - c + d)	**2,685.74**	840.57

13.1 The Corporation has entered into debt assets swap, wherein the net carrying amount of the investment properties including properties held for sale taken over stood at ₹ **2,631.31 Crore** as at March 31, 2022 (Previous Year ₹ 910.50 Crore), the properties taken over by the Corporation are mix of residential and commercial properties located in key metro cities. The properties are being held for capital appreciation, which the Corporation will dispose off at an appropriate time in accordance with the applicable regulations.

13.2 **Fair Value** (Level 3)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Fair value of investment property (excluding properties under construction)	**1,077.03**	1,111.83
Net carrying value of investment property	**568.09**	588.82

The fair value of the Corporation's investment properties as at March 31, 2022 and March 31, 2021 has been arrived at on the basis of valuation by registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 or internal valuation basis (Level 3) using valuation technique such as market approach (Direct sales comparison method), income approach (rent capitalization method) and net present value (NPV) of discounted cash flows (DCF) method.

Notes forming part of the standalone financial statements (Continued)

The Corporation has leased out certain investment properties. The Corporation has classified these leases as operating leases, because they do not transfer substantially all risk and rewards incidental to the ownership of the assets. (refer Note 29.2)

The following table sets out a maturity analysis of rental income, showing the undiscounted rental income to be received after the reporting period.

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	**45.37**	44.90
Between one and two years	**33.56**	35.93
Between two and three years	**17.36**	26.23
Between three and four years	**9.93**	15.53
Between four and five years	**4.70**	7.54
More than five years	**-**	3.54
Total	**110.92**	133.67

13.3 The Corporation has entered in to agreement to sell / memorandum of understanding to sell certain Investment properties against which part consideration has been received as at the year end, accordingly the same has been classified as Non-Current Assets held for sale in compliance with the Ind AS 105 on ‘Non Current assets held for sale and Discontinuing Operation’.

13.4 Investment property under construction represent rights acquired by the Corporation in properties under construction. These properties are part of the projects being developed by respective real estate developers and not by the Corporation. Accordingly, disclosures relating to investment property under development in terms of paragraph WB of general instructions for preparation of Balance Sheet prescribed in Division III of Schedule III to the Companies Act, 2013 are not applicable.

13.5 Title deed of all investment properties are held in name of the Corporation, however in respect of;

a) Farm House Located at Village Mehrauli, Tehsil Hauz Khas, New Delhi, gross carrying value amounting to ₹ 42.00 Crore, the Corporation has a duly executed agreement for sell in its favour. A suit for specific performance was successfully decreed in favour of the Corporation by the High Court in the month of January 2020 and in terms thereof the possession of the property was handed over to the Corporation. The Corporation has approached the High Court for execution of the sale deed and the same is expected to be undertaken at the soonest by the High Court through the Court Commissioner.

b) Plot No 4, Echelon Institutional Sector 32, Gurgaon, gross carrying value amounting to ₹ 72.10 Crore, the Corporation has acquired this property under a debt asset swap arrangement in the month of December 2015. The Corporation holds a duly executed agreement to sell (along with power of attorney) in its favour and is in possession of the property. The existing tenancy was duly attorned in favour of the Corporation as well. Necessary representation to the authority was made to enable execution of sale deed in favour of the Corporation. Since the relevant matter is at the Supreme Court presently, the Corporation has accordingly, made appropriate representation to enable the sale deed executed in its favour.

Further, the acquisition of these properties was in the normal course of business and none of the directors, or their relatives are associated with these transactions in any manner.

14. Property, plant and equipment

Year ended March 31, 2022

₹ in Crore

	GROSS BLOCK					DEPRECIATION, AMORTISATION AND IMPAIRMENT					NET BLOCK	
	As at March 31, 2021	Additions	Transfer in / (out)	Deductions	As at March 31, 2022	As at March 31, 2021	For the Year	Transfer in / (out)	Deductions	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Land:												
Freehold	100.63	-	-	-	**100.63**	-	-	-	-	-	**100.63**	100.63
Right of use - Land	349.55	-	-	-	**349.55**	35.52	8.88	-	-	**44.40**	**305.15**	314.03
Buildings:												
Own Use	306.45	0.71	1.09	-	**308.25**	30.44	24.46	0.04	-	**54.94**	**253.31**	276.01
Leasehold Improvements	40.79	13.08	-	0.78	**53.09**	18.61	6.79	-	0.76	**24.64**	**28.45**	22.18
Right of use - Buildings	310.25	162.87	-	7.07	**466.05**	135.18	75.55	-	4.21	**206.52**	**259.53**	175.07
Computer Hardware	73.43	37.62	-	2.25	**108.80**	34.99	20.26	-	2.24	**53.01**	**55.79**	38.44
Furniture and Fittings												
Own Use	35.64	8.88	-	0.95	**43.57**	11.70	4.96	-	0.84	**15.82**	**27.75**	23.94
Office Equipment etc.:												
Own Use	41.15	8.58	-	1.12	**48.61**	13.74	6.20	-	1.03	**18.91**	**29.70**	27.41
Vehicles	16.70	8.95	-	1.05	**24.60**	7.99	3.88	-	0.90	**10.97**	**13.63**	8.71
Total	1,274.59	240.69	1.09	13.22	**1,503.15**	288.17	150.98	0.04	9.98	**429.21**	**1,073.94**	986.42

Previous Year ended March 31, 2021

₹ in Crore

	GROSS BLOCK					DEPRECIATION, AMORTISATION AND IMPAIRMENT					NET BLOCK	
	As at March 31, 2020	Additions	Transfer in / (out)	Deductions	As at March 31, 2021	As at April 1, 2020	For the Year	Transfer in / (out)	Deductions	As at March 31, 2021	As at March 31, 2021	As at April 1, 2020
Land:												
Freehold	100.63	-	-	-	100.63	-	-	-	-	-	100.63	100.63
Right of use - Land	349.55	-	-	-	349.55	26.64	8.88	-	-	35.52	314.03	322.91
Buildings :												
Own Use	262.53	0.45	43.49	0.02	306.45	16.04	11.34	3.08	0.02	30.44	276.01	246.49
Leasehold Improvements	35.62	6.13	-	0.96	40.79	13.62	5.94	-	0.95	18.61	22.18	22.00
Right of use - Buildings	262.73	55.30	-	7.78	310.25	68.27	70.32	-	3.41	135.18	175.07	194.46
Computer Hardware	61.38	17.28	-	5.23	73.43	23.48	16.73	-	5.22	34.99	38.44	37.90
Furniture and Fittings												
Own Use	31.32	5.21	-	0.89	35.64	7.85	4.61	-	0.76	11.70	23.94	23.47
Office Equipment etc.:												
Own Use	36.29	5.98	-	1.12	41.15	9.04	5.71	-	1.01	13.74	27.41	27.25
Vehicles	15.61	1.76	-	0.67	16.70	4.62	3.86	-	0.49	7.99	8.71	10.99
Total	1,155.66	92.11	43.49	16.67	1,274.59	169.56	127.39	3.08	11.86	288.17	986.42	986.10

14.1 The Corporation has not acquired Property, Plant and Equipment (PPE) through business combination, further none of the PPE has been revalued during the current year and previous year.

14.2 Title deed of the Immovable Properties are held in name of the Corporation, further the Corporation has not revalued its Property, Plant and Equipment (including Right-of-Use Assets).

14.3 The Corporation do not have any Benami property, where any proceeding has been initiated or pending against the Corporation for holding any Benami property.

Notes forming part of the standalone financial statements (Continued)

15. Other intangible assets

Year ended March 31, 2022

₹ in Crore

	GROSS BLOCK					DEPRECIATION, AMORTISATION AND IMPAIRMENT					NET BLOCK	
	As at March 31, 2021	Additions	Adjustments	Deductions	As at March 31, 2022	As at March 31, 2021	For the Year	Adjustments	Deductions	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Computer software	33.72	37.49	-	-	**71.21**	14.41	9.03	-	-	**23.44**	**47.77**	19.31
Non compete fees	10.92	-	-	-	**10.92**	10.92	-	-	-	**10.92**	**-**	-
Development right	350.15	-	-	-	**350.15**	-	28.01	-	-	**28.01**	**322.14**	350.15
Total	394.79	37.49	-	-	**432.28**	25.33	37.04	-	-	**62.37**	**369.91**	369.46

Previous Year ended March 31, 2021

₹ in Crore

	GROSS BLOCK					DEPRECIATION, AMORTISATION AND IMPAIRMENT					NET BLOCK	
	As at March 31, 2020	Additions	Adjustments	Deductions	As at March 31, 2021	As at March 31, 2020	For the Year	Adjustments	Deductions	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Computer software	21.41	12.31	-	-	33.72	8.56	5.85	-	-	14.41	19.31	12.85
Non compete fees	10.92	-	-	-	10.92	10.92	-	-	-	10.92	-	-
Development right	350.00	0.15	-	-	350.15	-	-	-	-	-	350.15	350.00
Total	382.33	12.46	-	-	394.79	19.48	5.85	-	-	25.33	369.46	362.85

15.1 The Corporation has not acquired intangible assets through business combination. Further, none of the intangible assets has been revalued during the current year and previous year.

15.2 The Corporation has entered into debt assets swap, whereby the gross carrying amount of the PPE / intangible assets (including capital advance) taken over stood at ₹ **1,202.88 Crore** as at March 31, 2022 (Previous Year ₹ 521.33 Crore). The properties taken over by the Corporation are mix of residential and commercial properties located in key metro cities. These properties are being held for own use.

Notes forming part of the standalone financial statements (Continued)

16. Other non-financial assets

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured; considered good		
Capital advances	**999.79**	141.45
Other advances	**133.76**	153.51
Prepaid expenses	**65.08**	36.74
Total gross	**1,198.63**	**331.70**
Less: Provision for expected credit loss (ECL)	**0.05**	0.06
Total net of ECL	**1,198.58**	**331.64**

16.1 Other advances includes amounts due from related parties ₹ **6.22 Crore** (Previous Year ₹ 70.98 Crore) [refer note 42].

17. Payables

17.1 Trade payables

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	**9.52**	7.48
Total outstanding dues of creditors other than micro enterprises and small enterprises	**334.65**	331.67

17.1.1 The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Corporation. The amount of principal and interest outstanding during the year is given below:

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Principal amount and the interest due thereon	**9.52**	7.48
(b) The amount of interest paid*	**0.00**	-
(c) Amounts paid after appointed date during the year	**0.14**	0.06
(d) Amount of interest accrued and unpaid as at year end*	**0.00**	0.00
(e) The amount of further interest due and payable even in the succeeding year	**-**	-

* '0' denotes amount less than ₹ fifty thousand.

17.1.2 Trade payables includes ₹ **156.02 Crore** (Previous Year ₹ 217.57 Crore) due to related parties [Refer Note 42].

Notes forming part of the standalone financial statements (Continued)

17.1.3 Trade payables ageing

(figures for the Previous Year in brackets)

₹ in Crore

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 year	1-2 years	>2-3 years	More than 3 years	
(i) MSME	3.75 *(0.71)*	5.77 *(6.76)*	- *(0.00)*	- *(-)*	- *(-)*	**9.52** *(7.47)*
(ii) Others	193.17 *(167.64)*	136.25 *(163.50)*	5.23 *(0.12)*	- *(0.42)*	- *(-)*	**334.65** *(331.68)*
(iii) Disputed dues - MSME	- *(-)*	- *(-)*	- *(-)*	- *(-)*	- *(-)*	- *(-)*
(iv) Disputed dues - Others	- *(-)*	- *(-)*	- *(-)*	- *(-)*	- *(-)*	- *(-)*
Total	**196.92** *(168.35)*	**142.02** *(170.26)*	**5.23** *(0.12)*	**-** *(0.42)*	**-** *(-)*	**344.17** *(339.15)*

'0' represent amount less than ₹ fifty thousand.

18. Debt securities

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Bonds - secured	**4.20**	12.40
Non-convertible debentures - secured (listed)	**1,63,889.93**	1,48,474.04
Synthetic rupee denominated bonds - unsecured (listed)	**1,800.00**	2,800.00
Commercial papers - unsecured (listed)	**30,238.35**	30,776.05
Total Debt securities	**1,95,932.48**	1,82,062.49
Less: Unamortised borrowing cost	**(2.85)**	(7.76)
Debt securities net of unamortised borrowing cost	**1,95,929.63**	1,82,054.73
Debt securities in India	**1,94,132.48**	1,79,262.49
Debt securities outside India	**1,800.00**	2,800.00
Total Debt securities	**1,95,932.48**	1,82,062.49
Less: Unamortised borrowing cost	**(2.85)**	(7.76)
Total Debt securities net of unamortised borrowing cost	**1,95,929.63**	1,82,054.73

Refer Note 43.3 for categories of financial instruments.

Notes forming part of the standalone financial statements (Continued)

18.1 All secured debts are secured by negative lien on the assets of the Corporation and/or mortgage of property as the case may be, subject to the charge created in favour of its depositors pursuant to the regulatory requirements under Section 29B of the National Housing Bank Act, 1987.

18.2 Non-convertible debentures includes ₹ **4,274.10 Crore** (Previous Year ₹ 4,076.00 Crore) held by related parties [refer note 42].

18.3 The Corporation had issued Synthetic Rupee Denominated Bonds of ₹ 11,100.00 Crore to overseas investors of which ₹ **1,800.00 Crore** remains outstanding as at March 31, 2022 (Previous Year ₹ 2,800.00 Crore). The Corporation had also established a Medium Term Note Programme (MTN Programme) for USD 2,800 million so as to enable the Corporation to issue debt instruments in the international capital markets. The Corporation had raised ₹ 6,100.00 Crore under the MTN Programme in accordance with the RBI guidelines. The Corporation was the first Indian corporate issuer of such bonds. These bonds are listed on the London Stock Exchange. These bonds are unsecured and the currency risk is borne by the investor.

18.4 The Corporation has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Corporation shall;

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Corporation (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

18.5 The Corporation does not have any charges or satisfaction which are yet to be registered with Registrar of Companies beyond the statutory period. However, in the earlier years, the Corporation had redeemed in full, certain secured Non-convertible debentures (Series 2, 4, 5 and 6) aggregating to ₹ 365 Crore (Previous Year ₹ 365 Crore), which were issued in the financial year 1998-1999 and 1999-2000 and were secured by way of immovable property or any interest therein. Necessary forms for satisfaction of charges were filed for the said series within the prescribed time limits with the Registrar of Companies, Mumbai (ROC). However, the ROC has not taken such filings on records and the Corporation has not received any communication for the same.

Notes forming part of the standalone financial statements (Continued)

18.6 Terms of redemption based on nominal value of bonds and debentures and repayment terms as at March 31, 2022.

₹ in Crore

Particulars	0-1 year	>1-3 years	>3-5 years	>5 years	Total
Debt securities					
Bonds					
7.00% to 8.00%	**4.20**	-	-	-	**4.20**
Non-convertible debentures					
4.50% to 5.00%	2,000.00	9,693.00	-	-	11,693.00
5.01% to 6.00%	5,250.00	4,500.00	12,000.00	-	21,750.00
6.01% to 7.00%	10,000.00	1,250.00	5,000.00	9,500.00	25,750.00
7.01% to 8.00%	10,270.00	10,745.00	4,185.00	31,345.00	56,545.00
8.01% to 9.00%	2,465.00	1,850.00	6,280.00	26,049.75	36,644.75
9.01% to 9.50%	400.00	5,985.00	-	2,953.00	9,338.00
Variable rate non-convertible debentures					
Coupon linked to 3 months T-Bill rate as published by FBIL	-	5,000.00	-	-	5,000.00
Total	**30,385.00**	**39,023.00**	**27,465.00**	**69,847.75**	**1,66,720.75**
Synthetic rupee denominated bonds					
6.73% to 8.75%	1,300.00	500.00	-	-	1,800.00
Commercial papers					
3.01% to 4.0%	5,785.74	-	-	-	5,785.74
4.01% to 5.0%	20,304.72	-	-	-	20,304.72
5.01% to 6.0%	4,147.89	-	-	-	4,147.89
Total	**30,238.35**	-	-	-	**30,238.35**
Total Debt securities	**61,927.55**	**39,523.00**	**27,465.00**	**69,847.75**	**1,98,763.30**

Terms of redemption of nominal value of bonds and debentures and repayment terms as at March 31, 2021.

₹ in Crore

Particulars	0-1 year	>1-3 years	>3-5 years	>5 years	Total
Debt securities					
Bonds					
7.00% to 8.00%	8.20	4.20	-	-	12.40
Non-convertible debentures					
4.23% to 7.99%	22,275.00	34,963.00	18,245.00	17,530.00	93,013.00
8.05% - 8.96%	6,000.00	2,465.00	2,850.00	21,280.00	32,595.00
9.00% - 9.90%	3,155.00	4,400.00	1,985.00	12,755.75	22,295.75
Zero coupon bonds	500.00	-	-	-	500.00
Total	**31,930.00**	**41,828.00**	**23,080.00**	**51,565.75**	**1,48,403.75**
Synthetic rupee denominated bonds					
6.73% - 8.75%	1,000.00	1,800.00	-	-	2,800.00
Commercial papers					
3.51% to 4.00%	20,069.01	-	-	-	20,069.01
4.01% to 5.00%	9,067.50	-	-	-	9,067.50
5.01% to 7.00%	1,639.54	-	-	-	1,639.54
Total	**30,776.05**	-	-	-	**30,776.05**
Total Debt securities	**63,714.25**	**43,632.20**	**23,080.00**	**51,565.75**	**1,81,992.20**

Notes forming part of the standalone financial statements (Continued)

19. Borrowings (other than debt securities) - at amortised cost

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Term loans from banks - secured		
Scheduled Banks	**1,00,118.00**	68,577.40
Term loans from other - secured		
Asian Development Bank	**41.01**	117.99
National Housing Bank	**12,960.11**	16,202.65
Sub Total	**1,13,119.12**	84,898.04
Term loans from banks - unsecured		
Scheduled Banks	**4,050.00**	7,050.00
External Commercial Borrowing - Low cost affordable housing	**13,945.15**	13,280.41
Sub Total	**17,995.15**	20,330.41
REPO Borrowing - secured	**8,800.27**	-
Total Borrowings	**1,39,914.54**	1,05,228.45
Less: Unamortised borrowing cost	**(62.79)**	(49.27)
Net Borrowings net of unamortised borrowing cost	**1,39,851.75**	1,05,179.18
Borrowings in India	**1,25,928.38**	91,830.04
Borrowings outside India	**13,986.16**	13,398.41
Total of Borrowings	**1,39,914.54**	1,05,228.45
Less: Unamortised borrowing cost	**(62.79)**	(49.27)
Net Borrowings net of unamortised borrowing cost	**1,39,851.75**	1,05,179.18

19.1 All secured borrowings are secured by negative lien on the assets of the Corporation, subject to the charge created in favour of its depositors pursuant to the regulatory requirement under Section 29B of the National Housing Bank Act, 1987. The Corporation has no borrowings from banks or financial institutions only on the basis of security of current assets. The Corporation has not been declared as wilful defaulter by any bank or financial Institution or other lender.

19.2 The Corporation do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period for borrowings.

19.3 The Corporation has total external commercial borrowing (ECBs) of USD 1,400.00 million and JPY 53,200 million for financing prospective owners of low cost affordable housing units for on-lending towards green housing in accordance with the guidelines issued by the RBI. The borrowing has maturity of upto five years. In accordance with RBI guidelines, most of the borrowings have been swapped into rupees for the entire maturity by way of principal only swaps and forward contracts. The foreign currency exposure on interest has been partially hedged by way of forward contracts.

19.4 As at March 31, 2022, the Corporation has foreign currency borrowings of **USD 1,404.28 million** and **JPY 53,200 million** (Previous Year USD 1,377.45 million and JPY 53,200 million). The Corporation has undertaken currency swaps and forward contracts of a notional amount of **USD 1,400.00 million** and **JPY 53,200 million** (Previous Year USD 1,365.00 million and JPY 53,200 million) and foreign currency arrangements of **USD 4.28 million** (Previous Year USD 12.45 million) to hedge the foreign currency risk.

Notes forming part of the standalone financial statements (Continued)

As a part of asset liability management, the Corporation has entered into INR interest rate swaps of a notional amount of ₹ **1,44,845.00 Crore** (Previous Year ₹ 93,160.00 Crore) and USD Interest rate swaps of ₹ **9,563.00 Crore** as on March 31, 2022 (Previous Year ₹ 8,722.00 Crore) for varying maturities, linked to various benchmarks.

19.5 **Terms of borrowings and repayment as at March 31, 2022**

₹ in Crore

Particulars	0-1 year	>1-3 years	>3-5 years	>5 years	Total
Term loans from Banks - secured					
4.40% to 5.00%	72,998.00	7,800.00	-	-	80,798.00
5.01% to 6.00%	1,070.00	3,785.00	3,015.00	-	7,870.00
6.01% to 6.55%	-	2,700.00	-	2,000.00	4,700.00
7.01% to 8.00%	-	-	-	6,750.00	6,750.00
Total	**74,068.00**	**14,285.00**	**3,015.00**	**8,750.00**	**1,00,118.00**
Term loans from others - secured					
Asian Development Bank					
6 Months USD LIBOR + 40 bps	41.01	-	-	-	41.01
National Housing Bank - secured					
3.0% to 4.0%	222.27	592.72	592.72	240.36	1,648.07
4.01% to 5.0%	819.05	1,296.51	664.73	22.92	2,803.21
5.01% to 6.0%	57.00	152.00	133.82	-	342.82
6.01% to 7.0%	1,491.36	3,796.96	1,635.53	814.79	7,738.64
8.01% to 9.00%	103.17	268.62	55.58	-	427.37
Total	**2,692.85**	**6,106.81**	**3,082.38**	**1,078.07**	**12,960.11**
Term loans from Banks - unsecured					
4.60% to 5.00%	3,950.00	-	-	-	3,950.00
5.01% to 5.15%	100.00	-	-	-	100.00
Total	**4,050.00**	**-**	**-**	**-**	**4,050.00**
External commercial borrowing - Low cost affordable housing					
1 Month Libor + 50 bps to 126 bps	-	5,692.50	-	-	5,692.50
3 Month Libor + 85 bps	1,518.00	-	-	-	1,518.00
6 Month Libor + 85 bps	-	-	3,415.50	-	3,415.50
1 Month TONA + 0.63%	-	3,319.15	-	-	3,319.15
Total	**1,518.00**	**9,011.65**	**3,415.50**	**-**	**13,945.15**
REPO Borrowing (3.00% to 4.05%)	**8,800.27**	**-**	**-**	**-**	**8,800.27**
Total Borrowings	**91,170.13**	**29,403.46**	**9,512.88**	**9,828.07**	**1,39,914.54**

Notes forming part of the standalone financial statements (Continued)

Terms of borrowings and repayment as at March 31, 2021

₹ in Crore

Particulars	0-1 year	>1-3 years	>3-5 years	>5 years	Total
Term loans from Banks - secured					
4.10% to 5.00%	53,398.00	5,100.00	-	-	58,498.00
5.01% to 6.00%	1,000.00	3,085.00	1,500.00	-	5,585.00
6.01% to 6.55%	600.00	2,100.00	1,500.00	-	4,200.00
Fixed 2.00% to 2.70%	294.40	-	-	-	294.40
Total	**55,292.40**	**10,285.00**	**3,000.00**	**-**	**68,577.40**
Term loans from other - secured					
Asian Development Bank					
6 Months USD LIBOR + 40 bps	-	117.99	-	-	117.99
National Housing Bank - secured					
3.0% to 4.0%	222.27	592.72	592.72	536.72	1,944.43
4.01% to 5.0%	2,494.04	1,317.46	1,077.89	274.24	5,163.63
5.01% to 6.0%	804.13	1,813.12	1,786.64	669.62	5,073.51
6.01% to 7.0%	684.63	1,818.56	764.62	-	3,267.81
7.01% to 9.0%	431.78	211.76	109.73	-	753.27
Total	**4,636.85**	**5,753.62**	**4,331.60**	**1,480.58**	**16,202.65**
Term loans from Banks - unsecured					
4.60% to 5.00%	6,950.00	-	-	-	6,950.00
5.01% to 5.15%	100.00	-	-	-	100.00
Total	**7,050.00**	**-**	**-**	**-**	**7,050.00**
External commercial borrowing - Low cost affordable housing					
1 Month LIBOR + 50 bps to 126 bps	2,760.00	9,048.41	-	-	11,808.41
3 Month LIBOR + 85 bps	-	1,472.00	-	-	1,472.00
Total	**2,760.00**	**10,520.41**	**-**	**-**	**13,280.41**
Total Borrowings	**69,739.25**	**26,677.02**	**7,331.60**	**1,480.58**	**1,05,228.45**

19.6 Disclosure as per RBI circular - RBI/2019-20/107 FMRD.DIRD.21.14.03.038/2019-20 for the year ended March 31, 2022

₹ in Crore

Particulars	**Minimum Outstanding during FY 21-22**	**Maximum Outstanding during FY 21-22**	**Daily Average Outstanding during FY 21-22**	**Outstanding as on March 31, 2022**
Securities sold under REPO				
(i) Government Securities	**-**	**9,424.47**	**341.55**	**8,800.27**
(ii) Corporate Debt Securities	**-**	**-**	**-**	**-**
(iii) Any Other Securities	**-**	**-**	**-**	**-**
Securities purchased under Reverse REPO				
(i) Government Securities	**-**	**2,876.82**	**37.79**	**-**
(ii) Corporate Debt Securities	**-**	**-**	**-**	**-**
(iii) Any Other Securities	**-**	**-**	**-**	**-**

Notes forming part of the standalone financial statements (Continued)

20. Deposits - at amortised cost

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits		
(i) Public deposits	**99,879.59**	93,657.82
(ii) From Banks	**5.75**	326.00
(iii) From Others - Secured	**6,327.35**	11,191.02
- Unsecured	**55,140.35**	45,326.77
Total	**1,61,353.04**	1,50,501.61
Less: Unamortised transaction cost	**(453.28)**	(370.48)
Deposits net of unamortised cost	**1,60,899.76**	1,50,131.13

20.1 Deposits includes ₹ **157.40 Crore** (Previous Year ₹ 156.98 Crore) from related parties [Refer Note 42].

20.2 Public deposits as defined in paragraph 4.1.30 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with Paragraph 3 (xiii) of Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016, are secured by floating charge and lien in favour of the Trustee's for Depositors on the Statutory Liquid Assets maintained in terms of paragraph 42.2 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with sub-sections (1) & (2) of Section 29B of the National Housing Bank Act, 1987.

20.3 All secured deposits are secured by negative lien on the assets of the Corporation subject to the charge created in favour of its depositors pursuant to the regulatory requirements under Section 29B of the National Housing Bank Act, 1987.

21. Subordinated liabilities - at amortised cost

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Non-convertible subordinated debentures	**3,000.00**	4,000.00
Total	**3,000.00**	4,000.00
Subordinated liabilities in India	**3,000.00**	4,000.00
Subordinated liabilities outside India	**-**	-
Total	**3,000.00**	4,000.00

21.1 **Terms of issuance and repayment:**

As at March 31, 2022 ₹ in Crore

Particulars	0-1 year	>1-3 years	>3-5 years	>5 years	Total
8.65% - 9.60%	**-**	**3,000.00**	**-**	**-**	**3,000.00**

As at March 31, 2021 ₹ in Crore

Particulars	0-1 year	>1-3 years	>3-5 years	>5 years	Total
8.65% - 9.60%	1,000.00	-	3,000.00	-	4,000.00

21.2 These debentures are subordinated to present and future senior indebtedness of the Corporation 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, 2022, **40%** (Previous Year 45%) of the book value of the subordinated debt is considered as Tier II capital for the purpose of capital adequacy computation.

Notes forming part of the standalone financial statements (Continued)

22. Other financial liabilities

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on debt securities and deposits	**11,132.47**	11,045.05
Amounts payable on assigned / securitised loans	**421.61**	563.11
Security and other deposits received	**30.66**	34.26
Unclaimed dividend	**23.46**	24.22
Unclaimed matured deposits	**609.77**	964.02
Interest accrued on unclaimed matured deposits	**87.88**	123.16
Lease liability in respect of leased premises	**281.07**	191.06
Book overdraft	**1,904.00**	-
Others	**36.77**	46.82
Total	**14,527.69**	**12,991.70**

22.1 As required under Section 124 of the Companies Act, 2013 read together with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Corporation has transferred ₹ **2.67 Crore** (Previous Year ₹ 2.30 Crore) being unpaid dividend, underlying 86,465 equity shares of ₹ 2 each (Previous Year: 65,928 equity shares of ₹ 2 each) and ₹ **5.04 Crore** (Previous Year ₹ 4.00 Crore) being unclaimed deposits to the Investor Education and Protection Fund (IEPF). As at March 31, 2022, no amount was due for transfer to the IEPF. However, **2,371** equity shares (Previous Year 2,148 equity shares) relating to such unclaimed dividend could not be transferred as the depositories informed that the aforesaid shares were not available in the demat accounts of the respective shareholders.

23. Current tax liabilities (Net)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for tax (Net of advance tax)	**441.30**	441.29
Total	**441.30**	**441.29**

24. Provisions

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits	**270.02**	251.29
Total	**270.02**	**251.29**

25. Other Non-financial liabilities

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Amount received in advance	**365.58**	508.91
Deferred gain on fair valuation (Initial recognition)	**355.25**	710.50
Statutory dues	**584.07**	473.76
Others	**217.88**	73.43
Total	**1,522.78**	**1,766.60**

Notes forming part of the standalone financial statements (Continued)

25.1 The Corporation had invested in 100 Crore equity shares of Yes Bank Limited at ₹ 10 each on March 14, 2020. Of these, 75% of the equity shares i.e. 75 Crore shares are locked in and not permitted to be sold within 3 years from the date of acquisition. Accordingly, the gain on initial recognition of ₹ 1,065.75 Crore, based on fair valuation of such locked in shares was deferred and amortised over the locked in period. For the purposes of subsequent measurement, these shares have been designated as FVOCI. During the current year, ₹ **355.25 Crore** (Previous Year ₹ 355.25 Crore) has been recognised in accordance with Ind AS 109 on Financial Instruments.

26. Equity share capital

₹ in Crore

	As at March 31, 2022	As at March 31, 2021
AUTHORISED		
228,80,50,000 (As at March 31, 2021 228,80,50,000) Equity Shares of ₹ 2 each	**457.61**	457.61
ISSUED, SUBSCRIBED AND FULLY PAID UP		
181,30,28,276 (As at March 31, 2021 180,39,46,433) Equity Shares of ₹ 2 each	**362.61**	360.79

26.1 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	**As at March 31, 2022**		As at March 31, 2021	
	Number	**₹ in Crore**	Number	₹ in Crore
Equity shares outstanding as at the beginning of the year	**180,39,46,433**	**360.79**	173,20,51,189	346.41
Shares allotted pursuant to exercise of stock options	**90,81,843**	**1.82**	1,50,77,063	3.02
Shares allotted pursuant to issue of shares under QIP	**-**	**-**	5,68,18,181	11.36
Equity shares outstanding as at the end of the year	**181,30,28,276**	**362.61**	180,39,46,433	360.79

26.2 There were no shareholder holding more than 5 percent shares in the Corporation as at March 31, 2022 and March 31, 2021.

26.3 Terms and rights attached to equity shares:

The Corporation has only one class of shares referred to as equity shares having face value of ₹ 2 each. Each holder of equity share is entitled to one vote per share.

The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by Shareholders at the Annual General Meeting.

Notes forming part of the standalone financial statements (Continued)

26.4 The Corporation has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. The particulars of dividends payable to non-resident shareholders (including Foreign Portfolio Investors) are as under:

Particulars	**Current Year**	Previous Year
	Final	Final
Year to which the dividend relates	**2020-21**	2019-20
Number of non-resident shareholders	**15,773**	14,255
Number of shares held by them	**129,31,69,784**	122,41,00,641
Gross amount of dividend (₹ in Crore)	**2,974.29**	2,570.61

26.5 The Corporation has not allotted any share pursuant to contracts without payment being received in cash or as bonus shares nor has it bought back any share during the preceding period of five financial years.

26.6 During the previous year, the Corporation had issued 5,68,18,181 equity shares at a price of ₹ 1,760.00 per share and 36,930 secured redeemable non-convertible debentures of face value of ₹ 10,00,000 at par, each due on August 11, 2023, carrying a coupon rate of 5.40% payable annually, aggregating ₹ 3,693 Crore simultaneously with 1,70,57,400 warrants at an issue price of ₹ 180.00 per warrant with a right to exchange one warrant with one equity share of ₹ 2 each of the Corporation, any time before the expiry of 36 months from the date of allotment, at an exercise price of ₹ 2,165.00 per equity share, to eligible qualified institutional buyers through Qualified Institutions Placement under Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable regulations. Expenses incurred for issuance of equity share amounting to ₹ 22.34 Crore has been debited to securities premium account in accordance with the provisions of Companies Act, 2013 in financial year ended March 31, 2021.

The net proceeds of the funds raised through the issue has been utilised to augment the long term resources of the Corporation, to maintain sufficient liquidity in the uncertain economic environment driven by the outbreak of the COVID-19 pandemic, for general corporate purposes and to finance organic and / or inorganic business opportunities that may arise in financial services including housing finance and/or in areas where the subsidiaries of the Corporation operate.

26.7 As at March 31, 2022, **8,27,34,888 shares** (Previous Year 9,18,16,731 shares) were reserved for issuance as follows:

a) **6,56,77,488 shares** of ₹ **2** each (Previous Year: 7,47,59,331 shares of ₹ 2 each) towards outstanding Employees Stock Options granted / available for grant, including lapsed options [Refer Note 38].

b) Warrants outstanding as on date is as under:

Particulars	**Current Year**	Previous Year
	Final	Final
No. of Warrants outstanding at the beginning of the year	**1,70,57,400**	-
Movement during the year (Refer Note 26.6)	-	1,70,57,400
No. of Warrants outstanding at the end of the year	**1,70,57,400**	1,70,57,400

26.8 The Corporation does not have Promoter, accordingly disclosure relating to shareholding of promoters is not applicable.

26.9 **Dividend**

The Board of Directors have proposed dividend on equity shares at ₹ **30** per share at their meeting held on May 2, 2022 (Previous Year ₹ 23 per share), subject to the approval of shareholder at the ensuing Annual General Meeting.

Notes forming part of the standalone financial statements (Continued)

27. Other Equity

₹ in Crore

Particulars	Note	As at March 31, 2022	As at March 31, 2021
Capital reserve	27.1	**0.04**	0.04
Securities premium	27.2	**45,754.07**	44,064.26
Retained earnings		**23,108.86**	17,328.59
General reserve	27.3	**26,640.11**	26,640.11
Special reserve no. I	27.4	**51.23**	51.23
Special reserve no. II	27.4 & 27.5	**20,516.95**	18,416.95
Statutory reserve	27.5	**6,427.42**	5,727.42
Shelter assistance reserve	27.6	**0.03**	0.07
Equity instruments through other comprehensive income		**(4,228.50)**	(5,182.62)
Effective portion of cash flow hedges	27.7	**80.02**	(198.28)
Cost of cash flow hedges	27.7	**(95.92)**	93.38
Share-based payment reserve	27.8	**1,327.05**	1,173.68
Money received against share warrants	26.6	**307.03**	307.03
Total		**1,19,888.39**	1,08,421.86

27.1 **Capital reserve:** The Corporation had forfeited equity shares on non payment of call money, profit on reissue of those shares were credited as Capital Reserve.

27.2 **Securities premium:** Share premium is credited when shares are issued at premium and with the fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Employee Stock Options Scheme. Share premium can be utilised only for limited purposes such as issuance of bonus shares or adjustment of share issue expenses, net of tax, as permissible under the Companies Act, 2013.

27.3 **General reserve:** It is a free reserve which is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.

27.4 **Special reserve (I & 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 Corporation.

Special reserve no. I relates to the amounts transferred upto the Financial Year 1996-97 in terms of Section 36(1)(viii) of the Income-tax Act.

Special reserve no. II relates to the amounts transferred after Financial Year 1996-97 in terms of Section 36(1)(viii) of the Income-tax Act.

27.5 **Statutory reserve:** As per Section 29C of the National Housing Bank Act, 1987 (the “NHB Act”), the Corporation is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared and no appropriation from the statutory reserves except for the purpose as may be specified by the National Housing Bank (NHB) from time to time and every such appropriation shall be reported to the NHB. For this purpose any Special Reserve created by the Corporation under Section 36(1)(viii) of the Income-tax Act, 1961 is considered to be an eligible transfer. The Corporation has transferred an amount of ₹ **2,100 Crore** (Previous Year ₹ 2,000 Crore) to Special Reserve No. II in terms of Section 36(1)(viii) of the Income-tax Act, 1961 and an amount of ₹ **700 Crore** (Previous Year ₹ 500 Crore) to “Statutory Reserve (as per Section 29C of the NHB Act)”.

Notes forming part of the standalone financial statements (Continued)

27.6 **Shelter assistance reserve:** It represents funding various development and grassroot level organisations for the purposes as mentioned in Schedule VI to the Companies Act, 2013 and in accordance with the Corporation's policy.

27.7 **Other comprehensive income:**

Effective portion of cash flow hedge: It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

Cost of hedge: It represent the cumulative charge for the derivative instrument, in the form of premium amortisation on option contracts and forward contracts taken, designated as cash flow hedges through OCI.

Reconciliation of movements in cash flow hedge / cost of hedge reserve

Particulars	₹ in Crore
(i) Cash flow hedge reserve	
As at March 31, 2020	(180.59)
Add: Changes in fair value of forward / currency swap contracts	(1,755.93)
Add: Changes in intrinsic value of foreign currency options	(564.83)
Add: Changes in fair value of foreign currency loans/ ECB/ ADB loans	2,297.12
Less: Deferred tax relating to above (net)	5.95
As at March 31, 2021	**(198.28)**
Add: Changes in fair value of forward / currency swap contracts	200.64
Add: Changes in intrinsic value of foreign currency options	-
Add: Changes in fair value of foreign currency loans/ ECB/ ADB loans	171.26
Less: Deferred tax relating to above (net)	(93.60)
As at March 31, 2022	**80.02**
(ii) Cost of hedge reserve	
As at March 31, 2020	18.98
Deferred time value of foreign currency options	99.42
Less: Deferred tax relating to above (net)	(25.02)
As at March 31, 2021	**93.38**
Deferred time value of foreign currency options	(252.97)
Less: Deferred tax relating to above (net)	63.67
As at March 31, 2022	**(95.92)**

27.8 **Share-based payment reserve:**

The Corporation has Employee stock option schemes under which the eligible employees and key management personnel are granted stock options. Stock options granted are measured at fair value on the grant date using Black-Scholes model and amortised over the vesting period as share based payment with corresponding credit in share-based payment reserve. On exercise of the stock options, balance in share-based payment reserve is transferred to securities premium account.

Notes forming part of the standalone financial statements (Continued)

28. Interest Income

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
On Financial assets measured at amortised cost		
Interest on loans	**41,044.17**	41,453.15
Interest Income from Investments	**2,107.74**	1,295.78
Interest on Deposits	**21.09**	18.20
Other Interest Income (net)	**118.85**	-
On Financial assets measured at FVTPL		
Interest Income from Investments	**1.50**	4.82
On Financial assets measured at FVOCI		
Interest income from investments	**3.86**	0.01
Total	**43,297.21**	**42,771.96**

28.1 The surplus on deployment in liquid instruments represents return on investments where underlying securities yield fixed income such as Government Securities / Treasury Bills, Commercial Paper and Certificate of Deposit.

28.2 In accordance with the RBI Circular No. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 and the methodology for calculation of interest on interest based on guidance issued by Indian Banks' Association, the Corporation had put in place a Board approved policy to refund / adjust interest on interest charged to borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020. During the current year, the Corporation has credited the required amount to the customers account.

29.1 Dividend income

Dividend income includes ₹ **918.48 Crore** (Previous Year ₹ 716.84 Crore) received from subsidiary companies and ₹ **562.00 Crore** (Previous Year : Nil) received from an associate company.

29.2 Rental income

Rental income includes ₹ **56.53 Crore** (Previous Year ₹ 52.13 Crore) from certain investment properties that were rented to external parties.

29.3 Fees and commission income

Fees and commission income includes ₹ **226.72 Crore** (Previous Year ₹ 193.98 Crore) received from related parties.

Notes forming part of the standalone financial statements (Continued)

29.4 Net gain on fair value changes

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net gain on financial instruments at FVTPL - Investments	**938.83**	956.80
Net gain/ (loss) on financial instruments measured at amortised cost - Others	**(0.36)**	(0.32)
Total Net gain on fair value changes	**938.47**	956.48
Fair value changes:		
- Realised	**152.75**	49.22
- Unrealised	**785.72**	907.26
Total Net gain on fair value changes	**938.47**	**956.48**

29.5 Profit on sale of investments and investment property (net)

29.5.1 During the year, the Corporation has sold 44,12,000 equity shares of HDFC ERGO General Insurance Company Limited (HDFC ERGO) resulting in a pre tax gain of ₹ **208.85 Crore**. As at March 31, 2022, the Corporation's equity shareholding in HDFC ERGO stood at 49.98% which is in compliance with the RBI requirement to reduce its shareholding to 50 percent or below.

29.5.2 During the year, the Corporation has sold its entire Investment in equity shares of Good Host Spaces Private Limited an associate, as a result pre tax profit on sale of investment of ₹ **54.17 Crore** has been recognised.

29.5.3 During the previous year, the Corporation has sold 2,85,48,750 equity shares of HDFC Life Insurance Company Limited (HDFC Life), in two tranches in May 2020 and November 2020, to comply with the RBI direction to reduce the shareholding in HDFC Life to 50 percent or below. As a result, a pre tax profit on sale of investments of ₹ 1,397.69 Crore has been recognised.

29.5.4 During the year, the Corporation has sold certain Investment Property resulting in loss of ₹ **3.72 Crore** (Previous Year ₹ 2.20 Crore).

29.6 Income on derecognised (assigned) loans

The Corporation has derecognised Individual loans of ₹ **28,455.26 Crore** and Non-Individual loan of ₹ **1,500.00 Crore** (Previous Year Individual loan of ₹ 18,979.78 Crore) (measured at amortised cost) on account of assignment transactions resulting in total income of ₹ **1,056.00 Crore** (Previous Year ₹ 1,190.25 Crore) including upfront gains of ₹ **606.50 Crore** (Previous Year ₹ 706.72 Crore).

As at March 31, 2022, the outstanding amount in respect of individual loans sold was ₹ **83,880.24 Crore** (Previous Year ₹ 71,420.87 Crore). The Corporation continues to service these loans.

Notes forming part of the standalone financial statements (Continued)

30. Finance cost

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
On financial liabilities measured at amortised cost		
Interest on debt securities	**10,422.29**	11,294.78
Interest on term loan borrowings	**5,805.25**	6,167.90
Interest on deposits	**9,867.05**	10,450.08
Interest on subordinated liabilities	**365.69**	455.69
Interest expenses on leased properties	**15.88**	15.03
Other charges	**263.05**	231.28
Total finance costs	**26,739.21**	**28,614.76**

30.1 Finance cost for the year include foreign currency exchange loss of ₹ **0.35 Crore** (Previous Year ₹ 2.48 Crore), further Refer Note 43.6.1.3 Hedging Policy.

31. Impairment on financial instruments (Expected credit loss)

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
On financial assets measured at amortised cost		
Loans	**1,946.27**	2,948.26
Investments	**0.53**	0.07
Others financial assets including intercorporate - deposits	**(14.80)**	(0.33)
Total	**1,932.00**	**2,948.00**

31.1 Impairment on loans excludes impairment of ₹ **335.00 Crore** (Previous Year ₹ 468.00 Crore) relating to interest on credit impaired assets, which is netted off from interest income in accordance with Ind AS 109 on Financial Instruments.

31.2 Refer Note 9.5 for details relating to movement in expected credit loss on loans.

32. Employee benefits expenses

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and bonus	**573.20**	496.57
Contribution to provident and other funds (refer note 37)	**64.95**	61.38
Staff training and welfare expenses	**32.40**	17.74
Share based payments to employees (refer note 41)	**390.24**	338.42
Total	**1,060.79**	**914.11**

32.1 The Parliament had approved the Code on Social Security, 2020 which may impact the contribution by the Corporation towards Provident Fund and Gratuity. The effective date, from which the changes are applicable, is yet to be notified and the rules for quantifying the financial impact are yet to be framed. The Corporation will complete its evaluation and will give appropriate impact in the financial result for the period in which, the Code becomes effective and the related rules to determine the financial impact are notified.

Notes forming part of the standalone financial statements (Continued)

33. Other Expenses

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Establishment expenses		
Rent	**0.99**	0.50
Rates and taxes	**7.57**	4.50
Repairs and maintenance - buildings	**8.25**	6.59
General office expenses	**4.95**	3.96
Electricity charges	**17.83**	15.05
Insurance charges	**2.72**	1.92
Sub Total	**42.31**	32.52
Other Expenses		
Travelling and conveyance	**12.54**	7.80
Printing and stationery	**11.78**	9.71
Postage, telephone and fax	**39.04**	33.48
Advertising	**44.44**	37.25
Business development expenses	**35.59**	39.07
Loan processing expenses	**89.30**	71.47
Manpower outsourcing	**97.98**	73.04
Repairs and maintenance - other than buildings	**13.39**	10.69
Office maintenance	**61.09**	53.24
Legal expenses	**42.55**	32.22
Computer expenses	**60.26**	43.81
Directors' fees and commission	**8.06**	6.92
Auditors' remuneration (refer note 33.3)	**6.67**	6.15
CSR expenditure (refer note 33.4)	**190.53**	189.82
Miscellaneous expenses	**84.07**	77.93
Sub Total	**797.29**	692.60
Total	**839.60**	725.12

33.1 Direct operating expenses arising from investment property

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1. Direct operating expenses arising from investment property that generated rental income	**3.32**	2.39
2. Direct operating expenses arising from investment property that did not generate rental income	**1.36**	1.61
Total	**4.68**	**4.00**

33.2 Operating Leases

In accordance with the Indian Accounting Standard (Ind AS) 116 on 'Leases', the following disclosures in respect of Operating Leases are made:

The Corporation has acquired some of the office premises on operating lease basis for periods ranging from 1 year to 5 years.

Notes forming part of the standalone financial statements (Continued)

33.2.1 Rights of use assets

Right of use assets relates to office premises obtained on leases that are presented within property, plants and equipments.

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	**175.07**	194.46
Addition for the year	**162.87**	55.30
Deletion during the year	**(7.07)**	(7.78)
Depreciation charge for the year (Net of deduction)	**(71.34)**	(66.91)
Closing balance	**259.53**	**175.07**

33.2.2 Amount recognised in Statement of Profit & Loss towards operating leases

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on lease liabilities	**15.88**	15.03
Depreciation charge for the year	**75.55**	70.32
Total	**91.43**	85.35

Cash outflow on account of lease payment is ₹ **85.88 Crore** (Previous Year ₹ 78.79 Crore).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments after the reporting period.

₹ in Crore

Period	As at March 31, 2022	As at March 31, 2021
Not later than one year	**78.88**	66.64
Later than one year but not later than three years	**108.87**	82.92
Later than three years but not later than five years	**69.80**	45.39
Later than five years	**78.99**	31.01
Total	**336.54**	225.96

33.3 Auditors' remuneration (including fees paid to previous statutory auditors)

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Audit / review fee*	**4.70**	4.60
Tax audit	**1.15**	0.75
Other matters and certification	**0.82**	2.04
Sub Total	**6.67**	7.39
Less: Certification fees in respect of Qualified Institutional Placements (QIP) issue of equity shares, charged to securities premium.	-	1.24
Total	**6.67**	6.15

* Includes audit fees of ₹ **2.50 Crore** (Previous Year ₹ 2.45 Crore) and fees for quarterly limited review of ₹ **2.20 Crore** (Previous Year ₹ 2.15 Crore). Auditors' remuneration is excluding Goods and Service Tax (GST).

Notes forming part of the standalone financial statements (Continued)

33.4 As per Section 135 of the Companies Act, 2013, the Corporation is required to spent an amount of ₹ **190.41 Crore** on Corporate Social Responsibility (CSR) activities during the year (Previous Year ₹ 169.21 Crore).

33.5 The Board of Directors of the Corporation has approved ₹ **194.03 Crore** towards CSR (Previous Year ₹ 189.82 Crore, including brought forward CSR obligation of FY 2015-16 ₹ 20.06 Crore), which was spent during the year.

33.6 The details of amount spent towards CSR are as under:

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Construction/acquisition of any asset*	**79.57**	44.41
b) On purposes other than (a) above	**114.46**	145.41

* Includes capital assets amounting to ₹ **16.36 Crore** (Previous Year ₹ 39.46 Crore) under construction.

33.7 The Corporation has paid ₹ **163.01 Crore** (Previous Year ₹ 112.73 Crore) for CSR expenditure to H. T. Parekh Foundation, a section 8 company under Companies Act, 2013, controlled by the Corporation.

33.8 The Corporation does not have any unspent amount as on March 31, 2022.

33.9 Excess amount spent as per Section 135 (5) of the Companies Act, 2013.

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance *	-	20.06
Amount required to be spent during the year	**190.53**	169.21
Amount spent during the year **	**194.03**	189.82
Closing balance - excess amount spent	**3.50**	0.55

* brought forward CSR obligation of FY 2015-16 ₹ 20.06 Crore in Previous Year.

** Includes surplus arising out of the CSR projects or programmes or activities of ₹ **0.12 Crore** (Previous Year ₹ Nil).

33.10 Details of ongoing projects for financial year 2021-22

₹ in Crore

Particulars	With Corporation	In Separate CSR Unspent A/c
Opening balance	-	-
Amount required to be spent during the year	58.61	-
Amount spent during the year	58.61	-
Closing balance	-	-

33.11 Details of ongoing projects for financial year 2020-21

₹ in Crore

Particulars	With Corporation	In Separate CSR Unspent A/c
Opening balance	-	-
Amount required to be spent during the year	87.38	-
Amount spent during the year	87.38	-
Closing balance	-	-

Notes forming part of the standalone financial statements (Continued)

34. Other comprehensive income

₹ in Crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Changes in fair value of FVOCI equity instruments	**(37.23)**	1,807.19
Remeasurements of post-employment benefit obligations	**(7.02)**	8.42
Total	**(44.25)**	1,815.61
Income tax relating to these items	**(10.89)**	(138.09)
Items that may be reclassified to profit or loss		
Deferred gains/(losses) on cash flow hedges	**371.89**	(23.64)
Deferred costs of hedging	**(252.96)**	99.41
Total	**118.93**	75.77
Income tax relating to these items	**(29.93)**	(19.07)
Other comprehensive income for the year, net of tax	**33.86**	1,734.22

34.1 During the year, the Corporation has sold investment in equity share classified as FVOCI amounting to ₹ **991.03 Crore** (Previous Year ₹ 45.38 Crore) and earned profit of ₹ **44.85 Crore** (Previous Year earned a profit of ₹ 34.06 Crore) [refer Statement of Changes in Equity].

35. Earnings per Share:

In accordance with the Ind AS 33 on 'Earnings per share':

In calculating the Basic Earnings Per Share, the Profit After Tax of ₹ **13,742.18 Crore** (Previous Year ₹ 12,027.30 Crore) has been adjusted for amounts utilised out of Shelter Assistance Reserve of ₹ **0.04 Crore** (Previous Year ₹ 0.03 Crore).

The reconciliation between the Basic and the Diluted Earnings Per Share is as follows:

Amount in ₹

Particulars	Current Year	Previous Year
Earnings per share - Basic	**76.01**	67.77
Dilution effect of outstanding stock options & warrants	**(0.81)**	(0.57)
Earnings per share - Diluted	**75.20**	67.20

The basic earnings per share has been computed by dividing the adjusted profit after tax by the weighted average number of equity shares for the respective periods; whereas the diluted earnings per share has been computed by dividing the adjusted profit after tax by the weighted average number of equity shares, after giving dilutive effect of the outstanding stock options and warrants for the respective periods. The relevant details as described above are as follows:

Number in Crore

Particulars	Current Year	Previous Year
Weighted average number of shares for computation of earnings per share - Basic	**180.80**	177.48
Diluted effect of outstanding stock options & warrants	**1.93**	1.50
Weighted average number of shares for computation of earnings per share - Diluted	**182.73**	178.98

Notes forming part of the standalone financial statements (Continued)

36. Segment reporting

The Corporation's main business is financing by way of loans for the purchase or construction of residential houses, commercial real estate and certain other purposes, in India. All other activities of the Corporation revolve around the main business. As such, there are no separate reportable segments, as per the Indian Accounting Standard (Ind AS) 108 on 'Segment Reporting'.

37. Employee benefit plan

37.1 Defined contribution plan

The Corporation has recognised ₹ **15.07 Crore** (Previous Year ₹ 14.36 Crore) for superannuation contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Corporation are at rates specified in the rules of the schemes.

A separate trust fund is created to manage the superannuation plan and the contribution to the trust fund is done in accordance with Rule 87 of the Income Tax Rules, 1962.

37.2 Defined benefit plans

Provident fund

The fair value of the assets of the provident fund and the accumulated members' corpus is ₹ **679.45 Crore** and ₹ **666.06 Crore** respectively (Previous Year ₹ 597.96 Crore and ₹ 583.60 Crore respectively). In accordance with an actuarial valuation, there is no deficit in the interest cost as the present value of the expected future earnings on the fund is more than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of 8.10%. The actuarial assumptions include discount rate of **7.25%** (Previous Year 6.82%) and an average expected future period of **14 years** (Previous Year 14 years). Expected guaranteed interest rate (weighted average yield) is **8.07%** (Previous Year 8.83%).

The Corporation has recognised ₹ **30.01 Crore** (Previous Year ₹ 25.79 Crore) for provident fund contributions in the statement of profit and loss. The contributions payable to these plans by the Corporation are at rates specified in the rules of the schemes.

Gratuity

The Corporation has a defined benefit gratuity plan in India for its employees (funded). The Corporation's gratuity plan 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.

During the year, there were no plan amendments and curtailments.

A separate trust fund is created to manage the Gratuity plan and the contribution to the trust fund is done in accordance with Rule 103 of the Income Tax Rules, 1962.

Notes forming part of the standalone financial statements (Continued)

Risks associated with defined benefit plan

Provident Fund and Gratuity is a defined benefit plan and Corporation is exposed to the following risks:

Interest rate risk: A fall in the discount rate, which is linked to the Government Securities rate, will increases the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level may 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 (ALM) risk: The plan faces the ALM risk as to matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, it 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.

Other post retirement benefit plan

The details of the Corporation's post-retirement benefits plans for its employees including whole-time directors are given below which is as certified by the actuary and relied upon by the auditors:

The principal assumptions used for the purpose of the actuarial valuation are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	**7.25%**	6.82%
Return on plan assets	**7.25%**	6.82%
Salary escalation	**6.00%**	6.00%

The estimate of future salary increase, considered in the actuarial valuation takes account of inflation, seniority, promotion and other relevant factors.

Amount recognised in Statement of Profit and Loss in respect of these defined benefit plans are as follows.

₹ in Crore

Particulars	Current Year	Previous Year
Service cost:		
Current service cost	**16.79**	16.43
Interest cost	**5.09**	6.81
Components of defined benefit costs recognised in profit or loss	**21.88**	23.24
Remeasurement on the net defined benefit liability:		
Actuarial (gains)/losses on obligation for the period	**3.19**	(11.92)
Return on plan assets, excluding interest income	**3.83**	3.50
Components of defined benefit costs recognised in other comprehensive income	**7.02**	(8.42)
Total	**28.90**	14.82

Notes forming part of the standalone financial statements (Continued)

The current service cost and the net interest expense for the year are included in the 'Employee benefits expenses' line item in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the Corporation's obligation in respect of its defined benefits plan is as follows:

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of funded / unfunded defined benefit obligation	**375.06**	348.83
Fair value of plan assets	**289.05**	274.18
Net liability arising from defined benefit obligation	**86.01**	74.65

Movement in the present value of the defined benefit obligation are as follows:

₹ in Crore

Particulars	Current Year	Previous Year
Opening defined benefit obligation	**348.83**	337.87
Current service cost	**16.79**	16.43
Interest cost	**23.79**	23.11
Benefits paid	**(17.54)**	(16.66)
Actuarial (gains)/losses - due to change in financials assumptions	**(4.87)**	5.63
Actuarial (gains)/losses - due to experience	**8.06**	(17.55)
Closing defined benefit obligation	**375.06**	348.83
Liability at the end of the year ₹ **375.06 Crore** (Previous Year ₹ 348.83 Crore) includes ₹ **79.55 Crore** (Previous Year ₹ 78.46 Crore) in respect of an unfunded plan.		

Movement in the fair value of the plan assets are as follows.

₹ in Crore

Particulars	Current Year	Previous Year
Opening fair value of plan assets	**274.18**	238.21
Expected return on plan assets	**18.70**	16.29
Contributions by the Corporation	**-**	23.18
Actuarial loss on plan assets	**(3.83)**	(3.50)
Closing fair value of plan assets	**289.05**	274.18

Investment Pattern:

% Invested

Particulars	As at March 31, 2022	As at March 31, 2021
Central Government securities	**3.68**	2.13
State Government securities/securities guaranteed by State/Central Government	**28.34**	27.80
Public Sector/Financial Institutional Bonds	**6.12**	6.46
Private Sector Bonds	**19.24**	19.88
Special Deposit Scheme	**0.76**	0.80
Insurance Fund	**34.07**	35.45
Others (including bank balances)	**7.79**	7.48
Total	**100.00**	100.00

Notes forming part of the standalone financial statements (Continued)

Sensitivity analysis - gratuity fund

₹ in Crore

Particulars	Current Year	Previous Year
Projected Benefit Obligation on Current Assumptions	**295.49**	270.36
Delta Effect of +1% Change in Rate of Discounting	**(18.04)**	(16.45)
Delta Effect of -1% Change in Rate of Discounting	**20.70**	18.95
Delta Effect of +1% Change in Rate of Salary Increase	**20.76**	18.92
Delta Effect of -1% Change in Rate of Salary Increase	**(18.40)**	(16.72)
Delta Effect of +1% Change in Rate of Employee Turnover	**1.59**	0.86
Delta Effect of -1% Change in Rate of Employee Turnover	**(1.81)**	(0.99)

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.

The weighted average duration of the Defined Benefit Obligation as at March 31, 2022 is **8 years** (Previous Year : 8 years).

Funding arrangement and policy

The contribution by the Corporation to fund the liabilities of the plan has to be invested. The trustees of the plan are required to invest the funds as per the prescribed pattern of investments laid out in the income tax rules for such approved schemes. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to actively manage liquidity risk.

Estimated amount of contribution expected to be paid to the fund during the annual period being after the Balance Sheet date is ₹ **23.87 Crore** (Previous Year ₹ 12.95 Crore).

Projected benefits payable in future years

₹ in Crore

Particulars	**Current Year**	Previous Year
1st Following Year	**50.54**	54.05
2nd Following Year	**25.94**	27.63
3rd Following Year	**23.08**	21.52
4th Following Year	**45.86**	18.74
5th Following Year	**21.34**	27.35
Sum of Years 6 to 10	**88.58**	78.30
Sum of Years 11 and above	**298.13**	258.24

Compensated absences

The actuarial liability of compensated absences of privilege leave of the employees of the Corporation is ₹ **153.53 Crore** (Previous Year ₹ 143.05 Crore).

Notes forming part of the standalone financial statements (Continued)

38. Share-based payments

38.1 The details of the various stock options granted to employees pursuant to the Corporation's Stock Options Schemes and outstanding as on date are as under:

Particulars	ESOS-20	ESOS-17	ESOS-14	ESOS-08	ESOS-07
Plan period	2020-24	2017-20	2014-17	2008-11	2007-10
Quantum of Options	4,40,96,531	5,09,10,564	62,73,064	57,90,000	54,56,835
Equivalent number of shares of FV of ₹ 2 per share	4,40,96,531	5,09,10,564	3,13,65,320	2,89,50,000	2,72,84,175
Method of Accounting	Fair Value	Fair Value	Intrinsic value^	Intrinsic value^	Intrinsic value^
Vesting period	1-4 years	1-3 years	1-3 years	1-3 years	1-3 years
Vesting condition(s)	Continued employment	Continued employment	Continued employment	Continued employment	Continued employment
Exercise period	5 Years from date of Vesting	5 Years from date of Vesting	5 Years from date of Vesting	5 Years from date of Vesting	5 Years from date of Vesting
Grant date	04-Sep-20 02-Feb-21 26-Jul-21 29-Jan-22 22-Mar-22	01-Jun-17 30-Oct-17 29-Jan-18 16-Mar-18 02-Aug-19	08-Oct-14	25-Nov-08	12-Sep-07
Grant / Exercise price (₹ per Option)	₹ 1,808.75 to ₹ 2,579.25	₹ 1,569.85 to ₹ 2,086.80	₹ 5,073.25	₹ 1,350.60	₹ 2,149.00
Value of Equity Shares as on date of Grant of Original Option (₹ per share)	₹ 1,808.75 to ₹ 2,579.25	₹ 1,569.85 to ₹ 2,086.80	₹ 5,073.25	₹ 1,350.60	₹ 2,149.00

^ since vested prior to Ind AS transition date of April 1, 2017

38.2 Method used for accounting for share based payment plan

The stock options granted to employees pursuant to the Corporation's Stock options Schemes, are measured at the fair value of the options at the grant date using Black-Scholes model for grants given and vested after the Ind AS transition date of April 1, 2017. The fair value of the options determined at grant date is recognised as employee compensation cost over the vesting period on straight line basis over the period of option, based on the number of grants expected to vest, with corresponding increase in equity.

38.3 Movement during the year in the options under ESOS-20, ESOS-17, ESOS-14, ESOS-11, ESOS-08 and ESOS-07

Details of activity in the options as at March 31, 2022

Number of options

Particulars	ESOS-20	ESOS-17	ESOS-14*	ESOS-08*	ESOS-07*
Outstanding at the beginning of the year	38,189,944	30,510,943	13,977	4,874	5,287
Granted during the year	2,66,000	-	-	-	-
Exercised during the year	13,42,515	76,81,003	11,665	-	-
Lapsed during the year	3,36,905	14,045	29	-	-
Outstanding at the end of the year	3,67,76,524	2,28,15,895	2,283	4,874	5,287
Unvested at the end of the year	1,99,49,473	1,57,000	-	-	-
Exercisable at the end of the year	1,68,27,051	2,26,58,895	2,283	4,874	5,287
Weighted average price per option (₹)	1,813.68	1,573.22	5,073.25	1,350.60	2,149.00
Weighted average remaining contractual life (years)	5.02	1.26	0.13	-	-

Notes forming part of the standalone financial statements (Continued)

Details of Activity in the options as at March 31, 2021

Number of options

Particulars	ESOS-20	ESOS-17	ESOS-14*	ESOS-11*	ESOS-08*	ESOS-07*
Outstanding at the beginning of the year	-	3,68,40,914	1,771,361	839	4,874	5,287
Granted during the year	3,84,21,531	-	-	-	-	-
Exercised during the year	-	62,87,028	1,757,168	839	-	-
Lapsed during the year	2,31,587	42,943	216	-	-	-
Outstanding at the end of the year	3,81,89,944	3,05,10,943	13,977	-	4,874	5,287
Unvested at the end of the year	3,81,89,944	1,57,000	-	-	-	-
Exercisable at the end of the year	-	3,03,53,943	13,977	-	4,874	5,287
Weighted average price per option (₹)	1,809.25	1,573.22	5,073.25	3,177.50	1,350.60	2,149.00
Weighted average remaining contractual life (years)	5.99	2.25	0.85	-	-	-

* With effect from August 21, 2010, the nominal face value of equity shares of the Corporation was sub-divided from ₹ 10 per share to ₹ 2 per share. Each option exercised under ESOS-07, ESOS-08, ESOS-11 and ESOS-14 entitles 5 equity shares of ₹ 2 each. An option exercised under ESOS-17 and ESOS-20 entitles 1 equity share of ₹ 2 each.

38.4 Fair value methodology

The fair value of options have been estimated on the date of grant using Black-Scholes model as under:

The key assumptions used in Black-Scholes model for calculating fair value under ESOS-2020, ESOS-2017, ESOS-2014, ESOS-2011, ESOS-2008 and ESOS-2007, as on the date of grant, are as follows:

Particulars	ESOS-2020*	ESOS-2017*	ESOS-2014	ESOS-2011	ESOS-2008	ESOS-2007
Risk-free interest rate (p.a.)	4.33%	6.62%	8.28%	8.06%	6.94%	7.70%
Expected life	Upto 4 years	Upto 3 years	Upto 3 years	Upto 2 years	Upto 2 years	Upto 2 years
Expected volatility of share price	21%	16%	15%	15%	29%	19%
Expected growth in dividend (p.a.)	20%	20%	20%	20%	20%	20%
The weighted average fair value, as on the date of grant (per Stock Option)	₹ 221.84	₹ 275.40	₹ 1,035.91	₹ 474.56	₹ 238.79	₹ 307.28

The key assumptions used in Black-Scholes model for calculating fair value under ESOS-2020 granted during the year, are as follows:

Particulars	ESOS-2020 (Tranch - III)	ESOS-2020 (Tranch - IV)	ESOS-2020 (Tranch - V)
Financial Year	2021-22	2021-22	2021-22
Risk-free interest rate (p.a.)	5.41% - 5.84%	5.91% - 6.30%	6.00% - 6.41%
Expected life	Upto 5 years	Upto 5 years	Upto 5 years
Expected volatility of share price	20.55%	20.31%	23.96%
Dividend Yield (p.a.)	1.01%	1.01%	1.01%
The weighted average fair value, as on the date of grant (per Stock Option)	₹ 441.05	₹ 461.78	₹ 481.40

Volatility is a measure of the amount by which price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in Black-Scholes Model is the annualised standard deviation of the continuously compounded rates of return on stock over a period of time.

* The stock based compensation expense determined under fair value based method and charged to the Statement of Profit and Loss is ₹ **390.24 Crore** (Previous Year ₹ 338.42 Crore).

Notes forming part of the standalone financial statements (Continued)

39. 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 after factoring in rollover and prepayment assumptions.

₹ in Crore

ASSETS	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	**After 12 months**	**Total**	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	565.49	-	565.49	769.97	-	769.97
Bank balance other than (a) above	226.99	0.45	227.44	317.42	57.36	374.78
Derivative financial instruments	153.54	1,169.26	1,322.80	417.14	1,737.34	2,154.48
Trade receivables	178.65	-	178.65	155.38	-	155.38
Loans	92,318.00	4,62,544.51	5,54,862.51	75,578.52	4,09,715.74	4,85,294.26
Investments	46,349.26	22,242.96	68,592.22	47,158.97	21,477.80	68,636.77
Other financial assets	2,340.14	3,233.40	5,573.54	1,325.98	2,055.44	3,381.42
Non-current financial assets held for sale	-	-	-	156.46	-	156.46
Non-financial assets						
Current tax asset	-	2,617.55	2,617.55	-	2,356.88	2,356.88
Deferred tax assets (net)	-	1,549.88	1,549.88	-	1,655.30	1,655.30
Investment property	-	2,685.74	2,685.74	-	840.57	840.57
Property, plant and equipment	-	1,073.94	1,073.94	-	986.42	986.42
Other intangible assets	-	369.91	369.91	-	369.46	369.46
Other non-financial assets	178.34	1,020.24	1,198.58	331.64	-	331.64
Non-current non-financial assets held for sale	44.21	-	44.21	134.79	-	134.79
Total assets	**1,42,354.62**	**4,98,507.84**	**6,40,862.46**	**1,26,346.27**	**4,41,252.31**	**5,67,598.58**
LIABILITIES						
Financial Liabilities						
Derivative financial instruments	10.59	3,813.77	3,824.36	69.87	1,590.99	1,660.86
Trade payables	344.17	-	344.17	339.15	-	339.15
Debt securities	23,596.46	1,72,333.17	1,95,929.63	26,807.35	1,55,247.38	1,82,054.73
Borrowings (Other than debt securities)	28,612.94	1,11,238.81	1,39,851.75	17,047.12	88,132.06	1,05,179.18
Deposits	48,527.33	1,12,372.43	1,60,899.76	55,400.33	94,730.80	1,50,131.13
Subordinated liabilities	-	3,000.00	3,000.00	1,000.00	3,000.00	4,000.00
Other financial liabilities	11,848.93	2,678.76	14,527.69	10,729.15	2,262.55	12,991.70
Non-financial liabilities						
Current tax liabilities (net)	441.30	-	441.30	441.29	-	441.29
Provisions	270.02	-	270.02	251.29	-	251.29
Other non-financial liabilities	1,454.90	67.88	1,522.78	1,156.90	609.70	1,766.60
Total liabilities	**1,15,106.64**	**4,05,504.82**	**5,20,611.46**	**1,13,242.45**	**3,45,573.48**	**4,58,815.93**
Net assets	**27,247.98**	**93,003.02**	**1,20,251.00**	**13,103.82**	**95,678.83**	**1,08,782.65**

40. Contingent liabilities and commitments

40.1 The Corporation is involved in certain appellate, judicial and arbitration proceedings (including those described below) concerning matters arising in the normal course of business including claims from revenue authorities, customers, contingencies arising from having issued guarantees to lenders or to other entities. The proceedings in respect of these matters are in various stages. Management has assessed the possible obligations arising from such claims against the Corporation, in accordance with the requirements of Indian Accounting Standard (Ind AS) 37 and based on judicial precedents, consultation with lawyers or based on its historical experiences. Accordingly, Management is of the view that based on currently available information, no provision in addition to that already recognised in its financial statements is considered necessary in respect of the above.

Notes forming part of the standalone financial statements (Continued)

40.2 Given below are amounts in respect of claims asserted by revenue authorities and others:

(a) Contingent liability in respect of income-tax demands, net of amounts provided for and disputed by the Corporation, amounts to ₹ **2,581.56 Crore** (Previous Year ₹ 2,064.18 Crore). The said amount has been paid/adjusted and will be received as refund if the matters are decided in favour of the Corporation.

(b) Contingent liability in respect of disputed dues towards wealth tax amounts to ₹ **0.11 Crore** (Previous Year ₹ 0.13 Crore).

(c) Contingent liability in respect of disputed dues towards Service tax not provided for by the Corporation amounts to ₹ **17.26 Crore** (Previous Year ₹ 0.80 Crore).

The Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above as plaintiffs / parties have not claimed an amount of money damages, the proceedings are in early stages and/or there are significant factual issues to be resolved.

The Management believes that the above claims made are untenable and is contesting them.

40.3 Contingent liability in respect of guarantees and undertakings comprise of the following:

a) Guarantees outstanding ₹ **367.83 Crore** (Previous Year ₹ 299.50 Crore).

b) Corporate undertakings for securitisation and assignment of loans aggregated to ₹ **1,152.72 Crore** (Previous Year ₹ 1,152.68 Crore). The outflows would arise in the event of a shortfall, if any, in the cash flows of the pool of the securitised and assigned loans.

In respect of these guarantees and undertaking, the Management does not believe, based on currently available information, that the maximum outflow that could arise, will have a material adverse effect on the Corporation's financial condition.

40.4 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ **345.55 Crore** (Previous Year ₹ 297.33 Crore).

40.5 Estimated amount of investment commitment on venture fund and alternative investment fund is ₹ **978.72 Crore** (Previous Year ₹ 564.59 Crore).

41. Movement in Impairment loss allowance (Expected Credit Loss)

Particulars	₹ in Crore
As at March 31, 2020	**10,997.86**
Arising during the year	3,416.00
Utilised during the year	(1,371.97)
As at March 31, 2021	**13,041.89**
Arising during the year	2,267.00
Utilised during the year	(1,784.26)
As at March 31, 2022	**13,524.63**

The Corporation has made provision towards loans and advances, trade receivable, investments, inter corporate deposits and other financial assets.

Impairment on loans arising during the years includes impairment of ₹ **335.00 Crore** (Previous Year ₹ 468.00 Crore) relating to interest on stage 3 accounts (credit impaired assets), which is netted off from interest income in the Statement of Profit and Loss.

Notes forming part of the standalone financial statements (Continued)

42. Related party disclosures as per Ind AS 24 - Related Party Disclosures

Subsidiary Companies	HDFC Life Insurance Company Ltd. HDFC Pension Management Company Ltd. (Subsidiary of HDFC Life Insurance Company Ltd.) HDFC International Life and Re Company Ltd. (Subsidiary of HDFC Life Insurance Company Ltd.) Exide Life Insurance Company Ltd. (Subsidiary of HDFC Life Insurance Company Ltd.) w.e.f. January 1, 2022 HDFC ERGO General Insurance Company Ltd. HDFC ERGO Health Insurance Ltd. (w.e.f. January 9, 2020, merged with HDFC ERGO General Insurance Company Ltd. with effect from November 13, 2020) HDFC Asset Management Company Ltd. HDFC Credila Financial Services Ltd. HDFC Trustee Company Ltd. HDFC Capital Advisors Ltd. HDFC Holdings Ltd. HDFC Investment Ltd. HDFC Sales Pvt. Ltd. HDFC Education and Development Services Pvt. Ltd. HDFC Property Ventures Ltd. HDFC Venture Capital Ltd. HDFC Venture Trustee Company Ltd. Griha Pte Ltd. (Subsidiary of HDFC Investments Ltd.) Griha Investments (Subsidiary of HDFC Holdings Ltd.) HDFC Investment Trust (HIT) HDFC Investment Trust - II (HIT-II)
Associate Companies	HDFC Bank Ltd. True North Ventures Private Ltd. (up to March 9, 2022) Good Host Spaces Pvt. Ltd. (upto April 22, 2021) HDB Financial Services Ltd. (Subsidiary of HDFC Bank Ltd.) HDFC Securities Ltd. (Subsidiary of HDFC Bank Ltd.) Magnum Foundations Private Ltd. (Associate of HDFC Property Ventures Ltd.) (upto February 23, 2021) Renaissance Investment Solutions ARC Private Ltd. (w.e.f. November 24, 2020)
Entities over which control is exercised	H. T. Parekh Foundation HDFC Employees Welfare Trust HDFC Employees Welfare Trust 2 Maharashtra 3E Education Trust 3E Education Trust
Key Management Personnel (Whole-time Directors)	Mr. Deepak S. Parekh (Chairman) Mr. Keki M. Mistry (Vice Chairman & CEO) Ms. Renu Sud Karnad (Managing Director) Mr. V. Srinivasa Rangan (Executive Director & Chief Financial Officer)

Notes forming part of the standalone financial statements (Continued)

Key Management Personnel (Non-executive Directors)	Mr. Nasser Munjee (up to July 20, 2021) Dr. J. J. Irani (up to July 20, 2021) Mr. U. K. Sinha Mr. Jalaj Dani Dr. Bhaskar Ghosh Ms. Ireena Vittal Mr. P. R. Ramesh (w.e.f. August 2, 2021) Mr. Rajesh Narain Gupta (w.e.f. August 2, 2021)
Relatives of Key Management Personnel (Whole-time Directors) *(where there are transactions)*	Mr. Singhal Nikhil Mr. Ashok Sud Mr. Bharat Karnad
Relatives of Key Management Personnel (Non-executive Directors) *(where there are transactions)*	Ms. Smita D. Parekh Mr. Aditya D. Parekh Mr. Siddharth D. Parekh Ms. Harsha Shantilal Parekh Mrs. Niamat Mukhtar Munjee (up to July 20, 2021) Mr. Malav A. Dani Mrs. Geeta Varadan (w.e.f. August 2, 2021)
Entities where Directors/Close family members of Directors of the Corporation having control/ significant infiuence *(where there are transactions)*	Advaita Charitable Trust Ashwin Ina Charitable Trust Asian Paints Charitable Trust Dani Charitable Foundation Param Arth Charitable Trust Pious Charitable Trust Sir H N Hospital Trust Bai Avabai Beramji Charitable Foundation Sir Hurkisondas Nurrotamdas Hospital & Research Centre Sir Hurkisondas Nurrotamdas Medical Research Society
Post Employment Benefit Plan	Housing Development Finance Corporation Ltd. - Provident Fund Superannuation Fund of Housing Development Finance Corporation Ltd. Gratuity Fund of Housing Development Finance Corporation Ltd.

Compensation of Key Management Personnel of the Corporation

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Corporation and its employees. The Corporation includes the members of the Board of Directors which include independent directors (and its sub-committees) and Executive Committee to be key management personnel for the purposes of Ind AS 24 Related Party Disclosures.

Transactions with key management personnel of the Corporation

The Corporation enters into transactions, arrangements and agreements involving directors, senior management and their business associates, or close family members, in the ordinary course of business under the same commercial and market terms, interest and commission rates that apply to non-related parties.

Notes forming part of the standalone financial statements (Continued)

The Corporation's related party balances and transactions are summarised as follows:

₹ in Crore

Nature of related party	Nature of Transactions	March 31, 2022	March 31, 2021
Subsidiary	Dividend income	**918.48**	716.84
	Interest income	**1.50**	10.18
	Consultancy, fees & other income	**226.72**	193.98
	Rent income	**23.52**	23.55
	Deputation cost recovered	**6.63**	3.52
	Support cost recovered	**3.10**	2.75
	Other income	**0.39**	0.37
	Interest expense	**312.96**	272.57
	Other expenses/ payments (including DSA commission)	**663.71**	510.21
	Investments made	**4.50**	63.05
	Investments sold / redeemed	**91.16**	62.14
	Investments closing balance	**5,238.69**	5,306.50
	Trade receivable	**83.92**	71.93
	Other advances / receivables	**11.59**	14.46
	Purchase of fixed assets	**0.64**	0.02
	Deposits received	**189.72**	135.97
	Deposits repaid / matured	**127.74**	101.53
	Deposits closing balance	**115.93**	53.94
	Non-convertible debentures (Allotments under primary market/ received funds for partly paid up)	**100.00**	-
	Non-convertible debentures - redemption	**105.00**	109.00
	Non-convertible debentures - closing balance	**4,274.10**	4,075.00
	Other liabilities / payables	**244.94**	223.32
	Dividend paid	**2.63**	-
	Other income/ receipts	**1.35**	0.29
Associates ^	Dividend income	**562.00**	-
	Interest income	**21.03**	10.63
	Rent income	**1.30**	1.66
	Support cost recovered	**0.35**	0.39
	Assignment fees and other income	**597.86**	541.95
	Finance cost (derivative settlements)	**(135.12)**	(179.72)
	Interest expense	**0.20**	1.31
	Bank & other charges	**0.68**	1.33
	Other expenses/ payments (including DSA commission)	**452.58**	310.85
	Investments made	**0.25**	-
	Investments - closing balance	**14,050.49**	14,206.73
	Loans sold	**28,205.24**	18,979.78
	Loans given	**-**	11.00
	Loans - closing balance	**-**	11.00

Notes forming part of the standalone financial statements (Continued)

₹ in Crore

Nature of related party	Nature of Transactions	March 31, 2022	March 31, 2021
Associates ^	Bank deposits placed	**3,750.00**	1,100.00
	Bank deposits matured / withdrawn	**3,450.00**	910.00
	Bank balance and deposits closing balance	**650.39**	759.16
	Trade receivable	**2.01**	1.89
	Other advances / receivables	**185.41**	156.21
	Deposits received	**-**	100.00
	Deposits repaid / matured	**50.00**	50.00
	Deposits closing balance	**-**	50.00
	Other liabilities / payables	**62.34**	136.77
	Amounts payable - securitised / assigned loans	**363.58**	494.75
	Dividend paid	**0.30**	0.25
	Corporate undertakings for securitisation and assignment of loans	**1,054.88**	1,054.85
Entities over which control is exercised	Interest income	**1.31**	0.93
	Deputation cost recovered	**0.07**	0.06
	Interest expense	**0.71**	8.60
	Loans given	**6.70**	8.31
	Loans - closing balance	**19.31**	12.61
	CSR expenditure	**163.01**	112.73
	Deposits repaid / matured	**11.25**	140.00
	Deposits closing balance	**-**	11.25
	Other liabilities / payable	**-**	0.28
	Dividend paid	**0.14**	0.12
Entities over which Director/ closed family member of director having control/jointly control	Interest expense	**4.17**	-
	Deposits matured / repaid	**45.21**	-
	Deposits - closing balance	**46.51**	-
	Deposits received	**22.74**	-
	Other liabilities / payable	**0.43**	-
Post employment benefit plans of the Corporation or its related entities	Interest expense	**0.03**	0.11
	Contribution to provident fund & other funds	**61.60**	58.16
	Other advances / receivables	**0.23**	4.02
	Non-convertible debentures - redemption	**1.00**	0.80
	Non-convertible debentures - closing balance	**-**	1.00
	Other liabilities / payable	**6.43**	0.04
Key Management Personnel (Whole-time Directors)	Interest expense	**1.50**	1.22
	Remuneration #	**46.25**	40.42
	Share based payments $	**35.05**	30.71
	Loans repaid	**-**	0.02
	Deposits received	**0.24**	21.01
	Deposits repaid / matured	**0.04**	3.25
	Deposits - closing balance	**21.25**	21.05
	Interest accrued on deposits	**2.35**	1.01
	Dividend paid	**10.04**	7.73

Notes forming part of the standalone financial statements (Continued)

₹ in Crore

Nature of related party	Nature of Transactions	March 31, 2022	March 31, 2021
Key Management Personnel (Non whole-time Directors)	Interest expense	**0.02**	0.05
	Sitting fees	**1.21**	1.22
	Commission ^^	**6.85**	5.70
	Deposits received	**-**	1.00
	Deposits closing balance	**-**	1.00
	Dividend paid	**2.98**	2.47
Relatives of Key Management Personnel (Whole-time Directors)	Interest income	**0.02**	0.02
	Interest expense	**0.18**	0.09
	Loans repaid	**0.30**	0.03
	Loans - closing balance	**-**	0.30
	Deposits received	**0.35**	2.57
	Deposits repaid / matured	**-**	0.50
	Deposits - closing balance	**2.92**	2.57
	Other liabilities / payables	**0.23**	0.06
	Dividend paid	**1.51**	1.28
Relatives of Key Management Personnel (Non whole-time Directors)	Interest expense	**1.41**	1.36
	Deposits received	**6.48**	6.28
	Deposits repaid / matured	**6.29**	5.77
	Deposits closing balance	**18.30**	17.17
	Interest accrued on deposits	**2.31**	1.40
	Dividend paid	**3.70**	3.13

Notes:

All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis.

Expenses towards gratuity, pension, leave encashment and leave travel allowance provisions are determined actuarially on overall Corporation basis at the end of each year and, accordingly, have not been considered in the above information.

^ Bank balance in current account with Associate is a book overdraft and hence not reported as related party transaction.

^^ Commission is approved by the Board of Directors within the limit as approved by the shareholders of the Corporation and will be paid post adoption of annual accounts by the shareholders.

$ Employee related share based payment charged to Statement of Profit and Loss over the vesting period in accordance with Ind AS 102 is reported above. Accordingly, transactions relating to exercise of ESOPs and allotment of shares is not reported as a related party transaction.

Notes forming part of the standalone financial statements (Continued)

43. Financial Instruments

43.1 Capital Management

The Corporation actively manages the capital base to cover risks inherent in its business and ensure maintenance of capital adequacy requirement as prescribed by the RBI. As against the minimum capital requirement of 14% as prescribed by the regulator, the Corporation is well capitalised and the capital adequacy ratio of the Corporation as at March 31, 2022 stood at 22.82% (Refer Note 53.3.1). The Corporation has complied in full with all its externally imposed capital requirements over the reported period.

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Net debt	**4,99,115.65**	4,40,595.07
Total equity	**1,20,251.00**	1,08,782.65
Net debt to equity ratio	**4.15 : 1**	**4.05 : 1**

Particulars	As at March 31, 2022	As at March 31, 2021
Total debt to total assets [Debt securities + Borrowings (other than debt securities) + Deposits + Subordinated liabilities] / Total assets	**0.78**	0.78

Loan Covenants

The Corporation has complied with the covenants under the terms of the major borrowing facilities throughout the reporting period.

43.2 Financial Risk Management

The Corporation manages various risks associated with its business. These risks include liquidity risk, foreign exchange risk, interest rate risk and counterparty risk.

The Corporation manages the aforesaid risk, on an ongoing basis, in accordance with the framework under the Board approved policies such as Financial Risk Management policy, Asset Liability Management policy.

Liquidity risks are managed through a combination of strategies like managing tenors in line with the Asset Liability Management policy and adequate liquidity cover is maintained in line with the RBI's Liquidity Risk Management Framework. Interest rate risks are managed by entering into interest rate swaps. The currency risk on borrowings is actively managed mainly through a combination of currency swaps, forward contracts and option contracts. Counterparty risk is reviewed periodically to ensure that exposure to various counterparties is well diversified and within the limits fixed by the Derivative Committee. It is also managed by entering into collateralization arrangements with banking counterparties to the extent possible.

Notes forming part of the standalone financial statements (Continued)

43.3 Categories of Financial Instruments

₹ in Crore

Particulars	As at March 31, 2022			As at March 31, 2021		
	FVTPL	**FVOCI / Cash Flow Hedge Reserve**	**Amortised cost**	FVTPL	FVOCI / Cash Flow Hedge Reserve	Amortised cost
Financial assets						
Investments						
Mutual funds	**2,330.18**	**-**	**-**	16,497.02	-	-
Government securities	**-**	**-**	**36,906.05**	-	-	22,567.13
Equity shares	**1,321.20**	**6,018.08**	**-**	1,099.19	7,025.68	-
Preference shares	**-**	**-**	**3.84**	-	-	3.50
Debentures	**62.97**	**17.29**	**963.79**	33.57	32.85	803.50
Pass-through certificates	**-**	**-**	**14.32**	-	-	18.33
Security receipts	**139.49**	**-**	**-**	175.00	-	-
Investment in units of venture capital fund and alternate investment fund	**1,255.57**	**-**	**-**	996.74	-	-
Investment in units of REIT	**322.71**	**-**	**-**	79.44	-	-
Derivative financial assets	**674.20**	**648.60**	**-**	1,229.01	925.47	-
Trade receivables	**-**	**-**	**178.65**	-	-	155.38
Loans	**-**	**-**	**5,54,862.51**	-	-	4,85,294.26
Other financial assets	**-**	**-**	**5,573.54**	-	-	3,381.42
Total financial assets	**6,106.32**	**6,683.97**	**5,98,502.70**	**20,109.97**	**7,984.00**	**5,12,223.52**
Financial liabilities						
Derivative financial liabilities	**3,436.76**	**387.60**	**-**	1,306.58	354.28	-
Trade payables	**-**	**-**	**344.17**	-	-	339.15
Debt securities	**1,41,951.84**	**-**	**53,977.79**	93,148.58	-	88,906.15
Borrowings	**-**	**-**	**1,39,851.75**	-	-	1,05,179.18
Deposits	**-**	**-**	**1,60,899.76**	-	-	1,50,131.13
Subordinated liabilities	**-**	**-**	**3,000.00**	-	-	4,000.00
Other financial liabilities	**-**	**-**	**14,527.69**	-	-	12,991.70
Total financial liabilities	**1,45,388.60**	**387.60**	**3,72,601.16**	**94,455.16**	**354.28**	**3,61,547.31**

Note: The table above, does not include Cash and Cash Equivalents, Bank Balances, Investments in Subsidiaries and Associates carried at cost.

Notes forming part of the standalone financial statements (Continued)

43.3.1 **Fair Value Hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Corporation has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

₹ in Crore

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at March 31, 2022				
Financial assets				
Financial investments at FVTPL				
Mutual funds	2,330.18	-	-	2,330.18
Equity shares	842.86	-	478.34	1,321.20
Debentures	-	-	62.97	62.97
Security receipts	-	139.47	0.02	139.49
Investment in units of venture capital fund and alternate investment fund	-	-	1,255.57	1,255.57
Investment in units of REIT	322.71	-	-	322.71
Derivatives designated as fair value hedges				
- INR interest rate swaps	-	392.80	-	392.80
- USD interest swaps	-	281.40	-	281.40
Financial investments at FVOCI				
Equity shares	5,094.08	-	924.00	6,018.08
Debentures	-	-	17.29	17.29
Derivatives designated as cash flow hedges				
- Currency swaps	-	648.60	-	648.60
Total financial assets	**8,589.83**	**1,462.27**	**2,738.19**	**12,790.29**
Financial liabilities				
Debt securities	-	1,95,929.63	-	1,95,929.63
Derivatives designated as cash flow hedges				
- Interest rate swaps INR	-	3,436.76	-	3,436.76
- Interest rate swaps USD	-	0.64	-	0.64
- Forwards	-	8.44	-	8.44
- Currency swaps	-	378.52	-	378.52
Total financial liabilities	**-**	**1,99,753.99**	**-**	**1,99,753.99**

₹ in Crore

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
As at March 31, 2021				
Financial assets				
Financial investments at FVTPL				
Mutual funds	16,497.02	-	-	16,497.02
Equity shares	813.16	-	286.03	1,099.19

Notes forming part of the standalone financial statements (Continued)

₹ in Crore

Financial assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Debentures	-	-	33.57	33.57
Security receipts	-	174.70	0.30	175.00
Investment in units of venture capital fund	-	-	996.74	996.74
Investment in units of REIT	79.44	-	-	79.44
Derivatives designated as fair value hedges				
- Interest rate swaps	-	1,229.01	-	1,229.01
Financial investments at FVOCI				
Equity shares	6,294.71	-	730.97	7,025.68
Debentures	-	-	32.85	32.85
Derivatives designated as cash flow hedges				
- Currency swaps	-	925.47	-	925.47
Total financial assets	**23,684.33**	**2,329.18**	**2,080.46**	**28,093.97**
Financial liabilities				
Debt securities	-	1,82,054.73	-	1,82,054.73
Derivatives designated as cash flow hedges				
- Interest rate swaps INR	-	1,306.58	-	1,306.58
- Interest rate swaps USD	-	154.54	-	154.54
- Forwards	-	64.33	-	64.33
- Currency swaps	-	135.41	-	135.41
Total financial liabilities	-	**1,83,715.59**	-	**1,83,715.59**

There has been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2022 and 2021, other than those disclosed in note 43.3.4.

43.3.2 Valuation technique used to determine fair value

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Corporation determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method, market comparable method, recent transactions and other valuation models.

The Corporation measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) at fair value.

The Corporation 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.

Notes forming part of the standalone financial statements (Continued)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, units of mutual funds (open ended) and traded bonds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Valuation techniques with observable inputs (Level 2): The fair value of financial instruments that are not traded in an active market for example, Securities receipts, Mutual Funds (close ended) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2, this level of hierarchy includes financial assets, measured using inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data, this level of hierarchy includes unlisted equity instruments, venture fund units and security receipts.

43.3.3 Valuation Process - Equity Instrument Level 3

When the fair value of equity investments cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model, market comparable method and based on recent transactions happened in respective companies. The inputs to these models are taken from observable market where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain unquoted equity instruments, recent information is insufficient to measure fair value and cost, represents the best estimate of fair value. These investments in equity instruments are not held for trading.

Notes forming part of the standalone financial statements (Continued)

43.3.4 Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items

₹ in Crore

Particulars	Equity Shares	Preference Shares	Debentures	Venture Funds	Security Receipts	Total
As at March 31, 2020	**1,438.16**	**0.78**	**232.20**	**775.21**	**1.43**	**2,447.78**
Acquisitions	1.43	-	-	188.93	-	190.36
Disposal / Transfer to level 1	(214.23)	(1.43)	(58.83)	(68.74)	(0.71)	(343.94)
Gains/(losses) recognised in the statement of profit and loss (net)	87.00	0.65	(38.50)	101.33	(0.42)	150.06
Losses recognised in other comprehensive income	(295.37)	-	(68.45)	-	-	(363.82)
As at March 31, 2021	**1,016.99**	**-**	**66.42**	**996.73**	**0.30**	**2,080.44**
Acquisitions	0.40	-	24.98	199.48		224.86
Disposal	-	-	-	(111.81)	(0.79)	(112.60)
Gains recognised in the statement of profit and loss	192.30	-	4.42	171.17	0.51	368.40
Gains/(loss) recognised in other comprehensive income (net)	192.65	-	(15.56)	-	-	177.09
As at March 31, 2022	**1,402.34**	**-**	**80.26**	**1,255.57**	**0.02**	**2,738.19**
Unrealised Gains/(losses) recognised in the statement of profit and loss related to assets and liabilities held at the end of the reporting period.						
For the year ended March 31, 2022	192.30	-	4.42	171.17	0.51	368.40
For the year ended March 31, 2021	87.00	0.65	(38.50)	101.33	(0.42)	150.06

43.3.5 Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See 43.3.2 above for the valuation techniques adopted.

Particulars	Fair Value ₹ in Crore			Sensitivity	
	March 31, 2022	March 31, 2021	Significant unobservable inputs*	Favourable	Un-favourable
Unquoted equity shares	**485.10**	290.24	Valuation Factor	A positive change in the Valuation Factor by 10% increases the fair value by ₹ **49.31 Crore** (Previous Year ₹ 29.83 Crore).	An adverse change in the Valuation Factor by 10% reduces the fair value by ₹ **49.07 Crore** (Previous Year ₹ 29.58 Crore).
Locked in shares of yes bank ltd	**917.24**	726.75	Valuation Factor	A positive change in the Valuation Factor by 10% increases the fair value by ₹ **91.73 Crore** (Previous Year ₹ 72.68 Crore).	An adverse change in the Valuation Factor by 10% reduces the fair value by ₹ **91.73 Crore** (Previous Year ₹ 72.68 Crore).
Convertible debentures	**80.26**	66.42	Valuation Factor	A positive change in the Valuation Factor by 10% increases the fair value by ₹ **8.03 Crore** (Previous Year ₹ 6.64 Crore).	An adverse change in the Valuation Factor by 10% reduces the fair value by ₹ **8.03 Crore** (Previous Year ₹ 6.64 Crore).
Venture funds	**1,255.57**	996.73	Net Asset Value	Increase in NAV by 10% increases the fair value by ₹ **113.88 Crore** (Previous Year ₹ 88.69 Crore).	Decrease in NAV by 10% reduces the fair value by ₹ **115.42 Crore** (Previous Year ₹ 89.02 Crore).
Security receipts	**0.02**	0.30	Net Asset Value	Increase in NAV by 10% increases the fair value by insignificant value (Previous Year ₹ 0.03 Crore).	Decrease in NAV by 10% reduces the fair value by insignificant value (Previous Year ₹ 0.03 Crore).

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Notes forming part of the standalone financial statements (Continued)

Valuation Factor includes Discounted Cash Flows, Equity Multiples such as PE Ratio, Price to Book Value Ratio and EV/EBITDA Ratio.

Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

43.3.6 **Fair value of the financial assets that are not measured at fair value and fair value hierarchy**

Except as detailed in the following table, the carrying amount of financial assets and financial liabilities recognised in the financial statements approximate their fair value.

₹ in Crore

Particulars	As at March 31, 2022			As at March 31, 2021		
	Carrying Value	Fair Value	Fair Value hierarchy	Carrying Value	Fair Value	Fair Value hierarchy
Financial assets at amortised cost						
Government securities	36,906.05	35,616.04	Level 2	22,567.13	22,647.95	Level 2
Debentures	963.79	966.62	Level 3	803.50	818.51	Level 3
Pass-through certificates	14.32	13.83	Level 3	18.33	18.24	Level 3
Total financial assets	**37,884.16**	**36,596.49**		**23,388.96**	**23,484.70**	
Financial liabilities at amortised cost						
Non convertible debentures *	1,63,889.93	1,71,084.67	Level 2	1,48,474.04	1,54,281.10	Level 2
Synthetic rupee denominated bonds	1,800.00	1,838.29	Level 2	2,800.00	2,855.55	Level 2
Subordinated liabilities	3,000.00	3,232.04	Level 2	4,000.00	4,357.88	Level 2
Deposits	1,61,353.03	1,61,967.74	Level 2	1,50,501.61	1,52,323.81	Level 2
Total financial liabilities	**3,30,042.96**	**3,38,122.74**		**3,05,775.65**	**3,13,818.34**	

* For the purpose of above disclosure, Non Convertible Debentures of ₹ **1,41,954.84 Crore** (Previous Year ₹ 93,148.58 Crore), being hedged item classified as FVTPL has been considered.

43.3.6.1 The fair value of the financial assets and financial liabilities are considered at the amount, at which the instrument could be exchanged in current transaction between willing parties, other than in, forced or liquidation sale.

43.3.6.2 **Loans**

Substantially most of the loans are repriced frequently, with interest rates broadly in line with current interest rates, the carrying value of such loans amounting to ₹ **5,54,862.51 Crore** (Previous Year ₹ 4,85,294.26 Crore) approximates their fair value.

43.3.6.3 **Other Financial Assets and Liabilities**

With respect to Bank balances and Cash and cash equivalents (Refer Notes 5 and 6), Trade receivables (Refer Note 8), Other financial assets (Refer Note 11), Trade payables (Refer Note 17) and Other financial liabilities (Refer Note 22), the carrying value approximates the fair value.

43.3.6.4 Fair value of Non Convertible Debentures has been computed using annualized Government bond yield provided by FBIL and corresponding fortnightly corporate bond spreads provided by FIMMDA.

Notes forming part of the standalone financial statements (Continued)

43.3.7 Equity instrument designated at FVOCI

Particulars	Quoted / Unquoted	As at March 31, 2022		As at March 31, 2021	
		Qty	₹ in Crore	Qty	₹ in Crore
Andhra Cements Ltd.	Quoted	2,48,54,376	**36.41**	2,57,42,546	13.90
Bandhan Bank Ltd.	Quoted	13,80,87,778	**4,244.82**	15,93,63,149	5,400.82
Citrus Processing India Pvt Ltd.	Unquoted	11,51,234	**1.51**	11,51,234	1.51
CL Educate Ltd.	Quoted	10,70,134	**13.37**	5,94,233	5.44
Clayfin Technologies Private Limited	Unquoted	6,87,614	**4.85**	6,87,614	2.71
DISH TV India Ltd.	Quoted	8,70,40,000	**142.31**	8,70,40,000	80.51
Eveready Industries India Limited	Quoted	22,44,663	**75.20**	22,44,663	60.61
Hindustan Oil Exploration Co. Ltd.	Quoted	84,63,850	**186.12**	1,40,86,303	136.85
Kerala Infrastructure Fund Management Limited	Unquoted	3,88,303	**0.39**	-	-
Mcleod Russel India Ltd.	Quoted	1,35,000	**0.31**	1,35,000	0.26
Reliance Capital Limited	Quoted	-	**-**	1,62,45,000	17.46
Reliance Communications Limited	Quoted	-	**-**	6,15,00,000	10.45
Reliance Infrastructure Limited	Quoted	-	**-**	2,15,32,488	75.58
Reliance Naval and Engineering Ltd.	Quoted	13,84,994	**0.44**	13,84,994	0.41
Reliance Power Limited	Quoted	-	**-**	14,29,87,901	62.20
Siti Networks Ltd.	Quoted	9,43,86,000	**26.90**	9,43,86,000	8.02
Yes Bank Limited (Refer Note 25.1)	Quoted	1,00,00,00,000	**1,224.75**	1,00,00,00,000	1,116.75
Zee Learn Ltd.	Quoted	1,58,05,000	**19.60**	1,58,05,000	16.36
Zee Media Corporation Ltd.	Quoted	2,47,60,000	**41.10**	2,47,60,000	15.84
Total			**6,018.08**		7,025.68

43.4 Credit Risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to the Corporation. In its lending operations, the Corporation is principally exposed to credit risk.

The credit risk is governed by various Product Policies. The Product Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

Credit Approval Authorities

The Board of Directors have delegated loan approving authority to branch sanctioning committees/ management committee/ committee of directors, depending upon the nature of loan (i.e. retail/non-individual) and also depending upon the value of the loan.

Credit Risk Assessment Methodology

43.4.1 Corporate Portfolio

The Corporation has an established credit appraisal procedure which has been detailed in Corporate Loans Policy and Developer Loans Policy respectively. The policies outline appraisal norms including assessment of quantitative and qualitative parameters along with guidelines for various products. The policy also includes process for approval of Loans which are subject to review and approval by Sanctioning Committees.

The Corporation carries out a detailed analysis of funding requirements, including normal capital expenses, long-term working capital requirements and temporary imbalances in liquidity. A significant portion of Corporate Finance loans are secured by a lien over appropriate assets of the borrower.

Notes forming part of the standalone financial statements (Continued)

Borrower risk is evaluated by considering:

- the risks and prospects associated with the industry in which the borrower is operating (industry risk);
- the financial position of the borrower by analysing the quality of its financial statements, its past financial performance, its financial flexibility in terms of ability to raise capital and its cash flow adequacy (financial risk);
- the borrower's relative market position and operating efficiency (business risk);
- the quality of management by analysing their track record, payment record and financial conservatism (management risk); and
- the risks with respect to specific projects, both pre-implementation, such as construction risk and funding risk, as well as post-implementation risks such as industry, business, financial and management risks related to the project (project risk).

Restructuring, ECLGS and Moratorium Guidelines issued by RBI are adopted for loans on a selective basis, after assessing the impact of COVID-19 pandemic on their businesses.

43.4.2 **Lease Rental Discounting**

Loan is given against assured sum of rentals/receivables.

The risk assessment procedure include:

- carrying out a detailed evaluation of terms of Lease / Leave and License Agreements such as lease rental receivables, term of the leases and periodicity of rentals.
- conducting due diligence on and appraisal of Borrowers / Lessors and Lessees including due diligence of project/property. These Loans are secured by project property and serviced from rentals/receivables.

43.4.3 **Construction Finance**

Loan given for construction of Residential/Commercial properties.

The Corporation has a framework for appraisal and execution of Construction finance transactions detailed in Developer Loans Policy. The Corporation believes that this framework creates optimal risk identification, allocation and mitigation and helps minimize residual risk.

The project finance approval process includes detailed evaluation of technical, commercial, financial, legal with respect to the projects and the Borrower Group's financial strength and experience.

As part of the appraisal process, a note is generated, which identifies each of the project risks, mitigating factors and residual risks associated with the project. After credit approval, an Offer Letter is issued to the borrower, which outlines the principal financial terms of the proposed facility, Borrowers/Security providers obligations, conditions precedent to disbursement, undertakings from and covenants on the borrower.

After completion of all formalities by the borrower, a loan transaction documents are entered into with the borrower.

Construction finance loans are generally fully secured and have full recourse against the borrower. In most cases, the Corporation has mortgage of Project financed. Security typically include project property and receivables of the project property, as well as other tangible assets of the borrower, both present and future. The Corporation also takes additional credit comforts such as corporate or personal guarantees and shortfall undertaking from one or more sponsors of the project.

The Corporation requires the borrower to submit periodic reports and continue to monitor the exposure until loans are fully repaid.

Further since both Lease Rental Discounting and Construction Finance Facilities are mostly serviced from receivables from the projects/property financed, all the cash flows are charged to the Corporation, and are ring fenced by way of Escrow mechanism. Under this mechanism all such receivables flow into Escrow Account from where amounts are directly credited into the Corporation's account.

Notes forming part of the standalone financial statements (Continued)

Restructuring of Accounts

The economic fallout on account of COVID-19 pandemic has led to significant financial stress for many borrowers. Considering the above, with the intent to facilitate revival and to mitigate the impact on ultimate borrowers, Reserve Bank of India (RBI) introduced measures under the Resolution Framework for COVID-19. As per the RBI Framework, the Corporation established a policy to provide resolution for eligible borrowers having stress on account of COVID-19 in line with the RBI Guidelines.

As advised under the said circular and Corporation's policy, the eligibility of customers was assessed, so as to understand the extent of financial stress caused due to COVID-19, i.e. delay in construction, sales and consequent cash flow mismatch, duly supported by the documentary evidence. In addition to assessing the impact of stress, the Resolution framework was discussed with the eligible borrower and existing lenders (in case of multiple lenders) prior to invocation of Resolution plan. The Resolution Framework offered to ensure that the servicing of the restructured loan is not likely to be impacted. The implementation of Resolution plan is under process for respective accounts in line with the timelines prescribed in the said Circular.

Emergency Credit Line Guarantee Scheme

During the previous year, the Government of India through Ministry of Finance, Department of Financial Services, had introduced the Emergency Credit Line Guarantee Scheme (ECLGS), for providing 100% guarantee coverage for additional working capital term loans (in case of Banks and FIs) and additional term loans (in case of NBFCs) upto 20% of their entire outstanding credit (upto limits specified under the Scheme) as on February 29, 2020.

ECLGS was offered to borrowers eligible as per the criteria specified in the scheme and Corporation's Board approved policy. The Corporation carried out credit assessment of eligible borrowers to assess the requirement of the borrower and the qualifying criteria as per criteria as specified by National Credit Guarantee Trustee Company Limited (NCGTC).

Moratorium

The RBI had announced Moratorium for 6 months on repayments for the period March 2020 to August 2020 for term loans and working capital facilities outstanding as on February 29, 2020. This was part of the regulatory measures adopted to mitigate the burden of debt servicing brought about by disruptions on account of Covid pandemic and to ensure continuity of viable businesses. As part of the scheme and as per Corporation's Board approved policy, the Corporation has provided moratorium to eligible borrowers.

43.4.4 **Individual Loans**

Our customers for retail loans are primarily low, middle and high-income, salaried and self-employed individuals. The Corporation's credit officers evaluate credit proposals on the basis of active credit policies as on the date of approval. The criteria typically include factors such as the borrower's income & obligations, the loan-to-value ratio and demographic parameters subject to regulatory guidelines. Any deviations need to be approved at the designated levels.

The various process controls such as PAN Number Check, CERSAI database scrubbing, Credit Bureau Report analysis are undertaken prior to approval of a loan. In addition External agencies such as field investigation agencies facilitate a comprehensive due diligence process including visits to offices and homes.

The Corporation analyses the portfolio performance of each product segment regularly, and use these as inputs in revising our product programs, target market definitions and credit assessment criteria to meet our twin objectives of combining volume growth and maintenance of asset quality. Individual loans are secured by the mortgage of the borrowers property.

Notes forming part of the standalone financial statements (Continued)

Retail

During the previous year, additional Credit Checks were introduced in the Retail Policy in accordance with certain Regulatory measures announced by RBI to mitigate the burden of debt servicing as a result of disruptions in cash flow due to the COVID-19 pandemic.

Restructuring of Accounts

The eligibility of customers was assessed to understand the extent of financial stress caused due to the COVID-19 pandemic i.e. loss of jobs, pay cut, business shut down etc. In addition, the due diligence process was further strengthened to assess the impact of stress such as appraising income documents, bank statement and visits at work place etc. and ensured that Loan to Value ratios are not negatively impacted and underlying collateral is enforceable. The borrowers were counseled as regards the Resolution Framework to minimise the risk of default, post restructuring.

Emergency Credit Linked Guarantee Scheme (ECLGs)

Since the ECLGs facility was available to customers in business segment/MSME, the regular credit checks, as already in place for such customers, were used to assess the impact of stress in the borrower's books of account. The qualifying criteria as per NCGTC was strictly adhered to. In addition, borrower's income tax return/ books of account / Chartered Accountant certificate / Collection of GSTIN nos. end use certificate etc were appraised to assess and qualify under the norms. Such loans were appraised by a dedicated team to ensure that Loan to Value ratios are not negatively impacted / and underlying collateral is enforceable.

Credit Risk

The Corporation measures, monitors and manages credit risk at an individual borrower level and at the group exposure level for corporate borrowers. The credit risk for individual borrowers is being managed at portfolio level for both Housing Loans and Non Housing Loans. The Corporation has a structured and standardized credit approval process, which includes a well-established procedure of comprehensive credit appraisal. The Corporation has additionally taken the following measures:-

- Lower borrower group exposure limits.
- Establishment of a separate Policy Implementation & Process Monitoring (PIPM) team to enhance focus on monitoring of process implementation at the branches and to facilitate proactive action wherever required.
- Enhanced monitoring of Retail product portfolios through periodic review.

43.4.5 **Risk Management and Portfolio Review**

The Corporation ensures effective monitoring of credit facilities through a risk-based asset review framework under which the frequency of asset review is determined depending on the risk associated with the product. For both Corporate and Individual borrowers, the Operations team verifies adherence to the terms of the credit approval prior to the commitment and disbursement of credit facilities. The Operations team monitors compliance with the terms and conditions for credit facilities prior to disbursement. It also reviews the completeness of documentation, creation of security and compliance with regulatory guidelines.

The Credit Risk Management team of the Corporation, regularly reviews the credit quality of the portfolio and various sub-portfolios. A summary of the reviews carried out by the Credit Risk Management is submitted to the Branches & Management Team for its information. Exposure to non-individual entities in stress is reviewed frequently by a credit review committee consisting of senior management personnel.

The Chief Risk Officer (CRO) of the Corporation also reviews high value credit proposals and evaluates sources and mitigation for external and internal risks.

The Policy implementation and Process Monitoring team reviews adherence to policies and processes, carries out audit and briefs the Audit Committee and the Board periodically.

Notes forming part of the standalone financial statements (Continued)

43.4.6 **Collateral and other credit enhancements**

The carrying amount of loans as at March 31 2022 is ₹ **5,68,363.29 Crore** (Previous Year ₹ 4,98,298.03 Crore) which best represent the maximum exposure to credit risk, the related expected credit loss amount to ₹ **13,500.78 Crore** (Previous Year ₹ 13,003.77 Crore). The Corporation has right to sell or pledge the collateral in case borrower defaults.

43.5 **Liquidity Risk**

Maturities of financial liabilities

The tables below analyse the Corporation's financial liabilities into relevant maturity groupings based on their contractual maturities for: all non-derivative financial liabilities and net and gross settled derivative financial instruments, for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows.

₹ in Crore

Contractual maturities of financial liabilities March 31, 2022	**0-1 year**	**>1-3 years**	**>3-5 years**	**>5 years**	**Total**
Non-derivatives					
Debt securities	61,950.55	39,555.62	26,639.74	67,786.57	1,95,932.48
Borrowings (other than debt securities)	91,170.13	29,403.46	9,512.88	9,828.07	1,39,914.54
Deposits	81,684.18	57,754.71	16,361.35	5,552.80	1,61,353.04
Subordinated liabilities	-	3,000.00	-	-	3,000.00
Other financial liabilities	11,848.93	2,678.76	-	-	14,527.69
Trade payables	344.17	-	-	-	344.17
Total non-derivative liabilities	**2,46,997.96**	**1,32,392.55**	**52,513.97**	**83,167.44**	**5,15,071.92**
Derivatives (net settled)					
Foreign exchange forward contracts	8.44	-	-	-	8.44
Currency swaps	1.51	182.99	194.02		378.52
USD interest swaps	0.64	-	-	-	0.64
Interest rate swaps	-	224.26	926.87	2,285.63	3,436.76
Total derivative liabilities	**10.59**	**407.25**	**1,120.89**	**2,285.63**	**3,824.36**

₹ in Crore

Contractual maturities of financial liabilities March 31, 2021	**0-1 year**	**>1-3 years**	**>3-5 years**	**>5 years**	**Total**
Non-derivatives					
Debt securities	63,778.15	43,886.29	23,069.50	51,328.55	1,82,062.49
Borrowings (other than debt securities)	69,739.25	26,677.02	7,331.60	1,480.58	1,05,228.45
Deposits	94,035.45	37,505.65	15,721.15	3,239.36	1,50,501.61
Subordinated liabilities	1,000.00	-	3,000.00	-	4,000.00
Other financial liabilities	10,729.15	2,262.55	-	-	12,991.70
Trade payables	339.15	-	-	-	339.15
Total non-derivative liabilities	**2,39,621.15**	**1,10,331.51**	**49,122.25**	**56,048.49**	**4,55,123.40**
Derivatives (net settled)					
Foreign exchange forward contracts	64.33	-	-	-	64.33
Currency swaps	-	135.41	-	-	135.41
Options purchased (net)	5.54	149.00	-	-	154.54
Interest rate swaps	-	-	376.50	930.08	1,306.58
Total derivative liabilities	**69.87**	**284.41**	**376.50**	**930.08**	**1,660.86**

Notes forming part of the standalone financial statements (Continued)

43.6 Market Risk

43.6.1 Foreign Currency Risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency i.e. INR. The Corporation has overseas foreign currency borrowings and is exposed to foreign exchange risk primarily with respect to the USD and JPY. The Corporation uses a combination of currency swaps, forward contracts and option contracts to hedge its exposure to foreign currency risk. The objective of the hedges is to minimize the volatility of the INR cash flows. The Corporation's risk management policy allows it to keep the foreign currency risk open upto 5% of the total borrowings.

The Corporation designates the intrinsic value of the forward and option contracts as hedging instruments. In case the hedge effectiveness is 100%, the change in the intrinsic value of the forward contracts and the change in carrying value of the underlying foreign currency liability are compared and the difference is recognized in cash flow hedge reserve. The changes in time value that relate to the forward and option contracts are deferred in the cost of hedging reserve and recognized against the related hedged transaction when it occurs. Amortization of forward points through cost of hedge reserve is recognized in the statement of profit and loss over life of the forward contracts. During the years ended March 31, 2022 and 2021, the Corporation did not have any hedging instruments with terms which were not aligned with those of the hedged items.

The spot component of forward contracts is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points.

The intrinsic value of foreign exchange option contracts is determined with reference to the relevant spot market exchange rate. The differential between the contracted strike rate and the spot market exchange rate is defined as the intrinsic value. Time value of the option is the difference between fair value of the option and the intrinsic value.

43.6.1.1 Foreign Currency Risk Exposure

The Corporation's exposure to foreign currency risk at the end of the reporting period expressed in INR Crore, are as follows:

₹ in Crore

Particulars	As at March 31, 2022					As at March 31, 2021				
	USD	JPY	SGD	GBP	AED	USD	JPY	SGD	GBP	AED
Financial liabilities										
Foreign currency loan and others	(10,670.39)	(3,320.43)	(0.07)	(0.16)	(0.41)	(10,141.54)	(3,529.74)	(0.04)	(0.14)	(0.33)
Exposure to foreign currency risk (liabilities) (a)	(10,670.39)	(3,320.43)	(0.07)	(0.16)	(0.41)	(10,141.54)	(3,529.74)	(0.04)	(0.14)	(0.33)
Financial assets										
Foreign currency denominated loans & others	32.47	-	0.42	0.91	0.63	91.62	-	0.32	0.97	0.57
Derivative assets										
Foreign exchange derivative contracts	10,637.93	3,319.15	-	-	-	10,049.93	3,528.45	-	-	-
Exposure to foreign currency risk (assets) - (b)	10,670.40	3,319.15	0.42	0.91	0.63	10,141.55	3,528.45	0.32	0.97	0.57
Net exposure to foreign currency risk c = (a) + (b)	0.01	(1.28)	0.35	0.75	0.22	0.01	(1.29)	0.28	0.83	0.24

Note: Foreign currency risk exposure is within the limit prescribed by the Corporation's risk management policy.

Notes forming part of the standalone financial statements (Continued)

43.6.1.2 **Foreign Currency Sensitivity Analysis:**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign exchange forward contracts, foreign exchange option contracts designated as cash flow hedges.

₹ in Crore

Particulars	Impact on other components of equity	
	March 31, 2022	March 31, 2021
USD sensitivity		
INR/USD -Increase by 1% *	**(4.66)**	(0.71)
INR/USD -Decrease by 1% *	**4.66**	0.71
JPY sensitivity		
INR/JPY -Increase by 1% *	**0.30**	0.30
INR/JPY -Decrease by 1% *	**(0.30)**	(0.30)

* Holding all other variables constant

43.6.1.3 **Hedging Policy**

The Corporation's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Corporation enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item.

Cash Flow Hedge

The impact of the hedging instrument and hedged item on the balance sheet:

Hedging Instrument

₹ in Crore

Particulars	Notional amount	Carrying amount of hedging instruments Assets	Carrying amount of hedging instruments Liabilities	Line in the balance sheet	Weighted average contract / strike price of the hedging instrument (₹)	Change in the fair value in the hedging instrument used as the basis for recognising hedge ineffectiveness - (profit)/loss
As at March 31, 2022						
INR USD - Forward exchange contracts	635.00	-	8.44	Derivative financial instruments	77.33	(55.89)
INR USD - Currency swaps	12,680.31	648.60	378.52		70.65	495.36
USD - Interest swaps	9,563.00	281.40	0.64		-	(435.28)
INR JPY - Currency swaps	2,058.87	-	-		0.66	93.44
USD JPY Currency swap	1,260.28	-	-		108.38	(68.82)
Total	26,197.46	930.00	387.60			28.81

Notes forming part of the standalone financial statements (Continued)

₹ in Crore

Particulars	Notional amount	Carrying amount of hedging instruments Assets	Carrying amount of hedging instruments Liabilities	Line in the balance sheet	Weighted average contract/ strike price of the hedging instrument (₹)	Change in the fair value in the hedging instrument used as the basis for recognising hedge ineffectiveness - (profit)/loss
As at March 31, 2021						
INR USD - Forward exchange contracts	1,054.00	-	64.33	Derivative financial instruments	78.35	547.08
USD JPY - Forward exchange contracts	-	-	-		-	2.25
INR USD - Currency swaps	11,804.55	832.03	66.61		69.22	1,010.37
USD - Interest swaps	8,722.00	-	154.52		-	(106.06)
INR JPY - Currency swaps	2,188.70	93.44	-		0.66	150.11
USD JPY - Currency swaps	1,339.75	-	68.82		108.38	68.81
Option purchased (net)	-	-	-		-	856.32
Total	**25,109.00**	**925.47**	**354.28**			**2,528.88**

Hedged Item

₹ in Crore

Particulars	Change in the value of hedged item used as the basis for recognising hedge ineffectiveness		Cash flow hedge reserve as at *		Cost of hedging as at *	
	March 31, 2022	March 31, 2021	**March 31, 2022**	March 31, 2021	**March 31, 2022**	March 31, 2021
FCY Term Loans	**-**	1,196.24	**-**	-	**-**	1.52
External Commercial Borrowings (incl. ADB loans)	**171.25**	1,100.88	**(160.98)**	210.91	**128.67**	(125.81)
Total	**171.25**	2,297.12	**(160.98)**	**210.91**	**128.67**	**(124.29)**

* figures are gross of tax

The impact of the cashflow hedges in the statement of profit and loss and other comprehensive income:

₹ in Crore

Particulars	Hedging gains or losses recognised in other comprehensive income		Line in the statement of profit and loss that includes hegde ineffectiveness
	March 31, 2022	March 31, 2021	
Forward exchange contracts and Currency swaps	**(118.93)**	(75.77)	Finance Cost
Option purchased (net)	**-**	-	

Fair Value Hedge

The impact of the hedging instrument and hedged item on the balance sheet:

Hedging Instrument

₹ in Crore

Particulars	Notional amount		Carrying amount - Liability		Line in the balance sheet		Change in fair value used for measuring ineffectiveness for the period	
	March 31, 2022	March 31, 2021	**March 31, 2022**	March 31, 2021	**March 31, 2022**	March 31, 2021	**March 31, 2022**	March 31, 2021
Interest Rate Swap as at	**1,44,845.00**	93,160.00	**3,043.96**	77.57	Derivative financial instruments		**(2,966.39)**	(2,366.09)

Notes forming part of the standalone financial statements (Continued)

Hedged Item

₹ in Crore

Particulars	Notional amount		Accumulated fair value adjustment - Asset		Line in the balance sheet		Change in fair value used for measuring ineffectiveness for the period	
	March 31, 2022	March 31, 2021	**March 31, 2022**	March 31, 2021	**March 31, 2022**	March 31, 2021	**March 31, 2022**	March 31, 2021
Fixed-rate borrowing as at	**1,44,845.00**	93,160.00	**2,893.16**	11.42	Derivative financial instruments		**2,881.74**	2,330.10

The impact of the fair value hedges in the statement of profit and loss:

₹ in Crore

Particulars	Hedge ineffectiveness recognised in statement of profit and loss		Line in the statement of profit and loss that includes hegde ineffectiveness
	March 31, 2022	March 31, 2021	
Interest Rate Swap	**84.65**	35.99	Finance Cost

43.6.1.4 ***Hedge Ratio***

The foreign exchange forward, options and currency swap contracts are denominated in the same currency as the highly probable future foreign currency principal and interest payments, therefore the hedge ratio is 1:1. The notional amount of interest rate swap is equal to the portion of variable rate loans that is being hedged, and therefore the hedge ratio for interest rate swap is also 1:1.

43.6.2 **Interest Rate Risk**

The Corporation's core business is doing housing loans. The Corporation raises money from diversified sources like deposits, market borrowings, term loans and foreign currency borrowings amongst others. In view of the financial nature of the assets and liabilities of the Corporation, changes in market interest rates can adversely affect its financial condition. The fluctuations in interest rates can be due to internal and external factors. Internal factors include the composition of assets and liabilities across maturities, existing rates and re-pricing of various sources of borrowings. External factors include macroeconomic developments, competitive pressures, regulatory developments and global factors. The rise or fall in interest rates impact the Corporation's Net Interest Income depending on whether the Balance sheet is net asset sensitive or liability sensitive.

The Corporation uses traditional gap analysis report to determine the Corporation's vulnerability to movements in interest rates. The Gap is the difference between Rate Sensitive Assets (RSA) and Rate Sensitive Liabilities (RSL) for each time bucket. It indicates whether the Corporation is in a position to benefit from rising interest rates by having a positive gap (RSA > RSL) or whether it is in a position to benefit from declining interest rates by a negative gap (RSL > RSA). The Corporation also fixes tolerance limits for the same as per the ALM Policy.

43.6.2.1 ***Interest Rate Risk Exposure***

The break-up of the Corporation's borrowing into variable rate and fixed rate at the end of the reporting period are as below:

Particulars	March 31, 2022	March 31, 2021
Variable rate borrowings	**79%**	73%
Fixed rate borrowings	**21%**	27%
Total borrowings	**100%**	100%

The break-up of fixed rate and variable rate borrowings are calculated as a percentage of total liabilities of the Corporation as on the date.

43.6.2.2 ***Sensitivity***

The impact of 10 bps change in interest rates on financial assets and liabilities on the Profit after tax for the year ended March 31, 2022 is ₹ **9.41 Crore** (Previous Year ₹ 29.87 Crore).

Notes forming part of the standalone financial statements (Continued)

43.6.3 **Price Risk**

43.6.3.1 ***Exposure***

The Corporation's exposure to equity securities price risk arises from investments held by the Corporation and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the Corporation diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Corporation.

Some of the Corporation's equity investments are publicly traded and are included in the NSE Nifty 50 index.

43.6.3.2 ***Sensitivity***

The table below summarises the impact of increases/decreases of the index on the Corporation's equity and profit for the period. The analysis is based on the assumption that the equity index had increased by 10% or decreased by 10% with all other variables held constant, and that all the Corporation's equity instruments moved in line with the index.

₹ in Crore

Particulars	Impact on profit before tax		Impact on OCI before tax	
	March 31, 2022	March 31, 2021	**March 31, 2022**	March 31, 2021
NSE Nifty 50 – increase 10%	**116.27**	89.04	**508.13**	627.90
NSE Nifty 50 – decrease 10%	**(116.27)**	(89.04)	**(508.13)**	(627.90)

Profit for the period would increase/decrease as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as fair value though other comprehensive income.

43.6.4 **Interest Rate Benchmark Reform**

As on March 31, 2022, the Corporation has foreign currency borrowings of USD 1,404.28 million and JPY 53,200 million, on which it pays USD LIBOR (London Inter-bank Offered Rate) and TONA (Tokyo Overnight Average Rate) respectively. The Corporation has undertaken currency swaps and forward contracts of notional amount of USD 1,423.53 million and JPY 53,200 million, Coupon Only Swaps of ₹ 1,063 Crore, USD Interest rate Swaps of ₹ 9,563 Crore, and foreign currency arrangements of USD 4.28 million to hedge the foreign currency and interest rate risks. The valuations of these hedges are impacted by, among other variables, changes in USD LIBOR.

Following the commencement of the LIBOR discontinuation process by the Financial Conduct Authority (FCA) and the directions from the Financial Stability Board, an international body that monitors and makes recommendations intended to promote financial stability, working groups led by central banks in the jurisdictions of the LIBOR currencies identified LIBOR replacement near risk free rates, and have been involved in designing plans for all market participants to use these rates across the derivative and cash markets. The ICE Benchmark Administration Limited ("IBA"), the authorized administrator of LIBOR, published on March 5, 2021 the decision to cease publication of overnight, one month, six month and twelve month USD LIBORs after June 30, 2023, and JPY LIBOR after December 31, 2021. The date for spread adjustment i.e. the median difference between the risk free rate and LIBOR over the previous five years, was March 5, 2021.

The Corporation has been taking steps to ease into the transition of its LIBOR linked loans. It has transitioned from JPY LIBOR to TONA effective from January 01, 2022 for its JPY 53,200 million ECB loan. The Corporation has already adhered to the International Swaps and Derivatives Association (ISDA) 2020 IBOR Fallbacks Protocol and the IBOR Fallbacks Supplement. The Protocol allows market participants to amend the terms of their legacy derivatives contracts to include these new cessation events, pre-cessation events, and fallbacks for legacy derivatives.

Notes forming part of the standalone financial statements (Continued)

All the documentation for existing and forthcoming ECBs (External Commercial Borrowings) would follow the guidance by the Asia Pacific Loan Market Association (APLMA) to reflect these changes appropriately.

44. The following disclosures have been given in terms of Notification no. RBI/2019-20/220 DOR.No.BP. BC.63/21.04.048/2019-20 dated April 17, 2020 issued by the RBI in connection with COVID-19 Regulatory Package - Asset Classification and Provisioning.

₹ in Crore

Particulars	March 31, 2021
(i) Respective amounts in SMA/overdue categories, where the moratorium / deferment was extended, in terms of paragraphs 2 and 3 of the above circular. **(Refer Note 44.1)**	19,742.16 #
(ii) Respective amounts in SMA/overdue categories, where the moratorium / deferment was extended, in terms of paragraphs 2 and 3 of the above circular, which would have moved to Substandard Assets based of days past due status as of March 31, 2020.	-
(iii) Respective amount where asset classification benefits is extended. **(Refer Note 44.2)**	-
(iv) Provisions made during the quarter ended March 31, 2020 in terms of paragraph 5 of the above circular.	NA
(v) Provisions adjusted during the respective accounting periods against slippages and the residual provisions.	Nil
(vi) Total Provision on such loans as at March 31, 2020, as per the circular. **(Refer Note 44.3)**	NA

Outstanding as on March 31, 2021 on account of all such loans where moratorium benefit was extended by the Corporation upto previous year end and further upto August 31, 2020.

44.1 Outstanding as on March 31, 2021 on account of all loans where moratorium benefit was extended by the Corporation, that were in SMA/ overdue categories just before granting of Moratorium:

44.2 The Outstanding as on March 31, 2021 in respect of loans where in an asset classification benefit was extended due to Moratorium under the circular. The Corporation was required to carry an additional general provision for the purposes of regulatory submission in respect of such loans. Post the moratorium period, the movement of ageing has been at actuals. There are no accounts where asset classification benefit is extended till March 31, 2021.

44.3 The Corporation has made adequate provision for impairment loss allowance (as per ECL model) for the year ended March 31, 2021.

45. Disclosure of Penalties imposed by NHB and other regulators

During, FY 2021-22, the National Housing Bank imposed a monetary penalty of ₹ 4,75,000 plus GST for technical non-compliance with NHB circular NHB(ND)/DRS/Pol-No.58/2013-14 dated November 18, 2013 and NHB(ND)/DRS/Policy Circular No.75/2016-17 dated July 1, 2016 pertaining to the financial year 2015-16. The Corporation has paid the said penalty simultaneously holding on to its reservations with respect to merits. During FY 2020-21, the National Housing Bank (NHB) imposed a monetary penalty of ₹ 1,50,000 plus GST on the Corporation for non-compliance with two provisions of the Housing Finance Companies (NHB) Directors, 2010 pertaining to FY 2018-19. The Corporation has paid the said penalty.

46. Events after the reporting period

The Board of Directors of the Corporation at its meeting held on April 4, 2022 has approved a composite scheme of amalgamation for the amalgamation of: (i) HDFC Investments Limited and HDFC Holdings Limited, wholly-owned subsidiaries of the Corporation, into and with the Corporation and thereafter (ii) the Corporation into and with HDFC Bank Limited ("HDFC Bank") and their respective shareholders and creditors ('the Scheme') under Section 230 to 232 of the Companies Act, 2013 and other applicable laws and regulations, subject to requisite approvals from various regulatory and statutory authorities, respective shareholders and creditors. The share exchange ratio shall be 42 equity shares of face value of ₹ 1 each of HDFC Bank for every 25 equity shares of face value of ₹ 2 each of the Corporation.

The Appointed date for the amalgamation of the wholly-owned subsidiaries of the Corporation with and into the Corporation shall be the end of the day immediately preceding the Effective date and the Appointed date for the amalgamation of the Corporation with and into HDFC Bank shall be the Effective date.

Notes forming part of the standalone financial statements (Continued)

47. The following disclosures have been given in terms of Notification no. RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22. 10.106/2019-20 dated March 13, 2020 issued by the RBI on Implementation of Indian Accounting Standards.

₹ in Crore

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5 = 3 - 4	6	7 = 4 - 6
Performing Assets						
Standard	Stage 1	5,30,237.81	1,374.36	5,28,863.45	2,081.07	(706.71)
	Stage 2	25,255.55	5,139.99	20,115.56	611.25	4,528.74
Subtotal		**5,55,493.36**	**6,514.35**	**5,48,979.01**	**2,692.32**	**3,822.03**
Non-Performing Assets (NPA)						
Substandard	Stage 3	3,793.79	1,312.49	2,481.30	804.97	507.52
Doubtful						
Up to 1 year	Stage 3	3,293.07	1,921.23	1,371.84	2,192.87	(271.64)
>1 to 3 years	Stage 3	3,114.83	1,558.64	1,556.19	2,086.46	(527.82)
More than 3 years	Stage 3	1,143.85	669.20	474.65	1,143.85	(474.65)
Subtotal for doubtful		**7,551.75**	**4,149.07**	**3,402.68**	**5,423.18**	**(1,274.11)**
Loss	Stage 3	1,529.50	1,529.50	-	1,529.50	-
Subtotal for NPA		**12,875.04**	**6,991.06**	**5,883.98**	**7,757.65**	**(766.59)**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1*	367.83	0.48	367.35	-	0.48
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**367.83**	**0.48**	**367.35**	**-**	**0.48**
Total	Stage 1	**5,30,605.64**	**1,374.84**	**5,29,230.80**	**2,081.07**	**(706.23)**
	Stage 2	**25,255.55**	**5,139.99**	**20,115.56**	**611.25**	**4,528.74**
	Stage 3	**12,875.04**	**6,991.06**	**5,883.98**	**7,757.65**	**(766.59)**
	Total	**5,68,736.23**	**13,505.89**	**5,55,230.34**	**10,449.97**	**3,055.92**

* represents financial guarantees.

In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Housing Finance Companies (HFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the corporation exceeds the total provision required under IRACP (including standard asset provisioning), as at March 31, 2021 and accordingly, no amount is required to be transferred to impairment reserve.

Provisions required as per IRACP norms amount to ₹ 8,247.03 Crore. The amounts tabulated above include ₹ 2,202.94 Crore towards unrealised interest on substandard accounts.

Notes forming part of the standalone financial statements (Continued)

Previous Year

₹ in Crore

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5 = 3 - 4	6	7 = 4 - 6
Performing Assets						
Standard	Stage 1	4,55,231.92	1,087.29	4,54,144.63	1,793.39	(706.10)
	Stage 2	31,471.46	5,880.38	25,591.08	595.54	5,284.84
Subtotal		**4,86,703.38**	**6,967.67**	**4,79,735.71**	**2,388.93**	**4,578.74**
Non-Performing Assets (NPA)						
Substandard	Stage 3	4,325.77	2,027.34	2,298.43	648.87	1,378.47
Doubtful						
Up to 1 year	Stage 3	3,348.15	1,652.30	1,695.85	837.04	815.26
>1 to 3 years	Stage 3	3,034.80	1,747.35	1,287.45	1,213.92	533.43
More than 3 years	Stage 3	501.83	224.79	277.04	501.83	(277.04)
Subtotal for doubtful		**6,884.78**	**3,624.44**	**3,260.34**	**2,552.79**	**1,071.65**
Loss	Stage 3	405.22	405.22	-	405.22	-
Subtotal for NPA		**11,615.77**	**6,057.00**	**5,558.77**	**3,606.88**	**2,450.12**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1 *	299.50	0.22	299.28	-	0.22
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		**299.50**	**0.22**	**299.28**	**-**	**0.22**
Total	Stage 1	**4,55,531.42**	**1,087.51**	**4,54,443.91**	**1,793.39**	**(705.88)**
	Stage 2	**31,471.46**	**5,880.38**	**25,591.08**	**595.54**	**5,284.84**
	Stage 3	**11,615.77**	**6,057.00**	**5,558.77**	**3,606.88**	**2,450.12**
	Total	**4,98,618.65**	**13,024.89**	**4,85,593.76**	**5,995.81**	**7,029.07**

* represents financial guarantees.

Provisions required as per IRACP norms amount to ₹ 5,490.51 Crore. The amounts tabulated above include ₹ 505.30 Crore towards unrealised interest on substandard accounts.

Notes forming part of the standalone financial statements (Continued)

48.1. Detail of resolution plan implemented under the Resolution Framework for COVID-19 related Stress as per RBI Circular dated August 6, 2020 (Resolution Framework – 1.0) and May 5, 2021 (Resolution Framework – 2.0) as at March 31, 2022 are given below.

₹ in Crore

Type of borrower	(A)	(B)	(C)	(D)	(E)
	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A) September 30, 2021	Of (A), aggregate debt that slipped into NPA during the current half-year	Of (A) amount written off during the current half-year	Of (A) amount paid by the borrowers during the current half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year# March 31, 2022
Personal Loans	4,548.65	168.42	-	79.99	4,300.24
Corporate persons*	2,682.44	-	-	2,609.02	73.42
Of which, MSMEs	72.64	-	-	(0.78)^	73.42
Others	2,609.80	-	-	2,609.80	-
Total	**7,231.09**	**168.42**	**-**	**2,689.01**	**4,373.66**

* Includes restructuring done in respect of request received as of September 30, 2021 processed subsequently.
# As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016
^ net disbursement against loan commitment

49. Disclosure in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 issued by the Reserve Bank of India read with para 15A on Guidelines on Liquidity Risk Management Framework in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

Public disclosure on liquidity risk in terms of Guidelines on Liquidity Risk Management Framework.

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

₹ in Crore

Sr. No.	Type of Instruments	Number of Significant Counterparties	Current Year	% of Total Deposits	% of Total Liabilities
1	Deposits	1	5,386.00	3.35%	1.03%
2	Borrowings	15	1,94,222.21	NA	37.31%

49.2 Top 20 large deposits (amount in ₹ Crore and % of total deposits)

₹ in Crore

Sr. No.	Name	Current Year	% of Total Deposits
1	Total of top 20 large deposits	**34,768.16**	21.61%

49.3 Top 10 borrowings (amount in ₹ Crore and % of total borrowings)

₹ in Crore

Sr. No.	Name	Current Year	% of Total Borrowings
1	Total of top 10 borrowings	**1,61,215.31**	32.26%

Notes forming part of the standalone financial statements (Continued)

49.4 Funding Concentration based on significant instrument/product

₹ in Crore

Sr. No.	Name of the instrument/product	Current Year	% of Total Liabilities
1	Debt Securities	**1,95,929.63**	37.63%
2	Borrowings (other than debt securities)	**1,39,851.75**	26.86%
3	Deposits	**1,60,899.76**	30.91%
4	Subordinated liabilities	**3,000.00**	0.58%
	Total	**4,99,681.14**	95.98%
	Funding Concentration pertaining to insignificant instruments/ products	-	-
	Total borrowings under all instruments/products	**4,99,681.14**	95.98%

49.5 Stock Ratios

₹ in Crore

Particulars	Total public funds	Total liabilities	Total assets
(a) Commercial papers	6.05%	5.81%	4.72%
(b) Non-convertible debentures (original maturity of less than one year)	-	-	-
(c) Other short-term liabilities	24.89%	23.89%	19.41%

49.6 Institutional set-up for Liquidity Risk Management

The Liquidity Risk Management Framework of the Corporation is managed in accordance with its Board approved Financial Risk Management and ALM Policy and prescribed guidelines. The policy framework and the operational parameters are also regularly reviewed by the Asset and Liability Management Committee (ALCO) in the context of regulations, expected financial market conditions and the performance of the Corporation.

The cash flow requirements of the Corporation are monitored and managed on a daily basis. The Corporation regularly monitors the gap between maturing assets and liabilities across all time buckets. While regulatory gaps are periodically monitored, the Corporation also maintains internal thresholds to monitor these gaps across tenors while planning for future funding requirements. The Corporation, at all times, maintains adequate surplus liquidity in various asset classes, to meet all its scheduled obligations, fund new business requirements and mitigate risks of any unexpected developments in the financial markets.

The Corporation has in place a well-defined front-mid and back office mechanism with specific roles and responsibilities defined for each function. Further, as per Guidelines released by RBI, NBFC-HFCs are required to maintain the Liquidity Coverage Ratio (LCR) effective from December 1, 2021. To maintain liquidity buffers to withstand potential liquidity disruptions by ensuring that it has sufficient High Quality Liquid Assets (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. As per the guidelines, the weighted values of the net cash flows are calculated after the application of respective haircuts for HQLA and considering stress factors on inflows at 75% and outflows at 115%. For all Deposit taking NBFC-HFCs there is a phased transition towards meeting the minimum LCR, with the requirement as on December 1, 2021 being 50%. Thereafter, the requirement increases from December 1, 2022 onwards in a graded manner. The Corporation has put in place a liquidity risk management framework so as to adhere to the said LCR guidelines and timelines.

50. Disclosure in terms of in accordance with Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 issued by the Reserve Bank of India read with RBI Circular No. RBI/DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016-17 on Monitoring of frauds in NBFCs.

There were **128 cases** (Previous Year 12 cases) of frauds reported during the year where amount involved was ₹ **32.79 Crore** (Previous Year ₹ 3.07 Crore) as on the date of identification of fraud.

Notes forming part of the standalone financial statements (Continued)

51. Disclosure in terms of RBI Circular No. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 on Asset Classification and Income Recognition following the expiry of COVID-19 regulatory package.

In accordance with the RBI Circular No. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 and the methodology for calculation of interest on interest based on guidance issued by Indian Banks' Association, the Corporation had put in place a Board approved policy to refund / adjust interest on interest charged to borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020. The Corporation has credited the required amount to the customers account.

52.1 **Details of loans transferred / acquired during the year ended March 31, 2022 under the Master Direction - RBI (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 are given below:**

(i) Details of loans not in default transferred / acquired through assignment:

Particulars	Transferred		Acquired
	Retail	Non Retail	
Aggregate amount of loans transferred / acquired (₹ in Crore)	28,455.26	1,500.00	51.19
Weighted average maturity (in years)	14.36	9.00	16.00
Weighted average holding period (in years)	1.80	3.67	1.08
Retention of beneficial economic interest by the originator	10%	58%	20%
Tangible security coverage	100%	193%	100%
Rating-wise distribution of rated loans	NA	NA	NA

Previous Year (refer note below)

Particulars	Transferred		Acquired
	Retail	Non Retail	
Aggregate amount of loans transferred / acquired (₹ in Crore)	18,979.78	-	-
Weighted average maturity (in years)	13.76	-	-
Weighted average holding period (in years)	2.05	-	-
Retention of beneficial economic interest by the originator	10%	-	-
Tangible security coverage	100%	-	-
Rating-wise distribution of rated loans	NA	-	-

Note: Loans were assigned in accordance with revision to the guidelines on securitisation transactions dated May 07, 2012.

(ii) During the year, the Corporation has re-purchased 58 loans amounting to ₹ **11.45 Crore** (Previous Year ₹ Nil) (including interest) in compliance with paragraph 48 of Master Direction – RBI (Transfer of Loan Exposures) Directions, 2021.

(iii) Details of stressed loans transferred during the year

Particulars	To ARCs	To permitted transferees	To other transferees
Number of accounts	2	1	-
Aggregate principal outstanding of loans transferred (₹ in Crore)	523.98	52.31	-
Weighted average residual tenor of the loans transferred (in years)	3.25	-	-
Net book value of loans transferred (at the time of transfer) (₹ in Crore)	35.31	39.42	-
Aggregate consideration (₹ in Crore)	136.00	40.00	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-

Notes forming part of the standalone financial statements (Continued)

Previous Year

Particulars	To ARCs	To permitted transferees	To other transferees
Number of accounts	8	-	-
Aggregate principal outstanding of loans transferred (₹ in Crore)	388.43	-	-
Weighted average residual tenor of the loans transferred (in years)	9.53	-	-
Net book value of loans transferred (at the time of transfer) (₹ in Crore)	152.69	-	-
Aggregate consideration (₹ in crore)	173.16	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-

(iv) Details of Security Receipts held and credit rating.

Particulars	Current Year		Previous Year	
	Rating Agencies	Rating (Expected collections)	Rating Agencies	Rating (Expected collections)
Edelweiss Asset Reconstruction Fund - I Scheme 1 Series I & II	India Rating	NR 6 (ind) (0%-25%)	India Rating	NR 6 (ind) (0%-25%)
Edelweiss Asset Reconstruction Fund - I Scheme 2 Series I & II	India Rating	NR 6 (ind) (0%-25%)	India Rating	NR 6 (ind) (0%-25%)
Edelweiss Asset Reconstruction Fund - I Scheme 3 Series I & II	Fitch	NR 2 (ind) (100%-150%)	Fitch	NR 2 (ind) (100%-150%)
Edelweiss Asset Reconstruction Fund - I Scheme 4 Series I & II	Fitch	NR 2 (ind) (100%-150%)	Fitch	NR 2 (ind) (100%-150%)
Edelweiss Asset Reconstruction Fund - I Scheme 5 Series I	Brickwork	BWRR1+ (150%+)	Brickwork	BWRR1+ (150%+)
International Asset Reconstruction Fund - II Trust	India Rating & Research Pvt. Ltd.	NR1	India Rating & Research Pvt. Ltd.	NR1
JMFARC - PAN India 2016 - Trust Security Receipt - Series I	Brickworks	BWRR1 (100%-150%)	Brickworks	BWRR1 (100%-150%)
EARC TRUST SC - 427 Class B-Series I	N.A.	N.A.	Unrated	Unrated

Notes forming part of the standalone financial statements (Continued)

52.2 Disclosure under Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021.

₹ in Crore

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
1	No. of SPEs holding assets for securitisation transactions originated by the originator	**2**	2
2	Total amount of securitised assets as per books of the SPEs	**423.15**	543.98
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	Corporate Guarantee	**97.83**	97.83
	b) On-balance sheet exposures		
	Investment in PTC	**14.24**	18.33
	Amount of exposures to securitisation transactions other than MRR	**Nil**	Nil

52.3 **Disclosure for Liquidity Coverage Ratio**

RBI vide Circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 issued guidelines on liquidity risk framework for NBFCs/HFCs. Apart from various process related aspects of the Liquidity risk management framework, the regulations require NBFCs/HFCs to maintain a manadated Liquidity Coverage Ratio (LCR). The objective of the LCR is to promote short-term resilience in the liquidity risk profile of NBFCs/HFCs. It does this by ensuring that the Corporation has adequate stock of unencumbered high-quality liquid assets (HQLA) that can be converted easily and immediately into cash to meet its liquidity needs for a 30 calendar day liquidity stress scenario. Further, RBI vide Circular No. RBI/2020-21/60 DOR. NBFC (HFC).CC.No.118/03.10.136/2020-21 dated October 22, 2020, provided HFCs with time extension for minimum liquidity coverage ratio (LCR) of 50% to be maintained by December 2021, to be gradually increased to 100% by December 2025. The Corporation's Board approved Liquidity, Financial Risk Management & ALM Policy covers its Liquidity Risk Management policies and processes, LCR, stress testing, contingency funding plan, maturity profiling, Liquidity Risk Measurement – Stock approach, Currency Risk, Interest Rate Risk and Liquidity Risk Monitoring Tools.

The Corporation had LCR of 75% as of March 31, 2022 and 120% as of December 31, 2021, as against the LCR of 50% mandated by RBI. The monthly average LCR for the quarter ended March 31, 2022 was at 80%. The Corporation regularly reviews the maturity position of assets and liabilities and liquidity buffers, and ensures maintenance of sufficient quantum of High Quality Liquid Assets, most of which is in the form of government securities as of March 31, 2022.

Quantitative information on Liquidity Coverage Ratio (LCR) for the year ended March 31, 2022 is given below:

₹ in Crore

	Particulars	Quarter - 3 FY 2021-22		Quarter - 4 FY 2021-22	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets					
1	Total High Quality Liquid Assets (HQLA)	41,104.29	38,254.67	31,952.01	29,064.90
Cash Outflows					
2	Deposits (for deposit taking companies)	9,849.84	11,327.32	8,575.21	9,861.49
3	Unsecured wholesale funding	5,150.00	5,922.50	5,075.00	5,836.25

Notes forming part of the standalone financial statements (Continued)

₹ in Crore

Particulars		Quarter - 3 FY 2021-22		Quarter - 4 FY 2021-22	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
4	Secured wholesale funding	5,169.76	5,945.22	9,590.89	11,029.52
5	Additional requirements, of which	12,119.98	13,937.98	12,355.95	14,209.35
(i)	Outflows related to derivative exposures and other collateral requirements	2,487.98	2,861.18	2,232.31	2,567.16
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	9,632.00	11,076.80	10,123.64	11,642.19
6	Other contractual funding obligations	66.23	76.16	825.39	949.20
7	Other contingent funding obligations	-	-	-	-
8	**Total Cash Outflows**	**32,355.81**	**37,209.18**	**36,422.44**	**41,885.81**
Cash Inflows					
9	Secured lending	-	-	-	-
10	Inflows from fully performing exposures	6,926.14	5,194.60	6,860.94	5,145.71
11	Other cash inflows	205.78	154.34	756.88	567.66
12	**Total Cash Inflows**	**7,131.92**	**5,348.94**	**7,617.82**	**5,713.37**
			Total Adjusted Value		Total Adjusted Value
13	**Total HQLA**		**38,254.67**		**29,064.90**
14	**Total Net Cash Outflows**		**31,860.24**		**36,172.44**
15	**Liquidity Coverage Ratio (%)**		**120.07%**		**80.35%**

53. The following disclosures are in accordance with Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 issued by the Reserve Bank of India, as amended.

53.1 Regulatory ratios, limits and disclosures are based on Ind AS figures in accordance with RBI circular dated October 22, 2020 read with RBI circular dated March 13, 2020 relating to Implementation of Ind AS.

53.2 **Summary of Significant Accounting Policies** (refer note 3)

53.3.1 **Capital**

Particulars		Current Year	Previous Year
(i)	Capital to risk weighted assets ratio (CRAR) (%)	**22.82**	22.17
(ii)	CRAR – Tier I Capital (%)	**22.24**	21.45
(iii)	CRAR – Tier II Capital (%)	**0.58**	0.72
(iv)	Amount of subordinated debt raised as Tier- II Capital	**-**	-
(v)	Amount raised by issue of Perpetual Debt Instruments	**-**	-

Notes forming part of the standalone financial statements (Continued)

53.3.2 Reserve Fund u/s 29C of NHB Act, 1987

₹ in Crore

Particulars		Current Year	Previous Year
Balance at the beginning of the year			
a)	Statutory Reserve under Section 29C of the NHB Act	**5,727.42**	5,227.42
b)	Amount of Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act.	**18,114.95**	16,114.95
		23,842.37	21,342.37
Addition / Appropriation / Withdrawal during the year			
Add :			
a)	Amount transferred under Section 29C of the NHB Act	**700.00**	500.00
b)	Amount of Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve under Section 29C of the NHB Act	**2,100.00**	2,000.00
Less :			
a)	Amount appropriated from Statutory Reserve under Section 29C of the NHB Act	-	-
b)	Amount withdrawn from Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 which has been taken into account for the purpose of provision under Section 29C of the NHB Act	-	-
		2,800.00	2,500.00
Balance at the end of the year			
a)	Statutory Reserve under Section 29C of the NHB Act	**6,427.42**	5,727.42
b)	Amount of Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act.	**20,214.95**	18,114.95
		26,642.37	23,842.37

Note: The Reserve Fund under Section 29C of the NHB Act includes all the transfers to Special Reserve No. II except for **₹ 302.00 Crore** that was transferred to Special Reserve No. II prior to the notification of Section 29C of the NHB Act.

53.3.3 Investments*

₹ in Crore

Particulars			Current Year	Previous Year
1	**Value of Investments**			
(i)	Gross value of Investments			
	(a)	In India	**69,209.17**	69,289.86
	(b)	Outside India	-	-
(ii)	Provisions for Depreciation			
	(a)	In India	**48.86**	64.27
	(b)	Outside India	-	-
(iii)	Net value of Investments			
	(a)	In India	**69,160.31**	69,225.59
	(b)	Outside India	-	-
2	**Movement of provisions held towards depreciation on investments**			
(i)	Opening balance		**64.27**	43.70
(ii)	Add: Provisions made		**9.62**	25.54
(iii)	Less: Write-off / Written-back of excess provisions during the year		**(25.03)**	(4.97)
(iv)	Closing balance		**48.86**	64.27

* Includes Investment and Investment Properties

Notes forming part of the standalone financial statements (Continued)

53.3.4 **Derivatives**

53.3.4.1 **Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)**

₹ in Crore

Particulars		Current Year	Previous Year
(i)	The notional principal of swap agreements ^	**1,54,408.00**	1,01,882.00
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	**933.68**	1,897.80
(iii)	Collateral required by the HFC upon entering into swaps	**NA**	NA
(iv)	Concentration of credit risk arising from the swaps *	**NA**	NA
(v)	The fair value of the swap book	**(2,763.20)**	(232.11)

^ Includes USD IRS - Notional of **USD 1,260 million** (Previous Year USD 1,185 million) converted at year end exchange rate.

* Concentration of credit risk arising from swap is with banks and financial institutions.

Benchmark	Current Year	Previous Year	Terms
	Notional Principal (₹ in Crore)		
OIS	**1,22,870.00**	78,160.00	Fixed Receivable V/s Floating Payable
T-bill linked	**21,975.00**	-	Fixed Receivable V/s Floating Payable
INBMK	**-**	15,000.00	Fixed Receivable V/s Floating Payable
	Notional Principal (USD mn)		
USD LIBOR	**1,400.00**	1,185.00	Fixed Payable V/s Floating Receivable

53.3.4.2 **Exchange Traded Interest Rate (IR) Derivative**

The Corporation has not entered into any exchange traded derivative.

53.3.4.3 **Disclosures on Risk Exposure in Derivatives**

A. **Qualitative Disclosure**

Financial Risk Management

The Corporation has to manage various risks associated with the lending business. These risks include liquidity risk, exchange risk, interest rate risk and counterparty risk.

The Financial Risk Management and ALM Policy as approved by the Board sets limits for exposures on currency and other parameters. The Corporation manages its interest rate and currency risk in accordance with the guidelines prescribed therein.

Liquidity risk and Interest rate risks arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of maturity profiles. As a part of Asset Liability Management, the Corporation has also entered into interest rate swaps wherein it has converted a portion of its fixed rate rupee liabilities into floating rate linked to various benchmarks. The currency risk on borrowings is actively managed mainly through a combination of currency swaps and forward contracts. Counter party risk is reviewed periodically to ensure that exposure to various counter parties is well diversified and is within the limits fixed by the Derivative Committee. Credit Support Agreements (CSAs) are progressively entered into with banking counterparties to mitigate counterparty credit risk.

Constituents of Hedge Management Framework

Financial Risk Management of the Corporation constitutes the Audit & Governance Committee, Asset Liability Committee (ALCO), Derivative Committee and the Risk Management Committee.

The Corporation periodically monitors various counter party risk and market risk limits, within the risk architecture and processes of the Corporation.

Notes forming part of the standalone financial statements (Continued)

Hedging Policy

The Corporation has a Liquidity and Financial Risk Management framework and ALM policy approved by the Board of Directors. For derivative contracts designated as hedges, the Corporation documents at inception, the relationship between the hedging instrument and hedged item. Hedge effectiveness is ascertained periodically on a forward looking basis and is reviewed by the Derivative Committee at each reporting period. Hedge effectiveness is measured by the degree to which changes in the fair value or cashflows of the hedged item that are attributed to the hedged risk are offset by changes in the fair value or cashflows of the hedging instrument.

Measurement and Accounting

All derivative contracts are recognised on the balance sheet and measured at fair value. Hedge accounting is applied to all the derivative instruments as per IND AS 109. Gain/loss arising on account of fair value changes are recognised in the Statement of Profit and Loss to the extent of ineffective portion of hedge instruments and hedged items. The gains/losses of effective portion of hedge instrument are offset against gain/losses of hedged items in Other Comprehensive Income.

The Corporation has entered into fair value hedges like interest rate swaps on fixed rate rupee liabilities as a part of the Asset Liability management whereby a portion of the fixed rate liabilities are converted to floating rate. The Corporation has a mark to market loss of ₹ 3,043.96 Crore on outstanding fair value hedges.

Foreign exchange forward contracts outstanding at the Balance Sheet date, are recorded at fair value. The premium or discount arising at the inception of such forward exchange contract is amortised as expense or income over the life of the contract.

The Corporation has entered into cashflow hedges to hedge currency risk on certain foreign currency loans and to cover future interest on foreign currency borrowings. Under the cashflow hedge, the hedging instrument is measured at fair value and any gain or loss that is determined to be an effective hedge is recognized in equity i.e., Cash flow Hedge reserve. The outstanding notional of cashflow hedges to cover currency risk on foreign currency loans and future interest on foreign currency borrowings is ₹ **16,634.46 Crore** (Previous Year ₹ 16,387.00 Crore)

Movements in the Cash flow hedge reserve are as follows (as per Ind AS Financials):

₹ in Crore

Particulars	Current Year	Previous Year
Opening Balance - Debit balance	**(198.28)**	(180.59)
Credit/(Debit) in the Cash flow reserve	**278.30**	(17.69)
Closing Balance	**80.02**	(198.28)

B. Quantitative Disclosure

₹ in Crore

Particulars			Currency Derivatives*		Interest Rate Derivatives	
			Current Year	Previous Year	Current Year	Previous Year
(i)	Derivatives (Notional Principal Amount)		**16,634.46#**	16,387.00#	**1,54,408.00^**	1,01,882.00^
(ii)	Marked to Market Positions					
	(a)	Assets (+)	**648.60**	925.47	**674.20**	1,229.01
	(b)	Liability (-)	**(386.96)**	(199.74)	**(3,437.40)**	(1,461.12)
(iii)	Credit Exposure		**2,351.30**	2,156.18	**4,265.71**	3,765.78
(iv)	Unhedged Exposures		-	-	-	-

* Currency Derivatives includes Forward contracts, Principal Only swaps, USD IRS Swaps.
^ Includes USD IRS - Notional of **USD 1,260 million** (Previous Year USD 1,185 million) converted at year end exchange rate.
# Includes COS - Notional of USD 140 million (Previous Year 140 million) converted at year end exchange rate.

Notes forming part of the standalone financial statements (Continued)

53.3.5 **Assets Liability Management (Maturity pattern of certain items of Assets Liabilities)**

₹ in Crore

Maturity Buckets	Liabilities			
	Deposits	Borrowings other than market borrowing and foreign currency	Market Borrowing	Foreign Currency Liabilities
1 to 7 days	-	8,800.27	-	-
8 to 14 days	1,813.43	170.00	-	-
15 to 30/31 days	2,030.39	900.00	1,920.87	-
Over one month to 2 months	4,486.31	994.00	3,993.97	1,518.00
Over 2 to 3 months	5,621.63	1,997.00	3,650.88	41.01
Over 3 to 6 months	16,114.71	4,385.29	6,847.41	-
Over 6 months to 1 year	18,460.84	9,807.37	7,183.34	-
Over 1 to 3 years	62,386.25	32,837.79	49,604.84	9,011.49
Over 3 to 5 years	32,489.07	21,908.41	36,361.71	3,415.66
Over 5 years	17,497.13	44,065.46	89,366.61	-
Total	**1,60,899.76**	**1,25,865.59**	**1,98,929.63**	**13,986.16**

₹ in Crore

Maturity Buckets	Assets		
	Advances	Investments	Foreign Currency Assets
1 to 7 days	-	9,000.00	-
8 to 14 days	3,098.32	4,500.00	-
15 to 30/31 days	4,180.63	3,504.05	-
Over one month to 2 months	6,631.05	6,500.00	-
Over 2 to 3 months	6,736.35	10,358.23	-
Over 3 to 6 months	20,588.33	6,618.93	-
Over 6 months to 1 year	51,083.31	6,243.15	-
Over 1 to 3 years	1,49,299.77	601.40	-
Over 3 to 5 years	1,11,664.12	16,336.70	-
Over 5 years	2,01,580.63	4,929.76	-
Total	**5,54,862.51**	**68,592.22**	**-**

Notes forming part of the standalone financial statements (Continued)

53.3.6 **Exposure to Sensitive Sector**

53.3.6.1 **Exposure to Real Estate Sector**

₹ in Crore

Category			Current Year	Previous Year
a)	**Direct Exposure**			
	(i)	**Residential Mortgages**		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	**4,12,009.38**	3,48,150.09
	(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	**1,12,074.78**	97,651.95
	(iii)	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures**		
		a) Residential	**14.24**	18.33
		b) Commercial Real Estate	-	-
b)	**Indirect Exposure**			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).		**285.62**	120.98

53.3.6.2 **Exposure to Capital Market**

₹ in Crore

Particulars		Current Year	Previous Year
(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; *	**1,762.40**	1,652.29
(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;	**30.01**	22.04
(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;	**148.41**	178.59
(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;	**17,011.02**	25,112.17
(vii)	bridge loans to companies against expected equity flows / issues;	-	-
(viii)	all exposures to Venture Capital Funds / Alternative Investment Funds (both registered and unregistered) **	**2,145.06**	1,852.77
	Total Exposure to Capital Market	**21,096.91**	**28,817.86**

* at cost in accordance with Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021.

** Includes units invested in Real Estate Investment Trust.

Notes forming part of the standalone financial statements (Continued)

53.3.6.3 **Details of financing of parent company products**

These details are not applicable since the Corporation is not a subsidiary of any company.

53.3.6.4 **Details of Single Borrower Limit (SBL)/Group Borrower Limit (GBL) exceeded by the HFC**

The Corporation has not exceeded Single Borrower Limit (SBL) / Group Borrower Limit (GBL) during the financial year.

53.3.6.5 **Advances against Intangible Collateral**

₹ in Crore

Particulars		Advances against Intangible Collateral	Value of such Intangible Collateral
(i)	Corporate Loans	**2,491.19**	2,488.13
(ii)	Project Loans	**109.53**	192.66
Total		**2,600.72**	**2,680.79**

53.3.6.6 **Exposure to group companies engaged in real estate business**

Particulars		Amount (₹ in crore)	% of owned fund
(i)	Exposure to any single entity in a group engaged in real estate business	-	-
(ii)	Exposure to all entities in a group engaged in real estate business	-	-

53.4. **Miscellaneous**

53.4.1 **Registration obtained from other financial sector regulators**

Regulator	Registration No.
Securities and Exchange Board of India:	INR000003159
As share transfer agent in Category II	
Pension Fund Regulatory and Development Authority (PFRDA)	POP02092018
As Point of Presence	

53.4.2 **Disclosure of Penalties imposed by NHB and other regulators**

Refer Note 45 for Disclosure of Penalties imposed by NHB and other regulators.

53.4.3 **Related party Transactions**

Details of all material transactions with related parties are disclosed in Note 42.

53.4.4 **Group Structure**

Refer Note 42 - Related party disclosures and Note 54 - Diagrammatic representation of group structure in accordance with the Ind AS.

53.4.5 **Rating assigned by Credit Rating Agencies and migration of rating during the year**

Instrument	Rating Agency	Ratings Assigned
Deposits	ICRA Limited	MAAA/Stable
	CRISIL Ratings Limited	FAAA/Stable
Bonds/ Non-Convertible Debentures	ICRA Limited	ICRA AAA/Stable
	CRISIL Ratings Limited	CRISIL AAA/Stable
Non-Convertible Debentures with Warrants	ICRA Limited	ICRA AAA/Stable
	CRISIL Ratings Limited	CRISIL AAA/Stable
Subordinated Debt	ICRA Limited	ICRA AAA/Stable
	CRISIL Ratings Limited	CRISIL AAA/Stable

Notes forming part of the standalone financial statements (Continued)

Instrument	Rating Agency	Ratings Assigned
Short Term Debt	ICRA Limited	ICRA A1+
	CRISIL Ratings Limited	CRISIL A1+
	CARE Ratings Limited	CARE A1+
Long Term Bank Facilities	CARE Ratings Limited	CARE AAA/Stable
Short Term Bank Facilities		CARE A1+
Long Term Bank Facilities	ICRA Limited	ICRA AAA/Stable
Short Term Bank Facilities		ICRA A1+

Note: The Corporation has been assigned the highest ratings in all the above-mentioned instruments.

There were no changes in any of the ratings or outlook during the year.

53.4.6 **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.

53.4.7 **Revenue Recognition**

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

53.4.8 **Consolidated Financial Statements (CFS)**

All the subsidiaries of the Corporation have been consolidated as per Ind AS 110 Consolidated Financial Statements. Refer consolidated financial statements (CFS).

53.5 **Additional Disclosures**

53.5.1 **Provisions and Contingencies**

₹ in Crore

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account		Current Year	Previous Year
1.	Provisions for depreciation on Investment & Properties	**9.62**	25.54
2.	Provision towards NPA	**934.06**	1,164.55
3.	Provision made towards Income tax	**3,504.13**	2,787.79
4.	Other Provisions and Contingencies	**(14.27)**	(0.26)
5.	Provision for Standard Assets (with details like teaser loan, CRE, CRE-RH etc.)	**1,012.21**	1,783.72

Notes forming part of the standalone financial statements (Continued)

₹ in Crore

Break up of Loan & Advances and Provisions thereon			Housing		Non-Housing	
			Current Year	Previous Year	Current Year	Previous Year
Standard Assets						
	a)	Total Outstanding Amount	**3,78,357.12**	3,28,682.06	**1,77,136.24**	1,58,021.32
	b)	Provisions made	**3,921.45**	4,680.23	**2,593.38**	2,287.44
Sub-Standard Assets						
	a)	Total Outstanding Amount	**2,909.33**	2,875.49	**884.46**	1,450.28
	b)	Provisions made	**1,149.28**	1,301.79	**163.21**	725.55
Doubtful Assets – Category-I						
	a)	Total Outstanding Amount	**1,666.86**	1,995.03	**1,626.21**	1,353.12
	b)	Provisions made	**891.85**	739.99	**1,029.38**	912.31
Doubtful Assets – Category-II						
	a)	Total Outstanding Amount	**1,998.88**	2,640.46	**1,115.95**	394.34
	b)	Provisions made	**804.51**	1,547.65	**754.13**	199.70
Doubtful Assets – Category-III						
	a)	Total Outstanding Amount	**798.42**	340.86	**345.43**	160.97
	b)	Provisions made	**443.30**	114.57	**225.90**	110.22
Loss Assets*						
	a)	Total Outstanding Amount	**1,419.13**	317.43	**110.37**	87.79
	b)	Provisions made	**1,419.13**	317.43	**110.37**	87.79
Total						
	a)	**Total Outstanding Amount**	**3,87,149.74**	**3,36,851.33**	**1,81,218.66**	**1,61,467.82**
	b)	**Provisions made**	**8,629.52**	**8,701.66**	**4,876.37**	**4,323.01**

53.5.2 **Draw Down from Reserves**

During FY 2021-22, there were no draw down from Reserves.

53.5.3 **Concentration of Public Deposits, Advances, Exposures and NPAs**

53.5.3.1 **Concentration of Public Deposits**

₹ in Crore

Particulars	Current Year	Previous Year
Total Deposits of twenty largest depositors	**7,544.87**	7,595.43
Percentage of Deposits of twenty largest depositors to Total Deposits of the Corporation	**7.51%**	8.03%

53.5.3.2 **Concentration of Loans & Advances**

₹ in Crore

Particulars	Current Year	Previous Year
Total Loans & Advances to twenty largest borrowers	**61,870.17**	54,502.97
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the Corporation	**10.89%**	10.94%

Notes forming part of the standalone financial statements (Continued)

53.5.3.3 **Concentration of all Exposure (including off-balance sheet exposure)**

₹ in Crore

Particulars	Current Year	Previous Year
Total Exposure to twenty largest borrowers / customers	**65,419.66**	58,927.60
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	**10.45%**	10.69%

53.5.3.4 **Concentration of NPAs**

₹ in Crore

Particulars	Current Year	Previous Year
Total Exposure to top ten NPA accounts	**5,589.94**	5,337.74

53.5.3.5 **Sector-wise NPAs**

Sl. No.	Sector	Percentage of NPA to Total Advances in that Sector
A.	**Housing Loans:**	
1	Individual	1.03%
2	Builder/Project Loans	18.43%
3	Corporates	27.62%
B.	**Non-Housing Loans:**	
1	Individual	1.70%
2	Builder/Project Loans	2.94%
3	Corporates	2.24%

53.5.4 **Movement of NPAs**

₹ in Crore

Particulars			Current Year	Previous Year
(I)	Net NPAs to Net Advances (%)		**1.06%**	1.15%
(II)	Movement of NPAs (Gross)			
	a)	Opening balance	**11,615.77**	10,273.25
	b)	Additions during the year	**6,707.61**	5,625.57
	c)	Reductions during the year	**5,448.34**	4,283.05
	d)	Closing balance	**12,875.04**	11,615.77
(III)	Movement of Net NPAs			
	a)	Opening balance	**5,558.77**	5,380.80
	b)	Additions during the year	**4,031.38**	2,891.34
	c)	Reductions during the year	**3,706.17**	2,713.37
	d)	Closing balance	**5,883.98**	5,558.77
(IV)	Movement of provisions for NPAs (excluding provisions on standard assets)			
	a)	Opening balance	**6,057.00**	4,892.45
	b)	Additions during the year	**2,676.23**	2,734.23
	c)	Reductions during the year	**1,742.17**	1,569.68
	d)	Closing balance	**6,991.06**	6,057.00

Notes forming part of the standalone financial statements (Continued)

In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021, the Corporation has carried out asset classification of the borrower accounts as per the extant RBI instructions / IRAC norms, without considering any standstill in asset classification and also done staging of the borrower accounts in accordance with ECL model / framework under Ind AS in the financial statements for the year ended March 31, 2021.

53.5.5 **Overseas Assets**

₹ in Crore

Particulars	Current Year	Previous Year
Bank Balances	**0.59**	0.34
Fixed Assets	**0.12**	0.22
Advances and Prepaid Expenses	**1.37**	1.44

53.5.6 **Off-balance Sheet SPVs sponsored**
(which are required to be consolidated as per accounting Norms)

Name of the SPV sponsored	
Domestic	**Overseas**
HDFC Investment Trust	NA
HDFC Investment Trust II	NA

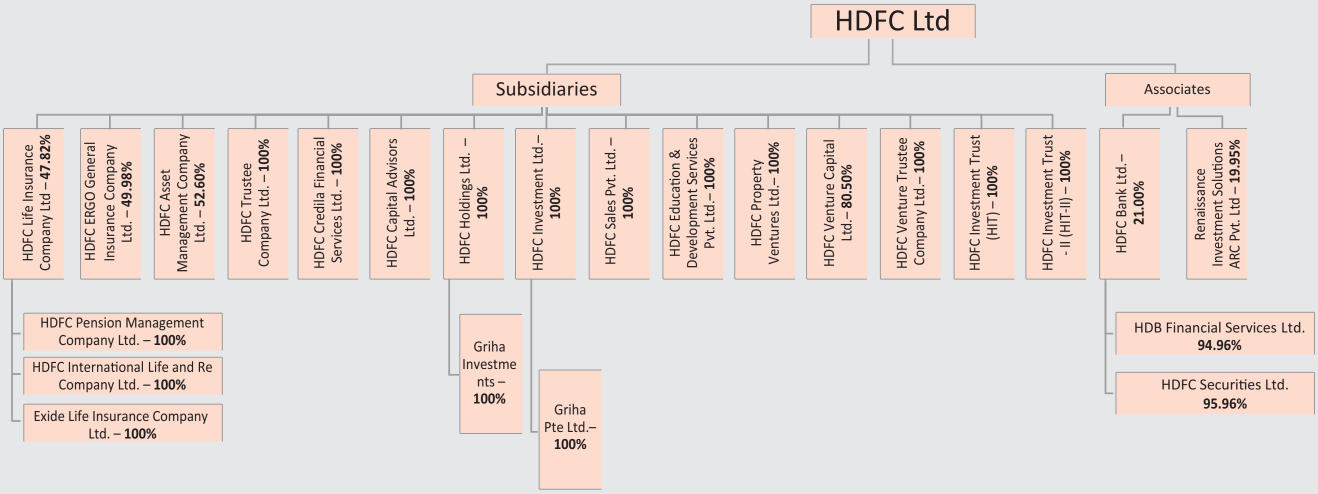
53.6 **Disclosure of Complaints**

53.6.1 **Customer Complaints***

Particulars		Current Year	Previous Year
a)	No. of complaints pending at the beginning of the year	**19**	24
b)	No. of complaints received during the year	**39,934**	72,439
c)	No. of complaints redressed during the year	**39,928**	72,444
d)	No. of complaints pending at the end of the year	**25**	19

* **Credit Linked Subsidy Scheme complaints and Moratorium request are excluded.**

54. Diagrammatic representation of group structure



ACTIONABLE INTELLIGENCE

Notes forming part of the standalone financial statements (Continued)

55. **Balance Sheet disclosures as required under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 issued by the RBI, as updated.**

Schedule to the Balance Sheet as at March 31, 2022

₹ in Crore

Particulars				
Liabilities side			**Amount outstanding**	**Amount overdue**
(1)	**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**			
	(a)	Debentures : Secured	1,71,925.01	-
		: Unsecured	4,939.80	-
	(b)	Deferred Credits	-	-
	(c)	Term Loans	1,40,066.31	-
	(d)	Inter-corporate loans and borrowing	-	-
	(e)	Commercial Paper	30,238.35	-
	(f)	Public Deposits	1,04,316.96	-
	(g)	Other Loans - Other Deposits	62,673.40	-
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**			
	(a)	In the form of Unsecured debentures	-	-
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	(c)	Other public deposits	1,04,316.96	-

Assets side				**Amount outstanding**
(3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**			
	(a)	Secured		5,45,503.76
	(b)	Unsecured		22,859.53
(4)	**Break-up of Leased Assets and stock on hire and other assets counting towards asset financing activities**			
	(i)	Lease assets including lease rentals under sundry debtors		
		(a)	Financial lease	-
		(b)	Operating lease	-
	(ii)	Stock on hire including hire charges under sundry debtors		
		(a)	Assets on hire	-
		(b)	Repossessed Assets	-
	(iii)	Other loans counting towards asset financing activities		
		(a)	Loans where assets have been repossessed	-
		(b)	Loans other than (a) above	-

Notes forming part of the standalone financial statements (Continued)

₹ in Crore

Assets side					Amount outstanding
(5)	**Break-up of Investments**				
	Current Investments				
	1.	Quoted			
		(i)	Shares		
			(a)	Equity	-
			(b)	Preference	-
		(ii)	Debentures and Bonds		-
		(iii)	Units of mutual funds		2,330.18
		(iv)	Government Securities		1,037.14
		(v)	Others (please specify)		-
	2.	Unquoted			
		(i)	Shares		
			(a)	Equity	-
			(b)	Preference	-
		(ii)	Debentures and Bonds		-
		(iii)	Units of mutual funds		-
		(iv)	Government Securities		-
		(v)	Others - Venture Fund and AIF		-
	Long Term Investments				
	1.	Quoted			
		(i)	Share		
			(a)	Equity	22,204.20
			(b)	Preference	-
		(ii)	Debentures and Bonds		126.76
		(iii)	Units of mutual funds		-
		(iv)	Government Securities		35,868.91
		(v)	Others - Real Estate Investment Trust		322.71
		(vi)	Others - Security Receipts		139.45
	2.	Unquoted			
		(i)	Shares		
			(a)	Equity	4,139.02
			(b)	Preference	3.85
		(ii)	Debentures and Bonds		917.29
		(iii)	Units of mutual funds		-
		(iv)	Government Securities		-
		(v)	Others - Pass Through Certificates		14.32
		(vi)	Others - Security Receipts		0.03
		(vii)	Others - Venture Funds & Other Funds		1,503.31

				Amount net of provisions as at March 31, 2022		
(6)	**Borrower group-wise classification of assets financed as in (3) and (4) above:**					
	Category			Secured	Unsecured	Total
	1.	Related Parties				
		(a)	Subsidiaries	-	-	-
		(b)	Companies in the same group	-	-	-
		(c)	Other related parties	-	18.97	18.97
	2.	Other than related parties		5,32,405.31	22,437.89	5,54,843.20
	Total			**5,32,405.31**	**22,456.86**	**5,54,862.17**

Notes forming part of the standalone financial statements (Continued)

(7)	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**				₹ in Crore
	Category			**Market Value / Break-up or fair value or NAV**	**Book Value (Net of Provisions)**
	1.	Related Parties			
		(a)	Subsidiaries	1,00,911.24	5,187.46
		(b)	Companies in the same group	1,27,258.95	14,050.49
		(c)	Other related parties	-	-
	2.	Other than related parties		49,354.27	49,354.27
	Total			**2,77,524.46**	**68,592.22**

				₹ in Crore
(8)	**Other information**			**Amount**
	Particulars			
	(i)	Gross Non-Performing Assets		
		(a)	Related parties	-
		(b)	Other than related parties	12,875.04
	(ii)	Net Non-Performing Assets		
		(a)	Related parties	-
		(b)	Other than related parties	5,883.99
	(iii)	Assets acquired in satisfaction of debt*		2,631.31

* Excluding PPE held for own use and Investments.

56. Disclosure in terms of RBI Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021, as updated.

The RBI vide its circular number RBI/2020-21/60/DOR.NBFC (HFC) CC.NO 118/03.10.136/2020-21 dated October 22, 2020 defined the principal business criteria for HFCs. Further, it also states that those HFCs which does not fulfill the defined criteria as on October 22, 2020 has an option to submit a board approved plan including a roadmap to fulfill the defined criteria and timeline for transition to RBI within three months from the date of circular. In compliance with the above circular, the Corporation has submitted board approved plan along with roadmap to fulfill the defined criteria and timeline for transition to RBI on January 21, 2021.

Principal Business Criteria for the Corporation registered as "Housing Finance Company" as per the Paragraph 4.1.17 of the Master Direction is given below:

Criteria	**% As at March 31, 2022**	% As at March 31, 2021
% of total assets towards housing finance	**59.23%**	58.02%
% of total assets towards housing finance for individuals	**54.74%**	53.33%

Requirement as per Paragraph 4.1.17 of the Master Direction is given below:

Timeline	**Minimum percentage of total assets towards housing finance**	Minimum percentage of total assets towards housing finance for individuals
March 31, 2022	**50%**	40%
March 31, 2023	**55%**	45%
March 31, 2024	**60%**	50%

Notes forming part of the standalone financial statements (Continued)

57. Statutory disclosure required as per Schedule III Division III of the the Companies Act, 2013

(i) The Corporation has not entered any transactions with companies that were struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 other than mention below:

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	"Relationship with the Struck off company, if any."
Afchana Multi Trade Private Limited	Payable	0.00	None
Vijay Fininvest Limited	Shareholder, Number of shares held - 1 equity share	-	None
Samridhi Frozen Foods Private Limited	Loan	0.48	None
Sree Sai Management & Project consultants Private Limited	Loan	0.85	None
Envision Realty Management Private limited	Loan	0.24	None

'Note '0' denotes amount less than ₹ Fifty thousand.

(ii) The Corporation is in compliance with number of layers of companies, as prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(iii) During the year, no scheme of arrangements in relation to the Corporation has been approved by the competent authority in terms of Sections 230 to 237 of the Companies Act, 2013. Accordingly, aforesaid disclosure are not applicable, since there were no such transaction (refer note 46).

(iv) The Corporation does not have any transactions which were not recoded in the books of accounts, but offered as income during the year in the income tax assessment.

(v) The Corporation has not traded or invested in Crypto currency or Virtual Currency during the financial year

(vi) (a) Capital to risk-weighted assets ratio (CRAR):

Ratio	Current Period	Previous Period
Capital to risk-weighted assets ratio (CRAR) %	22.82	22.17
Tier I CRAR %	22.24	21.45
Tier II CRAR %	0.58	0.72

(b) Liquidity Coverave Ratio - 80.35% (refer note 52.3)

58. Approval of financial statements

The financial statements were approved by the Board of Directors of the Corporation on May 02, 2022.

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

As per our report of even date attached.

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
Firms' Registration No: 301003E/E300005

per Viren Mehta
Partner
Membership No. 048749

For G. M. Kapadia & Co.
Chartered Accountants
Firms' Registration No: 104767W

Atul Shah
Partner
Membership No. 039569

Directors

Deepak S. Parekh
Chairman
(DIN: 00009078)

U. K. Sinha
(DIN: 00010336)

P. R. Ramesh
(DIN: 01915274)

Keki M. Mistry
Vice Chairman &
Chief Executive Officer
(DIN: 00008886)

Ireena Vittal
(DIN: 05195656)

Jalaj Dani
(DIN: 00019080)

Bhaskar Ghosh
(DIN: 06656458)

Rajesh Narain Gupta
(DIN: 00229040)

Renu Sud Karnad
Managing Director
(DIN: 00008064)

V. Srinivasa Rangan
Executive Director &
Chief Financial Officer
(DIN: 00030248)

Ajay Agarwal
Company Secretary
(FCS: 9023)

MUMBAI, May 02, 2022