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CERTIFIED TRUE EXTRACT OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF AADHAR HOUSING FINANCE LIMITED AT ITS MEETING HELD ON SATURDAY 16TH JANUARY, 2021, AT 1:00 PM THROUGH VIDEO CONFERENCE AT MUMBAI

TO CONSIDER AND APPROVE POLICY ON MATERIALITY WITH RESPECT TO DISCLOSURE RELATING TO OUTSTANDING LITIGATION INVOLVING THE COMPANY, ITS DIRECTORS, PROMOTER, ITS SUBSIDIARY

Policy on Materiality with respect to disclosure relating to outstanding litigation involving the company, its directors, promoter, its subsidiary:

The Managing Director & CEO informed the Board that, in connection with the proposed initial public offering of equity shares of the Company of face value of Rs. 10/ each (the “**Equity Shares**”), the Company is in the process of filing the draft red herring prospectus with the Securities and Exchange Board of India (“**SEBI**”) and will subsequently file the red herring prospectus and prospectus with the Registrar of Companies, Bengaluru, located at Bengaluru, Karnataka, SEBI and relevant stock exchange(s) (the draft red herring prospectus, red herring prospectus and the prospectus are collectively the “**Offer Documents**”). The Board was briefed that pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”), the Board is required to disclose the following involving the Company, its promoter, its directors, and its subsidiary (collectively, the “**Relevant Parties**”) in the Offer Documents.:

- (i) all outstanding criminal proceedings;
- (ii) all outstanding actions by regulatory authorities and statutory authorities;
- (iii) outstanding claims related to direct and indirect tax matters in a consolidated manner; giving the number of cases and total amount; and
- (iv) details of any other pending litigation, involving the Relevant Parties, which are determined to be material as per a policy defined by the Board and as will be disclosed in the Offer Documents (“**Other Pending Litigation**”).

Further, any disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action is required to be disclosed in the Offer Documents.

Accordingly, the Board was requested to consider the materiality threshold in respect of Other Pending Litigation involving the Relevant Parties. In this regard, the Board noted that the profit after tax, as per the latest restated consolidated financial statements of the Company as of and for the financial year ended March 31, 2020, which was Rs. 1,893.8 million, be considered for arriving at the materiality threshold. Upon discussion, the Board passed the following resolution with respect to (iv) above:

“**RESOLVED THAT** for the purposes of determining outstanding material litigation involving the Relevant Parties, the board of directors of the Company (“**Board**”) resolved that the following Other Pending Litigation shall be considered material:



Aadhar Housing Finance Ltd.

CIN: U66010KA1990PLC011409

Regd. Office: 2nd Floor, No. 3, JVT Towers, 8th 'A' Main Road,
S.R Nagar, Bengaluru – 560 027, Karnataka.

Toll Free No: 1800 3004 2020 www.aadharhousing.com



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Any outstanding litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the promoter in the last five financial years including any outstanding action, and tax matters (direct or indirect), would be considered 'material' if the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 1% of the profit after tax of the Company, for the financial year ended March 31, 2020, as per the restated consolidated financial statements of the Company as disclosed in the Offer Documents:

- (a) where the aggregate amount involved in such individual litigation exceeds Rs. 18.9 million individually; or
- (b) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation may not exceed Rs. 18.9 million; or
- (c) all outstanding litigation filed against the Company which are winding up petitions under the Companies Act, or are corporate insolvency resolutions processes under the Insolvency and Bankruptcy Code, 2016;
- (d) all other outstanding litigation which may not meet the specific threshold and parameters as set out in (a) or (b) above, but where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of the Company.”

Therefore, the following outstanding litigation involving the Relevant Parties would be considered 'material':

“RESOLVED FURTHER THAT the above policy on materiality shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and/or such other applicable authority with respect to listed companies or disclosure requirements as may be prescribed by SEBI through its observations on the Offer Documents, or disclosures that may arise from any investor or other complaints. In this regard, it is clarified that the above policy on materiality is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer Documents and should not be applied towards any other purpose.

“RESOLVED FURTHER THAT the MD & CEO, Chief Financial Officer and/or the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things, including to settle any question, difficulty or doubt that may arise and to finalise and execute all documents and writings as may be necessary.”

“RESOLVED FURTHER THAT any of the Directors, MD & CEO and/or the Company Secretary of the Company is authorised to certify the true copy of the aforesaid resolution.”



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