Aadhar Housing Finance Ltd

GHAR BANEGA, TOH DESH BANEGA.

Smart Loans for **Dream Homes**

Annual Report 2021-22




SMART LOANS FOR DREAM HOMES

Everyone dreams of owning a home of their own.

Aadhar Housing Finance believes that every Indian, irrespective of their financial condition, should be able to realise this dream. As the preferred lender to the lower-income and economically weaker sections of society, the Company benefits countless Indian families working in the informal economy with its proposition of furthering financial inclusion and customised home loan products and services.

Aadhar Housing's motto of 'Ghar Banega Toh Desh Banega' is backed by its suite of innovative offerings designed with comprehensive local customer understanding and unique Indian needs in mind. This is underpinned by state-of-the-art technology and digital infrastructure that ensures the delivery of unique, innovative product lines, faster seamless processing, and complete customer delight.

WHAT'S INSIDE

FY 2022 HIGHLIGHTS

₹1693 CRORE

Revenue **9.2%**

₹445 CRORE

Profit after tax (PAT) **30.8%**

DISCLAIMER

Aadhar Housing Finance Limited (the "Company") is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to undertake an initial public offer of its equity shares and has filed a draft red herring prospectus dated January 24, 2021, a corrigendum dated February 18, 2021 and an addendum dated April 5, 2022 (together with the draft red herring prospectus and the corrigendum, the "DRHP") with the Securities and Exchange Board of India.

Any potential investor should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see "Risk Factors" of the Red Herring Prospectus, when available. Potential investors should not rely on the DRHP for any investment decision. Investors must make their own assessment of the relevance, accuracy and adequacy of the information contained in this report and must make such independent investigation as they may consider necessary or appropriate for such purpose.

Further, past performance is not necessarily indicative of future results. Some information in this Management Discussion and Analysis section may contain forward-looking statements. We have based these forward looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances. You should also keep in mind that any forward-looking statement made by us in this MDnA or elsewhere speaks only as of the date on which we made it. New risks and uncertainties come up from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the forward-looking statements in this MDnA after the date hereof. In light of these risks and uncertainties, any forward-looking statement made in this MDnA or elsewhere may or may not occur and has to be understood and read along with this supplemental disclosure. We use a variety of financial and operational performance indicators to measure and analyze our financial performance and financial condition from period to period and to manage our business. Further, financial or performance indicators used here, have limitations as analytical tools, and should not be considered in isolation from, or as a substitute for, analysis of our historical financial performance, as reported and presented in our financial statements included in the DRHP.

The term "Aadhar" used in the name of the Company, "Aadhar Housing Finance Limited" has no relation or connection with the Government of India or Unique Identification Authority of India's "Aadhaar" and should not be confused with the same.

CORPORATE INFORMATION

BOARD OF DIRECTORS

1. **Mr. Om Prakash Bhatt**
   Independent Director (Non-Executive Chairman of the Board)
   (DIN: 00548091)
2. **Dr. Nivedita Haran**
   Independent Director
   (DIN: 06441500)
3. **Ms. Sharmila A Karve**
   Independent Director
   (DIN: 05018751)
4. **Mr. Amit Dixit**
   Non-Executive Director (Nominee)
   (DIN: 01798942)
5. **Mr. Mukesh Mehta**
   Non-Executive Director (Nominee)
   (DIN: 08319159)
6. **Mr. Deo Shankar Tripathi**
   Managing Director & CEO
   (DIN: 07153794)

KEY MANAGERIAL PERSONNEL

Mr. Deo Shankar Tripathi
Managing Director & CEO

Mr. Rajesh Viswanathan
Chief Financial Officer

Mr. Sreekanth V. N.
Company Secretary & Compliance Officer

STATUTORY AUDITOR

Joint Statutory Auditors upto Q2 of FY 2021-22

Deloitte Haskins & Sells LLP
Chartered Accountants One International Center Tower 3, 27th-32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013, Maharashtra

Chaturvedi S K & Fellows
Chartered Accountants 402, Dev Plaza, Swami Vivekanand Road, Andheri (West), Mumbai - 400 058, Maharashtra

Statutory Auditors from Q3 for FY 2021-2022

Walker Chandiok & Co LLP
11th Floor. Tower II, One International Center,
S B Marg, Prabhadevi, Mumbai – 400013, Maharashtra.
T: +91 22 66262699

DEBENTURE TRUSTEES

Catalyst Trusteeship Limited
(Formerly known as GDA Trusteeship Ltd.)
GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Kothrud, Pune - 411038, Maharashtra.
Ph. No.: +91 20 2528 0081
Email Id: dt@ctltrustee.com
Website: www.catalysttrustee.com

Beacon Trusteeship Ltd.
4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Club, Bandra (East), Mumbai - 400 051, Maharashtra.
Ph. No.: +91 22 2655 8759
Email Id: contact@beacontrustee.co.in
Website: www.beacontrustee.co.in

HOLDING COMPANY

BCP Topco VII Pte. Ltd., Singapore

SUBSIDIARY COMPANY

Aadhar Sales and Services Pvt. Ltd.

COMPANY SECRETARY

Mr. Sreekanth V. N.
Company Secretary & Compliance Officer
Unit No. 802, 8th Floor, Natraj By Rustomjee, Western Express Highway, Sir M V Road Junction, Andheri (E), Mumbai - 400 069, Maharashtra.
Ph. No.: +91 22 41689931
Email: complianceofficer@aadharhousing.com

STOCK EXCHANGE

BSE Ltd.
P.J. Towers, Dalal Street,
Mumbai - 400001, Maharashtra.
Ph. No.: +91 22 22721234
Email: corp.comm@bseindia.com
Website: www.bseindia.com

DEPOSITORIES FOR DEMAT

a) National Securities Depository Ltd. (NSDL)
4th Floor, A Wing, Trade World, Kamala Mills Compound, S.B. Marg, Lower Parel, Mumbai - 400013, Maharashtra.
Ph. No.: +91 22 24994200
Email id: info@nsdl.co.in
Website: www.nsdl.co.in

b) Central Depository Services (India) Ltd. (CDSL) Marathon Futurex, A-Wing, 25th Floor, N M Joshi Marg, Lower Parel, Mumbai - 400013, Maharashtra.
Ph. No.: +91 22 2305 8640
Email id: helpdesk@cdslindia.com
Website: www.cdslindia.com

REGISTRAR & TRANSFER AGENTS

a) **KFin Technologies Ltd.**
(Formerly known as KFin Technologies Pvt Ltd.) Selenium Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Telangana.
Ph. No.: +91 40 6716 1663
Email id: einward.ris@kfintech.com
Website: www.kfintech.com

b) **3i Infotech Ltd.**
Tower # 5, 3rd Floor,
International Infotech Park,
Vashi, Navi Mumbai - 400703
Ph. No.: +91 22 7123 8000
Email id: vijaysingh.chauhan@3i-infotech.com Website: www.3i-infotech.com

REGISTERED OFFICE

2nd Floor, No. 3, JVT Towers, 8th 'A' Main Road, S.R. Nagar, Bengaluru - 560 027, Karnataka.
Toll Free No: 1800 3004 2020

Corporate Office:
Unit No. 802, 8th Floor, Natraj By Rustomjee, Western Express Highway, Sir M V Road Junction, Andheri (E), Mumbai - 400 069, Maharashtra.
Ph. No.: +91 22 41689900
Fax No.: +91 22 41689934
Email id: customercare@aadharhousing.com
Website: www.aadharhousing.com
CIN : U66010KA1990PLC011409

BANKERS

Axis Bank Limited
Bank of Baroda
Bank of India
Canara Bank
Central Bank of India
Citi Bank
DBS Bank India Limited
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
Indian Bank
Indian Overseas Bank
Karnataka Bank Limited
Kotak Mahindra Bank Limited
National Housing Bank
Punjab National Bank
State Bank of India
The Federal Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
UCO Bank
Union Bank of India
Yes Bank Limited

ABOUT AADHAR HOUSING

Aadhar Housing Finance Limited ('Aadhar Housing' or 'the Company') is a leading pan-Indian provider of focused housing finance solutions. Driven by its mission of promoting financial inclusion, the Company offers an extensive portfolio of property loans and property enhancement products, enabling those in the neglected lower-income and economically weaker sections of Indian society to realise their dream of home ownership.

With 2,04,000+ empowered customers and 341 branches and offices, Aadhar Housing offers home buyers a transparent, trust-worthy and technology-led proposition to fulfil their home and commercial finance needs.

Originally incorporated as Aadhar Housing Private Limited in 2010, the Company amalgamated with DHFL Vysya in 2017 and was renamed Aadhar Housing Finance Limited.

STRONG PARENTAGE

The Company enjoys the strong parentage of its promoting company Blackstone, one of the world's leading investment firms. Blackstone's asset management businesses include investment vehicles focused on real estate, private equity, public debt and equity, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global level. Through its different businesses, the company had total assets under management of over $915 billion as of 31st March 2022. In FY 2020, Blackstone, through its group company, infused an equity capital of ₹1,300 crore in Aadhar Housing, of which ₹800 crore have been invested in June 2019, post-transfer of ownership and change in control from earlier promoters and International Finance Corporation (IFC) to BCP Topco VII Pte. Ltd. An additional ₹500 crore has been invested by way of a rights issue in March 2020. As on 31st March 2022, BCP Topco VII Pte. Ltd. owns 98.72% of the Company's equity shareholding.

VISION

Aadhar Housing's vision is to ensure a home for every Indian.
– 'Ghar Banega, Toh Desh Banega'

MISSION

- To provide housing finance for the widest sections of society, especially the economically disadvantaged, enabling them to finance and construct their own homes, ushering in an environment of prosperity and equitable growth.
- To promote financial inclusion by empowering borrowers to take better informed financial decisions by creating a trustworthy and transparent framework.
- To widen its reach and presence and through a culture of constant improvement and innovation in people, processes, and policies better the largest number of lives.

VALUES

Aadhar Housing's values are a reflection of its focus and dedication to delivering its brand promise of 'Ghar Banega, Toh Desh Banega'.

INNOVATION

To work with an innovative approach to housing finance credit, creating new business opportunities whilst managing risk.

CUSTOMER DELIGHT

To maintain respectful relations with customers and deliver customer delight through all our actions, whilst measuring our performance on the value delivered to our customers.

SPEED

To set clear performance standards, and stand responsible and accountable for providing solutions within specified timelines, with nimbleness and agility.

INTEGRITY

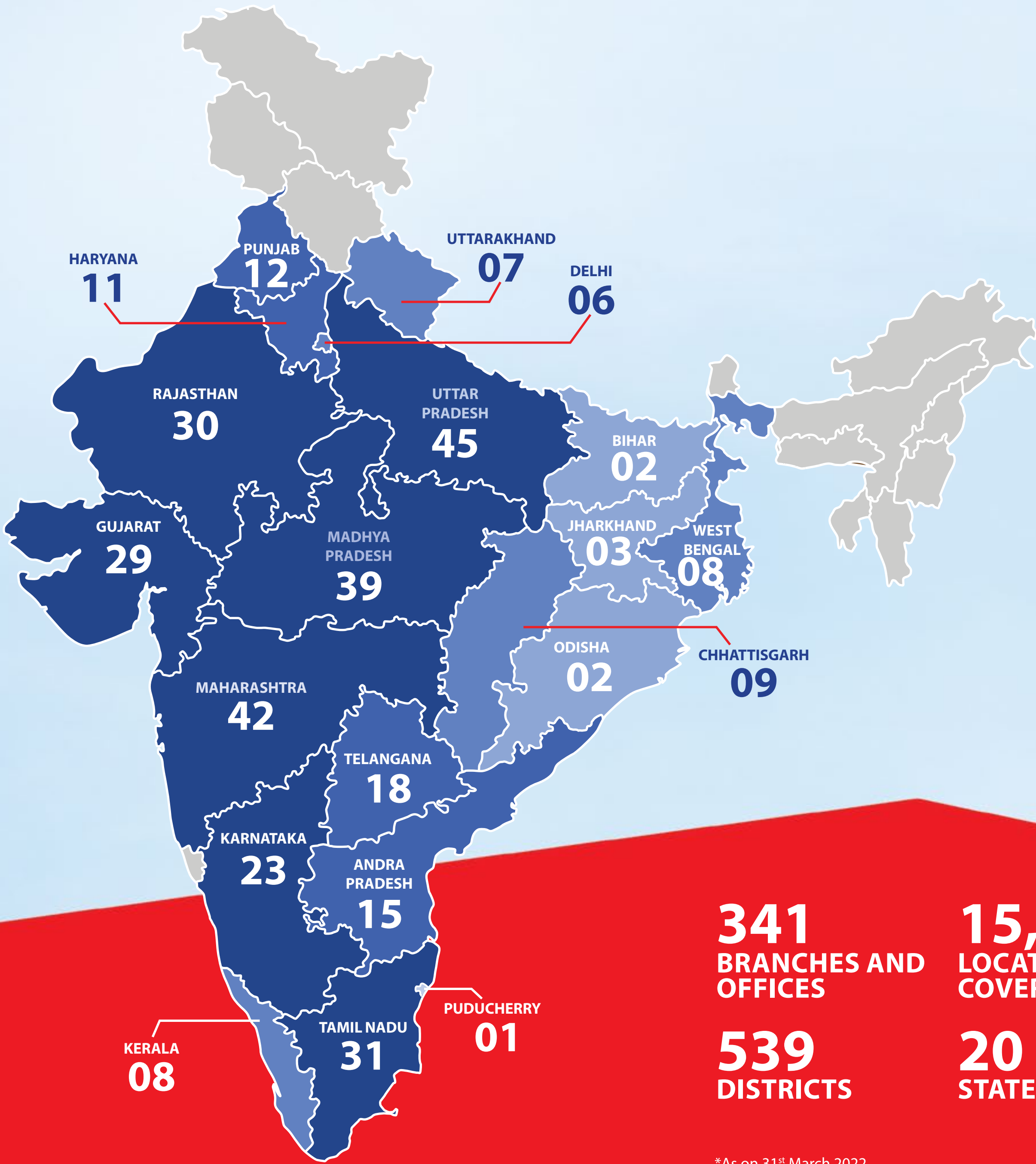
To honour our commitment, act with responsibility, honesty, and transparency across all our external and internal relationships.

CUSTOMER PROMISE

Aadhar Housing's customer promise comprises seven commitments that the Company has pledged to all its customers. These are:

- Always treat our customers fairly and with respect and integrity when fulfilling our responsibilities
- Diligently work with customers to help achieve their home ownership goals and respond quickly with a solution
- Maintain transparency and keep customers well-informed at every step
- Listen to customers and incorporate their feedback
- Provide a trusted, supportive and confidential environment for our customers, so they are comfortable sharing with us their home ownership needs
- Provide great ongoing financial care and guidance
- Communicate clearly and honestly

PRESENCE



341 BRANCHES AND OFFICES

15,000+ LOCATIONS COVERED

539 DISTRICTS

20 STATES AND UTs

*As on 31st March 2022

LOAN SERVICES OFFERED

Home Loan for Salaried Employees
Loans are provided for salaried employees across different pay grades and sectors.

Home Loan for Self-Employed
Loans are provided for the self-employed, who might not be able to fulfil the criteria of formal income documents.

Loan For Plot Purchase and Construction
Composite loans are provided to finance the purchase of land and construction of dream homes.

Home Improvement Loan
Loans are provided for making improvements to existing homes, and these are subject to a maximum of 80% of the overall market value of property.

Home Extension Loan
Loans are provided for making extension in existing homes such as floor extension, and these are subject to a maximum of 80% of the overall market value of property.

Loan Against Residential and Commercial Property (LAP)
Loans are provided against existing residential and commercial properties of customers based on their requirement(s) and the value of the property.

Balance Transfer and Top Up
The facility of transferring existing home loans from other banks to Aadhar Housing at attractive interest rates.

Loan For Purchase of Non-Residential Property
Loans are provided for the purchase of non-residential property.

Home Construction Loan
Loans are provided for funding construction and building dream homes.

Loan For Construction of Non-Residential Property
Loans are provided for construction of non-residential property.

Aadhar Gram Unnati
Loans are provided under a special initiative for building safe houses in smaller towns and districts of India.

ROBUST PERFORMANCE, SUSTAINABLE VALUE

As a continuously innovating, technologically savvy and socially conscious company, Aadhar Housing continues to power ahead as the preferred home loan provider. It has set new standards in customer satisfaction, transparent lending and financial inclusion, encouraged by its expanding national footprint.

Aadhar Housing constantly endeavours to enhance its home loan lifecycle management process, making borrowing for a new home a speedy and seamless experience for every customer.

And while at it, the Company continues to generate sustainable value for its stakeholders through its strong performance and judicious decisions.

AADHAR HOUSING IN NUMBERS

Number of channel partners
13,750+

- Aadhar Mitras – 9,900+
- Aadhar Channel Partners (ACPs) – 3,850+
- Resident Executives – 197

Retail gross NPA on AUM
1.45%

Percentage of loans to salaried employees on AUM
61.5%

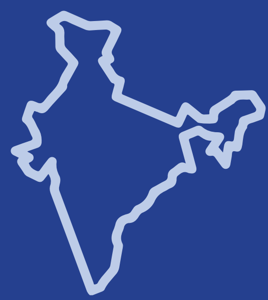
No. of employees
2,769

No. of branches and offices
341

Growth in AUM
10.9%

Total disbursement
₹3,992 Crs
in FY 2022

Presence



20
States and UTs

*As on 31st March 2022

Growth in AMT
₹1,451 Crs

Average ticket size of the total loan portfolio
₹0.88 million

Total AUM
₹14,778 Crs

MESSAGE FROM THE MD AND CEO

Dear Stakeholders,

The year 2022 began on a note of cautious optimism. After nearly two years, the virulence of the Covid-19 virus is ebbing, and while India and the world are still not out of the woods, the Indian Government's speedy rollout and robust implementation of the vaccination drive, coupled with greater public awareness of sanitisation and safeguard measures, all point towards brighter times ahead.

The Indian economy, while buffeted by the Covid-19 headwinds, continues to demonstrate encouraging resilience and the green shoots of an eventual return to normalcy are visible. The IMF predicts that India's GDP will grow faster than most other economies and projects a growth rate of 8.2% in FY 2023 and 6.9% in FY 2024.

The Union Budget for FY 2023 addressed the issue of boosting the consumption cycle by increasing Government investment in capital expenditure and the outlay is budgeted to rise from 3.1% in FY 2022 to 14.5% in FY 2023. A Reserve Bank of India (RBI) study estimated that a ₹1 increase in capital expenditure by the Central Government leads to a ₹3.25 increase in output. This increased outlay is expected to provide a fillip to India's growth over the near and medium term.

The outlook for the Indian housing finance industry continues to be a favourable one. The demand for homes is estimated to cross 100 million units with 95% of the requirement coming from lower-income and economically weaker sections of society. Macro factors like rapid urbanisation, rising disposable incomes, low mortgage penetration of ~11% to GDP, and the demographic dividend remain intact. Demand for housing in India, particularly in the low income segment is a multidecade story. The demand is not confined only to few cities but spreading fast across tier - 2,3,4,5 locations. CRISIL expects housing credit to grow at 11% between FY 2021 and FY 2025 as government impetus under the Pradhan Mantri Awas Yojana (PMAY), tax incentives for home buyers, reduction of the stamp duty in Maharashtra, RERA implementation and the NHB refinance scheme further stimulate growth in the home loan market.

I am pleased to state that despite the Covid-19 triggered challenging economic environment, Aadhar Housing leveraging the strength of its customer-centric business model, continues to hold onto its leadership position in the low-income housing market. As on 31st March 2022, Gross Assets under Management (AUMs) stood at ₹14,778 Crs and total disbursements at ₹3,992 Crs. The number of live accounts stood at 2,04,000+ compared to 1,82,000+ live accounts as on 31st March 2021. The company is predominantly focused on the low income housing segment with 80% loans by value, to beneficiaries from Economically Weaker Section (EWS)/ Low Income Group (LIG).

During the year, the Company consolidated and built on the specialised domain expertise acquired over the years in its micro-markets, enabling superior credit checks and a robust review of fund sources for repayment of its loans. Paired with its constantly improving technological systems and processes, the Company now can identify local opportunities promptly, segment customers more accurately, disburse loans faster and track the status of collections, all in real-time.

The Company's extensive and diversified on-ground presence is a key differentiator, helping it maintain superior service standards and optimum loan sourcing. As on 31st March 2022, there were 341 branches and offices across India covering 20 states and UTs, including adequate representation in the 10 states which generate 79% of all the outstanding housing loans focussed on the low-income housing segment.

The Company continues to invest in information technology with a view to enhancing service standards and efficiency levels and facilitating objective decision-making. The TCS enterprise-wide technology-led Lending and Securitisation platform, which went live across our branches in October 2021, has brought on digitisation of the entire loan life-cycle management process from onboarding and origination to servicing and collections. The Company expects it to also result in enhanced customer engagement and better data analytics. Both these are important components of the Digital Transformation programme, which the Company embarked on a couple of years back.

To deepen the Company's distribution network and diversify its funds base, the Company signed a strategic co-lending agreement with UCO Bank, taking advantage of RBI's recently revised Co-Lending Model framework. Tie ups for co-lending with few other banks are in process This will enable Aadhar Housing to service a much wider customer base, utilising the larger balance sheet of the partner bank and its access to cheaper funds. We have also worked on our overall borrowing mix; the percentage of NHB refinance in our overall borrowing mix has increased, which has also helped in reducing our overall borrowing costs.

The Company's average cost of borrowing has come down to 7.23% on 31st March 2022 from 10.09% on 31st March 2019, which is a testament to the Company's business model and financial performance. The Company aims further improve the weighted average tenure of its outstanding borrowings, which stood on 31st March 2022 at 105 months., This was achieved by targeting varied and alternative pools of capital and adhering to stringent asset liability management policies. In June 2022, International Finance Corporation (IFC) has sanctioned NCD investments of $90 million.

Despite the prevailing macro headwinds, the Company's Retail AUM grew to ₹14,777 Crs as of 31st March 2022 from ₹13,325 Crs as on 31st March 2021. During the year, the Company recorded a robust performance with PAT at ₹445 Crs, compared to ₹340 Crs as of 31st March 2021. The overall gross NPA on AUM stood at 1.46 % as of 31st March 2022, against a figure of 1.07% in FY 2021. Gross NPA as of March 2022 was with the implementation of RBI circular of November 2021, impact of which was 0.27% on 31st March 2022 out of the total GNPA of 1.46%. Collection efficiencies post September 2021 have been 95-100% for housing loans.

As part of Blackstone with a total AUM of $915 billion, the Company continues to benefit from its parent's global capital market expertise, international relationships, adherence to the highest corporate governance standards, and deep domain knowledge in areas like real estate, private equity, public debt and equity and real assets, and secondary funds.

Going ahead, the significant investments in digital technology and processes outlined earlier married with the deep insights and domain understanding gained over the years through extensive feet-on-the-ground will enable the Company to continue offering superior and smart loan products aligned with contemporary needs that help customers own their dream homes.

I take this opportunity to extend my warmest appreciation and thanks to promoters, RBI, SEBI, IRDA, NHB, Banks, IFC, MCA, BSE, Tax authorities, credit rating agencies, Financial Institutions, and all clients, partners, creditors and sponsors for their unstinting support and encouragement. The Company's employees are its bedrock, and I am truly appreciative to all of them and their families spread across the country, for their dedication and service. Transforming customer dreams into reality is the foundation on which this Company is built, and I thank them for their continued support and best wishes.

Thank you,

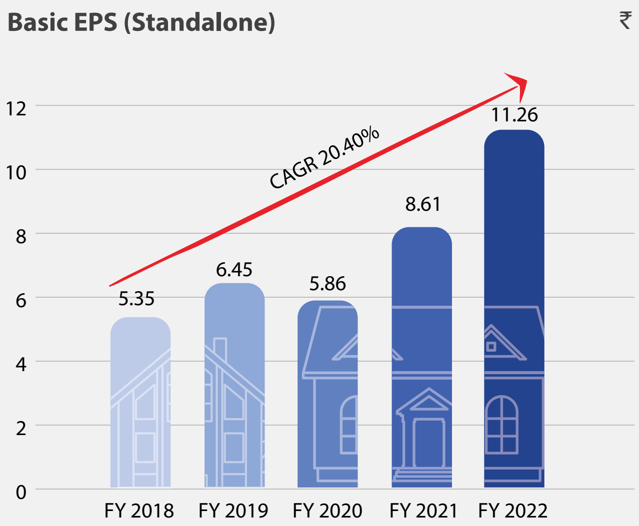
Deo Shankar Tripathi

MD & CEO

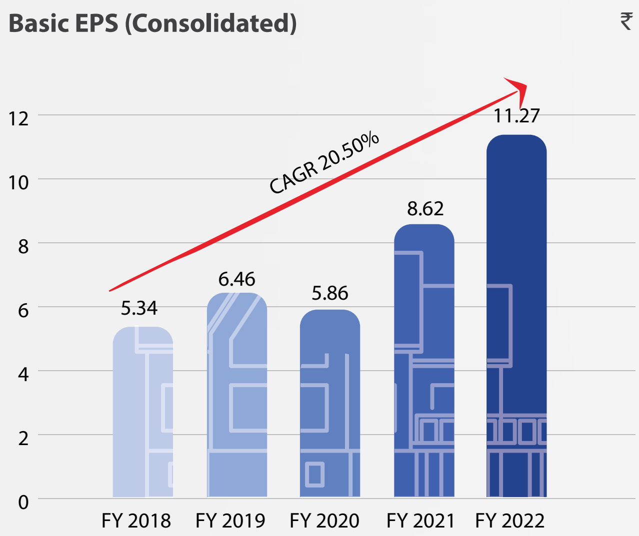
KEY PERFORMANCE INDICATORS

EARNINGS PER SHARE (EPS)

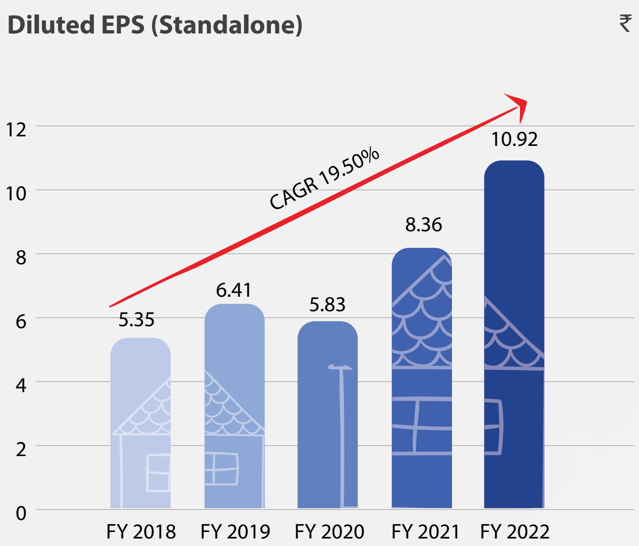
Basic EPS (Standalone)



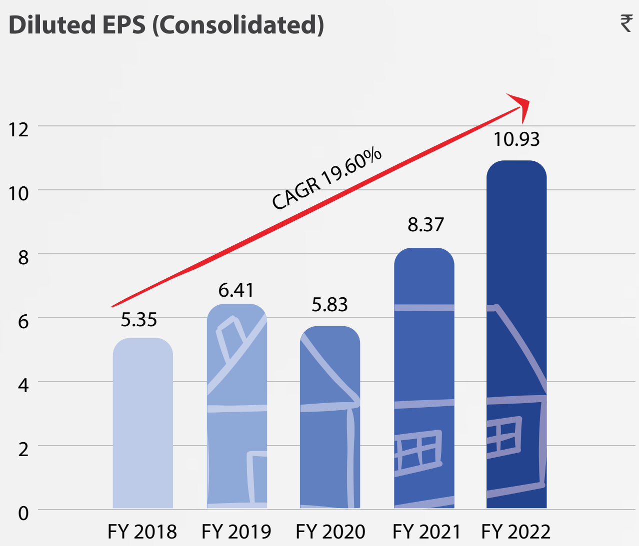
Basic EPS (Consolidated)



Diluted EPS (Standalone)

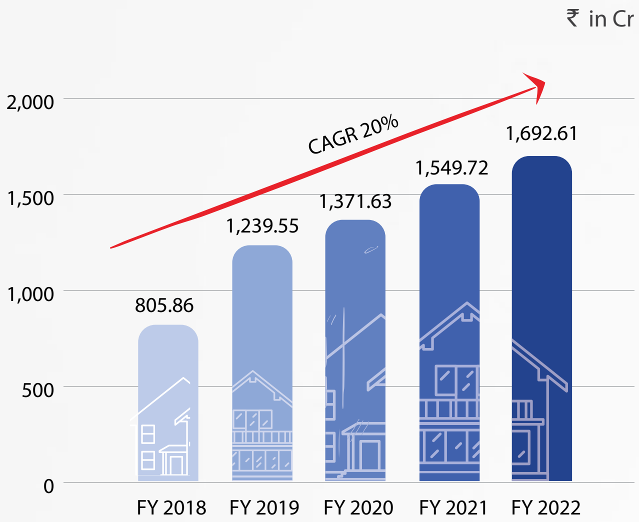


Diluted EPS (Consolidated)

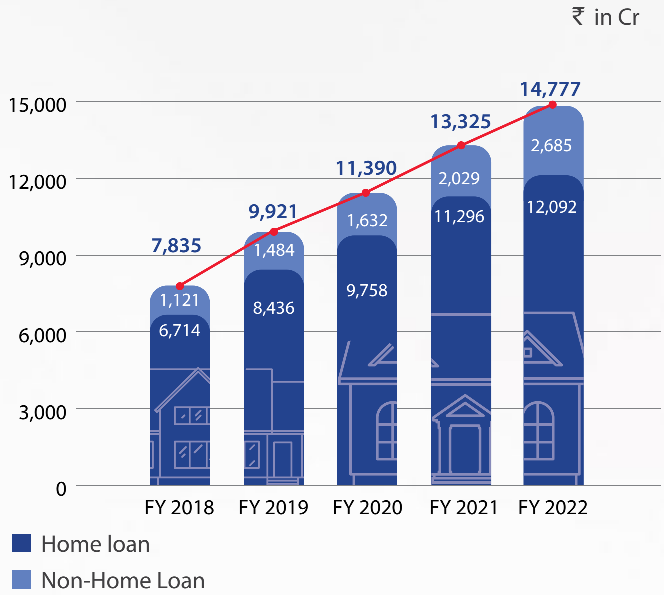


Note: The shareholders vide a special resolution have approved bonus issue of equity shares of the Company in the ratio of nine shares of face value of ₹10 each for each existing equity share of the face value of ₹10 each on 16th January 2021 in extraordinary general meeting (EGM).

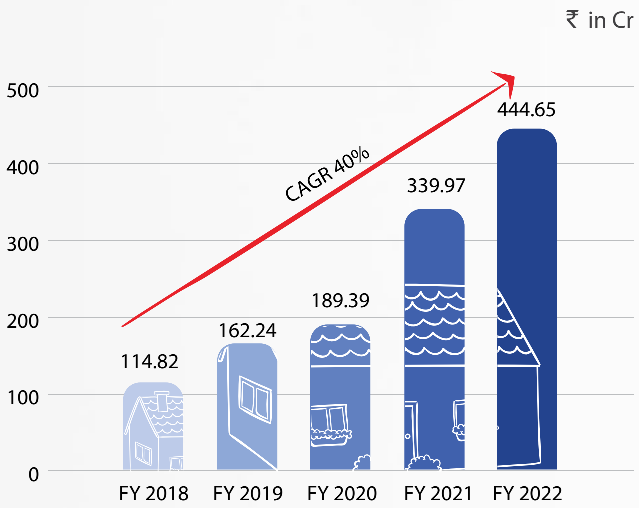
REVENUE FROM OPERATIONS



RETAIL PRODUCT-WISE BREAKUP



PROFIT AFTER TAX (PAT)



STRONG EDGE, HIGH AMBITIONS

As one of India's leading facilitator of home loans for the low-income segment, Aadhar Housing aspires to fufill the dream of every citizen of owning their own home. To ensure a seamless home-buying experience, the Company leverages its digital and portfolio strengths to offer innovative smart products, designed especially with the unique needs of its customer segment in mind.

With its strong competitive edge and robust growth strategy, Aadhar Housing is forging relationships with and transforming the lives of millions of Indians across smaller towns and cities, welcoming them into an ever-growing fold of proud homeowners.

COMPETITIVE STRENGTHS

LARGEST HFC FOCUSED ON LOW-INCOME HOUSING

Aadhar Housing retains its position as the largest housing finance company dedicated to serving the low-income housing market in India. Gross AUM grew at an annual growth rate of 10.9% from ₹13,327 Crs as of 31st March 2021 to ₹14,778 Crs as of 31st March 2022. Disbursements grew 12.6% from ₹3,545 Crs as of 31st March 2021 to ₹3,992 Crs as of 31st March 2022, with the Company continuing to exhibit its best-in-class metrics and successfully weathering various challenging economic events like GST implementation, NBFC liquidity crisis, and the Covid-19 pandemic.

DIVERSIFIED NATIONAL PRESENCE

A key competitive strength for Aadhar Housing is its comprehensive and diversified pan-India footprint.

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BRANCHES AND OFFICES ACROSS URBAN, SEMI-URBAN AND RURAL POCKETS

It has the largest distribution network amongst its peers, in the low-income housing market. This branch network is geographically diversified with no single state accounting for more than 15% of the gross AUM and the top two states contributing 30% of the gross AUM.

ATTRACTIVE INDUSTRY DYNAMICS WITH A STRONG GROWTH TAILWIND

95% of the housing shortage, in terms of units, is expected to be driven by EWS and LIG. Of the overall expected demand of ₹58 trillion, EWS and LIG demand is expected to be ₹35 trillion (Source: CRISIL report).

The Company's unique customer-centric business model enables it to dominate the low-income sub-segment of the Indian mortgage market which is benefitting from attractive industry dynamics and a strong growth tailwind and where the average ticket size is less than ₹1.5 million. Having developed a deep understanding of the various micro-markets it operates in, the Company has been able to quickly resolve customers' needs to access funds by balancing credit, and through prudent underwriting and effective collections. Its customer base predominantly comprises economically-resilient salaried workers, accounting 61.5% of all its customers as of 31st March 2022. Most of these salaried individuals work in the relatively stable, formal segment of the economy and contribute 82% of the Company's gross AUM with the remaining coming from those salaried customers working in the informal sector.

EXTENSIVE BRANCH REACH AND SALES NETWORK

With physical branches, sales staff, Aadhar Mitras, Resident Executives (REs) and technology, and digital-led solutions, Aadhar Housing services the under-served segments of Indian house buyers.

Branches acorss **539** DISTRICTS covering **15,000+** LOCATIONS

in **20** STATES AND UTs

Grounded in the firm belief that branches have a pivotal role to play in boosting business, the Company is present throughout the country including the 10 states which account for 79% of all outstanding home loans in the Indian low-income mortgage segment.

120 MAIN BRANCHES

106 SMALL BRANCHES

51 MICRO BRANCHES

55 ULTRA-MICRO BRANCHES

Constantly expanding its reach, 22 new branches and offices were added in the last year. This on-ground presence is supplemented by an extensive salesforce.

9,900+
AADHAR MITRAAS

3,850+
DIRECT SALES AGENTS

1,900+
DIRECT SALES TEAMS

197
RESIDENT EXECUTIVES

2,04,000+
LIVE ACCOUNTS

This deep penetration and geographic footprint enabled the Company to source 69% of the total loans disbursed last year, from in-house channels.

A specialised product Aadhar Gram Unnati (AGU), tailored to the needs of the rural and non-urban markets was introduced recently. AGU allows the testing of market pockets that hold growth potential without incurring the cost associated with setting up a new branch, thus enabling wider coverage with tighter budgets. The Aadhar Mitra scheme, which facilitates the expansion of the customer base while keeping a tight check on the cost of new loan acquisitions, has been supplemented by a new channel Digital Aadhar Mitra. Digital Aadhar Mitra empowers corporates with large customer bases to identify potential customers and pass on the potential leads to Aadhar Housing's sales team.

ROBUST UNDERWRITING, MONITORING, AND COLLECTIONS PROCESS

With the aid of comprehensive and rigorous digital systems and processes for credit assessment, risk management, and collections, Aadhar Housing monitors and manages risk arising from its business operations. Over the years it has sustained a diversified and low-risk portfolio with strong asset quality.

The entire customer lifecycle from lead origination, credit underwriting, legal and technical evaluation to sanction, disbursement, monitoring, and collections has been streamlined and hosted on a state-of-the-art integrated loan platform designed by TCS. Underwriting for salaried customers is done at two central processing units ensuring standardisation, cost optimisation and faster processing, and turnaround time. For the non-salaried, branch-led credit officers follow a thorough process that includes an on-ground business verification and anticipated cash flow analysis of the business.

Due diligence is carried out by technical teams of civil engineers incorporating site visits, third-party property valuations, and post-disbursement sampling. Legal due diligence includes checks on loan documentation, builder due diligence, title checks, and assessments by empanelled and in-house lawyers. Credit underwriting, risk management, and fraud detection teams, routinely utilise technological innovations to process loan applications, analyse credit risks, and identify fraud. A cognitive rule-based system is used to make credit decisions. Supervising the entire process and ensuring strict corporate governance are internal audit, risk management, and concurrent audit teams.

Benchmarking against an internal risk appetite statement that states the risk levels and types of acceptable risk, ensures that the Company's capital is used prudently. Various quantitative and qualitative parameters like profitability, asset quality, credit, operational, liquidity, and compliance are routinely tracked to ensure adherence to the path.

57.5%

AVERAGE LOAN TO VALUE AS ON 31ST MARCH 2022.

The Company maintains a moderate level of loan-to-value ratios across various buckets at the time of the sanctioning of the loan. The Company believes that the efficacy of its credit risk management policies and framework is reflected in portfolio quality indicators such as high repayment rates, low rates of GNPAs and, positive NIMs across business and economic cycles.

RETAIL GNPAs AS A % OF RETAIL AUM AT

1.45%

THIS YEAR VS 1.07% LAST YEAR.

NET RETAIL NPAs AS % OF RETAIL AUM AT

1.09%

VS 0.75% LAST YEAR.

ACCESS TO A DIVERSIFIED FUNDING MIX AND A POSITIVE ALM POSITION

Aadhar Housing has always preferred accessing long-term, low-cost funding avenues to finance its capital requirements over expensive short-term instruments. Over the years, it has been increasing exposure to low-cost and diversified borrowing sources to ensure a robust funding mix. There is no reliance on short term borrowing sources like Commercial Papers (CPs) a negligible exposure to deposits.

Securing funding from diversified funding sources ranging from term loans, proceeds from loans assigned, issuance of NCDs, refinancing from NHB, subordinated debt borrowings from banks, mutual funds, insurance companies, and different domestic and foreign institutions, the Company has been rationalising its incremental cost of borrowing which was reduced by 290 basis points from FY 2020 to FY 2022. Its borrowings from NHB comprised 22.4% and 16.4% of its total borrowings as of 31st March 2022 and 31st March 2021, respectively.

SANCTIONED

₹12.50 billion

BY NHB IN DECEMBER 2021

The Company's treasury department ensures that capital requirements are met, a positive asset liability management (ALM) is maintained across different maturity buckets, the cost of borrowing is minimised, funding sources are diversified and the raised capital is invested in line with the stipulations laid down in the Company's investment policy. Adequate liquidity levels are maintained on the book to take care of business needs and borrowing repayments. These are in addition to available undrawn lines. The Company has a long-term credit rating of AA from Care Ratings and Brickwork.

9,900+

AADHAR MITRAS ARE SUCCESSFULLY EMPLOYED AND EARNING A LIVELIHOOD AS OF 31ST MARCH 2022

STRONG ESG FOCUS WITH SOCIAL OBJECTIVES AT THE CORE OF THE BUSINESS

Anchored in the Company's customer-centric business model are the social objectives of providing homes for EWS and LIG who are often overlooked by mainstream financial services companies, promoting financial inclusion, and uplifting rural and semi-urban swathes of India by providing the local population with alternative sources of income generation through the Aadhar Mitra programme.

89%

OF AADHAR HOUSING'S LIVE LOAN ACCOUNTS AND

80%

OF ITS TOTAL AUM BELONG TO CUSTOMERS FROM

THE ECONOMICALLY WEAKER SECTIONS AND LOW-INCOME GROUPS OF THE POPULATION, MANY OF WHOM EARN LESS THAN ₹50,000 A MONTH

Many of its customers are beneficiaries of government-promoted affordable housing schemes like PMAY and these loans account for 18.6% of all Live Accounts and 14.6% of Gross AUM as of 31st March 2022.

With a strong ESG focus and driven by the social objectives at the core of its business, the Company pioneered a socially inclusive scheme; Aadhar Mitra across rural and semi-urban locations across the country. Aadhar Mitra is an incentive-based representative model which enables the local population to function as lead providers and originators for its sales force. Aadhar Mitra is paid a referral fee on successful disbursement to customers sourced by them, this model has provided an additional income stream for some of the poorest sections of society.

Adhering to the highest governance standards of its promoter Blackstone, and steered by a high-quality management team, the Company continues to make a sustainable, and a positive contribution to societal upliftment through its differentiated and inclusive operations.

HIGHLY EXPERIENCED BOARD AND MANAGEMENT TEAM

BOARD OF DIRECTORS

O. P. Bhatt —

Non-executive Chairman and Independent Director

is the Non-Executive Chairman and Independent Director of the Company. He holds a bachelor's degree in Science from Meerut University, and a master's degree in English Literature from the same university. He has previously served as the chairman of State Bank of India. He is also serving as a director on the boards of Hindustan Unilever Limited and Tata Group companies, including Tata Motors Limited, Tata Steel Limited, Tata Steel Europe Limited, Greenko Energy Holdings Mauritius and Tata Consultancy Services Limited. He was appointed as the Non-Executive Chairman and Independent Director on the Board of the Company with effect from September 13, 2019.

Nivedita Haran —

Independent Director

is an Independent Director of the Company. She has a Ph.D. in Humanities and Social Sciences from the Indian Institute of Technology, Delhi. She retired as the Additional Chief Secretary, Department of Home Affairs, Government of Kerala, India. She is also on the board of Guruchandrika Builders and Property Private Limited, NESL Asset Data Limited and National E- Governance Services Limited. She serves as the honorary chairperson on the board of directors of Centre for Migration and Inclusive Development. She was appointed as an Additional (Independent) Director on the Board of the Company with effect from September 15, 2018 and has been re-appointed by the Shareholders at the Annual General Meeting held on June 29, 2020.

Sharmila Karve —

Independent Director

is an Additional Independent Director on the Board of the Company. She holds a bachelor's degree in Commerce from University of Bombay and is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. Presently, she is a director on the boards of EPL Limited, Essel Packaging (Guangzhou) Limited, Lamitube Technology Limited (Mauritius), Essel Propack America LLC, Syngene International Limited, Vanaz Engineers Limited, CSB Bank Limited and School for Social Entrepreneurs India. She was appointed as an Independent Director on the Board of the Company with effect from December 15, 2020.

Amit Dixit —
Non-executive (Nominee) Director

is a Non – Executive (Nominee) Director on the Board of the Company. He is the senior managing director, cohead of Asia acquisitions, and head of India for Blackstone Private Equity. He holds a bachelor's degree in Civil Engineering from the Indian Institute of Technology, Bombay, and was awarded the director's silver medal for graduating at the top of his program. He has two master's degrees, one in Science (Civil Engineering) from Leland Stanford Junior University and the other in Business Administration from Harvard University. Previously, he has worked as an associate at Warburg Pincus. He is serving as a director on the board of several companies including Mphasis Limited, Aakash Educational Services Limited, Sona BLW Precision Forgings Limited, Comstar Automotive Technologies Private Limited, IBS Software Limited, Jagran Prakashan Limited, Mid-Day Infomedia Limited, EPL Limited, Blackstone Advisors India Private Limited, PGP Glass Private Limited, TU Topco Inc., TU Midco Inc. and TU Bidco Inc. He was appointed as a Non – Executive (Nominee) Director on the Board of the Company with effect from August 2, 2019.

Mukesh Mehta —
Non-executive (Nominee) Director

is a Non – Executive (Nominee) Director on the Board of the Company. He is the senior managing director within the private equity group of Blackstone Advisors India Private Limited. He has passed the examination for the bachelor's program in Commerce from the University of Mumbai, and has a master's degree in Commerce from the same university. He is a qualified Chartered Financial Analyst (USA) and also Chartered Accountant from the Institute of Chartered Accountants of India. He has 14.5 years of experience in Private Equity. Previously, he worked at Carlyle India Investment Advisors Private Limited and Citicorp Finance (India) Limited. He also worked in the Assurance and Business Advisory Group at Price Waterhouse & Co. He is also serving as a director on the board of PGP Glass Private Limited, TU Topco Inc., TU Midco Inc. and TU Bidco Inc. He was appointed as a Non – Executive (Nominee) Director on the Board of the Company with effect from August 2, 2019.

MANAGEMENT TEAM

Deo Shankar Tripathi —
MD and CEO

is the Managing Director and Chief Executive Officer of the Company. He holds a bachelor's and master's degree in Science from Lucknow University and has cleared the examination for a diploma in Public Administration from Awadh University. He has also passed the associate examination of the Indian Institute of Bankers and has completed various certificate courses including International Study Tour on "Energy Efficiency in Residential Buildings" from KFW Entwicklungsbank, Germany, and Strategy and Management in Banking Programme from International Development Ireland Limited. He has worked as a general manager at Union Bank, and president and chief operating officer at DHFL. Prior to joining our Company, he was the chief executive officer of Erstwhile Aadhar. Presently, he is serving as a director on the boards of ASSPL and Fort Finance Limited. He was appointed as the Managing Director and Chief Executive Officer of the Company with effect from December 5, 2017.

Rishi Anand —
Chief Operating Officer – Business Development

is the Chief Business Officer of the Company. He holds a bachelor's degree in Arts (Vocational Studies) from University of Delhi and has completed the Post Graduate Certificate Programme in Business Management from Indian Institute of Management, Kozikhode. He has over 24 years of experience in fields such as sales and personal finance. Prior to joining the Company, he has worked with various organisations such as Shelters, ICICI Bank Limited, GE Countrywide Consumer Financial Services Limited, BHW Birla Home Finance Limited, Reliance Capital & AIG Home Finance India Limited, Indo Pacific Housing Finance Limited and DHFL. He joined the Company on April 1, 2018.

Anmol Gupta —
Chief Treasury Officer

is Chief Treasury Officer of the Company. He holds a bachelor's degree in Commerce (Hons.) from University of Delhi and is a qualified Chartered Accountant from the Institute of Chartered Accountant of India. He has several years of experience in coordinating financial operations, preparing budgets, and ensuring maintenance of up-to date financial reports, commitments, expenditures and legal records. Previously, he has worked with BHW Birla Home Finance Limited and as the Accounts Officer of CIMMYT- India, headquartered at Mexico. He was Chief Financial Officer of Erstwhile AHFL. He joined the Company on November 21, 2017.

Hrishikesh Jha —
Chief Human Resource Officer

is the Chief Human Resource Officer of the Company. He has cleared the examination for bachelor's in Science (Honours) from Ranchi University. He has a post graduate diploma in Personnel Management and Industrial Relations from XLRI Jamshedpur. He has several years of experience in human resources. Prior to joining the Company, he has worked with ICICI Bank Limited, UTI Asset Management Private Limited, Barclays Bank PLC and Barclays Wealth. He has also worked as the Group Head of Corporate Human Resource at L&T Finance Holdings Limited. He joined the Company on March 9, 2018.

Nirav Shah —
Chief Risk Officer

is Chief Risk Officer of the Company. He holds a bachelor's degree in Commerce from P. D. Lion's College of Commerce and Economics, University of Mumbai. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. He has also cleared the exam for Certified Information Systems Audit from Information System Audit and Control Association. He has several years of experience in implementing risk management systems across business units and maintaining a strong integrated risk management framework. He has worked with Deloitte Haskins & Sells, ICICI Prudential Life Insurance Company Limited and Tata Capital Housing Finance Limited. He joined the Company on July 5, 2018 and had been the Head Internal Audit of the Company from July 2018 till December 31, 2019.

Rajesh Viswanathan —
Chief Financial Officer

is the Chief Financial Officer of the Company. He holds a bachelor's degree in Commerce from University of Mumbai. He is a qualified Chartered Accountant from the Institute of Chartered Accountant of India and a qualified Cost and Works Accountant from the Institute of Cost and Works Accountants of India. He has several years of experience in accounting, finance, strategy, planning, taxation, treasury, audit, and managing investor relations. Prior to joining the Company, he has been associated with various organisations, starting with A F Ferguson & Co., Mahindra & Mahindra Limited, DSP Financial Consultants Limited, KPMG Bahrain, Bajaj Allianz Life Insurance Corporation Limited, Bajaj Finance Limited & Capital Float. He joined the Company on December 1, 2019.

Sreekanth V.N. —
Company Secretary and Compliance Officer

is the Company Secretary and Compliance Officer of the Company. He holds a bachelor's degree in Commerce and Law from Mahatma Gandhi University and has cleared the examination for master's in Business Administration (Finance) from OJPS University. He is also a qualified Company Secretary from the Institute of Company Secretaries of India. He has several years of experience in handling all secretarial functions of the Company including liaison with institutions like registrar of companies, financial institutions, and other bodies with whom the Company has administrative dealings. He has previously worked with the Bureau of Police Research & Development, Ministry of Home Affairs and Department of Supply, Ministry of Commerce. Prior to joining the Company, he has worked with organisations such as ICICI Bank Limited, Firestone International Private Limited, KM Trading Co LLC, Malabar Institute of Medical Science and Ocean Bounty Limited. He was also associated with Erstwhile Aadhar from April 11, 2011 and he joined the Company on November 21, 2017.

Haryyaksha Ghosh —
Chief Data Officer

is Chief Data Officer of the Company. He holds a master's degree in Science (Physics) from Indian Institute of Technology, Kharagpur. He also holds a post graduate diploma in management from the Indian Institute of Management, Calcutta. He has around 17 years of experience in handling analytics operations across different organisations. He has previously worked with Infosys Technologies Limited, US Technology International Private Limited, Marketics Technologies India Private Limited, Redwood Associates, M/s Ekcelon, Mindwave Solutions Pte. Ltd. (Singapore), Knowledge Management Solutions Pte. Ltd. (Singapore), Network 18 Media & Investments Limited and ECL Finance Limited. He joined the Company on February 1, 2021.

GROWTH STRATEGY

FOCUS ON TARGET CUSTOMERS AND EXPAND BASE

As the largest player amongst housing finance companies, focussed on providing home finance exclusively to low-income housing segment, the Company continues to expand its customer base. The number of customers, predominantly from the economically weaker (EW) and low-to-middle (LIG) income portion of the Indian economy crossed a significant threshold of 1,50,000 accounts with the number of live accounts standing at 2,04,000+ as on 31st March 2022. The outlook for the housing market in India is a favourable one with the mortgage market continuing to grow at 11% and with India's penetration level at 9.4% to GDP being low when compared with other economies. A recent CRISIL report estimates that the requirement for homes will reach 100 million units by 2022, with 95% of this projected demand coming from families in the lower-income group and economically weaker sections of society, which are the Company's target customers.

The Company remains committed to its objective of promoting financial inclusion and focussing on growing its market share of the low-income housing mortgage market, both among salaried and self-employed customer segments. Constant investment in creating a digitally-enabled superior customer-centric model is expected to result in a higher number of customer additions and retentions. While maintaining its primary focus on organic growth and the resultant expansion of its loan portfolio, emerging inorganic opportunities for acquisition of low-income housing segment loan portfolios from financial institutions, will be selectively evaluated.

EXPAND DISTRIBUTION NETWORK TO ACHIEVE DEEPER PENETRATION

Over the years, the Company has builtout a significant pan-Indian distribution network to service its unique customer base and reach out to new customers, especially those residing in the key states of the country. Rooted in the conviction that a comprehensive on-the-ground presence is essential for success and growth in the low-income housing finance segment, technology is being complemented at Aadhar Housing with a deeper brick-and-mortar branch and sales footprint. Branch expansion is a systematic and calibrated process that involves a careful study and analysis of local demographics, market potential, and the presence of competition from peers. Multiple locations are simultaneously evaluated and using the in-house practise of appointing a Resident Executive (RE) enables testing of existing ground conditions before the decision of establishing a branch is taken. The RE model ensures that any unnecessary expenditure connected with the branch expansion is minimised.

To ensure effective risk management and cost control, branches have been segmented and classified into different categories. While minimally-staffed ultra-micro and micro branches cater to customers in market pockets with a relatively sparse population density, small branches and large branches which enjoy a higher staff strength offer a wider range of products and services and large-ticket disbursements to customers living in denser population pockets. Through these measures of testing and risk segmentation, the Company is able to prudently balance the necessity of branch expansion and deeper geographic penetration with cost containment and risk mitigation.

INVEST IN DIGITAL AND TECHNOLOGY-ENABLED SOLUTIONS

An early adopter of technology to enhance customer experience and improve cost efficiencies, a significant upgrade of the technology infrastructure and processes was made with the successful implementation of a new state-of-the-art Lending and Securitisation platform. Along with the Digital Transformation programme designed by TCS and initiated in 2020, this will take the Company a step closer to becoming a digitally driven and enabled corporate entity with the modernisation of existing systems and processes. Driven by its objective to make the home-buying process a simple and seamless one for its low-income customers, this latest investment in technology will also lead to improved and comprehensive risk management for the Company while equipping it with a superior reach.

Applying technology-led solutions to credit underwriting, risk management and fraud detection processes, the Company today centrally processes loan applications, analyses credit risks more efficiently, spots fraud early on and uses an objective cognitive rule-based system to make better informed data-led credit decisions. Customer penetration is enhanced by allowing the third-party sourcing of customers while retaining the critical credit appraisal process in-house. Going forward these technological investments and enhancements will help usher in an analytics-based approach towards operations leading to higher productivity, reduction of wastage, superior underwriting practices, and better collections.

OPTIMISE BORROWING COSTS AND REDUCE OPERATING EXPENSES

The Company constantly endeavours to reduce its cost of borrowing by diversifying its sources of funding, seeking out alternative capital pools, and enforcing stringent asset liability management policies.

The share of NHB refinancing is set to increase with the NHB sanctioning a sum of ₹12.50 billion in December last year. While the Company continues to leverage attractive international sources of funding, it signed its first co-lending agreement with UCO Bank in November 2021. This presents an excellent opportunity for a housing finance company to service a larger number of customers with lesser capital, by utilising the larger balance sheet size of its co-lending partner bank.

Strategically the Company's collection and distribution network is a key differentiator enabling operating expenses to be kept in check. These savings and benefits are expected to be further enhanced through the recent investments in technology and digital innovation. The Company continues to explore and identify methods to improve its overall NIM and work on maintaining a reasonable cost-to-income ratio and at the same time ensuring that adequate investments are made in distribution and technology. It expects all these initiatives implemented to come together favourably, enabling it to maintain reasonable levels of Non-Performing Asset (NPA), and rationalise borrowing cost and operating costs, all leading to superior return ratios.

DIGITAL AND DATA ANALYTICS

Investing incrementally in digital and data analytics with the conviction that a data-driven strategy incorporating artificial intelligence and machine learning can boost business while enhancing underwriting, monitoring and collection processes, a new data science practice has been initiated led by a senior Chief Data Officer (CDO). A 12-member departmental team comprising data engineers, visualisation and data discovery experts, and data scientists, is working on the collation of centralised data, interdepartmental and inter-locational standardisation and a higher level of risk management and corporate governance. In the coming years as the model gets refined, it will enable the Company to build advanced analytical capabilities that will give it a competitive edge and help grow the business.

Data analytics will be used to improve asset quality and increase yield and profitability. Asset quality will be bettered by using superior risk analytics for credit risk underwriting including the efficacy of rejection and acceptance scorecards. The capture of accurate and real-time data will lead to better collection analysis and the timely identification of high-risk customers. Yield and profitability improvements will come about through the automation of risk-based pricing mechanisms which will lead to efficient credit risk pricing and an improvement in the approval percentages of loans. Leveraging the TCS-designed Lending and Securitisation platform it will be possible to monitor loan portfolios and the servicing and performance management of pool investments continually. Data analytics will help guide operational decisions like branch openings through greater integration of data science initiatives.

MARKETING INITIATIVES

Driven by the need to remain contemporary and relevant to customers, the Aadhar Housing corporate website was redesigned to project a vibrant and cohesive brand identity. Incorporating improved SEO, optimised site experience across all screen, and robust security, the new site makes a favourable and distinct brand impression.

Aadhar Housing's digital savvy approach was similarly reflected in our online lead generation campaign where social media and Google marketing platforms were used to create awareness about the brand, build trust and convert potential customers. Demonstrating the power and potential of the digital channel, the 60-day campaign clearly established a high brand recall and reliability among potential customers.

GENERATED

9,366
LEADS

36,85,165
IMPRESSIONS

81,406
CLICKS

Through its organic optimisation efforts, Aadhar Housing created a steady flow of visitors on the website, which also saw an increase of unique users, thus giving a boost to organic leads generated.

12,90,333
TOTAL VISITORS

11,39,330
NEW VISITORS

2,39,678
TOTAL LEADS GENERATED IN FY 2022

The focus on social media marketing continued throughout the year with fresh organic content; relating to festivals and products being posted continuously. This enabled the Company to connect with existing and new customers across Facebook, Twitter, LinkedIn, YouTube, and Instagram.

Our offline marketing activities were carried out concurrently across 300+ locations to create awareness by way of leaflet distribution and marketplace activation. We carried out over 6.52 lakh sq. ft. of wall painting activities to create brand visibility in 220+ branches covering 1,300 smaller locations, hence increasing visibility in the hinterland.

We partnered with 700+ strategically located channel partners to create visibility at high-visibility locations with branded partner boards.

4,00,609
ENGAGEMENTS

39,305
NEW FOLLOWERS ON SOCIAL MEDIA

AWARDS

- Aadhar Housing was adjudged 'Great place to Work' the third year in a row by the Great Place to Work Institute
- The Company was recognised as the 'Best Brand 2021' at the prestigious Economic Times - Best Brands 2021 awards
- MD & CEO Deo Shankar Tripathi was conferred with 'CEO of the Year Award' at the NBFC & FinTech Excellence Awards, 2022
- Aadhar Housing won the 'CSR Times Award 2021' for its initiative Aayushmaan Aadhar by India CSR Awards
- Recognised as the 'Best Employer Brand 2021' by The Economic Times
- Recognising the digital transformation ushered in by Aadhar Housing. It was awarded the 'Best Digital Transformation Initiative-Housing Finance Company' by Quantic India at the NBFC & FinTech Excellence Awards, 2022
- Aadhar Housing Finance Ltd bagged 5 awards at 'Banking Frontiers NBFC Awards & Conference 202' (DNA Awards 2021):
  - o Best Omnichannel CX Initiative - 2nd Prize
  - o Best Cyber Security Initiative - 1st Prize
  - o Best Cloud Initiative - 2nd Prize
  - o Best API Initiative - 1st Prize
  - o Esteemed Trophy (IT & Digital Group)

BEING RESPONSIBLE TOWARDS SOCIETY

Deeply embedded in Aadhar Housing's customer-centric business model is its commitment to an equalitarian society and to giving back to the environment it operates in.

Through initiatives spanning medical care, skill development for the youth, early child care and education, promotion of financial literacy, Covid-19 prevention, and women's development, the quality of life of countless marginalised families across the country is being enhanced by the ongoing and varied programmes of the Company.

AAYUSHMAAN AADHAR — HEALTH CAMPS AND AMBULANCES

Preventive care and early screening for ailments play an established role in bringing down the incidence and severity of illness, and the Aayushman Aadhar drive makes a significant contribution in urban centres. This year, 200 health camps were held across 13 states, to create awareness on health care and hygiene and provide medical support where required. In addition, 14 ambulances were donated across 9 states for definitive transport of patients.

AADHAR KISHORI KALYAN

Through this initiative, skill development and livelihood opportunities were extended to under privileged women. The project aimed at creating sustainable livelihood for women in the retail sector.

EMPLOYEE-LED INITIATIVES

Aadharites have been very enthusiastic when it comes to volunteering for the different social and CSR projects organised by the Company.

BE THE CHANGE

Employees came together and joined hands to construct a roof at a shelter home for homeless children and those from economically disadvantaged families at Titwala in Maharashtra. Under the auspices of BE THE CHANGE, a collaboration between CSR and Employee Engagement, initiatives were organised to support and help the aged, especially those sick, infirm, living away from their families, and affected by natural calamities. To help children, the Company identified 16 homes for children across India that required additional financial support to carry on their activities.

AADHAR AANGAN — EARLY CHILD CARE AND EDUCATION

Aadhar Aangan is a project that seeks to provide underprivileged children with a safety net by ensuring they receive adequate nutrition and proper education in their early childhood.

- 418 Aanganwadis (306 Aanganwadis in Damoh, Madhya Pradesh & 112 Aanganwadis in Tendukheda, Madhya Pradesh)

AADHAR ANNAPURNA

Under this initiative, ration kits were supplied in Jaipur, Lucknow, Ahmedabad, Mangalore and, Hyderabad to students who were finding it difficult to meet their daily nutritional requirements.

AADHAR KAUSHAL

Underprivileged youth with disabilities living in the urban centres of Mumbai, Bangalore and, Delhi were trained in technical and sector-specific skills creating future employment and livelihood avenues for them.

10 fully equipped computer labs were set up to provide a technologically enabled learning platform for government schools to enable them to introduce the students with technological education and provide them with digital gadgets and set-up.

Management Discussion and Analysis

1. Macroeconomic outlook

FY 2022 began on a very cautious note with the resurgence of COVID-19 in April 2021, which led to further lockdowns in various regions of India. With time the lockdowns were progressively relaxed, however, the scope, duration and frequency of such measures, the adverse effects of COVID-19 and the constantly evolving situation (including in respect of newly emerging variants of COVID-19) remained uncertain. All of this combined had an impact on the overall GDP of the country.

As per the National Statistical Office (NSO), GDP growth for FY 2022 was -7.3% and for FY 2022 the same is predicted to grow at a rate of 9.2%. The GDP for FY 2023 and FY 2024 is estimated to see a growth rate of 7.8% and 5.7%, respectively. In the later part of FY 2022, we witnessed heightened geopolitical tensions, resulting in the significant hardening of international crude oil, upsurge in global financial market turmoil, and loss of momentum in global trade and demand. All this has fuelled inflation in most economies and resulted in central banks raising interest rates to counter the same. The RBI has also been proactive on this front and has raised interest rates totalling to 90 bps in April-June 2022.

1.1. Second wave of the COVID-19 pandemic

The second wave of the pandemic hit parts of India in March 2021 and by April 2021, majority of the country was affected by it. This second wave witnessed many infected cases across India and the situation began improving gradually only from June 2021.

States took a number of measures to contain the spread of the virus, including state-specific lockdown, night curfews and micro containment strategy. The vaccination programme in the country gave confidence and hope that going forward country will be in a better position of fighting any new wave of the pandemic.

1.2. Steps initiated by the Government of India and RBI

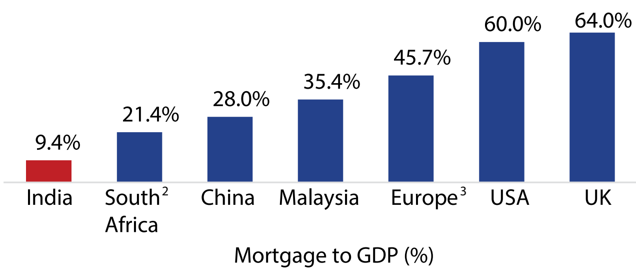
The Government of India and the Reserve Bank of India (RBI) took several measures in FY 2022 to tide over the economic crisis and to ensure availability of sufficient liquid funds in the system. These measures were also aimed at reducing borrower's reluctance because of the COVID-19. Some of the steps taken have been enumerated below:

- Emergency Credit Line Guarantee Scheme (ECLGS) of up to ₹5 lakh crore on collateral-free fresh loans to Micro, Small and Medium Enterprises (MSMEs).
- One-time restructuring to borrowers as per RBI guidelines. In May 2021, Resolution Framework 2.0 was announced which allowed individuals, small businesses and MSMEs to convert their outstanding dues into EMI payment options.
- National Housing Bank (NHB) has been extended a special liquidity facility of ₹1,00,000 million for one more year to provide additional support to housing finance companies (HFC) which helps lower their borrowing cost. Accordingly, NHB has launched special refinance facility of equivalent amount for the housing finance companies to help maintain steady growth in the sector.
- RBI's Monetary Policy Committee (MPC) voted to maintain repo rate at 4% in their meeting held in April 2022. However, in an off-cycle meet held on 4th May 2022, RBI's MPC unanimously voted to hike the repo rate by 40 bps citing acute inflationary pressures. MPC also decided to remain accommodative while focusing on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth.
- In the June 2022 Monetary Policy meeting, the MPC voted unanimously to increase the policy repo rate by 50 bps to 4.90%. The MPC modified its stance slightly, dropping the statement that it would continue 'to remain accommodative' while highlighting that it would focus on withdrawal of accommodation. The MPC indicated that domestic economic activity was gaining strength while highlighting downside risks owing to prolonged geopolitical tensions, elevated commodity prices, continued supply bottlenecks and tightening global financial conditions. It maintained its FY 2023 real GDP growth projection at 7.2%, with risks broadly balanced.

2. Industry dynamics

1. Mortgage to GDP in India is 9.4% as compared to 28% in China and 35% in Malaysia, and the many developed economies like the United States of America and United Kingdom have a much larger mortgage to GDP ratio of 60% and 64% respectively. This gives a significant headroom for the growth of mortgage industry in India.

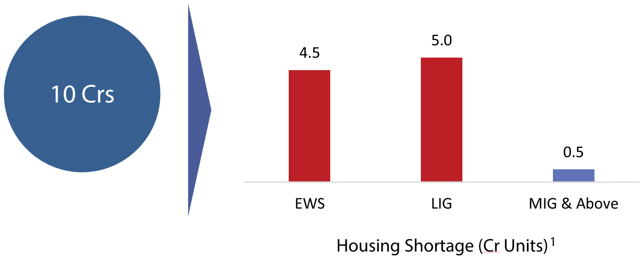
Significant headroom for growth of mortgage industry in India[1]



Source: CRISIL Report; Note: 1. As of CY 2018; 2. As of CY 2017; 3. Europe includes the 28 European Union Member states as on December 2018

"Certain industry and market data used in this annual report has been obtained or derived from the report titled "Industry Report on Affordable Housing Finance, December 2020", prepared by CRISIL ("**CRISIL Report**"). The CRISIL Report has been prepared at the request of our Company which has been commissioned by the Company in connection with its IPO for an agreed fees pursuant to an engagement letter entered into with CRISIL Limited. For CRISIL disclaimer please refer Page No. _____.

2. Housing shortage in units is expected to be driven mainly by EWS and LIG Housing segments

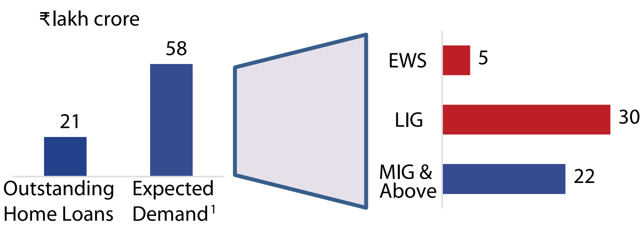


Source: CRISIL Report; Note: 1. Projected housing shortage by FY 2022

EWS = Economically Weaker Sections, with annual income up to ₹ 3 lakh; LIG = Low Income Group, with annual income between ₹ 3 lakh – ₹ 6 lakh; MIG = Middle Income Group, with annual income between ₹ 6 lakh – ₹ 12 lakh

3. This has created substantial demand for low-income housing loans where 60% of the incremental demand in value flowing from EWS and LIG segments.

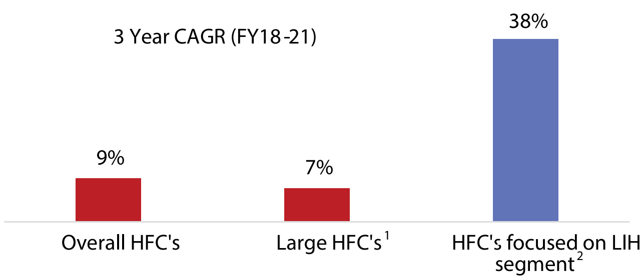
   Outstanding home loans are ₹21 lakh crore and the expected demand is ₹58 lakh crore of which EWS contributes to ₹5 lakh crore and LIG contributes to ₹30 lakh crore.



Source: CRISIL Report; Note: 1. Outstanding Home Loans and Projected demand for home loans by FY 2022

4. Housing finance industry growth trends

The growth rate of the on-book portfolio of HFC and affordable HFCs



Source: CRISIL Report; Note: 1. Includes HFC's with AUM over INR 300bn 2. Includes companies having high share of housing loans with ticket size less than INR 1.5m at disbursements

3. Company overview

Aadhar Housing Finance Ltd. ('Aadhar Housing' or 'the Company') operates in the low-income housing finance segment in India catering to the home loan needs of the Economically Weaker Section (EWS) and Low-Income Group (LIG). These sectors require small ticket mortgage loans. Within these categories, the Company aims to serve the salaried, self-employed, and the informal business segments with a focus on the salaried segment. The Company offers a range of mortgage-related loan products, including loans for residential property purchase and construction; home improvement and extension loans; and loans for commercial property construction and acquisition.

Since June 2019, BCP Topco VII Pte. Ltd. (a Blackstone Company) has been the Company's majority shareholder, and its shareholding as on 31st March 2022, was 98.72%.

The Blackstone Group's unwavering commitment to the highest standards of professionalism and corporate governance has helped [1]the Company in enjoying superior credibility with various financial institutions, rating agencies, and regulatory bodies, granting it a specific advantage in securing funds at competitive rates.

The Company's board of directors comprises of qualified and experienced personnel, who have extensive knowledge and understanding of the banking and finance industry. Post-acquisition by BCP Topco, the Company has further strengthened its corporate governance framework, through the induction of three independent directors, one of whom serves as the Chairman. The Board of Directors is chaired by Mr. O.P. Bhatt (ex-Chairman of the State Bank Group).

The Company has made social objectives as one of its core objectives. It has done this by operating in a financially inclusive customer centric lending business with a business model that contributes significantly to the economic upliftment of targeted customers aimed at a significant improvement in their standard of living. In addition to customer-facing social objectives, the Company has also implemented social objectives in other aspects of business. The Company's presence in the outskirts of major urban centres and semi urban locations across India also provide a source of employment in these locations.

3.1 Business operations

In spite of the challenges posed by the COVID-19 pandemic, the Company had a robust growth in its Assets Under Management ('AUM'), disbursements and profit after tax and all the while, the quality of the portfolio was maintained at acceptable levels.

3.2 Financial Highlights

Profit and Loss Account (standalone)

Profit and Loss	March 2022	March 2021
Interest Revenue from Operations	1,463.43	1,303.36
Treasury Income	98.31	132.36
Upfront Profit on sale of portfolio through direct assignment	92.96	63.81
Fee and commission Income	37.91	50.19
Other Income	0.05	0.09
Total Income	1,692.66	**1,549.81**
Finance Cost	761.20	815.97
Manpower Expenses	214.45	164.82
Operating Expenses & Depreciation & amortization	101.20	81.80
Operating profit	615.81	**487.22**
Credit Cost	48.71	54.94
Profit before tax	567.10	**432.28**
Tax Expenses	122.45	92.31
Profit after tax	444.65	**339.97**

- Number of loan accounts at the end of FY 2022 stood at 204,000+ as compared to 182,000+ at the end of FY 2021.
- AUM grew by 11% to ₹14,778 crore.
- As on FY 2022 end the Company had an assigned portfolio of ₹ 2,730 crore.
- Disbursements during the year was ₹ 3,992 crore, a growth of 13% over the previous year
- Portfolio yields on AUM at 12.96% for the year ended 31st March 2022.
- Net interest Margins ('NIM') have improved due to a sharp drop in the cost of funds from 8.15% to 7.23%. This was mainly triggered by the Incremental cost of funds dropping significantly. In FY 2022, the Company did incremental borrowings of ₹ 3,834 crore at 5.90%
- GNPA ('Gross Non Performing Asset') at the end of the FY 2022 was 1.46% on AUM, as compared to 1.07% at the end of FY 2021. The RBI issued clarificatory guidelines on 12th November 2021, on classification and reporting of NPA in NBFCs and HFCs. This circular clarified that once an account has become a NPA it will remain a NPA till all dues have not been collected. This has resulted in accounts less than 90 dpd also being classified as NPA. As at 31st March 2022, GNPA of 1.46%, includes 0.27% not more than 90 days past due which have been classified as NPA as per November 12, 2021 Circular.
- The Company has worked throughout the year and ensured that its portfolio health was maintained especially considering the economic challenges posed by COVID-19, moratorium to customers and other disruptions. The Company consistently improved the collection efficiency through the year and by June 2021, achieved pre COVID-19 levels collection efficiencies.
- The Company has conservatively provided an amount of ₹85.36 crore towards COVID-19 and one-time restructuring (OTR) (FY 2021: ₹60.22 crore).
- All the above has resulted in the Company reporting Profit After Tax of ₹444.65 crore in FY 2022 as compared to ₹339.97 crore in FY 2021 – a growth of 30.8%.
- In terms of liquidity, the unencumbered liquidity was ₹1,651 crore at the end of FY 2022.
- Capital adequacy was a strong 45.41%, which is well above the NHB norms and the gross debt to equity ratio was 3.39.
- The Company operates out of 341 branches and offices as on FY 2022 end.
- The Company has delivered a strong Return on Assets (ROA) of 3.18% and a Return on Equity (ROE) of 15.23% in the FY 2022 as compared to 2.62% and 13.49% respectively in the FY 2021.

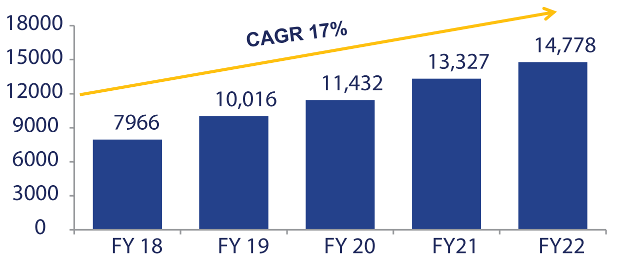
5. Assets under Management (AUM)

The below table depicts the Company's AUM over the last 5 years.

(₹ in crore)

	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
AUM					
- Salaried	9,089	8,509	7,486	6,561	5,249
- Self Employed	5,689	4,818	3,946	3,455	2,717
Total	**14,778**	**13,327**	**11,432**	**10,016**	**7,966**
AUM					
- Home Loans*	12,092	11,296	9,758	8,437	6,714
- Loan against Property	2,685	2,029	1,632	1,484	1,121
Project Finance	1	2	42	95	131
Total	**14,778**	**13,327**	**11,432**	**10,016**	**7,966**

* Includes the insurance portion of home loans



The average ticket size of the Company's loans was ₹8.8 lakhs, with an average loan-to-value of 57.50% (on loan disbursement), as on 31st March 2022.

The Company has been actively participating in various affordable housing initiatives of the Government of India. For example, the Company participated in the Pradhan Mantri Awas Yojana (PMAY) of the Government of India, pursuant to which eligible borrowers from the EWS, LIG segments received a subsidy provided by the Government. As of 31st March 2022, the Company had assisted in providing a subsidy amounting to ₹ 970 crore to 45,163 customers.

6. Loan products

Aadhar Housing provides the following categories of loans to its customers:

Loan category	End-use/features
Loans for purchase and self- construction of residential properties	The Company provides loans for the purchase of ready residential property. In addition, the Company also provides loans for: · Purchase of residential plots · Combination of plot purchase and construction upon the plot · Residential construction on self-owned plots.
Loans for home improvement/ extension	Loans for home improvement can be obtained for various purposes, such as flooring or roofing, plumbing, plastering, painting and electrical work. Loans for extension can be obtained for purposes such as the for extension of floors.
	The Company provides loans against existing residential and commercial property of customers based on their requirements and the value of the property. The end use of such loans can be investment in their businesses or personal expenses such as marriage, education and medical expenses.
	The Company provides loans for the purchase or the construction of properties for commercial use.

7. Customer base

Aadhar Housing's target customer segment comprises of individuals from the economically weaker and low-to-middle income segments in urban, semi-urban and in the outskirts of cities and towns who have limited access to formal banking credit. The Company offers loans to both salaried and self-employed individuals in the formal and informal segments. The Company caters to customers from informal employment sectors who do not have formal income proofs, payslips, or income tax returns, and hence may be excluded from being served by banks or large financial institutions. As a result of the Company's expertise, experience and business model, the Company believes that the Company is able to effectively serve such customers and grow the business, while monitoring and mitigating risks. The Company has developed detailed customer interviews as part of its personal discussion process, which provides deep insights into behavioural traits and other data points which substitute some of the traditional data.

The total number of loan accounts as at FY 2022 end was 204,000+ as compared to 182,000+ and 161,000+ at end of FY 2021 and FY 2020 respectively.

8. Loan sourcing

The Company generates loans through both in-house and external sources. It uses a combination of in-house sales team, including direct selling teams (DSTs), resident executives and relationship managers. The Company's external channels include direct sales agents (DSAs) and Aadhar Mitras.

In 2018, with a view to lowering its cost of acquisition for new loans and to widen its reach, the Company launched a unique referral programme known as 'Aadhar Mitra'. Aadhar Mitras are individuals engaged by the Company who may be in a non-allied industry (for example, hardware store owners, property brokers and building material suppliers) and act as lead providers to the DSTs. The Company incentivizes Aadhar Mitras with a referral fee for every referral that results in a loan disbursal by it. The onboarding process for Aadhar Mitra involves the verification of documents of a prospective Aadhar Mitra by the local branch, followed by training programmes that the Aadhar Mitra has to undergo.

In August 2021, the Company launched a 'Mahila Aadhar Mitra' programme, which catered to enrolling women as Aadhar Mitras. This enabled Aadhar Housing to widen its network of Aadhar Mitras and at the same time helped it in providing a source of income to its Mahila Aadhar Mitras.

To cater to the housing needs of customers in rural areas and to expand its business presence in non-urban locations, the Company has implemented a separate strategy tailored to the funding needs of customers in these locations. Aadhar Housing formulated a separate product, Aadhar Gram Unnati (AGU), considering the local needs and challenges of its customers in rural and non-urban markets. The new AGU product provides Aadhar Housing with a platform to test the market demand in new geographies that the Company wishes to expand into, particularly the rural and non-urban locations. Depending on market demand in such locations, the Company may then establish its business presence by setting up its branches to leverage on the local demand. This allows the Company to cover a wider geographical area and increase customer access while controlling overall costs.

Further, the Company also generated business through corporate channel partners and digital platforms such as digital lead aggregators under the 'Digital Aadhar Mitra', programme website and social media platforms.

The Company also runs a Resident Executive (RE) programme wherein its RE's scout for business prospects in a potential geography. This RE works without the branch infrastructure initially. When the business potential of the geography gets ascertained, a branch is then opened in that location.

As of 31st March 2022, the Company's direct selling team comprised of 1,900+ members and 197 resident executives, 3,850+ DSAs and 9,900+ Aadhar Mitras.

In FY 2022, 68% of the disbursement was done through these in house channels with Aadhar Mitras contributing 22.5%.

9. Branch network

Aadhar Housing currently operates out of 341 branches and offices in 20 states and union territories. This network of branches is widely dispersed across various states and geographies with 54% of branches spread across 5 states and the remaining 46% spread across 15 states. Gross AUM is spread across India with only 30% of Gross AUM being contributed by the top two states and the single state contribution being 15%. The Company's even spread across the country helps it to reduce risk of geographic concentration. The Company has increased the scale and has strategically expanded to geographies where there is substantial demand for low-income segment housing finance. In FY 2022, the Company added 22 branches and offices to its overall network.

The Company's pan India branch network is divided into the following types of branches:

- Main Branch
- Small Branch
- Micro branch
- Ultra-micro Branch

The type of branch that the Company opened in each area depended on the location's business potential, among other factors. The Company also continuously monitors individual branch performances based on vintage of a particular branch, its portfolio size, performance of portfolio, operating expenses of the branch etc. The purpose of all of the above is to ensure that the Company has a very nimble, flexible and low-cost operating model when it comes to geographical expansion.

10. Credit approval and disbursement processes

For credit underwriting and verification, Aadhar Housing uses both technology as well as manual verification methods through its well-trained credit officers. Through a mix of technology and manual verification, its credit team can underwrite customers belonging to both formal and informal employment segments. The Company processes the KYC documents and verifies the income of customers from the formal employment segment using technology led solutions (for example, the online verification of EPF, TDS, company/ employer profile, income tax returns). In case of the informal customer segment, the credit manager visits the customer's residential / business premises and assesses the income of the customer according to pre-defined policies and processes.

The Company has both, centralised and decentralised processing mechanisms:

- *Centralised processing*: The Company has two centralised credit processing hubs (Mumbai and Bangalore) where all loan applications for formal salaried customers are processed. This ensures standardisation, cost optimization and better turn-around time.
- *Decentralised processing*: For loan applications of customers from informal segments (self-employed customers or customers who receive their salary in cash), the Company utilises branch led processing through branch credit managers, as in such cases on-ground verification of the business and income assessment is required.

The Company has implemented a four-pronged system of credit assessment comprising of:

- *Underwriting*: The Company has credit managers in branches and in its central underwriting hubs, who conduct an independent verification of customers, evaluate the customer's business and financing needs, and analyse their ability to repay loans. The credit managers also conduct an analysis of the existing and expected cash flow of a customer's business.
- *Legal assessments*: The Company conducts legal assessments through its in-house team of lawyers and by engaging empanelled vendors (lawyers or law firms) who help it perform functions such as the verification of documents and title to properties. Legal reports prepared by empanelled lawyers are reviewed by the Company's in- house legal team. The regional legal manager is responsible for clearing of all the collateral.
- *Technical assessments*: In relation to loans for construction, home improvement or home extension, the Company also conducts technical assessments primarily through its in-house team of engineers and by engaging empanelled valuers who help it perform functions such as site visits, technical evaluation of properties and the periodical review of construction projects. Further, for properties above a certain threshold, the Company also obtains additional valuation from independent third parties. Additionally, its branch managers or credit managers also visit properties valued above the threshold limits.
- *Risk containment unit:* The Company's risk control unit conducts trigger based checks, scrutinizes documents, field investigation, visits certain customers and seeks to identify fraud at early stages. They also conduct geography specific risk assessments, authentication of demand letters and employment certifications.

11. Loan collection and monitoring

Aadhar Housing has well established processes and a strong four-tier collections infrastructure comprising of tele-calling, field collection, legal recovery and settlement to help the Company with loan collections. At the outset of loan disbursement, the Company provides its customers with the option to make their payments using methods such as automated clearing house payment gateways, post-dated cheques and other digital modes of payment. The Company has also tied up with e-commerce payment systems to augment its digital payment gateways. However, given the limited digital access of its customers, the Company has also entered into an agreement with service providers to provide assisted digital payment services, to facilitate seamless cash payments through their network. The Company collects pre authorisations from its customers for electronic auto debits from their bank accounts and also collects post-dated cheques in advance for use in case of delays in registration of the auto debit facility. For overdue cases, the Company's field executives visit customers to collect instalments. The Company tracks loan repayment schedules on a monthly basis by monitoring instalments due and loan defaults. It ensures that all customer accounts are reviewed by the Company's personnel at periodic intervals, particularly for customers who have larger exposures or who have missed their payments.

Aadhar Housing's field executives are responsible for collecting instalments, with each field executive typically having responsibility for a specified number of borrowers, depending on the volume of loan disbursements in the area. The Company also uses services of third-party call centres. The Company believes that its loan recovery procedures are well-suited to the markets that it caters to.

The Company employs a structured collection process wherein it reminds its customers of their payment schedules through text messages, pre-recorded voice calls and calls from its tele-callers. In certain cases, the Company's in-house team also visits its customers. If the customer has not made payment by the due date and despite regular follow-ups for a certain period of time, a senior member of the Company's collections team visits the customer and legal action is initiated if the customer's ability or intent to repay is suspected.

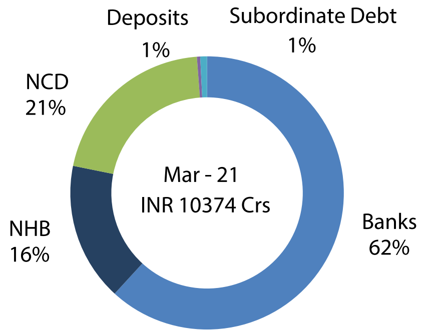
In the event of default under a loan agreement, the Company may initiate the process for re-possessing collateral. The Company works with local authorities to repossess such assets and take appropriate care in dealing with customers while enforcing on assets. Where appropriate, the Company's collections department coordinates with its legal team and external lawyers to initiate and monitor legal proceedings.

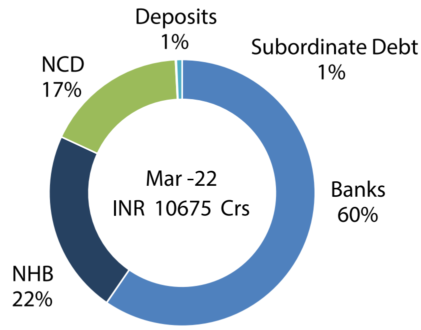
There has been a significant challenge for Collection team since the last two years considering various challenges posed by the pandemic including the moratorium extended to customers. Collection efficiency dipped during the April-June quarter due to the COVID second wave but this started improving consistently from June 2021 and the Company has returned back to pre-covid collection efficiencies.

12. Treasury functions

Aadhar Housing's treasury department is responsible for its capital requirements and asset liability management, liquidity management and control, diversifying fund-raising sources, managing interest rate risk and investing surplus funds in accordance with the criteria set forth in its investment policy. The Company has obtained financing from a variety of sources including term loans and working capital facilities; proceeds from loans assigned; proceeds from the issuance of Non-convertible Debentures (NCDs); refinancing from the NHB; and subordinated debt borrowings from banks, mutual funds and insurance companies to meet its funding requirements. The company assigns loans through direct assignment to banks and financial institutions, which enables it to optimize its cost of borrowings, funding and liquidity requirements, capital management and asset liability management. The Company's treasury and finance team periodically submit their reports to its asset liability management committee, which submits its findings to the Company's Board**.**

Borrowing mix





As of 31^{st} March 2022, the total borrowings of the Company comprised of 60% loans from banks, 17% Non-convertible debentures, 22% loans from National Housing Bank, 0.70% subordinate debt and 0.10% public deposits. Aadhar Housing has been steadily increasing the share of NHB borrowings in its overall borrowing mix. This is the lowest source of borrowing currently for the Company and the aim is to maximise the borrowings from NHB in the future to the extent allowed as per the NHB Regulations, and in compliance with their limits sanctioned as per the credit appraisal method.

Aadhar Housing's average cost of borrowings has reduced from 8.15% as of 31^{st} March 2021 to 7.23% as of 31^{st} March 2022. Its incremental cost of borrowings has reduced from 6.8% during year ended 31^{st} March 2021 to 5.9% during year ended 31^{st} March 2022. The Company believes that it has been able to access cost-effective diversified debt financing due to its stable credit history, good credit ratings and conservative risk management policies.

In addition, the Company also has in place effective asset liability management strategies. It aims to ensure that the Company does not have any cumulative asset/liability mismatches. As of 31^{st} March 2022, positive asset-liability mismatch is run across all the maturity buckets. The Company does not rely on short-term borrowings such as Commercial Paper and during FY 2022 did not do any Commercial Paper borrowings.

Considering the uncertainty prevailing due to the pandemic, the Company enhanced its liquidity holdings. Post the improvement in the COVID situation, the Company utilised a part of the excess liquidity to foreclose some high-cost borrowings and also prepay some EMIs for the year. As at 31st March 22, the on-book liquidity was ₹ 2,047 crore.

The Company also runs a Direct Assignment programme whereby pools of Home Loans and Loan against Property are sold to PSU and private sector banks, with the Company retaining 10% of the portfolio and continuing to act as the servicing agent. Direct Assignment is an important part of the overall borrowing strategy of the Company and it intends to use the same to deepen its relationship with its banking partners. This also helps to capitalize optimization and helps in transfer of the credit risk as risk sharing between the bank purchasing the pool and the Company is pari passu in the ratio of the pool transferred to the bank and held back by the Company. In FY 2022, the Company carried out direct assignment of ₹ 772 crore. As on 31st March 2022, the total assets assigned were ₹ 2,730 crore.

With the approval and consent from its secured lenders Aadhar Housing has appointed a security trustee in respect of its banking arrangements. The Company has also appointed Beacon Trusteeship Limited as a security trustee with effect from 23rd September 2021. The appointment of a security trustee would not only reduce the need for individual approvals and consents from the Company's lenders but would also enable the security trustee to monitor the Company's assets that are provided as security.

The Company's cost of borrowing has been steadily declining over the last three financial years due to its proactive and flexible fundraising strategy. The Company intends to continue to diversify its funding sources, identify new sources and pools of capital and implement robust asset liability management policies with the aim of further optimizing its borrowing costs and help expand/increase its NIM.

The Company intends to increase the share of NHB refinancing in its total borrowings and also access international sources of funding to reduce its overall cost of borrowings. For instance, in December 2021, the Company received a sanction letter from NHB for an amount of ₹12.5 billion.

The Company's fully built-out distribution and collections infrastructure is a key source of operating leverage and will help reduce its operating expenses. Further, the Company expects for its strategic investments in technology and digitization across its business to further reduce its operating expenses and credit costs over time. The Company will continue to review and identify means to improving its revenue to operating expenses ratio and improving its overall NIM from current levels.

The RBI had amended the co-lending framework in November 2020, to improve the flow of credit to the unserved and underserved sector of the economy, and make funds available to the ultimate beneficiary at an affordable cost, considering the lower cost of funds from banks and wider reach of the NBFCs. Under the terms of the revised Co-Lending Model (CLM), banks are now also permitted to co-lend with all registered NBFCs (including HFCs) based on a prior agreement in a manner akin to bilateral assignment. The co-lending banks will take their share of the individual loans on a back-to-back basis in their books. However, NBFCs will be required to retain a minimum of 20% share of the individual loans on their books.

With a strategy to leverage its distribution network and widen its sources of funds, the Company signed its first co-lending agreement with UCO Bank in November 2021, which is expected to come into effect in the first half of the FY 2023. The Company may also enter into such arrangements with other private and public sector banks to increase the number of its co-lending partners. The Company believes co-lending presents a unique opportunity through the combination of the banks' availability of low cost funds, coupled with an NBFC (including HFC's) ability to source retail customers efficiently as well as manage these customers, including collections. This model allows NBFCs or HFCs to cater to a larger customer base with lesser capital by leveraging the larger balance sheet of their partner banks.

13. Capital adequacy ratios

The RBI Directions currently require HFCs to comply with a capital to risk (weighted) assets ratio, or CRAR, consisting of Tier I and Tier II capital. Under these requirements, HFC's Tier I and Tier II capital should not be less than 15% of the sum of the HFC's risk-weighted assets and the risk adjusted value of off-balance sheet items, as applicable. Further, the RBI Directions require that the Tier II capital shall not exceed 100% of the Tier I capital at any point of time.

The Company is well capitalised and had a capital adequacy of 45.41% as at 31st March 2022.

14. Principal Business Criteria for HFCs

"Housing finance Company" shall mean a Company incorporated under the Companies Act, 2013 that fulfils the following conditions:

a) It is an NBFC whose financial assets, in the business of providing finance for housing, constitute at least 60% of its total assets (netted off by intangible assets).

b) Out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing financing for individuals.

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. The Company has complied and its meeting the aforesaid principal business criteria for HFC.

Particulars	As on March 31, 2022 (Rs in Lakhs)
Total Assets	14,37,235
Less: Intangible assets	2,545
Net total Assets	14,34,690
Housing Finance	9,32,338
Housing Finance for Individuals	9,32,227
Percentage of housing finance to total assets (netted off intangible assets	64.99%
Percentage of individual housing finance to total assets (netted off intangible assets)	64.98%
Percentage of individual housing finance to housing finance	99.99%

15. Credit ratings

Aadhar Housing's current credit ratings are set forth below:

Rating Agency	Instrument	Rating
CARE Ratings	Long-term	AA/Stable
	Subordinate Debt	AA-/ Stable
Brickworks Ratings	Long-term	AA/Stable
	Subordinate Debt	AA/ Stable
CRISIL Ratings	Fixed Deposits	FAA-/Stable
	Short-term	A1+
ICRA Ratings	Short-term	A1+
India Ratings	Short-term	A1+

16. Other business initiatives

16.1. Distribution of insurance products

In March 2019, Aadhar Housing received a certificate of registration to act as corporate agent from the IRDAI. Pursuant to this certificate and applicable guidelines, the Company are permitted to enter into arrangements with insurers for the distribution of life, general and health insurance products. The Company currently acts as corporate agents for three general insurance companies and one life insurance company. During FY 22 the Company entered into arrangement with Bajaj General Insurance Company Ltd. for distribution of general insurance products to its customers.

The Company facilitates its customers with multiple insurance products linked to their life, health and property. Under life insurance, it provides mortgage reducing term insurance linked to the loan facility. Under general insurance, home, motor and health insurance products are available. These products are optional to the customer.

17. Information technology

Aadhar Housing's business is dependent on its information technology systems and it intends to continue making necessary investments to upgrade its systems, including its data storage and backup systems, to uplift its operational efficiency, customer service and decision-making process while ensuring business continuity and reducing the risk and negative impacts of system failures.

The Company is continuously upgrading its IT systems to achieve these objectives. The Company has implemented digital solutions across various aspects of its business with these objectives in mind. The Company's credit underwriting, risk management and fraud detection teams utilise technology to centrally process loan applications, analyse credit risks, identify fraud and utilise an objective cognitive rule-based policy to make credit decisions. These technology-led initiatives allow the Company to increase its customer penetration by allowing it to utilise third parties for sourcing customers (as is the case with its digital Aadhar Mitras) while keeping credit appraisals in-house. Further, these technology solutions ensure data integration across all platforms and reduce manual intervention. The digitization of the Company's work processes and functions improve the customer experience through convenient accessibility, better customer service and engagement, and faster turnaround time driven by faster decision making. Operationally, automation/digitization benefits the Company through improved underwriting processes, increased productivity, cost reduction and improved collections through data-driven early warning systems.

Up until September 2021, Aadhar Housing utilised an enterprise-wide loan management system, 'Synergy', to provide an integrated platform for loan processing, credit processing, credit management, general ledger, debt management and reporting.

From October 2021, the Synergy platform has been replaced by the Company's 'TCS Lending and Securitization Platform' as a part of its Digital Transformation Programme. Further, the Company has implemented analytics platforms to enable data backed decision making and develop a comprehensive information management system. The Company developed a credit risk scoring engine to provide a credit risk score based upon customer demographics and income profile, which supplements its underwriting process. The Company utilises its analytics platform to improve business while managing risks. Through this platform, several management information system reports are generated which helps it optimize its operations.

The Company has implemented an online payment gateway on its website to enable its customers to make their payments via digital modes such as internet banking, UPI and debit cards. In addition to this, the Company has joined-hands with banks and online payment aggregators which enable customers to pay at the nearest collection point as well thereby improving collection efficiency. The Company regularly tracks its collections team and has provided them with mobile applications to enable them to collect payments from its customers. The Company also captures latitude and longitude of properties that helps in easy identification and more accurate valuation, which helped it reduce its turnaround time for approving loans, as well as in achieving a higher accuracy in determining loan to value ratio.

At its branches, the Company has installed a three-layered multiprotocol label switching security, which helps it prevent any unauthorized access to its network, manages network broadcasting and provides security from spoofing attacks. The Company has also enabled work-from-home for employees through secure VPN access, which has helped ensure continuity of business even during the COVID-19 related lockdown. The Company also implemented digital human resources management solutions, with attendance, leave management, reimbursements and online learning management capabilities. The Company has a dedicated IT infrastructure with a data centre that is hosted at Mumbai, while its data recovery centre is hosted in Hyderabad. The Company's overall infrastructure is designed and deployed with layered security architecture which has 24X7 network and security monitoring that assures high up-time for better customer service and acquisition.

18. Digital Transformation Programme

In March 2020, Aadhar Housing launched a Digital Transformation programme and appointed TCS to implement their Lending and Securitisation Platform across the Company's systems. The Company's TCS platform was operational in October 2021. As part of the programme, the Company is implementing technology lead initiatives across the following areas:

Digital onboarding - Digitising the loan life cycle management with omni-channel inputs, capturing leads from multiple sources, rule-based auto-allocation of these leads, customer onboarding with cognitive document extraction and validation, and loan application processing;

Loan origination - focusing on straight through processing, enabling the credit team to underwrite applications through rule-based deviations and workflows based on customer profile;

Loan servicing - Enabling disbursal, repayment schedule management, NPA tracking, interfacing with third-party applications and agencies such as CIBIL, CERSAI, PMAY etc.;

Finance and accounting – enabling an enterprise wise integrated accounting solution;

GST integration – enabling capturing and generation of the GST data to be filed in various GST returns;

Collection management – enabling a real time programme with ability to allocate accounts to agents through a rule-based engine and handling the payments and collections from such agents; and

Analytics - enabling monitoring of loan portfolios, as well as the servicing and performance management of pool *investments on a continuous basis.*

Mobility solutions – Aadhar Housing collection mobility application which is currently in operation enables collection agents on field to capture customer payments electronically. The Company is also developing a sales mobility application to assist its field sales team and channel partners in submitting customer leads and documents through a digital onboarding process; and

Customer engagement – enabling easier and more efficient customer engagement, via Aadhar Housing website, which facilitates customers' online loan applications, payments and other services requests. The Company is also in the process of developing its customer mobile application which will provide a convenient and easy platform for customers to track their loan balance, make payments and other service requests, as well as refer customer leads, thereby improving customer engagement throughout the lifecycle of the loan. The Company is also developing its social media channels (such as WhatsApp) which will provide customers easy access to loan application and various other loan services.

19. Analytics and data sciences

Aadhar Housing's data science practice under its Chief Data Officer (CDO), has been set up based on the concept that a data driven strategy along with artificial intelligence and machine learning can further drive its business. Having a CDO function along with a centralized data and data science enables the Company to bring in better controls, standardisation and governance of such processes at the organisation level, while managing risk, growing its business, performing market research and increasing data and analytics integration with its business. The Company's data science team consists of data engineers, visualization and data discovery experts, and data scientists.

The Company's current focus is on improving asset quality by enhancing the robustness of its existing risk analytics for credit risk underwriting (rejection and acceptance models/ scorecards), collections analysis, and the identification of high-risk customer cohorts. The Company is also automating its solutions for risk-based pricing to improve approval rates while simultaneously improving the pricing of credit risk, thereby improving overall yields and profitability. The Company's branch opening strategy is being integrated with its data science initiatives.

20. Risk management

Risk management forms an integral part of Aadhar Housing's business. The Company continues to improve its internal policies and implement them rigorously for the efficient functioning of its business. As a lending institution, the Company is exposed to various risks that are related to the lending business and its operating environment. The Company's objective in its risk management processes is to measure and monitor the various risks that the Company is subject to and to follow policies and procedures to mitigate and address such risks. The risk management framework is driven by the Company's Board and its sub-committees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee and is overseen by the full-time Chief Risk Officer. The Company accords the necessary importance to prudent lending practices and has implemented adequate measures for risk mitigation, which include verification of credit history from credit information bureaus, multiple verifications of a customer's business and residence, verification of income and KYC documents submitted by the customer, technical and legal verifications, conservative loan to value, and required term cover for insurance.

The major types of risk the Company faces in this businesses are liquidity risk, credit risk, operational risk, interest rate risk, cash management risk, and collateral risk.

20.1. Risk management architecture

To address the risks that are inherent to its business, the Company has developed a risk management architecture that includes monitoring by its Board through committees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee.

The Company has envisaged a formal risk management structure with an active and engaged Board of Directors supported by an experienced senior management team and a centralised risk management team led by Independent Chief Risk Officer ('CRO'). This team is responsible for the enterprise-wide management of all risks, including key policies and frameworks for the management of risk within the Company.

The Company has the Executive Risk Management Committee ('ERMC') consisting of senior management, which deliberates into all policy changes and monitors risk appetite, risk indicators, and stress scenarios and undertakes appropriate actions as deemed necessary. The Company has established the Risk Appetite Statement ('RAS') that sets out the aggregate level and types of risk it is willing to accept while achieving its business objectives. It provides a benchmark for business decisions that are based on balancing risk and return and making the best use of the Company's capital. The RAS consists of qualitative statements and quantitative metrics, covering Capital, Profitability, Asset Quality, Credit, Operational, Liquidity and Compliance Risk which is monitored regularly and is presented quarterly to the Risk Management Committee.

The Company has implemented an activity-based three lines of defence model to create a robust control environment to manage risks. The model underpins the Company's approach to risk management by clarifying responsibility, encouraging collaboration, and enabling efficient coordination of risk and control activities.

- The first line of defence owns the risks. It is responsible for identifying, recording, reporting and managing them, and ensuring that the right controls and assessments are in place to mitigate them.
- The second line of defence is comprised of 'Risk and Compliance' and oversees the first line by setting the limits, continuous monitoring and putting constraints on the first line operations in line with the risk appetite.
- The third line of the defence comprises the Company's Internal Audit function, which ensures independent and objective assurance of the adequacy of the design and operational effectiveness of the risk management framework and control governance process.

21. Marketing

Given the demographics and spread of its target audience, Aadhar Housing looks to connect with prospective customers through its local outreach activities and social media efforts. The Company undertakes activities such as DSA/Aadhar Mitra branding, local marketing activities, local branding and advertising through wall paintings, branding of its Aadhar Mitra boards; to create visibility in its target markets. In addition, the Company also provides branded merchandise to its partners/sales force to create a stronger brand recall with the target audience.

The Company uses its social media handles extensively to communicate and engage with its prospective/ existing customers for promoting its services / updating customers of any new product or service offering. In addition to social media, the Company's website and call centre is used extensively for leads/ sourcing of new business at a lower cost.

The Company also extensively utilises public relations initiatives to create awareness amongst its target audience and stakeholders, which aids in creating a stronger goodwill and brand equity in the market.

22. Insurance of Company assets

Aadhar Housing maintains insurance policies that it believes are customary for companies operating in this industry. The Company's principal types of coverage include directors' and officers' liability insurance, and also have a combined corporate policy which covers, among others, public liability insurance, fidelity insurance, burglary, fire and allied perils, breakdown of office equipment, and terrorism cover. In addition, the Company has a money insurance policy pertaining to cash in safes and in transit.

23. Human Resources

Aadhar Housing's employees are its assets and the Company takes a wide range of steps to ensure that it attracts and retains the best talent and creates a work culture which helps its employees to deliver to their potential.

As of 31^{st} March 2022, the Company had 2,769 employees on its rolls.

The Company undertakes a variety of technical and soft skills training programmes for its employees.

In response to the challenges posed by the pandemic, the Company's top most priority was the safety of its employees. Since physical offices opening were hampered at various time in the year due to lockdown, the Company enabled 'work from home' for its employees. The Company has observed that the safety and flexibility provided by the 'work from home' was welcomed by the employees and this helped in improving their productivity levels.

When offices re opened the Company ensured all safety protocols were followed during office hours which included regular sanitisation, availability of hand sanitisers, masks etc. In offices where staff numbers were high the Company also took temporary steps like alternate day working to ensure number of staff physically turning up to work is moderated.

The Company ensured that medical insurance coverage and assistance was provided under the Company employees medical insurance scheme for employee and family members suffering from COVID-19.

The Company was awarded a Great Place to Work for the third year in running. The Company also conducted an Employee Engagement Survey through an independent consultant to help in assessing the satisfaction of its employees and identify any areas which it can work on to enhance employee satisfaction.

24. Corporate Social Responsibility (CSR)

At Aadhar Housing, to engage in CSR means that, in the ordinary course of business, the company operates in ways that enhances society and the environment. As important as CSR is for the community, it is an equally valuable and an integral part of the Company's operations. With the company's CSR initiatives, philanthropy & volunteer efforts, the organisation aims to forge a strong bond between employees and Aadhar Housing; boost morale and help both Aadharites and Aadhar Housing feel more connected with the society that they aim to serve.

Aadhar Housing's long-term goal is to be able to contribute to a fair society where everyone can prosper. In addition to the social objectives that are at the core of its business, the Company also undertakes various additional CSR initiatives. Through its CSR initiatives, the Company has pledged to contribute to the socio-economic development of the society through its philanthropic approach.

The Company believes that its CSR initiatives contribute to its overall strategy of engaging with communities and it has undertaken various activities towards promoting preventive healthcare and sanitation facilities, providing employment through enhancing vocational skills, and prevention of hunger by providing food and various such other activities that are focused primarily towards the improvement of health and education. A total of ₹ 600 lakh were spent in the FY 2022 on various CSR initiatives that focused on areas of Health, Preventive Health Care, Education and Skilling.

Major CSR projects in FY 2022

Project	Project focus
Aayushmaan Aadhar	• Health camps held across various cities. The objective of conducting the health camps was to create awareness of general health among the deprived segment of the society, provide general health care services and counselling them on basic health care and hygiene. • 14 Ambulances were donated across 9 states. This emergency service will provide urgent pre-hospital treatment & transport to definitive care.
Aadhar Kaushal	• The project focused on providing technical and sector-based skills training to empower the underprivileged & youth with disabilities for wage employment. • With an aim to provide employability & life skills through training, placement & post placement support, the project also extended support to the needy & pandemic impacted educated but unemployed youth. The special focus of this initiative is to motivate girls. • Under this initiative, a project was undertaken for the kids of destitute homes. The kids were provided with employable skills & soft skills. This would further equip them with job opportunities. • The project was undertaken to provide a technologically enabled learning platform & infrastructure in 10 government schools. This would enable schools to introduce the students with technological education & provide them with digital gadgets and set-up. Out of 10 schools being supported, six are girls' school.
Aadhar Aangan	• An ECCE (Early Child Care & Education) Initiative for ensuring nutrition, early childhood education and care through capacity building and system strengthening.
Aadhar Kishori Kalyan	• The focus of this initiative was to extend support for skill development & livelihood opportunities to under privileged women. This project aimed at creating sustainable livelihood for women in the retail sector.
Aadhar Annapurna	• The project focused on eradicating hunger, poverty & malnutrition amongst the poor in India by providing ration kits across cities. The ration kits were a complete combination of Nutrition, Immunity, Hygiene & Education
Employee-led initiatives	• Support was extended for construction of roof of a dining hall at a children care home. The care home is a shelter home for homeless kids, kids of single parent & kids of economically background families. This dining area will ensure that the kids residing at the centre will have their meals in a safe & secured manner. • Extending support to elders & children who are destitute, sick, abandoned by family or uprooted by disasters is critical need of the hour. Keeping in mind the vulnerability of such elders & children, a collaborative initiative of CSR & Employee Engagement was undertaken. The effort 'Be the Change' aimed at extending meaningful support to elder homes & children care homes across India. • Under this initiative, a project was undertaken with an aim to spread the light of education by helping the needy students with financial assistance. The assistance included support for vocational, technical & college level studies for students.

25. Awards and Recognition

1. Certified 'Great place to Work' for 3 years in a row
2. Recognised as 'The Best Brand 2021' at 'The Economic Times – Best Brands 2021'
3. Our MD & CEO Shri. Deo Shankar Tripathi was conferred with 'CEO of the Year Award' at the NBFC & FinTech Excellence Awards, 2022
4. Won the 'CSR Times Award 2021' for Aayushmaan Aadhar
5. Recognised as the Best Employer Brand 2021
6. Awarded "Best Digital Transformation Initiative-Housing Finance Company at the NBFC & FinTech Excellence Awards, 2022 by Quantic India.
7. Bagged 5 awards across the following categories at 'Banking Frontiers NBFC Awards & Conference 2021' (DNA Awards 2021) virtual summit held on 20th August 2021:

   o Best Omnichannel CX Initiative - 2nd Prize
   o Best Cyber Security Initiative - 1st Prize
   o Best Cloud Initiative - 2nd Prize
   o 4 Best API Initiative - 1st Prize
   o Esteemed Trophy (IT & Digital Group)

DISCLAIMER

Aadhar Housing Finance Limited (the "Company") is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to undertake an initial public offer of its equity shares and has filed a draft red herring prospectus dated January 24, 2021, a corrigendum dated February 18, 2021 and an addendum dated April 5, 2022 (together with the draft red herring prospectus and the corrigendum, the "DRHP") with the Securities and Exchange Board of India.

Any potential investor should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see "Risk Factors" of the Red Herring Prospectus, when available. Potential investors should not rely on the DRHP for any investment decision. Investors must make their own assessment of the relevance, accuracy and adequacy of the information contained in this report and must make such independent investigation as they may consider necessary or appropriate for such purpose.

Further, past performance is not necessarily indicative of future results. Some information in this Management Discussion and Analysis section may contain forward-looking statements. We have based these forward looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances. You should also keep in mind that any forward-looking statement made by us in this MDnA or elsewhere speaks only as of the date on which we made it. New risks and uncertainties come up from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the forward-looking statements in this MDnA after the date hereof. In light of these risks and uncertainties, any forward-looking statement made in this MDnA or elsewhere may or may not occur and has to be understood and read along with this supplemental disclosure. We use a variety of financial and operational performance indicators to measure and analyse our financial performance and financial condition from period to period and to manage our business. Further, financial or performance indicators used here, have limitations as analytical tools, and should not be considered in isolation from, or as a substitute for, analysis of our historical financial performance, as reported and presented in our financial statements included in the DRHP.

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Board's Report for the Financial Year 2021-22

Dear Members,

The Board of Directors of Aadhar Housing Finance Limited **("your Company" or "the Company" or "Aadhar Housing")** are pleased to present the 32nd (Thirty- Second) Annual Report and the Audited Financial Statements (Standalone and Consolidated) of your company for the financial year ended March 31, 2022 **("financial year under review").** Your Company, is a Housing Finance Company registered with National Housing Bank ("**NHB**") and regulated & controlled by Reserve Bank of India **("RBI")** and supervised by NHB. Aadhar Housing is engaged in providing housing finance to lower income segment of the society. Aadhar Housing is currently operating out of twenty states and union territories of India with a branch network of over 341 offices covering 15,000+ locations.

1. Financial Performance of AHFL:

(₹ in crore)

Particulars	March 31, 2020	March 31, 2021	March 31, 2022
AUM	11,432	13,327	14,778
Income	1,372.36	1549.81	1,692.66
PAT	189.39	339.97	444.65
Net Worth / Total Equity	2347.18	2692.54	3,145.39
CRAR	51.42%	44.08%	45.41%
CRAR – Tier I Capital	49.07%	42.63%	44.20%
CRAR – Tier II Capital	2.35%	1.45%	1.21%
Retail NPA (on retail AUM)	0.82%	1.07%	1.45%
ROE %	11.81%	13.49%	15.23%

About AHFL:

- The Company is focused on low income segment (ticket size less than ₹ 15 lakhs) with an AUM of ₹ 14,778 Cr.
- Strong growth tailwinds in affordable housing due to low penetration combined with low competition from banks and housing shortage in rural and urban areas.
- Low concentration risk due to wide geographical presence: Presence across 20 states and union territories with diversified exposure across locations no single state contributes to more than 15 % of AHFL's AUM.
- 100% secured retail advances with average ticket size of ₹ 8.75 Lakhs, high share of low risk salaried customers viz. 62% of loan book and moderate LTV ratios of 57.5% and majority of the mortgage portfolios are satisfying the Priority Sector Lending criteria prescribed by RBI/NHB.
- One of the largest origination franchise with strong brand: 341 branches and offices which cover 15000+ locations. Low concentration risk due to wide geographical presence.
- 9900+ Aadhar Mitra's and 197 Resident Executives help in building out a low cost and wide distribution network.
- High asset quality: The Gross NPA on AUM stood at 1.46 % for the year ended March 31, 2022. Provision Coverage Ratio on NPA Assets (Stage 3B carrying value) at 32%.
- Strong liquidity: High liquid assets/cash & bank balances of ₹ 1,651 crores as at March 31, 2022 in addition to unutilized Banks' sanction lines.

2. Impact of COVID -19

There was a tumultuous start to FY 22 which saw the "second wave" of the COVID-19 pandemic affecting large parts of the country in March 21 to May 21. This put a lot of stress on the health infrastructure and resulted in a lot of regional and state lockdowns. As a result of this, economic activity and businesses were severely affected in the start of FY 2022. The vaccination programme which was opened up to significant portion of the adult population helped in reducing the impact of the Omicron wave in December 21 to January 22. The country has furthered the vaccination programme by making it available for children from 5 years of age. In addition, precaution / booster shots were also made available to "frontline warriors" and also to all adults over the age of 18. All this has helped in reducing the fatalities due to COVID -19 and at the same time has helped in building up the confidence in restarting business and economic activity and taking it to pre COVID levels.

Your Company was also impacted due to the above and took various important steps to tide over the crisis which is described below:

- Ensuring wellbeing of all employees and their immediate family members by keeping a tracker of those affected because of COVID-19 and tracking their recovery and providing all necessary assistance, including coverage under employee Medical insurance.
- Our Board of Directors approved a financial aid package to the nominee in the unfortunate case of death of our employees, which will help them to tide over a portion of the financial impact on the loss of a bread winner.
- RBI has issued Circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 and RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020 (for restructuring of accounts of Micro, small and Medium Enterprises (MSME) sector – Restructuring of Advances having exposure less than or equal to ₹ 25 crores) (collectively, the "Resolution Framework 1.0") and RBI Notification – RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 (Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses) ("Resolution Framework

2.0") , which allowed a one-time restructuring of loans impacted by COVID-19 to help lenders and customers reschedule repayment of instalments based on customers' present income and restoration of income in subsequent months. The restructuring will limit the potential increase in NPAs out of restructured loan accounts till a revised repayment schedule is agreed with such customers. The Company has offered the option of Resolution Framework 1.0 and Resolution Framework 2.0 to eligible borrowers.

- Our focus on collections helped us to improve the collection efficiency from 91% in April 21 to 98% in June 21 and 104% in March 22.
- On the disbursement side, in spite of Q1 disbursements being severely impacted due to the pandemic, your Company ended the year with a growth in disbursement of around 13%. Second half of year FY 22 growth in disbursements was 11.3% as compared to the previous year.
- Your Company adequately provided for any credit losses arising on account of COVID-19. As at March 31, 22, the total additional provision of ₹ 85.36 crores was made towards COVID-19 and for assets restructured under one time restructuring.
- Your Company has been able to deliver robust profit numbers for FY 22 with a PAT of ₹ 444.65 crores, growth of 30.8% over last financial year.

3. Major Developments during the year

With the object of enhancing our Company's brand name and creation of a public market for Equity Shares of the Company, the Board of Directors on December 22, 2020 and the shareholders at the Extra Ordinary General Meeting held on January 16, 2021 approved the public issue and listing of equity shares of the Company through initial public offer **("IPO")** in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 **("SEBI ICDR")**. The proposed public issue will also be accompanied by an Offer for Sale by the Promoter Selling Shareholder in accordance with SEBI ICDR. The Company has filed a Draft Red Herring Prospectus **("DRHP")** with Securities and Exchange Board of India **("SEBI")** on January 24, 2021 and addendum to the DRHP was filed on April 5, 2022. The proposed Initial Public Offering is of ₹ 7300 crores consisting of a primary issue of ₹ 1500 crores and an Offer for Sale of ₹ 5,800 crores by Promoter Company, BCP Topco VII Pte. Ltd. The Company has received an observation letter dated May 5, 2022 from SEBI and is in the process of complying with the requirements of the said letter.

With effect from August 2, 2021, your Company has shifted its corporate office to Unit no 802, 8th Floor, Natraj by Rustomjee, Junction of Western Express Highway and M. V. Road, Andheri (East), Mumbai-400069 from 201, Raheja Point-1, Nehru Road, Vakola, Santacruz (E), Mumbai - 400 055, Maharashtra.

4. Management Discussion and Analysis Report

In accordance with the applicable provisions of the Master Direction issued by the Reserve Bank of India for Housing Finance Companies, a detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

5. Changes in the Directors and Key Management Personnel

Board of Directors ("the Board")

- Mr. Neeraj Mohan, Non-Executive (Nominee) Director of the Company has resigned from the Board of Directors w.e.f. July 13, 2021. The Board of Directors place on record deep gratitude & appreciation for his valuable contributions & guidance given to the Board/Management during his tenure as a Director of the Company.
- The Members at the Extra Ordinary General Meeting of the Company to be held on May 26, 2022, will consider extension of term of office of Dr. Nivedita Haran (DIN : 06441500) as an Independent Director, before the expiry of her term for a further period of two years from the date of 32nd Annual General Meeting in 2022, till the date of 34th Annual General Meeting of the Company to be held in the calendar year 2024.
- Mr. O. P. Bhatt (DIN: 00548091), Independent Director and Non- Executive Chairman of the Board of your Company, will complete his tenure of 3 years on September 13, 2022 and has given his consent for re-appointment as Independent Director and Non- Executive Chairman of the Board for a second term of 3 years pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013 **("the Act")** and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI LODR Regulations")** and declaration to the effect that he is not disqualified in terms of section 164(2) of the Act.
- Pursuant to Section 152 of the Act, Mr. Amit Dixit (DIN: 01798942), Non-Executive -Nominee Director retires from the Board by rotation and being eligible, offers himself for re-appointment at the ensuing 32nd Annual General Meeting of the Company.
- The Nomination and Remuneration Committee of the Company and the Board of Directors recommend the re-appointment of Mr. O. P. Bhatt and Mr. Amit Dixit for respective terms as detailed above.
- A detailed profile of the Directors seeking re-appointment is provided in the Notice of the 32nd Annual General Meeting of the Company.

Key Management Personnel

During the financial year under review, there were no changes in the Key Management Personnel of your Company.

6. Share Capital Structure:

Your Company's capital structure as at March 31, 2022 is given in the below table:

Share Capital	Amount in ₹ Crores
Authorized Share Capital (50,00,00,000 Equity Shares of ₹ 10 each)	500.00
Issued, Subscribed and Paid-up Share Capital (39,47,54,970 Equity Shares of ₹ 10 each)	394.76

Changes in Capital Structure and shareholding position:

There were no changes in the capital structure of your Company during the financial year under review.

26,100 Bonus shares which were issued on January 16, 2021, continue to remain in abeyance since the entitled shareholders have neither dematerialized their existing shares, nor provided their demat account details to the Company, despite various reminders and intimation letters sent by the Company, pursuant to provisions of Rule 9A of Companies (Prospectus and Allotment of Securities) Rules, 2014.

Strong Parentage of the BCP Topco VII Pte. Ltd. (A Blackstone Group entity)

The Company enjoys a strong parentage of our promoter Company and benefits from the resources, relationships and expertise of Blackstone, one of the world's leading investment firms. Blackstone's asset management businesses include investment vehicles focused on real estate, private equity, public debt and equity, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis. Through its different businesses, Blackstone had total assets under management of over $880.9 billion as of December 31, 2021. Currently, the Board of Directors of the Company has 2 nominee directors from Promoter group.

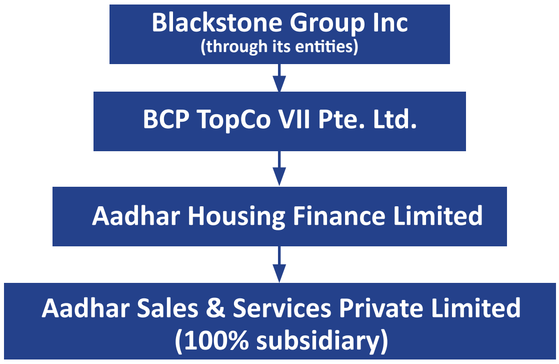
The present shareholding pattern of the Company is as mentioned below:-

List of Shareholders & percentage of holding as on March 31, 2022

Sr. No.	Name of Shareholders	No. of Equity Shares held	Percentage of shareholding
1	BCP Topco VII Pte. Ltd.	38,96,83,420	98.72%
2	ICICI Bank Ltd.	46,50,000	1.18%
3	IEPF Authority	1,13,150	0.03%
4	Other Resident Shareholders*	3,08,400	0.07%
Total		39,47,54,970	100.00%

**Includes 26,100 bonus shares kept in abeyance pertaining to shareholders who are holding shares in physical form and have not yet provided their demat account details.*

Diagrammatic representation of group structure



7. **Financial Performance**

7.1 **Financial summary and highlights of the Company:**

Your Company takes pleasure in presenting the standalone and consolidated reports on the operational and business performance, along with the audited financial statements for the financial year ended March 31, 2022.

Financial summary and highlights of the Company are given as following :

(₹ in crores)

Particulars	Standalone		Consolidated	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Total Income from Operations	1692.66	1549.81	1728.56	1575.55
Less:				
Total Expenditures	1125.56	1117.53	1161.20	1143.04
Profit before Taxes	567.10	432.28	567.36	432.51
Provision for Taxes	122.45	92.31	122.51	92.38
Profit after Taxes	444.65	339.97	444.85	340.13
Other comprehensive income	0.53	0.36	1.35	0.33
Total comprehensive income	445.18	340.33	446.20	340.46
Appropriations:				
Transfer to Special Reserve under NHB Act	89.04	68.27	89.04	68.27
Transfer to General Reserve	43.50	20.00	43.50	20.00
Transfer to Debenture redemption reserve	0.00	0.00	0.00	0.00
Proposed equity dividend	0.00	0.00	0.00	0.00
Dividend distribution tax	0.00	0.00	0.00	0.00
Retained Profits	312.63	252.06	313.66	252.19
Balance at the beginning of the year	430.82	178.76	431.10	178.91
Balance at the end of the year	743.45	430.82	744.76	431.10
Earnings per share- Basic	11.26	8.61	11.27	8.62
Earnings per share- Diluted	10.92	8.36	10.93	8.37

Note: Consolidated financials include financials of wholly owned subsidiary Aadhar Sales and Services Private Limited.

7.2 GNPA and ECL Provision (including additional provision for COVID-19):

a) GNPA :

Particulars	As at March 31, 2022	As at March 31, 2021
GNPA on AUM (%)	1.46%	1.07%
GNPA on Retail AUM (%)	1.45%	1.07%
GNPA on Own Book (%)	1.52%	1.21%
GNPA on Retail Own Book (%)	1.51%	1.21%

b) Your Company provides for Non-Performing Assets (NPAs), using the Expected Credit Loss Model prescribed under Ind AS 109.

c) In November 2021, the RBI issued a Circular on asset recognition clarifying that once a loan is classified as a NPA since it is more than 90 dpd, the same will remain a NPA till all dues on the loan have been recovered. This led to a sudden spike in the NPA in the Q3 of FY 22 with the Company declaring a NPA of 2.45% of which NPA less than 90 dpd was 0.65%.

d) However, with the help of robust collections in Q4 of FY 22 the Company has been able to improve its NPA levels at March 31, 2022 to 1.46% of which NPA less than 90dpd is 0.27%.

e) Your Company's Gross loan assets are ₹ 12,132.15 crores as at March 31, 2022 (₹ 10,761.10 crores as at March 31, 2021). Your Company is carrying an impairment allowance of ₹ 171.81 crores as at March 31, 2022 (₹ 147.84 crores as March 31, 2021). ECL provision coverage ratio on Stage 3B (NPA Assets) is 32% as at March 31, 2022 (32% as at March 31, 2021).

f) The Company has, based on current information available, estimated various scenario analysis and applied management overlays based on the policy approved by the Board while arriving at the provision for impairment of financial assets which the management believes is adequate. As at March 31, 2022, your Company is carrying an additional provision of ₹ 85.36 crores to take care of any credit cost impact due to COVID-19 and one-time restructuring carried out as per RBI guidelines.

The extent to which COVID-19 pandemic will impact the Company's provision on financial assets will depend on future developments, which are highly uncertain. The impact of COVID-19 pandemic including the 'second wave', may be different from that estimated as at the date of approval of these Financial Results and the Company will continue to closely monitor any material changes to future economic conditions. The provision under Expected Credit Loss Model is higher than Income Recognition and Prudential Norms by ₹ 47.21 crores.

7.3 Financial Ratios:

(a) The main Financial Ratios of the Company are;

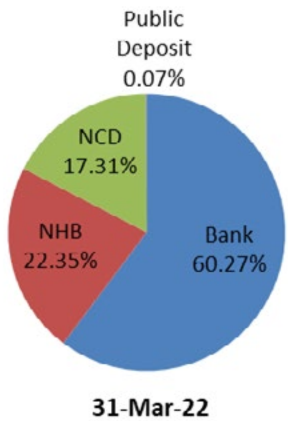
	FY 2021-22	FY 2020-21
Earning per share (EPS)	11.26	8.61
Capital to Risk Asset Ratio (CRAR)	45.41%	44.08%
Net Debt Equity Ratio (DE Ratio)	2.81	2.87
Net Owned Fund (NOF)	3,105.01 crore	2,662.18 crore

8. Resource Mobilisation:

Your Company's Resource Planning Policy has been approved by the Board. The Company has obtained approval for borrowings vide special resolution passed by shareholders at their Annual General Meeting held on July 17, 2021 under Sections 42, 71, 180(1)(c) read with 180(1)(a) of the Act or other applicable provisions and has authorised the Board of Directors / Management Committee to raise or borrow any sum or sums of money (including non-fund based facilities) by way of loan(s) in rupee currency and/or foreign currency from various borrowing sources up to an amount of ₹ 20,000 crores (Rupees twenty thousand crores) or up to 12 times of Net Owned Fund (NOF) of the Company whichever is lower, as per provisions of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 **("RBI Master Directions")** and other applicable Directions/ Notification/ Circulars/Guidelines issued by RBI/NHB.

Your Company uses a variety of funding sources to optimise funding costs, protect interest margins and maintain a diverse funding portfolio. Your Company continued to keep tight control over the cost of borrowings through negotiations with lenders and thus, raised resources at competitive rates from its lenders while ensuring proper asset liability match. Total borrowings as on March 31, 2022 was ₹ 10,675 crores, as compared to ₹ 10,374 crores as at March 31, 2021.

(a) Borrowing Composition:



The borrowings comprised of 60.27% from banks, 22.35% from National Housing Bank, 17.31% from Non-

Convertible Debentures **("NCD")** and 0.07% from Public deposits as at March 31, 2022. There has been no deviation in the utilisation of issue proceeds of secured redeemable NCD from the objects as stated in the private placement memorandum.

Your Company endeavors to gradually reduce its reliance on the borrowings from banks and focus on capital market instruments and other funding avenues with lower funding costs depending upon opportunities available in the market.

Another strategy adopted by the Company to keep a balanced ALM was to enter into strategic partnership with banks that are keen on good-quality assets and assign long-tenor receivables to them at mutually beneficial terms.

(b) Loans from Banks:

As at March 31, 2022 your Company had relationships with 21 banks. Your Company continued to leverage on its long term relationships with these banks and raised additional term loans from banks to the extent of ₹ 1,740 crores during the year at competitive rates. Total outstanding borrowing from banks as at March 31, 2022 aggregated to ₹ 6,433 crores.

(c) Refinance from National Housing Bank:

The NHB Refinance department has sanctioned Refinance facility to the Company under various schemes for a term ranging from 1 year to 15 years repayment tenure.

During the year, your Company has availed Refinance facility of ₹ 1,600 crores from NHB including ₹ 350 crores under the Special Refinance Facility (SRF). As on March 31, 2022 the outstanding balance on NHB Refinance amounts to ₹ 2,385 crore.

9. Borrowings through other Debt Instruments and Resource Mobilisation:-

(i) Secured Redeemable Non-Convertible Debentures (NCDs)

As at March 31, 2022, your Company's outstanding Secured NCDs issued under Initial Public Offer stood at 7,07,077 NCDs aggregating to ₹ 70.71 Crore, held by 3,772 NCD holders. Your Company has duly paid the Principal/interest amounts on due dates for the NCDs public issue and has duly intimated the stock exchange/ debenture trustees.

During the financial year under review, your Company raised ₹ 419 Crore by way of issue of 4,190 Senior, Secured, Listed, Rated, Redeemable, Non-Convertible Debenture of face value of ₹ 10 Lakhs each, on private placement basis, as per the applicable provisions of relevant circulars issued by Securities and Exchange Board of India. The Company has listed the new NCDs and completed the allotment process within prescribed time-limit.

As at March 31, 2022, your Company's outstanding secured NCDs under private placement were ₹ 1,696.90 Crore at face value. The necessary disclosures as per para 4.1 of SEBI Circular no. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 **("SEBI Circular")** has been disclosed to the Stock Exchange and are available at the website of the Company. The Company could not raise the required percentage of borrowing through issuance of NCDs as required under SEBI Circular, due to excess liquidity available with the Company and unavailability of NCDs for desired tenure at competitive rates. The Company plans to raise the NCDs in the FY 2023 to meet the said requirement as permitted by the SEBI Circular, subject to the market conditions.

Further, as per SEBI LODR Regulations and RBI Master Directions on NCDs issued on private placement basis, your Company has made timely payment of NCDs interest and principal amount on the respective due dates and there is no delay/ default in payment/ repayment.

Details of unclaimed non-convertible debentures as on March 31, 2022:

(a) The total number of non-convertible debentures which have not been claimed by the Investors after the date on which the non-convertible debentures became due for redemption – 575 NCDs

(b) The total amount in respect of such debentures remaining unclaimed beyond the date mentioned at point a above– ₹ 5,75,000.

(ii) Unsecured Subordinated Non-Convertible Debentures

As at March 31, 2022, your Company's outstanding unsecured subordinated debts were ₹ 84 crores at face value. The debt is subordinated to present and future senior debt of your Company. Your Company has duly paid the interest amount due on the aforesaid NCDs on time and reported the same to Stock Exchange and Debenture Trustees without any delay/default.

(iii) Commercial Paper:

During the financial year under review, the Company has not raised funds through commercial papers and there were no outstanding commercial papers as on March 31, 2022.

(iv) Direct Assignment of Mortgage Pool Receivables:

Majority of the Company's loan book portfolio qualifies under the Priority Sector Lending (PSL) mortgage loan portfolio, as per the notification issued by RBI from time to time. During the year, your Company has assigned receivables of its mortgage loan assets aggregating to ₹ 772 crores, being investors' share. Total assigned pool outstanding as at March 31, 2022 was ₹ 2,730 crores.

(v) Security Coverage for the Borrowings:

The security details of the aforesaid secured borrowings made by the Company are mentioned at Note No. 14 and 15 in the Notes to accounts forming part of the Audited Financial statements for the year ended March 31, 2022 .

The Company has not provided any gold loans or do not provide loans against the security of Gold or other precious metals or ornaments during the financial year 2021-22 The Company has not provided Loans against security of shares.

(vi) Credit Ratings:

The Credit ratings for various Borrowings/FD of the Company are given herein below :

Name of the Rating Agency	Rated Facility	Rating as on March 31, 2021	Rating as on March 31, 2022
CARE	Long Term Bank Facilities	CARE AA (stable)	CARE AA (stable)
CARE	Non-Convertible Debentures	CARE AA (stable)	CARE AA (stable)
CARE	Subordinated Debt	CARE AA- (stable)	CARE AA- (stable)
BRICKWORKS	Non-Convertible Debentures	BWR AA (stable)	BWR AA (stable)
BRICKWORKS	Subordinated Debt	BWR AA (stable)	BWR AA (stable)
CRISIL	Commercial Paper	CRISIL A1+	CRISIL A1+
CRISIL	Fixed Deposits	FAA- (stable)	FAA- (stable)
ICRA	Short Term Borrowings	ICRA A1+	ICRA A1+
INDIA RATINGS	Short Term Issuer Rating	IND A1+	IND A1+

10. Investments:

The Investment Committee constituted by the Board of Directors as Executive Committee is responsible for approving investments in line with the policy and limits as set out by the Board. The investment policy is reviewed and revised in line with the market conditions and business requirements from time to time. The decision to buy and sell up to the approved limit is delegated by the Board to the Investment committee consisting of Company's senior executives. The investment function is carried out primarily to support the core business of housing finance to ensure adequate levels of liquidity.

Your Company maintains sufficient liquidity for its business needs, repayment obligations and also to meet any contingency funding requirements. As at March 31, 2022, your Company had unencumbered liquidity buffers of ₹ 1,651 crores in highly liquid assets. Further, surplus funds are also generated considering the time lag between raising of resources and its deployment. Such surplus funds are generally parked with highly liquid mutual funds and short-term deposits with banks. During the financial year 2021-22, your Company earned ₹ 23.45 crores by way of income from mutual funds & other operations and ₹ 74.86 crores by way of interest on deposits placed with banks and from bonds.

11. Asset Liability Management Committee ("ALCO"):

The Asset Liability Management Committee lays down policies and quantitative limits that involve assessment of various types of risks and shifts in assets and liabilities to manage such risks. The Company has duly implemented the NHB's Asset Liability Management **("ALM")** Guidelines applicable to Housing Finance Companies.

The Board of Directors of the Company has approved the ALM Policy & Framework and reviewed the same from time to time. The ALCO Committee ensures that the liquidity and interest-rate risks are contained within the limits laid down by the NHB. As at March 31, 2022, your Company had a strong asset-liability position with positive gaps across all the buckets.

12. Risk Management Framework and Monitoring:

Existence of every financial institution depends on how effectively it manages the risks. Aadhar Housing recognizes that risk management is integral to sound business practices and hence implemented enterprise-wide risk management framework. Effective risk management leads to informed decision-making within the organization's risk appetite. In this regard, risk management forms part of the continuous improvement process to mitigate risks and maximize opportunities.

Risk Management is the culture, processes and structure that are directed towards realizing potential opportunities whilst managing adverse effects. Aadhar Housing is committed to manage its risk in a proactive manner and adopts a structured and disciplined approach to risk management by developing and implementing risk management program.

Aadhar Housing's risk management was deepened across all management levels and functional areas. Risk management roles were distributed across the Board of Directors, Audit Committee and Risk Management Committee. Chief Risk Officer is responsible for enterprise risk and review, analyse, monitor and report to Risk Management Committee and Board of all significant risk areas.

Aadhar Housing has the Risk appetite framework approved by the Board of Directors which covers various types of risk the organization is exposed to and also clearly defines the boundaries for risk acceptance. There is a clear understanding of our desired risk appetite. As a part of the process, the framework undergoes a change depending on the changing external/internal environment. This ensures understanding and measuring the risk the organization is/would be facing. Further Aadhar Housing has well defined reporting mechanism to report the stressed Risk Appetite Parameters and escalation & reporting mechanism to tackle it.

The Company recognises, identification of risk as a very critical function in managing and mitigating risk. The key pillars behind risk mitigation include:

- Regular Executive Risk Management Committee
- Robust Policies & Standards
- Use of Fraud databases, screening documents, and field visits to contain potential frauds.
- Regular monitoring of key risk indicators
- Regular monitoring & testing of risk control matrix
- Risk Containment Unit (RCU) carried out real time screening of files, keeping track of adverse trend in various locations and guidance to field team.

Key Risk & Its Mitigation Strategies

Type of Risk	Mitigations	Strategies
Credit Risk: Credit risk is the potential that a borrower or counterparty will fail to meet its obligations in accordance with agreed terms.	There are robust policies and processes for managing credit risk, mainly through our • Appropriate risk diversification; • Thorough risk assessment at the credit appraisal stage; • Risk-based pricing and risk mitigation; • Continuous risk monitoring at the individual counterparty level as well as portfolio level; • Avoidance of undesirable risks to the extent possible	Maintaining healthy asset quality with optimal risk reward considerations.
Operational Risk Operational risk arises from inadequate or failed internal processes, people and systems or from external events. It includes risk of loss due to legal risk	Detailed Operational Risk Management framework and processes, internal controls, information technology, key risk indicators and fraud monitoring mechanisms are in place to manage operational risk	Minimising operational losses through monitoring risk continuously, quick actions and mitigation.
Interest & Liquidity Risk Company defines market risk as the risk of valuation loss or reduction in expected earnings stemming from adverse fluctuations in interest rates and credit spreads. Liquidity risk as the risk of incurring losses due to an inability to meet payment obligations in a timely manner when they become due.	Aadhar Housing's framework for liquidity and interest rate risk management is spelled out in our Asset Liability-Management policy. Further, a robust mechanism to comprehensively track cash flow mismatches under normal as well as stressed conditions and critical ratios has been implemented. Further, Company has Board Approved Investment and Resource Planning Policy to limit exposure and plan funding accordingly.	To maintain healthy liquidity in comparison to balance sheet size of the Company to tide over any unforeseen stress scenario. Maintaining competitive cost of funds
Information Security Risk Information technology/ security risk is the risk arising on account of inadequacies or failure of technical infrastructure or IT systems which can have an adverse impact on the availability, integrity, accessibility and security of the data and the IT infrastructure.	The Company has Board approved Information Security Policy & Cyber Security Policy to manage the Information Security Risk.	Facilitating growth via secure Digital initiatives. - Sustaining operational effectiveness and efficiency. - Adapting and updating Cyber Defence framework to counter new-age threats - Continuous information to raise security awareness for employees and customers

13. Internal Audit Control & Reporting:

The Company's Internal Audit Department, is led by the Head - Internal Audit and supported by team of qualified Chartered Accountants, experienced internal auditors and functional experts. The Risk Based Internal Audit Policy and Risk Based Internal Audit Plan are approved annually by Audit Committee. All the significant findings of internal audit and action taken thereon are discussed in the Audit Committee of the Board. Periodic branch audits, continuous concurrent audits and risk based process audits, Information systems and Information security audits are part of Internal audit annual plan. Company's internal financial controls are reviewed for effectiveness and efficiency by internal audit.

14. Insurance Cover facilities:

Your Company has insured its various properties and facilities against the risk of fire, theft and other perils, etc. and has also obtained/renewed Directors' and Officers' Liability Insurance Policy, which covers the Company's Directors and Officers (employees in managerial or supervisory position) against the risk of financial loss including the expenses pertaining to defense cost and legal representation expenses arising in the normal course of business.

Moreover, your Company has obtained the Fire & other Perils Policy for its assets, the Protection against money in safe/ transit policy to cover 'money in safe and till counter and money in transit' for the Company's branches and various offices.

Your Company also has in place a Mediclaim policy for its employees and their dependent family members to cover against hospitalization including for COVID-19 treatment, group term life and group personal accident policies, which provides compensation in case of accidents and hospitalization due to illness.

Your Company also has taken an insurance policy covering various cyber risks including data protection.

15. Fixed Deposits ("FD") program:

Pursuant to the instructions issued by NHB as a condition for approval of the change in control & management of the Company, the Company has stopped accepting any fresh or renewal of deposits from public from May 2019. Your Company's FD programme has a rating from CRISIL and is rated, CRISIL FAA-(stable). As on March 31, 2022, your Company's outstanding Fixed Deposits including accrued interest (excluding unclaimed matured deposit) amounted to ₹ 8 Crore. The Company is regular in payment of interest and maturity amount dues to depositors without any delay or default. The Company has maintained SLR security deposits with Government Bonds/ Fixed Deposits more than the stipulated requirements by the Regulators for repayment of these deposits as and when required by the depositors.

As per para 44 of RBI Master Directions, the details of Company's unclaimed matured public deposit accounts of depositors, after the date on which the deposit became due for repayment and the total amount dues under such unclaimed/ unpaid accounts as on March 31, 2022 are mentioned below :

a. Total 460 number of accounts of fixed deposits of the Company which have not been claimed by the depositors after the date on which the deposit became due for repayment.

b. Total amount of ₹ 1,56,34,741 is due, under such accounts remaining unclaimed or unpaid beyond the date referred to in clause (a) as aforesaid.

For the unclaimed deposits as mentioned above, the Company has taken the following actions:-

i) Registered Post letter dispatched to FD holders, to intimate that, deposits are matured and asking them to submit the FD certificate for repayment of the same through NEFT/ RTGS mode.

ii) The Company also contacts the depositors or nominee or sourcing agent through our local branches, requesting them to submit FD certificates, duly discharged and get the maturity payment.

The Company also sends SMS communications to depositors, prior to 14 days of maturity and post maturity till the deposits are claimed for payment by the FD holder.

During the financial year under review, none of the above mentioned unclaimed deposits were unclaimed for a period of more than seven years and accordingly there was no transfer of unclaimed matured deposits to Investor Education and Protection Fund as per the provisions of the Act.

Also pursuant to para- 35 of RBI Master Directions, during the FY 2021-22, the Company had duly submitted with NHB the Statement in Lieu of Advertisement (SILA) on June 2, 2021, which was approved by the Board. Further, since the Company is not accepting any fresh deposits, there was no newspaper publication issued by the Company.

16. Unclaimed/ Unpaid Dividend:

During the financial year under review, your Company has transferred unclaimed final dividend of ₹ 28,539 for the Financial Year 2013-14 which was unclaimed after the expiry of seven years from the date of declaration, to the Investor Education and Protection Fund **("IEPF")**, established by the Central Government. During the financial year under review, no shares were transferred by the Company to IEPF. Your company has duly complied with all applicable provisions of Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 **("IEPF Rules")**.

17. Reserve Bank of India ("RBI") Regulations/Directions:

The Company is regulated as per RBI Master Directions, issued by Reserve Bank of India vide circular no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021 as amended from time to time and the same are duly complied with by the Company.

Further, RBI has issued Scale Based Regulation (SBR): A Revised

Regulatory Framework for NBFCs vide circular no RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021. As per the new regulatory structure your Company will be classified as NBFC- Middle layer (NBFC-ML) and consequent regulatory framework will be applicable to the Company with effect from October 1, 2022.

Further to above, RBI has come up with Resolution Framework 2.0 via RBI Circular no. RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 (Personal & Small Business) & Circular no. RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 (MSME) dated May 5, 2021 to ease out Covid-19 related Stress, by resolution plan to mitigate the burden of debt servicing brought by disruptions on account of resurgence of COVID-19 pandemic in India. Your Company has adopted the policy on One-time restructuring and extended the benefits to its customers.

A new Risk Based Internal Audit policy has been adopted by the Company pursuant to RBI Notification No. RBI/2020-21/88- Ref. No.DoS.CO. PPG./ SEC.05/ 11.01.005/2020-21 dated February, 03, 2021 related to Risk-Based Internal Audit (RBIA).

Your Company has also adopted a new Co- Lending Policy as per the Reserve Bank of India circular No. RBI/2020-21/63 FIDD.CO.Plan.BC.No.8/04.09.01/2020-21 dated November 05, 2020 to define framework for entering into Co-Lending Model arrangements with banks/financial institutions as partners to improve the reach to customers and has entered into co-lending arrangements with UCO Bank during the year.

All the Directors meet the fit and proper criteria stipulated under the RBI Master Directions as amended from time to time.

There have been no delays in filing the necessary disclosures, returns and necessary forms with respect to Foreign Direct Investment for the financial year under review. No fines/ penalties have been levied by the RBI during the year 2021-22.

18. National Housing Bank Regulations:

Your Company is having a valid NHB License for carrying on business of Housing Finance Company, bearing revised registration certificate No. 04.0168.18, dated April 5, 2018 (being latest registration post change in name after merger was completed) and further the Company has complied with the provisions of NHB Directions/ circulars, as applicable. The circulars and the notifications issued by NHB are also placed before the Audit Committee/ Board of Directors at regular intervals to update the Committee/ Board members on the compliance of the same. Various inspection observations of NHB were satisfactorily complied and resolved and reported to the Board.

As per the Master Circular- Returns to be submitted by Housing Finance Companies (HFCs) and various Circulars/ Guidelines/ Notifications issued by NHB, your Company has duly complied and submitted all the required monthly/ quarterly/ half yearly NHB reports/ returns, intimation of opening/ closing (shifting/ relocation) of branches within prescribed time-limit during the FY 2021-22.

The Company being a financial institution is also registered for taking SARFAESI Action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 **("SARFAESI Act")** and the same has been notified by NHB.

19. Capital Adequacy and Transfer to Special Reserve

As required under National Housing Bank/RBI Master Directions issued, the Company is required to maintain a minimum capital adequacy of 14% on or before March 31, 2021, 15% on or before March 31, 2022 and to be maintained at 15% thereafter, on a stand-alone basis. The following table sets out Company's Capital Adequacy Ratios as at March 31, 2022, 2021 and 2020:

Particulars	As on March 31		
	2022	**2021**	**2020**
Capital Adequacy Ratio	45.41%	44.08%	51.42%

The Capital Adequacy Ratio (CAR) of your Company was at 45.41% as on March 31, 2022, as compared to the regulatory requirement of 15%. In addition, the National Housing Bank Act, 1987 also requires that your Company transfers minimum 20% of its annual profits to a Special Reserve fund, which the Company has duly complied.

20. Pradhan Mantri Awas Yojana (PMAY) Scheme of NHB: -

The Government of India took a major step under 'Housing for All scheme' to ensure that people can own a house within their financial capability. Pradhan Mantri Awas Yojana (PMAY) Urban was launched with a broad vision of providing 2 crores dwelling units to EWS, LIG & MIG beneficiaries. The scheme was to be implemented in 22,115 statutory towns/centres as on March, 2021. Under this scheme, Credit Linked Subsidy of ₹ 2.67 Lakhs is to be given to EWS/ LIG beneficiaries for a loan amount of ₹ 6 Lakhs & above and ₹ 2.35 to ₹ 2.30 lakhs to MIG I & MIG II beneficiaries for purchase/ construction of houses of specified carpet area.

This PMAY scheme was implemented through 4 verticals:-

(a) Credit Linked Subsidy Schemes (CLSS) to beneficiaries through Banks/HFCs for loans availed, (b) Beneficiary lead construction, (c) Affordable Housing in partnership and (d) In Situ Slum development.

The PMAY Rural scheme aims to construct 2.95 crore houses in rural areas. These schemes have created huge opportunities for the Company to provide housing loans to these beneficiaries.

PMAY CLSS Subsidy claim and Disbursement Status as on March 31, 2022

Your Company has also executed MOU for availing benefits under various Schemes of PMAY/ CLSS schemes and Rural Subsidy Scheme with National Housing Bank. During the year 2021-22, the Company has submitted from time to time the claim for subsidy to NHB under the PMAY scheme.

(i) The total PMAY claim received in FY 2021-22 was ₹ 308.62 crores for 14,385 loans. Total PMAY claim received till March 31, 2022 was ₹ 970.44 crores on 45,163 loans

(ii) The subsidies received during the year 2021-22 were credited to customer accounts and the EMI was accordingly modified to that extent. In certain other cases, the subsidy was refunded. Subsidy amount refunded was ₹ 14.75 crores on 770 accounts in FY 22. Since inception till March 31, 2022, the subsidy amount refunded was ₹ 50.5 crores on 2,663 accounts.

(iii) As at March 31, 2022, the total number of 31,915 claims were submitted and subsidy amount to be received is ₹ 705.52 crores.

21. Insurance Regulatory and Development Authority of India (IRDAI):

The Company is registered with IRDAI as Corporate Agent – Composite bearing registration number CA0012 with renewed validity period - April 1, 2022 to March 31, 2025. The Company has Corporate Agency Agreement executed with the insurer Pramerica Life Insurance Limited, Navi General Insurance Limited, Cholamandalam MS General Insurance Company Limited and Bajaj Allianz General Insurance Company Limited.

During the FY 2021-22, the Company has complied with Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015 and has duly filed/ submitted various returns, reports and intimations within the prescribed time-limit. No penalties/fines were levied by the regulator during the year 2021-22.

22. Trade Marks Registration for the Company:-

Aadhar Housing owns a combination of trademarks to establish and protect our brands, logos, and marketing designs. The Company has 12 trademarks registered with the Registrar of Trademarks under the Trademarks Act.

23. Fair Practice Code, KYC norms, Anti Money Laundering standards and Policy for prevention, prohibition and Redressal of Sexual Harassment:

The Company continued to ensure that Fair Practice Code, KYC Norms and Anti Money Laundering (AML) Standards as per the guidelines issued by the NHB/RBI from time to time are invariably adhered to and duly complied by the Company. The Company has put in place Board approved robust Know Your Customer [KYC] & Anti Money Laundering [AML] Measures Policy **("KYC & AML policy')** for compliance by the branches. The revised KYC & AML policy was placed & approved by the Board of Directors at their meeting held on May 28, 2021 and February 14, 2022. The Internal Auditors conducted audit of the branches to ensure adherence of these AML standards during the financial year under review.

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition, and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder **("the POSH Act")** for prevention, prohibition and redressal of complaints of sexual harassment at workplace. The Company has also constituted an Internal Committee (IC) in compliance with Section 4 of the POSH Act.

During FY 2021-22, the Company has received 1 complaint on sexual harassment which has been investigated and addressed with appropriate action as per the Policy.

24. Internal Financial Control Measures/System:

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an Internal Audit Department which is responsible for independently evaluating the adequacy and effectiveness of all internal controls, risk management, governance systems and processes and is manned by appropriately qualified personnel. The Internal Audit Department during the course of audit also ascertains the extent of adherence to regulatory guidelines, legal requirements and operational processes and provides timely feedback to the Management for corrective action. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board, which also reviews the adequacy and effectiveness of the internal controls in the Company.

The Company has put in place adequate policies and procedures to ensure that the system of internal financial control commensurates with the size and nature of the Company's business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and ensuring compliance with Company's policies.

25. Auditors

Statutory Auditors, their Report and Notes to Financial Statements

M/s. Deloitte Haskins & Sells, LLP, Chartered Accountants (Firm Registration No.:117366W/W-100018) and M/s. Chaturvedi SK & Fellows, Chartered Accountants (Firm Registration No. 112627W) were the Joint Statutory Auditors of the Company for the first half of the financial year 2021-22.

As per RBI Circular No. RBI/2021-22/25 Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 prescribing guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) an auditor who has completed a period of 3 Financial years (counted as one tenure) as on the date of the Circular shall not be eligible for re-appointment in the same entity for six years (two tenures) after completion of one tenure of 3 years. Subsequently, the RBI had also released Frequently Asked Questions (FAQs) dated June 11, 2021, inter alia, clarifying that the existing statutory auditors who have completed 3 years with an entity would not be able to continue as auditors with effect from second half of the financial year 2021-22. Accordingly, the joint statutory auditors M/s Deloitte Haskins & Sells LLP and M/s Chaturvedi S K & Fellows were ineligible to continue as Statutory Auditors of the Company for H2 (second half) of FY 2021-22.

At the Extra Ordinary General Meeting held on January 21, 2022, M/s. Walker Chandiok & Co LLP, Firm Registration No. 001076N/N500013) were appointed as the Statutory Auditor of the Company to hold the office for a period of three consecutive years i.e. w.e.f. January 21, 2022 till the conclusion of Annual General Meeting to be held for FY 2023-24.

The Auditor's Report does not contain any qualifications, reservations, adverse remarks or disclaimer. The Statutory Auditors have not reported any incident of fraud to the Audit Committee or the Board of Directors under Section 143(12) of the Act during the financial year under review.

Secretarial audit and secretarial compliance report :

The Board of Directors of the Company, had appointed M/s Roy Jacob & Co., Company Secretaries, Mumbai, (Membership Number – FCS 9017 and Certificate of Practice Number 8220) as Secretarial Auditor, pursuant to section 204(1) of Act. The Secretarial audit report in Form MR- 3 for FY 2021-22 is annexed to this report as **Annexure 1**.

There are no qualifications or adverse remarks in the Secretarial Audit Report for the F.Y. 2021-22. Pursuant to Regulation 24(a) of the SEBI LODR Regulations, the Annual Secretarial Compliance report for the financial year under review has been submitted to the respective Stock Exchange and uploaded on the website of the Company at link: https://aadharhousing.com/investor-relations/sebi-regulations-disclosures

Cost records and Auditors

The provisions of Cost Records and Cost Audit as prescribed under Section 148 of the Act are not applicable to the Company.

Corporate Governance report and Compliance Certificate

The Corporate Governance report as stipulated under Schedule V Part C of the SEBI LODR Regulations, forms part of this Annual Report.

The requisite certificate as required under Schedule V Part E of the SEBI LODR Regulations, confirming compliance with the requirements of Corporate Governance received from M/s Roy Jacob & Co., Company Secretaries, Mumbai is attached as **Annexure 2** to the Board's report.

26. Reporting on various Corporate Governance Regulations & Compliances under the Act:

i) Annual Return as per section 134(3)(a):

During the year 2021-22, Annual General Meeting for the financial year 2020-21 was duly held on July 17, 2021, and Annual Return was filed within prescribed time limit.

As provided under section 92(3) and 134(3)(a) of the Act, Annual Returns of the Company are placed on the website of the Company at https://aadharhousing.com/investor-relations/annual-report-returns

ii) Number of meetings of the Board & Committees under section 134(3)(b):

During the financial year under review the Board of Directors met periodically/as and when required to deliberate various issues, policy matters, take suitable decisions etc. The details of Board of Directors and their Meetings and also various other Board level Committees Meetings are furnished separately under the Corporate Governance Report, which forms part of this Annual report.

iii) Directors' Responsibility Statement under section 134(3)(c):

As required by section 134(3)(c) read along with section 134(5) of the Act, the Board of Directors state that:

a) in the preparation of the Annual Financial Statements for the financial year ended March 31, 2022, the applicable Accounting Standards had been followed and there were no material departures from the same;

b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for that period;

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

d) the Directors had prepared the Annual Financial Statements on a going concern basis;

e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

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

iv) Details of Fraud Reporting to NHB & as per provisions of section 134 (3) (ca), read with section 143 (12) of the Act:

a) There were no material fraud cases amounting to ₹ 1 crore or above, detected and required to be reported during the FY 2021-22, as per the provisions of section 134 (3) (ca), read with section 143 (12) of the Act to the regulatory authorities.

b) Frauds of value involved for ₹ 1 Lakh & above and frauds committed by unscrupulous borrowers, detected, during the FY 2021-22: the Company has duly reported 7 fraud cases as per Circular(s)/ Guidelines, issued by National Housing Bank/ Reserve Bank of India.

v) In terms of section 134(3)(d) of the Act**,** your Board states that, the Independent Directors, have given a declaration under section 149(7) of the Act and Regulation 25(8) of the SEBI LODR Regulations confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI LODR Regulations.

vi) With regard to section 134(3)(e) of the Act, the Company has duly followed the Nomination (including Boards' Diversity), Remuneration & Evaluation Policy (NRE Policy), which, inter alia, lays down the approach to diversity of the Board, criteria for identifying the persons who are qualified to be appointed as Directors, Key Managerial Personnel (KMP) & Top Managerial Personnel of the Company, along with the criteria for determination of remuneration thereof and evaluation of Board of Directors/Committees (including Independent Directors) and KMPs/Top managerial personnel of the Company and includes other matters, as prescribed under the provisions of Section 178 of the Act. Further pursuant to provisions of RBI Master Directions the Company has obtained Fit & Proper declarations and Deed of Covenants and various other declarations duly signed by all the Directors of the Company.

The aforesaid policy is available on the website of the Company, i.e. https://aadharhousing.com/

vii) In terms of section 134(3)(g) of the Act, Company has not made any Investment through two or more layers of Investment Companies, pursuant to provisions of section 186(1) of the Act. Further, the Company being Housing Finance Company, all loans are in the ordinary course of business and details of the same along with the Investment made by the Company are disclosed in Financial Statements and Notes of Accounts, thereto, which is forming part of Annual Report.

viii) Particulars of transactions with related parties under section 134(3)(h) and section 188:

The Transactions with related parties are entered as per the Related Party Transaction Policy of the Company, pursuant to provisions of section 188 of the Act, read with the rules made thereunder, after taking necessary approval of Shareholders & Board of Directors.

Prior approval of the Audit Committee had been obtained by the Company before entering into any material related party transaction as per the applicable provisions of the Act. A quarterly update is also given to the Audit committee and the Board of Directors on the Related Party Transactions undertaken by the Company for their review and consideration.

Apart from payment of sitting fees and commission to Independent Directors, there is no pecuniary relationship or transactions of the Independent/Non-Executive Directors. The details with respect to the related party transactions are mentioned in the notes to the audited financial statements for the financial year ended March 31, 2022.

There are no transactions to be reported as per Section 188 of the Act read with Rule 15 of Companies (Meeting of Board and its Power) Rules, 2014 as amended from time to time and hence the disclosure of material related party transaction as required in the prescribed Form AOC – 2 is not applicable.

During the financial year under review, the Company has not given any loans and advances in the nature of loans to its subsidiaries or associate(s) or loans and advances in the nature of loans to firms/companies in which Directors are interested. Accordingly, the disclosure of particulars of loans/advances, etc., as required to be furnished in the Annual Accounts of the Company pursuant to Regulations 53 (f) read with paragraph A of Schedule V of the SEBI LODR Regulations is not applicable to the Company.

Pursuant to provisions of RBI Master Directions a copy of Related Party Transaction Policy of the Company, duly approved by the Board, is enclosed as **Annexure 3** to this report. It is also available on the website of the Company at link provided below: -

https://aadharhousing.com/investor-relations/sebi-regulations-disclosures

ix) Meetings of the Board and its Committees:

Board

The Board of Directors of your Company meet at regular intervals to discuss and decide on the Company's performance and strategies. During the financial year under review, the Board met 6 (six) times on May 6, 2021, May 28, 2021, September 22, 2021, November 12, 2021, February 14, 2022 and on March 3, 2022.

Further details on the Board, its Meetings, composition and attendance are provided in the Corporate Governance Report, which forms part of this Annual Report.

Your Company has the following 8 (eight) Board-level Committees, which have been established in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- IT Strategy Committee
- Asset Liability Management Committee
- Investment Committee
- Management Committee
- IPO committee

More information on all of the above Committees including details of its Meetings, composition and attendance are provided in the Corporate Governance Report, which forms part of this Annual Report.

x) Transfer of profits to Reserves:-

In terms of section 134(3)(j) of the Act, Company has transferred ₹ 43.50 crores to General Reserve and a sum of ₹ 89.04 crores to the Special Reserves under Section 29C of National Housing Bank Act, 1987 and Section 36(1)(viii) of the Income Tax Act, 1961, in addition to other provisions created during the financial year under review as per the audited financials submitted to the Board.

xi) In order to conserve the resources for better growth opportunity, there was no dividend recommended or declared during the financial year under review, which is in line with the Dividend Distribution Policy of the Company. The policy is available on your Company's website at https://aadharhousing.com/investor-relations/sebi-regulations-disclosures.

xii) Material changes and commitments, if any, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report, in terms of Section 134(3) (l) of the Act: -

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

xiii) Statement containing salient features of the financial statements of subsidiaries :-

A report on the performance and financial position of the Company's Subsidiary as per Section 129(3) of the Act read with the Companies (Accounts) Rules, 2014, in the prescribed form AOC-1 is attached as **Annexure 4** to the Board's Report.

xiv) Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo in terms of Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.:

- **Conservation of Energy**

Your Company is not engaged in any manufacturing activity and thus its operations are not energy intensive. However, the Company always takes adequate measures to ensure optimum utilization and maximum possible saving of energy. The Company has also implemented process to install all the energy saving devices in the branches such as energy savers for ACs, LED Light, Inverter ACs, VRF, etc. which runs on very nominal energy with high impact.

- **Technology Upgradation:**

The latest Technology up-gradation measures adopted by the Company, had helped to efficiently manage inter-connectivity and system based loan processing and accounting facilities at various levels of the organisation and improve efficiency by deploying lending and securitisation platform developed by M/s Tata Consultancy Service Ltd. This platform offers integrated loan life-cycle management capabilities covering CRM, Digital On-boarding, Loan origination, Loan Management (Core Lending Solution), General Ledger, GST Integration, Collection and Insight and Information (Reporting) modules.

The foreign exchange earnings and outgo etc. and other provisions of reporting as per the Act are given below as applicable to the Company during the year under report.

Particulars	As at March 31, 2022	As at March 31, 2021
	Amount (₹ in lakhs)	Amount (₹ in lakhs)
Foreign business travel	NIL	NIL
Total	NIL	**NIL**

xv) Corporate Social Responsibility under Section - 134(3) (o):

The Corporate Social Responsibility **("CSR")**, under section 135(1) of the Act is applicable to the Company during the financial year under review. Your Company has in place, Corporate Social Responsibility Policy, as per the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014, which lays down the guidelines and mechanism for undertaking socially useful projects for welfare and sustainable development of the community at large. According to the provisions of the section the Corporate Social Responsibility Committee was formed by the Company. The annual report on CSR activities is annexed separately to this report. The total amount of CSR contribution and payment details are given in **Annexure 5** to this Board's Report.

The amended CSR Policy is available on the website of the Company, i.e. https://aadharhousing.com/

xvi) Formal Annual Evaluation of the Board, its Committees and of individual directors under section 134(3)(p) and rule 8(4) of the Companies (Accounts) Rules, 2014:

Pursuant to the provisions of the Act and its Rules, an annual evaluation of the performance of the Board, its Committees and of individual Directors, were carried out during the year. The details of evaluation process as carried out and the evaluation criteria have been explained in the Corporate Governance Section, forming part of this Annual Report. Also the Nomination and Remuneration Committee has evaluated the Directors/ KMPs at the time of their appointment.

xvii) Statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year, in terms of rule 8 (5) (iiia) of Companies (Accounts) Rules, 2014 as amended :-

The Independent Directors are selected as per the applicable provisions of Act, read with RBI Master Directions based upon the qualification, expertise, track record, integrity and other "fit and proper" criteria and the Company obtains the necessary information and declaration from the Directors. All the Independent Directors of the Company have strong academic background and having long stint experience with renowned Government and private Organizations/ Corporates. The integrity/ expertise of the Directors have been evaluated by the Board and NRC at the time of appointment and every year evaluated at the respective meetings.

xviii) Secretarial Standards of Institute of Company Secretaries of India

Your Company is in compliance with the Secretarial Standards specified by the Institute of Company Secretaries of India **("ICSI")** on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

xix) Vigil Mechanism / Whistle Blower Policy:

In terms of section 177(9) of the Act and Rule 7 Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors has put in place a Vigil Mechanism and adopted a Whistle Blower Policy to provide for adequate safeguards against victimization of employees and directors who may avail of the vigil mechanism/ whistle blower policy, by directly sending mail to the Chairperson of the Audit Committee. The Company affirms that no person was denied access to the Audit Committee.

These provisions are already circulated to the employees through the intra-net. Hence, the Company has complied with the provisions of the Act and RBI/NHB Directions.

During the financial year under review, the Whistle Blower Policy has been amended/modified by the Board of Directors at their meeting held on May 28, 2021.

xx) Investments, loans and guarantees given by the Company:

Your Board further states that during the financial year under review, your Company did not make any major investment in other companies, bodies corporate, provided loans and given guarantees, etc. above the limits prescribed under sections 185, 186 and 187 of the Act, read with Companies (Meetings of Board and its Powers) Rules, 2014, as applicable to the Company. Details of Investments made, loans and guarantees given by the Company are disclosed in the Financial Statements for FY 2021-22.

xxi) Name of the Companies, which have become or ceased to become Subsidiary, Joint Venture or Associate Company, during the year under review : NIL

xxii) Details of significant and material order, passed by the Regulators or Court or Tribunals, impacting the going concern status and Company's operations in future : NIL

xxiii) Training & Development :

At Aadhar Housing, the employees are its greatest asset who give the Company a competitive advantage in the market in which it operates. Through various initiatives and programs, the focus has always been to provide the employees – encouragement, motivation, stimulus and make them feel as an integral part of the Company's vision and mission statement.

In addition to maintaining cordial relationship with the employees, continuous efforts are being made to impart the relevant knowledge, quality skills and most importantly an attitude to grow and maintain sustainable business. Such initiatives and trainings are expected to act as a catalyst in enhancing the overall competitiveness of the Company while contributing to the personal development of the employees.

During the FY 2021-22, the Company has conducted trainings on Functional, Behavioral and Compliance related aspects. Total training Man-days is 10,797 and 95% of total employees were trained in various programs which includes Induction, Functional, Compliance and Health & Well-being related trainings.

A total of 50 programs were conducted and 5,686 Employees were trained using Virtual/Classroom Mode. 3573 Employees and 163 Vendors were trained on TCS Application / Modules followed by assessment and simulation on UAT platform.

Furthermore, your Board would like to inform that the Company has successfully conducted multiple batches of 5 days Residential Instructor Led Classroom training of Management Trainee for Sales, Credit, Operations & Technical. A total of 128 trainees were hired & trained under MT programme.

Additionally, a comprehensive suite of e-learning library with interactive courses, modules and online assessments was launched to enhance & test the knowledge of the staff.

xxiv) Human Resources:

Human Resources are cornerstone of Company's growth and progress. The Team of Aadhar Housing has grown steadily from 2310 on roll employees last year to 2,769 employees during the financial year under review. Your Board would like to make a special mention about the competence, hard work, and commitment displayed by employees during system automation for implementation of Integrated Loan Module which caused achievement of several milestones in the success of the Company during the year under report.

With the ongoing COVID-19, the Company recognizes that these are unsettling times and the safety and well-being of its employees is its priority. While stringent protocols were put in place to ensure that the health of the employees was not compromised, efforts were channelized to ensure full vaccination of employees and their families. Your Board would also like to highlight that a lot of initiatives were undertaken to protect the physical and mental well-being of the employees.

Your Board would like to make a special mention that the Company has been certified as a 'Great Place to Work' for the third time in row.

Additionally, Aadhar Housing also undertook a lot of initiatives to reach out to the needy segment. Your Board would like to bring to your notice that the Company has pledged to contribute to the socio-economic development of the society through its philanthropic approach. All the initiatives that were steered were a combination of Corporate Social Responsibility and Employee Volunteering. With employees extending support to the elders and the orphans, the Company undertook activities towards promoting preventive healthcare and sanitation facilities, providing employment through enhancing vocational skills and prevention of hunger by providing food.

xxv) Details of ESAR Scheme & ESOP Scheme implemented by the Company:

a) Employees Stock Appreciation Rights (ESAR) Scheme:

The ESAR scheme was approved in March, 2018 by the previous promoter group and the first grant was approved by the Board w.e.f from April 1, 2018 amounting to 2,77,295.2 number of ESARs.

On January 16, 2021, the shareholders have approved the issue of bonus shares in the ratio of 9:1 equity shares, effect of same has been given to outstanding ESAR's as on January 16, 2021.

This ESAR scheme has been withdrawn with the approval of the Board effective from March, 2020 and it has been replaced with the new ESOP Plan 2020. Accordingly pending Grants of ESAR's have been cancelled.

b) Employee Stock Option Plan - 2020 ("ESOP Plan 2020"):

In order to reward performance and elicit long term commitment of the employees towards the growth of the Company, the new ESOP Plan 2020 was introduced with the approval of Board & Shareholders. Under the ESOP Plan 2020 duly approved by the Board, total 10,44,395 number of ESOP's were granted to the identified & eligible 389 number of permanent employees including the Whole Time/ Executive/ Managing Director(s) of the Company, w.e.f. March 31, 2020. On January 16, 2021 the shareholders have approved the issue of bonus equity shares in the ratio of 9:1 equity shares, effect of same has been given to outstanding ESOP's as on January 16, 2021.

On January 16, 2021, an additional 6,15,460 number of ESOP's were granted to the identified 49 number of employees who were scheduled to join before March 31, 2021 including existing employees from the date of joining the Company and who have been promoted into role/grade which qualifies them for ESOPs.

On November 12, 2021, the following additional grants were given:

A) 8,76,039 number of additional ESOP's were granted to the identified 96 number of ESOP Grantees and

B) 11,12,340 number of ESOP's were granted to the identified 142 number of employees who were scheduled to join before December 31, 2021 or were promoted into role/grade which qualifies them for ESOPs.

The shareholders of the Company approved the revised plan - Aadhar Housing Finance Limited -Employees Stock Option Plan 2020 to create, offer and grant such number of options not exceeding 24,000,000 (Twenty four million) number of ESOPs or such amendment from time to time. Based on the recommendations and approval of the Nomination and Remuneration Committee and approval of the Board of Directors, shareholders at their Extra-ordinary General Meeting held on March 23, 2022 approved the amendments to ESOP Plan 2020 pertaining to various clauses regarding the vesting period and alignment with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. At their Extra-ordinary General Meeting scheduled to be held on May 26, 2022, Shareholders will consider further amendments to ESOP Plan 2020 aimed at relaxation of vesting conditions to eligible employees as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

Details required as per Rule 12(9) of Companies (Share capital and debentures) rules, 2014

Details of ESOP's & ESAR's	FY21-22	
	ESOP	ESAR
(a) options granted;	18,79,549	-
(b) options vested;	-	-
(c) options exercised;	-	-
(d) the total number of shares arising as a result of exercise of options;	-	-
(e) options lapsed;	14,31,966	-
(f) the exercise price;	90.805	-
(g) variation in terms of options;	-	-
(h) money realised by exercise of options;	-	-
(i) total number of options in force;	1,11,50,433	-
(j) employee wise details of options granted to:	-	-
(i) Key Managerial Personnel;		
1) Deo Shankar Tripathi	1,38,628	-
2) Rajesh Viswanathan	1,00,000	-
3) Sreekanth V N	15,548	-
(ii) any other employee who receives a grant of options in any one year of options amounting to five percent or more of total options granted during that year;	-	-
1) Rishi Anand	1,00,000	-
(iii) identified employees who were granted options, during any one year, equal to or exceeding one percent of the issued capital, excluding outstanding warrants and conversions, of the Company at the time of grant.	-	-

xxvi) Buy-back of the Company's own shares:

During the financial year under review, the Company did not make any buy back of any of its shares or share equivalent/stock options during the year under report, hence the provisions of section 68 of the Act, are not applicable.

xxvii) Particulars of employees in receipt of remuneration above the limits and other applicable provisions of the Act:

The various provisions of section 197 of the Act and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are maintained at the Registered office, and shall be made available to any shareholder on a specific request made by him in writing, pursuant to the aforesaid provisions of Act and the rules made thereunder. None of the Directors receive any commission or remuneration from holding or subsidiary of the Company.

27. Acknowledgement by the Management:

Your Board of Directors would like to place on record their sincere gratitude to the Regulators, Reserve Bank of India, National Housing Bank, Registrar of Companies, Securities and Exchange Board of India, Insurance Regulatory and Development Authority of India, Ministry of Corporate Affairs, all Bankers to the Company, Central & State government departments, Tax Authorities, Debenture Trustees, Debenture holders, Registrars, other stake-holders, customers and all other business associates for their continued support during the year under report. The Directors would also like to thank the BSE Limited, National Securities Depository Limited and Central Depository Services (India) Limited and the Credit Rating Agencies for their support & co-operation.

Your Company and management team also express their sincere gratitude to the Promoter group entity, Holding Company BCP Topco VII Pte. Ltd. and other entities of Blackstone Inc. for their unstinted support & co-operation.

Your Directors wish to acclaim the hard work and commitment of the employees at all levels who had contributed with all their might for improving the performance of the Company year by year.

By the Order of & For and on behalf of the Board of Directors of

Aadhar Housing Finance Limited

Sd/-
Mr. O.P. Bhatt
DIN:- 00548091
Independent Director &
Non-Executive Chairman

Sd/-
Mr. Deo Shankar Tripathi
DIN:- 07153794
Managing Director & CEO

Date : May 20, 2022.
Place: Mumbai

Report on Corporate Governance

The Report on Corporate Governance as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, **("SEBI LODR Regulations")** is given below:

Company's Philosophy on Code of Governance:

Aadhar Housing Finance Limited **("Your Company" or "the Company" or "Aadhar Housing")** believes that the system of Corporate Governance protects the interest of all the stakeholders by inculcating transparent business operations and accountability from management towards consistently fulfilling the high standard of Corporate Governance in all facets of the Company's operations. Your Company's philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, accountability, sustainability, ethical behaviour and safety in all spheres of its operations. Your Company's Board of Directors **("the Board")** comprises of Executive, Non-Executive and Independent Directors. The Board provides strategic guidance to your Company in all areas of its operations, while focusing on optimum utilisation of resources; governance and sustainability. All of this is done keeping in mind the interest of all stakeholders and the philosophy enshrined in your Company's Vision-Mission statement. The management team, led by the Managing Director and Chief Executive Officer, who reports to the Board, is responsible for implementing the strategies and achieving the goals and targets set by the Board.

A brief note on the Board and other Board level Committees is furnished below:-

Board of Directors

The Board of Directors comprises of 6 (Six) Directors, which includes 3 (Three) Independent Directors of which 2 (Two) are Women Directors, 2 (Two) Non-Executive (Nominee) Directors and the Managing Director and Chief Executive Officer of the Company. The Board is chaired by Mr. O. P. Bhatt, Independent Director & Non-Executive Chairman of the Board. The composition of the Board is in conformity with the requirements of the Companies Act, 2013 **("the Act")** and Regulation 17 of the SEBI LODR Regulations.

The details of the Directors of the Company with regard to their outside Directorships, Committee positions, including that in listed entities, as on March 31, 2022 were as follows:

Name of the Director	Category of Directorship held in your Company	Skills identified and area of core expertise	No. of outside Directorship(s) held	Outside Committee positions held		Names of other listed entities where Director holds Directorship (excluding the Company and the category of directorship held in such other listed entity)
				Member	Chairperson	
Mr. O. P. Bhatt	Chairman, Non-Executive Independent Director	• Industry Knowledge • Corporate Governance • Financial Expertise	4	5	2	Category of directorship- Independent Director • Hindustan Unilever Limited • Tata Consultancy Services Limited • Tata Steel Limited • Tata Motors Limited
Dr. Nivedita Haran	Non-Executive Independent Director	• Industry Knowledge • Corporate Governance • Financial Expertise	2	-	-	Nil
Ms. Sharmila A Karve	Non-Executive Independent Director	• Industry Knowledge • Corporate Governance • Financial Expertise	5	7	3	Category of directorship- Independent Director • EPL Limited • Syngene International Limited • CSB Bank Limited • Thomas Cook (India) Limited
Mr. Mukesh Mehta	Non-Executive Nominee Director, Representative of Promoter	• Industry Knowledge • Corporate Governance • Financial Expertise • Strategic Expertise	-	-	-	Nil

Name of the Director	Category of Directorship held in your Company	Skills identified and area of core expertise	No. of outside Directorship(s) held	Outside Committee positions held		Names of other listed entities where Director holds Directorship (excluding the Company and the category of directorship held in such other listed entity)
				Member	Chairperson	
Mr. Amit Dixit	Non-Executive Nominee Director Representative of Promoter	• Industry Knowledge • Corporate Governance • Financial Expertise • Strategic Expertise	5	1	-	Category of directorship- Non Executive Director • Sona BLW Precision Forgings Limited • Mphasis Limited • EPL Limited
Mr. Deo Shankar Tripathi	Managing Director and Chief Executive Officer	• Industry Knowledge • Corporate Governance • Financial Expertise • Strategic Expertise • General Management	1	-	-	Nil

Notes:

1. None of the Directors are related to each other.

2. The number of directorships is excluding directorship in your Company, foreign companies, high value debt listed companies, private limited companies and companies incorporated under Section 8 of the Act.

3. In terms of Regulation 26(1) of the SEBI LODR Regulations:

   o Foreign companies, private limited companies, high value debt listed companies and companies under section 8 of the Act are excluded for the purpose of considering the limit of committees.

   o The committees considered for the purpose are audit committee and stakeholders' relationship committee.

   o None of the Directors held membership in more than seven listed entities and were members of more than ten committees or chairperson of more than five committees across all listed companies in which they were Directors.

Board Induction and Familiarisation

As per Regulation 62(1A) of the SEBI LODR Regulations, the terms and conditions of appointment of Independent Directors is available on the Company's website at https://aadharhousing.com/investor-relations/sebi-regulations-disclosures.

The Directors are familiarised with your Company's businesses and its operations through interactions between the Directors and Senior Management of your Company. Directors are familiarised with the organizational set-up, functioning of various departments, internal control processes and relevant information pertaining to your Company from time to time. The Company is in process of designing the familiarisation programme for the Directors and the same shall be made available on the website of the Company.

Declaration of independence:

Your Company has received necessary declarations from each Independent Director confirming that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1) (b) of the SEBI LODR Regulations and our independent of the managament.

A certificate from M/s. Roy Jacob & Co., Practicing Company Secretaries has been received stating / confirming that none of the Directors on the Board have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI/ Ministry of Corporate Affairs or any such statutory authority and is attached as **Annexure 6** to this report.

During the financial year under review, the Board met 6 (six) times and the composition of the Board along with attendance details of Board Meeting is given hereunder:

Name of the Director	Date of Board Meetings held and attended						No. of Meetings attended	Attendance at the last annual general meeting
	06-05-2021	28-05-2021	22-09-2021	12-11-2021	14-02-2022	03-03-2022		
Mr. O P Bhatt, Chairman	Yes	Yes	-	Yes	Yes	Yes	5	Yes
Dr. Nivedita Haran, Independent Director#	Yes	Yes	Yes	Yes	Yes	Yes	6	-
Ms. Sharmila A Karve, Independent Director	Yes	Yes	Yes	Yes	Yes	Yes	6	Yes
Mr. Amit Dixit, Non-Executive Director (Nominee)	Yes	Yes	Yes	Yes	Yes	-	5	-
Mr. Mukesh Mehta, Non-Executive Director (Nominee)	-	Yes	Yes	Yes	Yes	Yes	5	-
Mr. Neeraj Mohan, Non-Executive Director (Nominee)*	Yes	Yes	-	-	-	-	2	-
Mr. Deo Shankar Tripathi Managing Director & CEO	Yes	Yes	Yes	Yes	Yes	Yes	6	Yes

**Mr. Neeraj Mohan ceased to be the Non- Executive (Nominee) Director of the Company w.e.f. July 13, 2021.*
 # Shareholders at their Extra-ordinary General Meeting held on June 26, 2021 approved the extension of term of Dr. Nivedita Haran for a period of one year.

Audit Committee:

As per provisions of section 177 of the Act and Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (**"RBI Master Directions"**), your Company has constituted the Audit Committee of the Board. All the Members of the Audit Committee are financially literate. Moreover, the Chairperson and Members of the Audit Committee have accounting or related financial management expertise. The Audit Committee met 5 (five) times and the Committee makes suitable recommendation to the Board from time to time after careful consideration of matters related to finance, accounts, inspection, audits, etc.

The Audit Committee of your Company is in compliance with the requirements mentioned at Regulation 18 read with Part C of Schedule II of the SEBI LODR Regulations.

The terms of reference of the Audit Committee include:

1. The Audit Committee shall consist of a minimum of three directors. Two-thirds of the members of the Audit Committee shall be independent directors.
2. The majority of members of Audit Committee including its chairperson shall be persons with ability to read and understand, the financial statement.
3. Every Audit Committee of a company existing immediately before the commencement of the Companies Act, 2013 shall, within one year of such commencement, be reconstituted in accordance with the above mentioned requirements.
4. Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include:
   - I. the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
   - II. review and monitor the auditor's independence and performance, and effectiveness of audit process;
   - III. examination of the financial statement and the auditors' report thereon;
   - IV. approval or any subsequent modification of transactions of the company with related parties. The Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed under the rules made under the Companies Act, 2013;
   - V. scrutiny of inter-corporate loans and investments;
   - VI. valuation of undertakings or assets of the company, wherever it is necessary;
   - VII. evaluation of internal financial controls and risk management systems; and
   - VIII. monitoring the end use of funds raised through public offers and related matters.
5. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
6. The Audit Committee shall have authority to investigate into any matter in relation to the items specified above or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.
7. The auditors of a company and the key managerial personnel shall have a right to be heard in the meetings of the Audit

Committee when it considers the auditor's report but shall not have the right to vote.

8. Where a company is required to constitute an Audit Committee under section 177 of the Companies Act, 2013, all appointments, including the filling of a casual vacancy of an auditor shall be made after taking into account the recommendations of such committee.

9. The additional terms of reference for the Audit Committee read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). as per the said Schedule are given below:

    1. Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;

    2. Recommending to our Board the appointment, remuneration and terms of appointment of the statutory auditor of our Company;

    3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;

    4. Approving payments to statutory auditors for any other services rendered by the statutory auditors;

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

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

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

        (c) Major accounting entries involving estimates based on the exercise of judgment by management;

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

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

        (f) Disclosure of any related party transactions; and

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

    6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to our Board for approval;

    7. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to our Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by our Company;

    8. Approval or any subsequent modifications of transactions of our Company with related parties;

    9. Scrutinising of inter-corporate loans and investments;

    10. Valuation of undertakings or assets of our Company, wherever it is necessary;

    11. Evaluating of internal financial controls and risk management systems;

    12. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

    13. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

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

    15. Discussing with internal auditors on any significant findings and follow up thereon;

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

    17. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

    18. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

    19. Reviewing the functioning of the whistle blower mechanism;

    20. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;

    21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/ provided under the Companies Act, the Listing Regulations or by any other regulatory authority; and

    22. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in any subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as per applicable law.

Powers of the Audit Committee

The powers of the Audit Committee shall include the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary

Reviewing Powers

The Audit Committee shall mandatorily review the following information:

- Management's discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- Examination of the financial statements and the auditors' report thereon; and
- Statement of deviations:
  - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the SEBI Listing Regulations; and
  - (ii) annual statement of funds utilised for purposes other than those stated in the document/ prospectus/ notice in terms of the SEBI Listing Regulations.

  Details of composition and meetings of the Audit Committee held during the FY 2021-22 are given hereunder;

Name of the Members	Category	Date of Audit Committee Meetings held and attended					No. of Meetings attended
		06-05 -2021	22-09-2021	12-11-2021	14-02-2022	03-03-2022	
Ms. Sharmila A Karve Chairperson	Independent Director	Yes	Yes	Yes	Yes	Yes	5
Mr. O. P. Bhatt, Member	Independent Director	Yes	-	Yes	Yes	Yes	4
Dr. Nivedita Haran, Member	Independent Director	Yes	Yes	Yes	Yes	Yes	5
Mr. Mukesh Mehta, Member	Non-Executive (Nominee) Director	-	Yes	Yes	Yes	Yes	4

Nomination & Remuneration Committee ("NRC"):

The Nomination and Remuneration Committee has been constituted in compliance with the requirements of provisions of Section 178 of the Act and Regulation 19 read with Part D of Schedule II of SEBI LODR Regulations.

The terms of reference of the Nomination and Remuneration Committee include:

i) Considering and recommending for appointment and remuneration of directors, managing/executive director, CEO of the Company.

ii) Considering, reviewing and approving annual salary increment, bonus and promotion to KMPs/ top managerial persons.

iii) Approving & implementing staff welfare schemes or ESOPs/ ESAR as per the NRC Policy.

iv) Considering & recommending the criteria for determining qualifications, positive attributes and independence, fit and proper criteria for directors, in compliance with law.

v) Formulating of criteria for evaluation of the performance of the independent directors and the Board;

vi) Devising a policy on Board diversity;

vii) Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;

viii) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

ix) Analysing, monitoring and reviewing various human resource and compensation matters;

x) Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

xi) Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

xii) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

xiii) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended;

xiv) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

- the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or
- the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.

xv) Recommend to our Board, all remuneration, in whatever form, payable to senior management; and

xvi) Any other functions/powers referred/powers delegated to the committee by the Board under the NRC Policy, any regulation/ directions of regulators or the statutory or government authorities/bodies and as per the provisions of the Companies Act, 2013 and the rules made thereunder.

During the financial year under review, the NRC met 5 (five) times as under:-

Name of the Members	Category	Date of NRC Meetings held & attended					No. of Meetings attended
		06-05-2021	28-05-2021	23-06-2021	22-09-2021	12-11-2021	
Ms. Sharmila A Karve, Chairperson	Independent Director	Yes	Yes	Yes	Yes	Yes	5
Mr. O. P. Bhatt, Member	Independent Director	Yes	Yes	Yes	-	Yes	4
Dr. Nivedita Haran, Member	Independent Director	Yes	Yes	Yes	Yes	Yes	5
Mr. Amit Dixit, Member	Non-Executive (Nominee) Director	Yes	Yes	-	Yes	Yes	4
Mr. Mukesh Mehta, Member	Non-Executive (Nominee) Director	-	Yes	Yes	Yes	Yes	4

Performance evaluation criteria for Independent Directors

The performance evaluation of Independent Directors shall be done by the NRC and the entire Board of Directors, excluding the Director being evaluated. The evaluation is carried out as per Schedule IV (Code for Independent Directors) of the Act.

While evaluating the Independent Director, the contribution(s) made by the Director in the decisions taken at the board level and its impact on the performance of the Company shall be considered. The time devoted including the attendance of the Independent Director at various Committee/Board Meetings shall also be considered while evaluating an Independent Director.

On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of an Independent Director.

Independent Director's meeting:

In accordance with the provisions of Schedule IV of the Act and Regulation 25 (3) of the SEBI LODR Regulations a Meeting of the Independent Directors of your Company was held on March 29, 2022 without the presence of the Non-Independent Directors and the Members of the Management. The Meeting was attended by all 3 (three) Independent Directors. They discussed matters including the performance/ functioning of the Company, reviewed the performance of the other Non-Independent Directors and the management of your Company, assessed the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties, etc.

Stakeholders Relationship Committee:-

The Stakeholders Relationship Committee has been constituted pursuant to the provisions of Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI LODR Regulations. Dr. Nivedita Haran, Non- Executive Independent Director is the Chairperson of the Committee and Mr. Sreekanth V.N., Company Secretary acts as Secretary to the Committee and is the Compliance Officer of the Company. Mr. Neeraj Mohan, Non- Executive (Nominee) Director of the Company ceased to be a Member of the Committee w.e.f. July 13, 2021. The Committee was reconstituted on September 8, 2021 due to changes in the composition of the Board of Directors of the Company.

During the financial year under review, Stakeholders Relationship Committee met 1 (one) time on March 21, 2022:

Name of the Members	Category	Date of Meeting held & attended 21-03-2022
Dr. Nivedita Haran, Chairperson	Independent Director	Yes
Mr. Mukesh Mehta, Member*	Non-Executive (Nominee) Director	-
Mr. Deo Shankar Tripathi, Member	Managing Director and Chief Executive Officer	Yes

**Mr. Mukesh Mehta was appointed as a Member of the Committee w.e.f. September 8, 2021.*

The Committee overviews the proper and timely redressal of investor queries and grievances received during the year.

Number of shareholders' complaints received during the financial year/ number of complaints not solved to the satisfaction of shareholders / number of pending complaints:

Complaints received during the financial year	Complaints resolved	Number of complaints not solved to the satisfaction of shareholders	Number of pending complaints
79	79	Nil	Nil

Risk Management Committee :

The Risk Management Committee has been constituted pursuant to the provisions of Regulation 21 of the SEBI LODR Regulations and RBI Master Directions issued by RBI to frame, implement and monitor the risk management plan of the Company. Mr. Neeraj Mohan, Non- Executive (Nominee) Director of the Company ceased to be a Member of the Committee w.e.f. July 13, 2021. The Committee was reconstituted on September 8, 2021 due to changes in the composition of the Board of Directors of the Company.

The terms of reference of the Risk Management Committee include:

- To confirm and communicate the commitment to risk management to assist in achieving companies strategic and operational goals and objectives;
- To undertake businesses that are well understood and within acceptable risk appetite. To inculcate culture of informed decision-making by creating environment of taking calculated business risk to maximize business growth
- To adopt best risk management practices with resultant shareholder value creation and increased stakeholder confidence
- To formalize and communicate a systematic approach to managing risk for all activities and establish a reporting protocol;
- To ensure that all significant risks are identified, analysed, measured, monitored and reported to the Board in a timely manner through its Risk Management Committee
- To have risk management as an integral part of the organization's business strategy
- To develop a "risk aware" culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective actions;
- To assign accountability to all employees for the management of risks within their areas of control; To provide a commitment to employees to ensure that risk management is a core management capability
- To ensure Credit deployment in line with credit policy and within the defined risk appetite
- To provide necessary safeguard to maintain high market reputation of company.

During the financial year under review, the Committee met 4 (four) times as under:-

Name of the Member	Category	Date of Risk Management Committee Meetings held & attended				No. of Meetings attended
		06-05-2021	22-09-2021	12-11-2021	14-02-2022	
Mr. Mukesh Mehta, Chairman	Non-Executive (Nominee) Director	-	Yes	Yes	Yes	3
Ms. Sharmila A Karve, Member*	Independent Director	Yes	Yes	-	Yes	3
Mr. O. P. Bhatt, Member	Independent Director	Yes	-	Yes	Yes	3
Mr. Neeraj Mohan, Member**	Non-Executive (Nominee) Director	Yes	-	-	-	1

**Ms. Sharmila Karve was the Chairperson for meeting held on 06-05-2021*
*** Mr. Neeraj Mohan ceased to be a Member of the Committee w.e.f. July 13, 2021.*

Asset Liability Management Committee:

The Company has constituted the Asset Liability Management Committee **("ALCO")** under RBI Master Directions issued by the Reserve Bank of India. Mr. Neeraj Mohan, Non- Executive (Nominee) Director of the Company ceased to be a Member of the Committee w.e.f. July 13, 2021. The Committee was reconstituted on September 8, 2021 due to changes in the composition of the Board of Directors of the Company.

The composition of the Committee is as mentioned below. In addition to the composition mentioned below, the Managing Director and Chief Executive Officer, Chief Financial Officer, Chief Treasury Officer & Chief Risk Officer are also the Members of the Asset Liability Management Committee.

During the financial year under review, the Committee met 4 (four) times as under:-

Name of the Members	Category	Date of ALCO Meetings held & attended				No. of Meetings attended
		06-05-2021	22-09-2021	12-11-2021	14-02-2022	
Mr. O. P. Bhatt, Chairman	Independent Director	Yes	-	Yes	Yes	3
Ms. Sharmila A Karve, Member	Independent Director	Yes	Yes	-	Yes	3
Mr. Mukesh Mehta, Member**	Non-Executive (Nominee) Director	-	Yes	Yes	Yes	3
Mr. Neeraj Mohan, Member*	Non-Executive (Nominee) Director	Yes	-	-	-	1

**Mr. Neeraj Mohan ceased to be a Member of the Committee w.e.f. July 13, 2021.*

***Mr. Mukesh Mehta was appointed as a Member of the Committee w.e.f. September 8, 2021.*

IT Strategy Committee

The IT Strategy Committee has been constituted pursuant to the Reserve Bank of India - Master Direction – Information Technology Framework for the NBFC Sector read with the RBI Master Directions. Mr. Neeraj Mohan, Non- Executive (Nominee) Director of the Company ceased to be a Member of the Committee w.e.f. July 13, 2021. The Committee was reconstituted on September 8, 2021 due to changes in the composition of the Board of Directors of the Company and again reconstituted on November 12, 2021 due to organizational changes.

During the financial year under review, the IT Strategy Committee met twice on September 22, 2021 and March 21, 2022 as under:

Name of the Members	Category	Date of Meetings held & attended		No. of Meetings attended
		22-09-2021	21-03-2022	
Ms. Sharmila Karve, Chairperson	Independent Director	Yes	Yes	2
Mr. Mukesh Mehta, Member*	Non-Executive (Nominee) Director	Yes	Yes	2
Mr. Deo Shankar Tripathi, Member	Managing Director and Chief Executive Officer	Yes	Yes	2
Mr. Nirav Shah, Member**	Chief Risk Officer	Yes	Yes	2
Mr. Sharad Jambukar, Member**	Head- Information Technology	Yes	Yes	2
Mr. Rajesh Viswanathan, Permanent Invitee**	Chief Financial Officer	Yes	Yes	2

**Mr. Mukesh Mehta was appointed as a Member of the Committee w.e.f. September 8, 2021.*

***Appointed as Members/ Permanent Invitee of the Committee w.e.f. November 12, 2021*

Management Committee:

The Company has formed & re-constituted the Management Committee of Directors, which consists of Mr. Mukesh Mehta, Non-Executive (Nominee) Director and Chairperson of the committee and Mr. Deo Shankar Tripathi, Managing Director & CEO, Member of the Committee as on March 31, 2022. During the financial year 2021-22, various resolutions were passed by the Management Committee and reported in the Board meetings held on quarterly basis.

Composition of Corporate Social Responsibility ("CSR") Committee:

As per section 135 of the Act the Company has duly constituted CSR Committee. Mr. Neeraj Mohan, Non- Executive (Nominee) Director of the Company ceased to be a Member of the Committee w.e.f. July 13, 2021. The Committee was reconstituted on September 8, 2021 due to changes in the composition of the Board of Directors of the Company.

During the financial year under review, 2 (two) Meetings of CSR Committee were held as under:

Name of the Members	Category	Date of CSR Meetings held & attended		No. of Meetings attended
		06-05-2021	22-09-2021	
Dr. Nivedita Haran, Chairperson	Independent Director	Yes	Yes	2
Mr. Mukesh Mehta, Member**	Non-Executive (Nominee) Director	-	Yes	1
Mr. Neeraj Mohan, Member*	Non-Executive (Nominee) Director	Yes	-	1
Mr. Deo Shankar Tripathi, Member	Managing Director and Chief Executive Officer	Yes	Yes	2

**Mr. Neeraj Mohan ceased to be a Member of the Committee w.e.f. July 13, 2021.*

***Mr. Mukesh Mehta was appointed as a Member of the Committee w.e.f. September 8, 2021.*

Investment Committee

The Company has constituted an investment committee for managing liquidity and maximizing return by investing surplus funds in available financial instruments with least risk. Mr. Neeraj Mohan, Non- Executive (Nominee) Director of the Company ceased to be a Member of the Committee w.e.f. July 13, 2021. The Committee was reconstituted on September 8, 2021 due to changes in the composition of the Board of Directors of the Company.

The composition of the Investment Committee and the meetings held during the financial under review as are follows:

Name of the Member	Category	Date of Investment Committee Meeting held & attended				No. of Meetings attended
		06-05-2021	22-09-2021	12-11-2021	14-02-2022	
Mr. Neeraj Mohan, Chairman*	Non-Executive (Nominee) Director	Yes	-	-	-	1
Mr. Mukesh Mehta, Chairman and Member**	Non-Executive (Nominee) Director	-	Yes	Yes	Yes	3
Dr. Nivedita Haran, Member***	Independent Director	-	Yes	Yes	Yes	3
Mr. Deo Shankar Tripathi, Member	Managing Director and Chief Executive Officer	Yes	Yes	Yes	Yes	4

** Mr. Neeraj Mohan was the Chairman for meeting held on May 6, 2021 and ceased to be a Member of the Committee w.e.f. July 13, 2021.*
*** Mr. Mukesh Mehta was appointed as the Chairman of the Committee w.e.f. September 8, 2021.*
**** Dr. Nivedita Haran, was appointed as a Member of the Committee w.e.f. September 8, 2021*

Share Allotment & Transfer Committee :

The Company has earlier formed the Share Allotment and Transfer Committee to oversee the process of allotment and transfer of shares. This Committee consists of Dr. Nivedita Haran, Independent Director, Chairperson and Mr. Deo Shankar Tripathi, Managing Director & CEO, as the Members of the Committee, as on March 31, 2022. During the financial year 2021-22, no allotment or transfer of physical shares was effected.

IPO Committee:

The Company has duly constituted IPO Committee, for the purpose of initial public offer of the equity shares, which consists of Mr. Mukesh Mehta Non-executive (Nominee) Director, Chairperson, Mr. Amit Dixit, Non-executive (Nominee) Director and Mr. Deo Shankar Tripathi, Managing Director and CEO as the members of the Committee. During the financial year under review, the IPO committee met once on March 30, 2022. The meeting was attended by Mr. Mukesh Mehta and Mr. Deo Shankar Tripathi.

Remuneration of Directors

The Company has adopted a Nomination (including Boards' Diversity), Remuneration and Evaluation Policy specifying criteria for determining the remuneration of the Directors. The policy is available at the website of your Company on: https://aadharhousing.com/investor-relations/sebi-regulations-disclosures

Sitting fees of ₹ 35,000 /- for each Meeting of the Board and the Committees of the Board were paid to the Independent Directors of the Company for all the Meetings attended by them. Further, in addition to sitting fees the Company has paid commission to the Independent Directors as approved by Shareholders at their Meeting held on July 17, 2021.

The remuneration of the Managing Director and Chief Executive Officer of your Company is as follows:

(₹ in Lakhs)

Name	Salary and allowances	Bonus	Perquisite	Contribution to Pension fund	Total
Mr. Deo Shankar Tripathi	190.45	37.10	0.43	8.34	236.32

Further, the appointment of Mr. Deo Shankar Tripathi as Managing Director and Chief Executive Officer is subject to termination by three months' notice in writing on either side.

Details of stock options are provided in the Board's report at point 26 (xxv). None of the Directors hold any shares in your Company.

General Body Meetings

During the preceding three years, the Company's Annual General Meetings **("AGM")** were held as under:

The date and time of AGMs held during the last three years:

Year	Location	Time	Date of Meeting	Particulars of Special Resolution(s) passed
2018-2019	Registered Office- Office No 3, 1st Floor, 8th A Main Road , J.V.T. Towers, Sampangirama Nagar, Bengaluru -560027, Karnataka	3:00 pm	July 30, 2019	Refer Note 1
2019-2020	Meeting conducted through VC / OAVM pursuant to the MCA Circular.	11:05 am	June 29, 2020	Refer Note 2
2020-2021	Meeting conducted through VC / OAVM pursuant to the MCA Circular	11:02 am	July 17, 2021	Refer Note 3

1. Special Resolution for increase in borrowing powers of the Company and Issuance of debentures and approval to create charge and/or mortgage on the assets of the Company.

2. Special Resolution for Modification and revalidation of the Borrowing powers/limits for the Company and Issuance of Debentures and Approval to create charge by way of mortgage and/or Hypothecation on various assets of the Company.

3. Special Resolution passed to modify and revalidate the Borrowing powers/limits for the Company and Issuance of Debentures and Approval to create charge by way of mortgage and or Hypothecation on the assets of the Company.

No resolution was passed through postal ballot during the financial year under review.

Means of Communication

The Company's quarterly/ half yearly/ annual financial results are approved by the Board and submitted to the Stock Exchange where the Non- Convertible Debentures of the Company are listed. The financial results summary is published in one English newspaper (all editions), one marathi newspaper (Mumbai edition) and in one Kannada newspaper (Bangalore edition).

Further, the quarterly/ half yearly/ annual financial results are made available on Company's website at https://aadharhousing.com/investor-relations/financial-publications

Website Disclosure

The Company's website contains a separate section namely "Investor Relations" at https://aadharhousing.com/ wherein all shareholder related information is available and can be accessed as and when required.

Other Disclosures:

Related party transactions:

No materially significant related party transactions have been entered into by the Company that may have a potential conflict with interests of the Company.

Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange(s) or SEBI or any other statutory authority, on any matter relating to capital markets, during the last three years:

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no strictures /penalties have been imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India or any other Statutory Authority.

Whistle Blower Policy / Vigil Mechanism

In compliance with the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI LODR Regulations, the Company has formulated a Whistle blower policy/ vigil mechanism for Directors and Employees to report concerns, details of which are covered in the Board's Report.

Details regarding compliance with mandatory requirements and adoption of the non-mandatory requirements:

Regulations 16-26 of the SEBI LODR Regulations is applicable to a 'high value debt listed entity' on a 'comply or explain' basis until March 31, 2023 and on a mandatory basis thereafter. The Company has complied with majority of the Regulations 16-26 of the SEBI LODR Regulations, and is in the process to ensure compliance with all the applicable provisions by the statutory deadline.

Policy for determining 'material' subsidiaries

The Company does not have any material subsidiary as per SEBI LODR Regulations.

Policy on dealing with related party transactions.

Copy of Related Party Transaction Policy of the Company, duly approved by the Board, is enclosed as Annexure 3 to the Boards report. It is also available on the website of the Company at https://aadharhousing.com/investor-relations/sebi-regulations-disclosures

Total fees for all services paid by the Company and its Subsidiary, on a consolidated basis, to the Statutory Auditors.

Total fees for all services paid by the Company, to the Statutory Auditors of the Company and all entities in the network firm/ network entity of which the Statutory Auditor was a part during the financial year under review is as follows:

1. M/s Deloitte Haskins & Sells LLP - ₹ 233 Lakhs
2. M/s Chaturvedi S K & Fellows – ₹ 129 Lakhs
3. M/s. Walker Chandiok & Co LLP – ₹ 12 Lakhs

Further the Company has accrued ₹ 63 Lakh as at March 31, 2022 towards Auditors Remuneration.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Boards report.

The Company has not given any Loans and advances in the nature of loans to firms/companies in which the directors are interested.

General Shareholder Information

Annual General Meeting

The 32nd Annual General Meeting of your Company is scheduled to be held on Thursday, August 18, 2022, at 05:00 pm (IST) through video conferencing ("VC") / other audio-visual means ("OAVM").

Financial Calendar (Tentative Dates)

Financial year of the Company :	April 1 to March 31
For the quarter ending June 30, 2022 :	On or before August 14, 2022
For the quarter ending September 30, 2022 :	On or before November 14, 2022
For the quarter ending December 31, 2022 :	On or before February 14, 2023
For the quarter/ year ending March 31, 2023 :	On or before May 30, 2023
33rd Annual General Meeting for the financial year ending March 31, 2023- On or before September 30, 2023	

Dividend Payment Date : Not applicable

Details of Stock Exchange where the securities of the Company are listed :

The equity shares of the Company are not listed on any Stock Exchange.

The Non- Convertible Debentures of the Company are listed on:

BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai - 400 001
Scrip Code: 951548

The Annual Listing Fees for the Financial Year 2022-23 has been duly paid to BSE Limited.

Registrar & Transfer Agents:

(For equity shares and Non- Convertible debentures issued by way of public issue)

KFin Technologies Ltd. (Formerly known as KFin Technologies Pvt Ltd.)
Selenium Tower B, Plot 31 & 32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500 032, Telangana.
Ph. No.: +91 40 6716 1663
Email id: einward.ris@kfintech.com
Website: www.kfintech.com

(For Non- Convertible debentures issued on private placement basis)

3i Infotech Ltd.
Tower # 5, 3rd Floor, International Infotech Park Vashi,
Navi Mumbai - 400703
Ph. No.: +91 22 7123 8000
Email id: vijaysingh.chauhan@3i-infotech.com
Website: www.3i-infotech.com

Share Transfer System

The Registrar and Share Transfer Agent i.e. Kfin Technologies Ltd (Formerly known as Kfin Technologies Pvt Ltd.) handles the share transfer system of physical shares of your Company.

Distribution of Shareholding

No of shares	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
1-500	1	2.00	80	0.00
501- 1000	15	30.00	14,660	0.00
1001- 2000	9	18.00	17,340	0.01
2001- 3000	3	6.00	8,330	0.00
3001-4000	-	-	-	-
4001- 5000	1	2.00	5,000	0.00
5001- 10000	10	20.00	94,350	0.02
10001& Above	11	22.00	39,46,15,210	99.97
Total	**50**	**100.00**	**39,47,54,970***	**100.00**

**Includes 26,100 bonus shares kept in abeyance pertaining to shareholders who are holding shares in physical form and have not yet provided their demat account details.*

Detailed shareholding pattern of your Company is mentioned in the Board's report.

Dematerialisation of Shares and Liquidity

99.9993% of equity shares are held in dematerialised form as on March 31, 2022. The Equity Shares of the Company are held in the dematerialised form under both the Depositories viz. National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL").

Shares held in Demat mode in NSDL : 99.9990%
Shares held in Demat mode in CDSL : 0.0003%

Further, 26,100 bonus shares are kept in abeyance which pertain to shareholders who are holding shares in physical form and have not yet provided their demat account details.

Transfer of Unclaimed Equity Shares to Investor Education and Protection Fund ("IEPF") Account

In terms of the provisions of the Act , the total amount lying in the Unpaid Dividend Account of the Company in respect of the last seven years and the date when such unpaid dividend is due for transfer to the IEPF is available on the website of the Company at https://aadharhousing.com/investor-relations/public-notice-and-intimation

Outstanding GDSs/ADRS/ Warrants or any Convertible instruments, Conversion date and likely impact on Equity : Not applicable

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities: Not applicable

Plant Location:

The Company is an NBFC engaged in providing home financing solutions to the economically weaker section and lower income groups of society and hence does not have any plant.

The Company has a wide network of 341 branches. The branch locations can be accessed on the Company website at: https://aadharhousing.com/ahfl-branch-locator.php

Credit Rating:

The Credit ratings for various Borrowings/Fixed deposits of the Company is available in the Board's report.

Address for Correspondences:

Registered office:

2nd Floor, No. 3, JVT Towers, 8th 'A' Main Road, S.R. Nagar, Bengaluru - 560 027, Karnataka, Toll Free No: 1800 3004 2020

Corporate Office:

Unit no 802, 8th Floor, Natraj by Rustomjee, Junction of Western Express Highway and M. V. Road, Andheri (East), Mumbai-400069

Debenture Trustees

a) Catalyst Trusteeship Ltd.
(Formerly known as GDA Trusteeship Ltd.)
GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road Kothrud, Pune - 411038, Maharashtra.
Ph. No.: +91 20 2528 0081
Email Id: dt@ctltrustee.com
Website:www.catalysttrustee.com

b) Beacon Trusteeship Ltd.
4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Club, Bandra (East),
Mumbai - 400 051, Maharashtra.
Ph. No.: +91 22 2655 8759
Email Id: contact@beacontrustee.co.in
Website: www.beacontrustee.co.in

Other Discretionary requirements:

A. The Board

The non-executive chairperson does not receive any remuneration from the Company apart from sitting fees and commission.

B. Modified opinion(s) in audit report

The limited review reports and audit reports submitted along with quarterly and annual financial results respectively are an unmodified opinion from the Statutory Auditors.

C. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

The Chairman of your Company's Board is a Non-Executive Independent Director and is not related to the Managing Director.

D. Reporting of internal auditor

The internal auditor of the Company reports directly to the Audit Committee of the Board.

Annexure- 1

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To,
The Members,

AADHAR HOUSING FINANCE LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by AADHAR HOUSING FINANCE LIMITED having the CIN No. U66010KA1990PLC011409 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (Applicable only to the extent of the provisions entailed with respect to dematerialisation of securities of unlisted public company)

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) 1. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and which are applicable to the company:-

(a) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

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

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (applicable only to the extent of filing of draft red herring prospectus)***:***

2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and which are not applicable to the company during the Audit period:-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015

(c) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

(d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

(e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2018:

(f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018:

(vi) (a) National Housing Bank Act, 1987, The Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India.

(b) Other Regulatory provisions/laws applicable to the company are:-

i) Para 15 A, 15 B, 22, 27, 39, 105, 106 and 120 of Master Direction - Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

ii) Master Direction - Know Your Customer (KYC) Direction, 2016,

iii) Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016,

iv) Master Direction - Information Technology Framework for the NBFC Sector dated June 08, 2017

ii) Insurance Act, 1938 - IRDAI (Registration of Corporate Agents) Regulations, 2015 and

iii) Notification & Circulars issued by Regulatory Authorities from time to time.

I have also examined compliance with the applicable clauses of the following:-

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while no dissenting views were expressed by any Board Member on any of the subject matters discussed that were required to be captured and recorded as part of the minutes.

I further report that as per the information & explanation given to us the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, ESI, Income Tax, Wealth Tax, Service Tax/ Goods and Service Tax/,Value Added Tax and other statutory dues applicable to it.

I further report that I rely on statutory auditors reports in relation to the financial statements and accuracy of financial figures for sales Tax, Wealth Tax, Service Tax/ Goods and Service Tax/ Value Added Tax, Related Party Tax, Provident Fund etc. as disclosed under the financial statements of the Company.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has filed Form IEPF-1 with respect to Unpaid/ Unclaimed dividend transferred to IEPF Account, as per the applicable provisions of Companies Act, 2013.

I further report the Company has filed a Draft Red Herring Prospectus ("DRHP") with Securities and Exchange Board of India ("SEBI") on January 24, 2021, for a proposed Initial Public Offering and the SEBI observation is awaited as on closure of the financial year.

I further state that:

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices I followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and rely fully on the audited financial statements of the Company.

4. Wherever required, I have obtained the Management Representation about the compliance of Laws, Rules and Regulations and happening of events, etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of documents/procedures on the test basis.

6. The secretarial audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Roy Jacob & Co**
Company Secretaries

Sd/-
(Roy Jacob)
Proprietor
(C.P. No.8220), (FCS No.9017)
UDIN:F009017D000330085
P.R. Cer. No.686/2020

Place: Mumbai
Date:16th May, 2022

Annexure -2

CERTIFICATE OF CORPORATE GOVERNANCE

To, The Members,
Aadhar Housing Finance Limited

1. We have examined the compliance of conditions of Corporate Governance by Aadhar Housing Finance Limited ("the Company"), as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 62 (1A) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") for the year ended 31st March, 2022. As per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Fifth Amendment Regulations, 2021, the regulations 16 to 27 shall be applicable to high value debt listed entities on a comply or explain basis until March 31, 2023 and on mandatory basis thereafter.

MANAGEMENT'S RESPONSIBILITY

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

AUDITOR'S RESPONSIBILITY

4. Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations.

5. The procedures selected depend on the auditors' judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedure includes, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.

6. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this certificate did not involve performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

OPINION

7. Based on the procedures performed by us as referred in paragraphs above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended 31st March, 2022, referred to in paragraph 1 above.

OTHER MATTERS AND RESTRICTION ON USE

8. This Certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

9. This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

For **Roy Jacob & Co**
Company Secretaries

Sd/-
(Roy Jacob)
Proprietor
(C.P. No.8220), (FCS No.9017)
UDIN: F009017D000320451
P.R No. 686/ 2020

Place: Mumbai
Date: 14th May, 2022

Annexure 3

RELATED PARTY TRANSACTION POLICY

A. PREAMBLE

Aadhar Housing Finance Limited ("**Company**") is dedicated to the highest standard of ethics and integrity and has successfully applied these standards to the business.

Accordingly, the Company is committed to upholding the highest ethical and legal conduct in fulfilling its responsibilities and recognizes that related party transactions can present a risk of actual or apparent conflicts of interest of the Directors, Senior Management, other related parties etc. with the interest of the Company.

The Board of Directors ("**Board**") of the Company, adopts the following policy and procedures with regard to Related Party Transactions ("**RPT**") as defined below, in compliance with the requirements of Section 188 of the Companies Act, 2013 and rules made there under and any subsequent amendments thereto ("**Companies Act**"), read along with Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") as may be applicable in order to ensure the transparency and procedural fairness of such transactions.

B. OBJECTIVE

Section 188 of the Companies Act read along with the Companies (Meetings of Board and its Powers) Rules, 2014 provides the detailed mechanism for dealing with the RPTs of a company by the Audit Committee of the Board ("**Audit Committee**") including all the approvals required to be passed by the Board and the Shareholders in different circumstances. The objective of this Policy is to ensure proper approvals and reporting of transactions between the Company and its related parties in compliance of provisions of the Companies Act, the Listing Regulations and all other applicable statutory provisions for the time being in force, in this regard.

This policy is designed to govern the transparency of the approval process and disclosure requirements to ensure fairness in the conduct of related party transactions. The Board may amend this policy from time to time as may be required.

Any exceptions to the policy on RPTs must be consistent with the Companies Act, including the rules there under and must be approved in the manner as may be decided by the Board.

C. TRANSACTIONS COVERED UNDER THIS POLICY

Transactions covered under this policy include any contract or arrangement with a related party.

D. DEFINITIONS

1. **"Arm's Length transaction"** means a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest, as defined in explanation (b) to Section 188 (1) of the Companies Act.

2. **"Associate Company"**, in relation to another company, means any entity which is an associate under sub-section (6) of section 2 of the Companies Act, 2013 or under the applicable accounting standards.

3. **"Audit Committee"** means Audit Committee constituted by the Board of Directors of the Company under the provisions of Listing Regulations and Companies Act, from time to time.

4. **"Board"** means the Board of Directors of the Company.

5. **"Control"** includes the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner:

   Provided that a director or officer of the company shall not be considered to be in control over such company, merely by virtue of holding such position.

6. **"Key Managerial Personnel" or "KMP"** includes:

   i. the Chief Executive Officer or the Managing Director or the Manager;
   ii. the Company Secretary;
   iii. the Whole time Director;
   iv. the Chief Financial Officer;
   v. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
   vi. such other officer as may be prescribed.

7. **"Material related party transactions"** means those transactions entered into with the Company by a related party, which when individually or together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

   Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements.

8. **"Ordinary course of business"** in order to determine whether a transaction is within the ordinary course of business or not, some of the principles that may be adopted to assess are as follows:

   i. whether the transaction is in line with the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities;

ii. whether it is permitted by the Memorandum and Articles of Association of the Company; and

iii. whether the transaction is such that it is required to be undertaken in order to conduct the routine or usual transactions of a company.

9. **"Related Party"** means a person or an entity shall be considered as related to the Company if:

i. such person or entity is a related party as defined under Section 2(76) of the Companies Act;

ii. such person or entity is a related party under the applicable accounting standard(s); or

iii. belonging to the promoter or promoter group of the Company and holding 20% or more of the shareholding in the Company.

Related Parties under Section 2(76) of the Companies Act:

(i) A director or his relative;

(ii) A key managerial personnel or his relative;

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

(iv) A private Company in which a director or manager or his relative is a member or director;

(v) A public Company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid up share capital of the Company ;

(vi) Any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;

(vii) Any person on whose advice, directions or instructions a director or manager is accustomed to act;

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity.

(viii) Any body corporate which is:

a. a holding, subsidiary or an associate company of the Company;

b. a subsidiary of a holding Company to which it is also a subsidiary; or

c. an investing company or the venturer of the Company.

Explanation – For the purpose of this clause, "the investing company or the venturer of a company" means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

(ix) A director other than an independent director or key managerial personnel of the holding company or his relative.

The Accounting Standard 18 defines related party as "parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and / or operating decisions.

10. **"Related Party Transactions"** means transactions/ contracts/ arrangement between the Company and its related parties which fall under one or more of the following headings:

Related Party Transaction under Section 188 of the Companies Act:

a) Sale, purchase or supply of any goods or materials;

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

c) Leasing of property of any kind;

d) Availing or rendering of any services;

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

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

g) Underwriting the subscription of any securities or derivatives thereof, of the Company.

Further, as per Listing Regulations, "Related Party Transaction" means a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged. Further, a "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract.

11. **"Relatives"**, as stated in Section 2(77) of the Companies Act, with reference to any person, means anyone who is related to another, if –

    i. They are members of a Hindu Undivided Family;
    ii. They are husband and wife; or
    iii. One person is related to the other in the following manner, namely:

        a) Father including step father;
        b) Mother including step mother;
        c) Son including step son;
        d) Son's Wife;
        e) Daughter;
        f) Daughter's Husband;
        g) Brother including step brother; and
        h) Sister including step sister

12. **"Office or place of profit"** means any office or place:

    where such office or place is held by a director, if the director holding it receives from the Company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise; and

    where such office or place is held by an individual other than a director or by any firm, private Company or other body corporate, if the individual, firm, private Company or body corporate holding it receives from the Company anything by way of remuneration, salary, fee, commission, perquisites, any rent free accommodation, or otherwise.

13. **"Total Share Capital"** means the aggregate of the paid-up equity share capital and convertible preference share capital of the Company.

E. DETAILS REQUIRED FOR ASCERTAINING RELATED PARTY

The following details shall be required:

1. Declaration/ Disclosure of interest by all the Directors and KMPs in Form MBP 1;

2. Declaration of relatives by all Directors and KMPs;

3. Declaration about a firm in which a Director/ Manager or his relative is a partner;

4. Declaration about a private Company in which a Director or Manager is a member or director;

5. Declaration regarding a public company in which a Director or manager is a Director and holds along with the relatives more than 2% of the paid up share capital;

6. Notices from Directors of any change in particulars of Directorship or in other positions during the year;

7. Details of any body corporate, whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager of the Company;

8. Details of any person on whose advice, directions or instructions a director or manager is accustomed to act; apart from advice given in professional capacity; and

9. Details of any company which is:

    i. a holding, subsidiary or an associate company of the Company; or

    ii. a subsidiary of a holding company to which the Company is also a subsidiary.

F. PROCEDURE

The Company shall enter into any contract(s) or arrangement(s) or transaction(s) with a Related Party only after seeking prior approvals from the following :

1. Audit Committee:

All Related Party Transactions, whether entered on arm's length basis or not, shall require prior approval of the Audit committee either by circulation or at a meeting. The Audit Committee may also grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:

(i) The Audit Committee shall, after obtaining approval of the Board of Directors, lay down the criteria while granting omnibus approval and such approval shall be applicable in respect of transactions which are repetitive in nature.

(ii) The Audit Committee shall satisfy itself the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company;

(iii) The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, viz.:-

(a) Repetitiveness of the transactions (in past or in future)
(b) Justification for the need of omnibus approval.

Such omnibus approval shall specify:-

(a) the name(s) of the Related Parties, nature of transaction, period of transaction, maximum amount of transactions that can be entered into in a year and maximum value per transaction which is allowed;

(b) the indicative base price/current contracted price and the formula for variation in the price if any; and

(c) such other conditions as the Audit Committee may deem fit.

However, where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹1 crore per transaction.

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

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

Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company

1. **Board of Directors:**

All Related Party Transactions, which are proposed to be entered by the Company-

(a) other than in Ordinary Course of Business; and/or

(b) other than transactions on Arm's Length Basis, shall require prior approval of the Board of Directors of the Company, by means of passing of resolution at a meeting of the Board; and

(c) Where any Director is interested in any Related Party Transaction, such Director will abstain from discussion and voting on the resolution relating to such transaction.

Details to be provided to the Audit Committee–

With respect to Related Party Transactions requiring approval of the Audit Committee, the following information, to the extent relevant, shall be presented to the Audit Committee:

a) A general description of the transaction(s), including the material terms and conditions, nature, duration and particulars of the contract.

b) The name of the Related Party and the basis on which such person or entity is a Related Party.

c) Name of director or KMP who is related.

d) Any advance paid or received for the contract or arrangements.

e) Maximum amount of transaction that can be entered into and the manner of determining the pricing and other commercial terms.

f) The Related Party's interest in the transaction(s), including the Related Party's position or relationship with, or ownership of, any entity that is a party to or has an interest in the transaction(s).

g) The indicative base price / current contracted price and the formula for variation in the price, if any.

h) Any other material information regarding the transaction(s) or the Related Party's interest in the transaction(s).

Arm's Length transactions - Each Director/ KMP who is a Related Party with respect to a particular Related Party Transaction shall disclose all material information to the Audit Committee/Board of Directors concerning such Related Party Transaction and his or her interest in such transaction.

The Audit Committee shall also review and approve any modification, renewal, or extension of any Related Party Transaction.

The Audit Committee shall periodically review this Policy and may recommend amendments to this Policy to the Board from time to time as it deems appropriate.

This Policy is intended to augment and work in conjunction with other Company policies having any code of conduct, code of ethics and/ or conflict of interest provisions.

G. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTION

The Company Secretary shall at all times maintain a database of Company's Related Parties containing the names of individuals and companies, identified on the basis of the definition set forth above, along with their personal/ company details including any revisions therein.

The Finance & Accounts Team shall be provided with a complete list of related parties in respect of the Company and its subsidiaries. Any proposed transaction with Related Party shall be communicated to the Company Secretary for consideration and approval by the Audit Committee and/or the Board of the Company. If the transactions are regular in nature, the Finance & Accounts Team shall seek an enabling approval from the Board with financial limit for such transaction each year.

The Related Party list shall be updated whenever necessary, by the Company Secretary and shall be reviewed on a quarterly basis.

In determining whether to approve or not a Related Party Transaction, the Board will take into account, among other factors, recommendations of the Audit Committee, whether the said Related Party Transaction is in the interest of the Company and its stakeholders and whether there is any actual or potential conflict of interest between the related parties or between the related parties and the Company.

H. APPROVAL OF RELATED PARTY TRANSACTIONS

In accordance with Section 188 of the Companies Act and the Listing Regulations, the Board of Directors and Shareholders of the Company shall accord prior approval for Related Party Transactions, subject to the following:

Board of Directors and Shareholders' approval in terms of Companies Act:

All Related Party Transactions which are either not on Arm's Length Basis or not in the Ordinary Course of Business shall be recommended by the Audit Committee for the approval of the Board of Directors. The Board of Directors shall further recommend the same for the approval of the Shareholders by way of resolution of the Company, in case the said transactions exceed the value of transactions as provided under Section 188 of the Companies Act, 2013 read with rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and any amendment thereof.

Board of Directors and Shareholders' approval in terms of Listing Regulations:

In terms of Regulation 23 of the Listing Regulations, all material Related Party Transaction shall be recommended by the Board of Directors to the Shareholders for their approval by way of a resolution.

All entities falling under the definition of Related Parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

After the shares of the Company are listed in any stock exchange, the Company would also follow the guidelines under the listing agreement in so far as the process for approval of Related Party Transactions by the Board and the Shareholders.

Where an omnibus approval is obtained, the Company Secretary shall obtain details of the Related Party Transactions undertaken by the Company on a quarterly basis, review the value of such transactions and present the same before the Audit Committee for any additional approvals, where the limits laid down under the omnibus approval are likely to be breached.

Individual transactions with Related Parties, which are not in Ordinary Course of Business and not on an Arm's Length Basis, shall be accompanied with management's justification for the same. Before approving such transactions, the Audit Committee will look into the interest of the Company and its Shareholders in carrying out the Related Party Transactions and alternative options, if any, available. The Audit Committee may accordingly approve or modify such transactions, in accordance with this policy and/ or recommend the same to the Board for approval.

The Chairperson of the Audit Committee/Board shall pay sufficient attention and ensure that adequate deliberations are held before approving Related Party Transactions which are not in Ordinary Course of Business and not on Arm's Length Basis and assure themselves that the same are in the interest of the Company and its Shareholders.

Related Party Transactions that require prior approval of Shareholders:

1. Sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to ten percent or more of the turnover of the Company;
2. Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to 10% or more of net worth of the Company;
3. Leasing of property any kind amounting to 10% or more of the turnover of Company;
4. Availing or rendering of any services, directly or through appointment of agent, amounting 10% or more of the turnover of the Company;

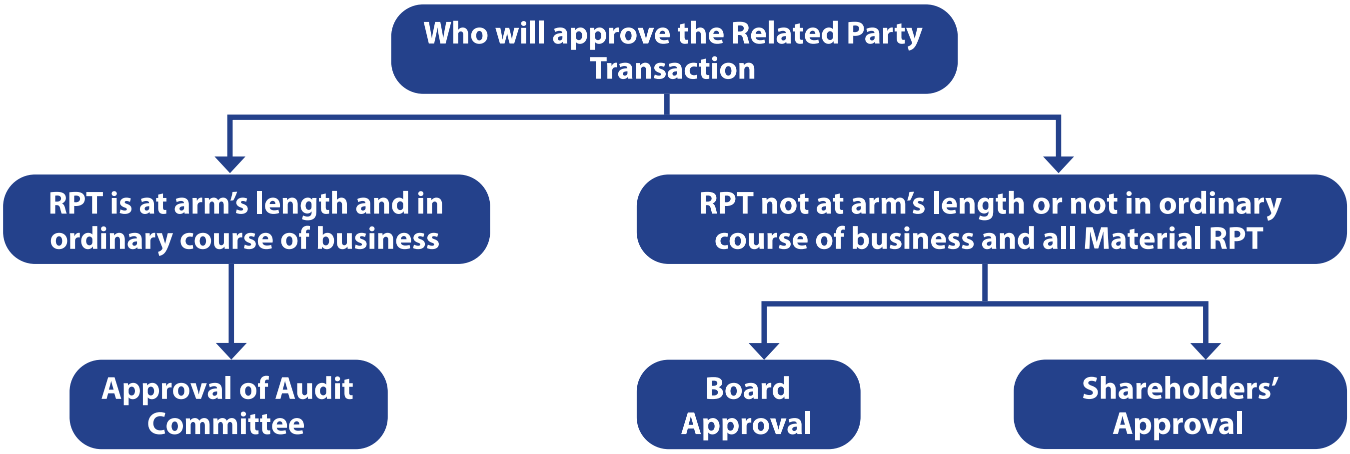
   Explanation: It is hereby clarified that the limits specified in points 1 to 4 above shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.
5. Transaction is for appointment to any office or place of profit in the Company, its subsidiary company or associate company at a monthly remuneration exceeding ₹2,50,000 (Rupees Two Lakh Fifty Thousand) and
6. Remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding one percent of the net worth.

   Explanation: The turnover or net worth referred in the above points shall be computed on the basis of the audited financial statement of the preceding financial year.

OTHER KEY ASPECTS

1. All existing material Related Party contracts or arrangements of which are likely to continue post listing shall be placed for approval of the Shareholders in the first general meeting subsequent to the listing.
2. In accordance with Section 188 of the Companies Act read with related rules issued thereon, in case of wholly owned subsidiary, the resolution passed by the holding company shall be sufficient for the purpose of entering into the transactions between wholly owned subsidiary and holding company.

AUDIT COMMITTEE/BOARD/SHAREHOLDER APPROVAL MECHANISM FOR ENTERING INTO RELATED PARTY TRANSACTIONS



RATIFICATION OF THE RELATED PARTY TRANSACTIONS:

Where any contract or arrangement, which is considered as a Related Party Transaction exclusively as per Companies Act, is entered into by a director or any other employee, without obtaining the consent of Audit Committee or the Board or the Shareholders of the Company, such transaction shall be ratified by the Board or, as the case may be, by the Shareholders at a meeting within three months from the date on which such contract or arrangement was entered into.

RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

Where any contract or arrangement is entered into by a Director or any other employee of the Company with a Related Party, without obtaining the consent of the Board or approval by a resolution in the general meeting, where required and if it is not ratified by the Board or, as the case may be, by the Shareholders, at a meeting within three months from the date on which such contract or arrangement was entered into, the matter shall be reviewed by the Audit Committee, which may consider all of the relevant facts and circumstances regarding the Related Party Transactions and evaluate all the options available with the Company. Such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a Related Party to any Director, or is authorized by any other Director, the Directors concerned shall indemnify the company against any loss incurred by it.

The Company may proceed against a Director or any other employee who had entered into such contract or arrangement in contravention of this Policy for recovery of any loss sustained by it as a result of such contract or arrangement and shall take any such action, it deems appropriate.

Audit Committee may also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Audit Committee under this Policy and take any such action it deems appropriate.

I. RECORDS

The Company shall maintain adequate records, either physically or electronically, as required under applicable laws, giving separately the particulars of all contracts or arrangements to which this policy applies.

J. DISCLOSURES

Every Contract or arrangement entered with Related Parties to which sub section (1) of Section 188 of the Companies Act is applicable shall be referred to in the Board's Report to the Shareholders along with the justification for entering into such contract or arrangements. The disclosures should also be made in Form AOC-2 as prescribed under the Companies Act.

Details of all material transactions with Related Parties are to be disclosed quarterly along with the compliance report on corporate governance.

The Company shall disclose the contract or arrangements entered into with the Related Party in the Board's Report to the Shareholders along with the justification for entering into such contract or arrangement.

The Company shall disclose this policy relating to Related Party Transactions on its website and a weblink thereto shall be provided in the Annual Report in terms of the listing agreement with stock exchanges after the shares are listed.

The Company shall disclose such details of Related Party Transaction as may be prescribed by the stock exchanges.

Post listing, the Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of Related Party Transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.

K. EXEMPTION FROM APPLICABILITY OF THE POLICY

Notwithstanding the foregoing, but subject to the provisions of the applicable laws from time to time, this policy shall not apply to the following Related Party Transactions, which shall not require approval of Audit Committee or Shareholders:

i. Transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the Shareholders at the general meeting for approval.

ii. Any transaction that involves the providing of compensation to a Director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business, other than transactions which are not on an Arm's Length basis.

iii. Any transaction in which the Related Party's interest arises solely from the ownership of securities issued by the Company and the Related Party receives the same benefits pro rata as all other holders of the same class of securities, other than transactions which are not on an Arm's Length basis.

L. POLICY REVIEW

The Board of Directors of the Company, subject to applicable laws is entitled to amend, suspend, or rescind this Policy at any time. However, the Board of Directors shall review the policy mandatorily every three years and update accordingly. Any difficulties or ambiguities in the Policy will be resolved by the Board of Directors in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

In the event of any conflict between the provisions of this policy and of the provisions of the Companies Act and/or the Listing Regulations and any other applicable law dealing with related party transactions, such applicable law in force from time to time shall prevail over this policy.

Annexure 4

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Sl. No.	Particulars	(₹ in Lakh)
1	Name of the subsidiary M/s Aadhar Sales and Services Private Limited	
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4	Share capital	1
5	Reserves & surplus	133
6	Total assets	347
7	Total Liabilities	213
8	Investments	-
9	Turnover	4,030
10	Profit before taxation	26
11	Provision for taxation	6
12	Profit after taxation	20
13	Proposed Dividend	Not Applicable/ NIL
14	% of shareholding	100%
The following information shall be furnished:-		
1	Names of subsidiaries which are yet to commence operations	NIL
2	Names of subsidiaries which have been liquidated or sold during the year	NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Note:- Your Company does not hold significant influence in any other Associate Company, as per section 2(87) and 129(3) are disclosed in the Notes to Accounts and Related Party details in the Audited Financials.

For and on behalf of the Board of Directors

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Sharmila A Karve
Director
DIN 05018751

Place : Mumbai
Date : May 16, 2022

Rajesh Viswanathan
Chief Financial Officer

Sreekanth VN
Company Secretary

Annexure 5

THE ANNUAL REPORT ON CSR ACTIVITIES (FY 2021-22)

1. **Brief outline on CSR Policy of the Company**:

The Corporate Social Responsibility **("CSR")** Policy of Aadhar Housing Finance Limited has been developed in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 and its amendments notified by the Ministry of Corporate Affairs, Government of India.

The CSR vision of the company is to create responsive and empowered communities and to contribute to the socio-economic development of the communities through initiatives designed around environment, sustainability, and governance.

The CSR Policy, formulated in alignment with the vision of the Company, lays down the guidelines and mechanisms to be adopted by the Company to carry out CSR Projects/Initiatives.

All CSR initiatives undertaken in FY 2021-22 were conceived and implemented through a focused approach towards target beneficiaries for generating maximum impact and carried out in partnership with credible implementing partners.

CSR Initiatives

The Company has undertaken various CSR initiatives such as pre-education & health of children of below 6 years, community preventive health care, vocational skills & livelihood etc. Community participation and sustainability of the projects are the key elements of the CSR initiatives.

A monitoring & evaluation system has been developed to monitor progress of all ongoing projects. Reports of implementing partners are reviewed by CSR team and a consolidated report is submitted to CSR committee for their review and inputs.

Our CSR policy is available on our website - https://aadharhousing.com/customer-relations/ahfl-policies-codes

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. Nivedita Haran	Independent Director and Chairperson of CSR Committee	2	2
2	Mr. Neeraj Mohan*	Non-Executive Director (Nominee) and Member of CSR Committee	2	1
3	Mr. Mukesh Mehta**	Non-Executive Director (Nominee) and Member of CSR Committee	2	1
4	Mr. Deo Shankar Tripathi	Managing Director and CEO & Member of CSR Committee	2	2

**Mr. Neeraj Mohan ceased to be a Member of the Committee w.e.f. July 13, 2021.*
***Mr. Mukesh Mehta was appointed as a Member of the Committee w.e.f. September 8, 2021.*

3. **Web-link where Composition of the CSR committee, CSR Policy and CSR projects approved by the board are available on the website of the company:**

Web- link for CSR Policy: https://aadharhousing.com/customer-relations/ahfl-policies-codes

Web- link for Composition of CSR Committee: https://aadharhousing.com/investor-relations/sebi-regulations-disclosures

Web- link for CSR Projects: https://aadharhousing.com/investor-relations/csr

4. **Details of the Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): NA**

5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : **NIL**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
	Total	**NIL**	**NIL**

6. Average net profit of the company as per section 135(5) : ₹ 29,952 Lakhs

7. (a). Two percent of average net profit of the company as per section 135(5) ₹ **600 Lakhs**

(b). Surplus arising out of the CSR projects or programs or activities of the previous financial years **N.A.**

(c). Amount required to be set off for the financial year, if any: **NIL**

(d). Total CSR obligation for the financial year (7a+7b- 7c): ₹ **600 Lakhs**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹ Lakhs)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount (in ₹ Lakhs)	Date of transfer	Name of the Fund	Amount	Date of transfer
568.08	31.92	April 29, 2022	NA	NA	NA

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementa tion - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1	**AADHAR AANGAN**	Clause (i) – eradicating malnutrition Clause (ii) promoting education	Yes	MP	Damoh	1 Year	70 Lakhs	70 Lakhs	-	No	Jan Sahas Social Development Society	CSR00001410
2	**AAYUSHMAAN AADHAR**	Clause (i) Health Care including preventive Health care	Yes	Maharashtra Gujarat AP Telangana Tamilnadu Karnataka Kerala Bihar Chhatisgarh Delhi MP Rajasthan UP	Mumbai, Ahmedabad, Amaravati, Hyderabad, Chennai, Bengaluru, Thiruvanantha-puram, Patna, Raipur, New Delhi, Bhopal, Jaipur, Lucknow	1 Year	357.70 Lakhs	340.74 Lakhs	16.96 Lakhs	No	Y4D Foundation Jan Sahas Social Development Society	CSR00000374 CSR00001410
3	**AADHAR KAUSHAL**	Clause (ii) livelihood enhancement projects	Yes	Maharashtra UP Rajasthan Delhi Haryana Karnataka	Mumbai, Jaipur, Bangalore, Delhi, Faridabad Palla Nizammudin, Greater Noida	1 Year	371.85 Lakhs	388.81 Lakhs	-	No	SOS Childrens Villages of India Samarthanam Trust for the Disabled Y4D Foundation	CSR00000692 CSR00000063 CSR00000374
4	**AADHAR ANNAPURNA**	Clause (i) – Eradicating hunger	Yes	Rajasthan UP Gujarat Karnataka Telangana	Jaipur Lucknow Ahmedabad Mangalore Hyderbad	1 Year	15 Lakhs	15 Lakhs	-	No.	The Akshaya Patra Foundation	CSR00000286
5	**AADHAR KISHORI KALYAN**	Clause (ii) Livelihood enhancement	Yes	Maharashtra Delhi Karnataka Tamil Nadu Telangana	Mumbai Delhi Bangalore Chennai Hyderabad	1 Year	50 Lakhs	35.04 Lakhs	14.96 Lakhs	No	TRRAIN	CSR00002617
	Total						**864.55 Lakhs**	**849.59 Lakhs**	**31.92 Lakhs**			

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

1	2	3	4	5		6	7	8	
Sl. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes/ No)**	**Location of the Project**		**Project duration**	**Amount allocated for the project (in ₹)**	**Mode of implementation - Through implementing Agency**	
				State	**District**			**Name**	**CSR registration number**
1	**Construction of Roof of Children Care Home**	Clause (ii) Livelihood enhancement	Yes	Maharashtra	Titwala	-	5.65 Lakhs	Jeevan Samvardhan Foundation	CSR00020485
2	**Support to Elder Homes**	Clause (ii) Livelihood enhancement	Yes	Chhattisgarh Delhi Gujarat Karnataka MP Maharashtra Rajasthan Tamil Nadu Telangana UP West Bengal	Raipur Delhi Rajkot Bangalore Indore Palghar Pune Jaipur Chennai Hyderabad Ghaziabad Lucknow Kolkata	-	4.82 Lakhs	Y4D Foundation	CSR00000374
3	**Support to Orphan Homes**	Clause (ii) Livelihood enhancement	Yes	Rajasthan Gujarat Delhi Punjab UP Kerala Tamil Nadu Telangana MP Maharashtra	Kota Rajkot Uttam Nagar Amritsar Kanpur Cochin Coimbatore Ahmedabad Noida Agra Udaipur Jaipur Gwalior Bhopal Pune	-	6 Lakhs	Y4D Foundation	CSR00000374
4	**Educational Support**	Clause (ii) Livelihood enhancement	Yes	Haryana	Faridabad	-	10 Lakhs	Vishwa Prakash Mission	CSR00021131
	Total						**26.47 Lakhs**		

(d) Amount spent in Administrative Overheads: **N A**

(e) Amount spent on Impact Assessment, if applicable: **N.A.**

(f) Total amount spent for the Financial Year: ₹ 876.10 Lakhs (8b+8c+8d+8e)

(g) Excess amount for set off, if any :

Sl. No.	**Particular**	**Amount (in ₹ In Lakhs)**
(i)	Two percent of average net profit of the company as per section 135(5)	**600**
(ii)	Total amount spent for the Financial Year	**876.10**
(iii)	Excess amount spent for the financial year [(ii)-(i)]	**0.00**
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	**0.00**
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	**0.00**

(Amount spent includes Unspent Amount of ₹ 287.81 Lakhs of FY 20-21 and net of credit of ₹ 20.00 Lakhs towards discontinuation of amount granted towards one of activity.)

9 (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹ In Lakh).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	FY 2020-21	287.81	287.81	-	-	-	-
	Total	287.81	287.81	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	**Project ID**	**Name of the Project**	**Financial Year in which the project was commenced**	**Project duration**	**Total amount allocated for the project (in ₹)**	**Amount spent on the project in the Reporting Financial Year (in ₹)**	**Cumulative amount spent at the end of reporting Financial Year (in ₹)**	**Status of the project - Completed /Ongoing**
1	-	Aayushmaan Aadhar	2020-21	2 Years	268.21 Lakhs	168.21 Lakhs	268.21 Lakhs	Completed
2	-	Aadhar Aangan	2019-20	3 Years	236 Lakhs	70 Lakhs	236 Lakhs	Ongoing
3	-	Aadhar Kaushal	2019-20	2 Years	176 Lakhs	49.60 Lakhs	176 Lakhs	Completed
	Total				**680.21 Lakhs**	**287.81 Lakhs**	**680.21 Lakhs**	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: (asset-wise details) N.A

(a) Date of creation or acquisition of the capital asset(s) : **N.A.**

(b) Amount of CSR spent for creation or acquisition of capital asset: **N.A**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc : **N.A.**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : **N.A.**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

As one of the skilling projects was not being executed as planned, the CSR Committee decided to stop the project. The unspent amount has been transferred to the Unspent CSR Account and will be utilized for identified ongoing projects in FY 22-23.

Sd/-
Managing Director & CEO

Sd/-
Chairperson CSR Committee

Annexure 6

Certificate of Non-Disqualification of Directors

(Pursuant to Schedule V Para C Clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Aadhar Housing Finance Limited
2nd Floor, No.3, JVT Towers, 8th A Main Road,
S.R. Nagar, Bengaluru -560027, Karnataka

We have examined the relevant registers, records, forms returns and disclosures received from Aadhar Housing Finance Limited having CIN- U66010KA1990PLC011409 and having registered office at 2nd Floor, No.3, JVT Towers, 8th A Main Road, S.R. Nagar, Bengaluru -560027, Karnataka (hereinafter referred to as 'the Company'), produced before me/us for the purpose of issuing this Certificate, in accordance with the requirement mentioned in Schedule V Para-C Clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of appointment in Company
1	Mr. O. P. Bhatt	00548091	September 13, 2019
2	Dr. Nivedita Haran	06441500	September 15, 2018
3	Ms. Sharmila A Karve	05018751	December 15, 2020
4	Mr. Amit Dixit	01798942	August 2, 2019
5	Mr. Mukesh Mehta	08319159	August 2, 2019
6	Mr. Deo Shankar Tripathi	07153794	December 5, 2017

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on this based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Roy Jacob & Co**
Company Secretaries

Sd/-
(Roy Jacob)
Proprietor
(C.P. No.8220), (FCS No.9017)
UDIN: F009017D000320460
P.R No. 686/ 2020

Place: Mumbai
Date: 14th May, 2022

Independent Auditor's Report

To the Members of Aadhar Housing Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Aadhar Housing Finance Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended,("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of financial assets based on Expected Credit Losses (ECL) - (Refer note 3.5 for accounting policies and notes 6, 27, and 37 for financial disclosures in the accompanying standalone financial statements)

At 31 March 2022, the Company reported total gross loans of INR 12,13,215 lakh (2021: INR 10,76,110 lakh) and expected credit loss provisions of INR 17,181 lakh (2021: INR 14,784 lakh).

Key Audit Matter	How our audit addressed the key audit matter
Ind AS 109, Financial Instruments (Ind AS 109) requires the Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach involving an estimation of probability of loss on the financial assets over their life, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets. Expected credit loss cannot be measured precisely but can only be estimated through use of statistics. The estimation of impairment loss allowance on financial instruments involves significant judgement and estimates and applying appropriate measurement principles, including additional considerations on account of Reserve Bank of India guidelines in relation to COVID-19 regulatory package and restructuring. The expected credit loss is calculated using the percentage of probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each of the stages of loan portfolio. Additional management overlay is estimated considering non-prediction and long-term future impact. The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. The Expected Credit Loss ("ECL") is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgment and assumptions involved in measuring ECL is required with respect to: • Segmentation of loan book in buckets • determining the criteria for a significant increase in credit risk • factoring in future economic assumptions • past experience and forecast data on customer behaviour on repayments	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the expected credit losses through the following procedures, but were not limited to, the following procedures: - Examined the Board Policy approving methodologies for computation of ECL that addresses policies and procedures for assessing and measuring credit risk on the lending exposures of the Company in accordance with the requirements of Ind AS 109. The parameters and assumptions used and their rationale have been documented. Also, obtained the policy on moratorium and restructuring of loans approved by the Board of Directors pursuant to the RBI circulars/guidelines and ensured such policy is in compliant with the requirements of the RBI circulars/guidelines. - Evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates. These controls, among others, included controls over the allocation of assets into stages including management's monitoring of stage effectiveness, model monitoring including the need for post model adjustments, and completeness of the underlying data used in the models, credit monitoring, passing of journal entries and preparing disclosures. - Tested the completeness of loans and advances included in the Expected Credit Loss calculations as of 31 March 2022 by reconciling it with the balances as per loan balance register. We tested the data used in the PD and LGD model for ECL calculation by reconciling it to the source system. We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage. - Tested the appropriateness of determining Exposure at Default (EAD), PD and LGD, on sample basis. For exposure determined to be individually impaired, we tested samples of loans and advances and examined management's estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations.

Key Audit Matter	How our audit addressed the key audit matter
• techniques used to determine probability of default, loss given default and exposure at default. Adjustments to the model-driven ECL results as overlays are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. As at 31 March 2022, overlays represent approximately XX% of the ECL balances. These adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts. Considering the significance of the above matter to the standalone financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit.	- Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Test of details on post model adjustments, considering the size and complexity of management overlays with a focus on COVID-19 and restructuring related overlays, in order to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology. - On a test check basis, ensured compliance with RBI Master Circular on 'Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to advances' ('IRACP') read with RBI circular on 'Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications' dated 12 November 2021, in relation to identification, upgradation and provisioning of non-performing assets (NPAs) and ensured that the Company has considered NPAs as credit impaired loans. - Ensured that the Company complied with the minimum provision requirements under RBI circular on "Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs)" dated 5 May 2021 Assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework.

Information Technology ("IT") Systems and Controls for the financial reporting process	
Key Audit Matter	**How our audit addressed the key audit matter**
The Company is highly dependent on its information technology (IT) systems for carrying on its operations which require large volume of transactions to be processed daily in numerous locations. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Company. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. The accuracy and reliability of the financial reporting process depends on the IT systems and the related control environment, including: ➢ IT general controls over user access management and change management across applications, networks, database, and operating systems; ➢ IT application controls. Further, during the year, the Company has migrated to a new IT infrastructure. We have focused on this migration due to the risk of error and the impact such an error could have on the Company's financial accounting and reporting process. Due to the importance of the impact of the IT systems and related control environment on the Company's financial reporting process, we have identified testing of such IT systems and related control environment as a key audit matter for the current year audit.	In assessing the integrity of the IT systems relevant for financial reporting, we involved our IT experts to obtain an understanding of the IT infrastructure and IT systems relevant to the Company's financial reporting process for evaluation and testing of relevant IT general controls and IT application controls. Also, obtained an understanding of the changes that were made to the identified IT applications during the audit period and tested those changes that had a significant impact on financial reporting. We involved out IT experts and assessed, amongst other things, the controls in place during the implementation on the new IT Infrastructure including the rigour of user acceptance testing conducted by the users of the system and the segregation of duties. We also performed substantive testing on the migration of the general ledger data from the legacy IT system to the new IT system, to ensure their completeness and accuracy, including review of reconciliations between the two systems performed by the management. Access rights were tested over applications, operating systems, networks, and databases, which are relied upon for financial reporting. We also assessed the operating effectiveness of controls over granting, removal and periodical review of access rights. We further tested segregation of duties, including preventive controls to ensure that access to change applications, the operating system or databases in the production environment were granted only to authorized personnel. Other areas that were assessed under the IT control environment, included password policies, security configurations, and controls around change management. We also evaluated the design and tested the operating effectiveness of key automated controls within various business processes. This included testing the integrity of system interfaces, the completeness and accuracy of data feeds, system reconciliation controls and automated calculations. Where deficiencies were identified, tested compensating controls or performed alternative procedures.

Information Other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Director's Report ('the Reports'), but does not include the standalone financial statements and our auditor's report thereon. The Reports are expected to be made available to us after the date of this auditor's reports.

   Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the standalone financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

   The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

10. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

14. The standalone financial statements of the Company of the year ended 31 March 2021 were jointly audited by Deloitte Haskins & Sells LLP and Chaturvedi SK & Fellows, who have expressed an unmodified opinion on those standalone financial statements vide their report dated 06 May 2021.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid or provided for remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. Further to our comments in Annexure I, as required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the accompanying standalone financial statements;

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

    c) The standalone financial statements dealt with by this report are in agreement with the relevant books of account;

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

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act;

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and

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

    i) the Company, as detailed in note XX, has disclosed the impact of pending ligations on its financial position as at 31 March 2022 in its standalone financial statement;

    ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022; and

    iii) there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;

    iv)

    a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

    b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

    c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

    v) The Company has not declared or paid any dividend during the year ended 31 March 2022.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Gujral
Partner
Membership No.: 105117
UDIN:

Place: Mumbai
Date: 16 May 2022

Annexure I referred to in Paragraph XX of the Independent Auditor's Report of even date to the members of Aadhar Housing Finance Limited on the standalone financial statements for the year ended 31 March 2022

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment , and right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment, and right of use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following properties:

Description of property	Gross carrying value (INR Lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
Land: Plot no.11, Mangala Nagar alias Sri Arunachala Nagar situated in No. 68, Athur Village, Chengalpet Taluk, Kanchipuram District, Tamil Nadu	20	DHFL Vysya Housing Finance Limited	No	Since 20 November 2017	The title deeds are in the name of DHFL Vysya Housing Finance Limited, currently known as Aadhar Housing Finance Limited. The Company was merged under Section 230 to 232 of the Companies Act, 2013.
Land: Plot no 14, Mangala Nagar alias Sri Arunachala Nagar situated in No. 68, Athur Village, Chengalpet Taluk, Kanchipuram District, Tamil Nadu	7	Erstwhile Aadhar Housing Finance Limited	No	Since 20 November 2017	The title deeds are in the name of erstwhile Aadhar Housing Finance Limited that was merged with the Company under Section 230 to 232 of the Companies Act 2013.
Building: Unit No. 5, Row 07, 2013. Block B, Garden City, Coimbatore	13	Erstwhile Aadhar Housing Finance Limited	No	Since 20 November 2017	

(d) The Company has not revalued its Property, Plant and Equipment, Right of Use assets or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

(ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii) of the Order is not applicable to the Company.

(b) The Company has working capital limits in excess of Rs 5 crore sanctioned by banks and financial institutions based on the security of current assets. The quarterly returns / statements, in respect of the working capital limits have been filed by the Company with such banks and financial institutions and such returns / statements are in agreement with the unaudited books of account of the Company for the respective periods.

(iii)

(a) The Company is a Housing Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.

(b) The Company has not provided any guarantee or given any security or granted any advances in the nature of loans during the year. However, the Company has granted loans and made certain investments and in our opinion, and according to the information and explanations given to us, the loans and investments made are, prima facie, not prejudicial to the interest of the Company.

(c) The Company is a Housing Finance Company ('HFC'), registered under provisions of the National Housing Bank Act, 1987 and rules made thereunder and is regulated by various regulations, circulars and norms issued by the Reserve Bank of India including Master Circular – Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances. In respect of loans and advances in the nature of loans granted by the Company, we report that the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular except for certain instances as below:

Particulars – days past due	Total amount due (₹ in Lakhs)	No. of cases
1-29 days	29,673	5,090
30-59 days	19,110	3,455
60-89 days	6,748	1,127
90 or more days	18,257	3,028
Total	73,788	12,700

(d) Based on our audit procedures and the information and explanation made available to us, in case where overdue amount is outstanding for more than 90 days in case of loans given in course of the business operations of the Company, reasonable steps, as per its policy and procedures, have been taken by the Company for recovery of the principal and interest. The total amount which is overdue for more than 90 days as at 31 March 2022 in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties is as follows:

Particulars	Total amount due (₹ in Lakhs)	No. of Cases	Remarks, if any
Principal	18,257	3,028	None

(e) The Company is a Housing Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable to the Company

(f) The Company has not granted any loan or advance in the nature of loan, which is repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans and investments. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of guarantees and security.

(v) The provisions of the sections 73 to 76 and any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), are not applicable to the Company being a housing finance company registered with the National Housing Bank. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii)

(a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though professional taxes have not generally been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv)

(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

(xvi)

(a) The Company is a Housing Finance Company having a valid Certificate of Registration under Section 29A of the NHB Act, 1987 and is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 in terms of exemption granted under Master Direction - Exemptions from the provisions of RBI Act, 1934 dated 25 August 2016 (as amended). Accordingly, reporting under clause 3(xvi) (a) and

(b) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

(xviii) There has been resignation of the statutory auditors during the year and based on the information and explanations given to us by the management and the response to our communication with the outgoing auditors, there have been no issues, objections or concerns raised by the outgoing auditors.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) (a) According to the information and explanations given to us, the Company has not transferred unspent amount in respect of ongoing projects to a Fund specified in Schedule VII to the Act as required under second proviso to sub-section (5) of section 135 of the said Act. However, the time period of six months from the end of financial year as permitted under second proviso of section 135(5) of the Act, has not lapsed till the date of our report.

(b) The Company has transferred the remaining unspent amount under sub-section (5) of section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of section 135 of the Act.

(xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Gujral
Partner
Membership No.: 105117
UDIN:

Place: Mumbai
Date: 16 May 2022

Annexure II

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Aadhar Housing Finance Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Gujral
Partner
Membership No.: 105117
UDIN:

Place: Mumbai
Date: 16 May 2022

Standalone Balance Sheet

as at March 31, 2022

(₹ in Lakh)

	Particulars	Note	As at March 31, 2022	As at March 31, 2021
	Assets			
1.	**Financial assets**			
a)	Cash and cash equivalents	4	57,276	38,199
b)	Other bank balances	4	1,13,599	1,78,778
c)	Receivables	5	519	272
d)	Housing and other loans	6	11,96,034	10,61,326
e)	Investments	7	33,803	49,710
f)	Other financial assets	8	24,534	21,572
			14,25,765	**13,49,857**
2.	**Non-financial assets**			
a)	Current tax assets (net)	9	2,247	3,303
b)	Property, plant and equipment	10	2,081	1,639
c)	Right of use assets	34	3,347	3,547
d)	Other intangible assets	11	79	127
e)	Other non-financial assets	12	3,716	4,297
			11,470	**12,913**
	Total assets		**14,37,235**	**13,62,770**
	Liabilities and equity			
	Liabilities			
1.	**Financial liabilities**			
a)	Trade payables	13		
i)	Total outstanding dues to micro enterprises and small enterprises		8	-
ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises		5,089	3,863
b)	Debt securities	14	1,76,429	2,14,031
c)	Borrowings (other than debt securities)	15	8,81,897	8,11,041
d)	Deposits	16	799	4,056
e)	Subordinated liabilities	17	8,334	8,319
f)	Other financial liabilities	18	45,520	47,748
			11,18,076	**10,89,058**
2.	**Non-financial liabilities**			
a)	Provisions	19	1,287	1,140
b)	Deferred tax liabilities (net)	20	1,531	1,781
c)	Other non-financial liabilities	21	1,802	1,537
			4,620	**4,458**
3.	**Equity**			
a)	Equity share capital	22	39,476	39,476
b)	Other equity	23	2,75,063	2,29,778
			3,14,539	**2,69,254**
	Total liabilities and equity		**14,37,235**	**13,62,770**

The accompanying significant accounting policies and notes form an integral part of the financial statements
In terms of our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No: 001076N/N500013

Manish Gujral
Partner
Membership No.: 105117

Place: Mumbai
Date: May 16, 2022

For and on behalf of the Board of Directors of Aadhar Housing Finance Limited

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Sharmila A Karve
Director
DIN 05018751

Rajesh Viswanathan
Chief Financial Officer

Sreekanth VN
Company Secretary

Standalone Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in Lakh)

	Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
1.	**Income**			
	Revenue from operations			
a)	Interest income	24	1,53,829	1,42,694
b)	Net gain on fair value changes	24	2,345	878
c)	Net gain on derecognition of financial instruments under amortised cost category	24	9,296	6,381
d)	Fees and commission income	24	3,791	5,019
	Total revenue from operations		1,69,261	1,54,972
	Other income	25	5	9
	Total income		**1,69,266**	**1,54,981**
2.	**Expenses**			
	Finance costs	26	76,120	81,597
	Impairment on financial instruments	27	4,871	5,494
	Employees benefits expense	28	21,445	16,482
	Depreciation and amortisation expense	10, 11 & 34	1,325	1,119
	Other expenses	29	8,795	7,061
	Total expenses		**1,12,556**	**1,11,753**
3.	**Profit before tax (1-2)**		**56,710**	**43,228**
4.	**Tax expense**			
	Current tax	30	12,513	9,329
	Deferred tax charge / (credit)	30	(268)	(98)
			12,245	**9,231**
5.	**Profit for the year (3-4)**		**44,465**	**33,997**
6.	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
i	Remeasurements of the defined employee benefit plans		71	49
ii	Income tax relating to items that will not be reclassified to profit or loss		(18)	(13)
	Total other comprehensive income for the year (i + ii)		**53**	**36**
7.	**Total comprehensive income (5+6)**		**44,518**	**34,033**
8.	**Earnings per equity share**			
	Basic earnings per share (₹)	31	11.26	8.61
	Diluted earnings per share (₹)	31	10.92	8.36

The accompanying significant accounting policies and notes form an integral part of the financial statements
In terms of our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No: 001076N/N500013

Manish Gujral
Partner
Membership No.: 105117

Place: Mumbai
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Sreekanth VN
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Standalone Cash Flow Statement

for the year ended March 31, 2022

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash flow from operating activities		
Profit before tax	56,710	43,228
Adjustments for:		
Depreciation and amortisation expense	1,325	1,119
Loss on sale of fixed assets (net)	17	26
Interest on lease liabilities	295	211
Gain on modification in lease	-	(2)
Impairment on financial instruments and loss on sale of asset held for sale	4,871	5,506
Profit on sale of investment in mutual fund and other investments	(2,345)	(878)
Provision for employee share based payments	767	612
Operating profit before working capital changes	**61,640**	**49,822**
Adjustments for:		
Increase in other financial and non-financial liabilities and provisions	980	18,263
(Increase)/ Decrease in trade receivables	(247)	136
Increase in other financial and non-financial assets	(12,327)	(3,037)
Cash generated from operations during the year	**50,046**	**65,184**
Tax paid	(11,457)	(10,085)
Net cash flow generated from operations before movement in housing and other loans	**38,589**	**55,099**
Housing and other property loans disbursed	(3,99,193)	(3,54,471)
Proceeds from assignment of portfolio	77,212	57,787
Housing and other property loans repayments	1,92,728	1,21,264
Net cash used in operating activities [A]	**(90,664)**	**(1,20,321)**
B. Cash flow from investing activities		
Proceeds received on sale / redemption of investments	6,70,035	2,05,369
Payment towards purchase of investments	(6,51,783)	(2,51,800)
Investment in fixed deposits (net of maturities)	65,179	(1,114)
Payment towards purchase of fixed assets	(1,181)	(512)
Proceeds received on sale of fixed assets	6	4
Net cash generated from / (used in) investing activities [B]	**82,256**	**(48,053)**

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
C. Cash flow from financing activities		
Proceeds on issue of equity shares	-	2
Share issue expenses / expenses towards offer for sale of shares	(378)	(1,705)
Proceeds from loans from banks/ financial institutions	3,41,500	2,78,597
Proceeds from non-convertible debentures	41,900	81,500
Repayment of loans to banks/ financial institutions	(2,71,303)	(2,46,211)
Repayment of non-convertible debentures	(80,019)	(38,583)
Repayment of deposits	(3,369)	(2,809)
Payment of lease liabilities	(846)	(652)
Net cash generated from financing activities [C]	**27,485**	**70,139**
Net increase / (decrease) in cash and cash equivalents [A+B+C]	**19,077**	**(98,235)**
Cash and cash equivalents at the beginning of the year	**38,199**	**1,36,434**
Cash and cash equivalents at the end of the year (refer note 4)	**57,276**	**38,199**

The accompanying significant accounting policies and notes form an integral part of the financial statements

The accompanying significant accounting policies and notes form an integral part of the financial statements
In terms of our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No: 001076N/N500013

Manish Gujral
Partner
Membership No.: 105117

Place: Mumbai
Date: May 16, 2022

For and on behalf of the Board of Directors of Aadhar Housing Finance Limited

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Sharmila A Karve
Director
DIN 05018751

Rajesh Viswanathan
Chief Financial Officer

Sreekanth VN
Company Secretary

Statement of Changes in Equity

for the year ended March 31, 2022

a) Equity share capital

For the year ended March 31, 2022

(₹ in Lakh)

Particulars	Amount
Balance as at April 01, 2021	**39,476**
Changes in equity share capital during the year	-
Balance as at March 31, 2022	**39,476**

For the year ended March 31, 2021

(₹ in Lakh)

Particulars	Amount
Balance as at April 01, 2020	**3,946**
Changes in equity share capital during the year	
Share issued on ESOP / ESARs Allotment	2
Bonus shares issued	35,528
Balance as at March 31, 2021	**39,476**

b) Other Equity

For the year ended March 31, 2022

Particulars	Capital reserve on amalgamation	Securities premium	Statutory reserve	Debenture redemption reserve	General Reserve	Employee Stock Option Outstanding	Retained earnings	Total
Balance as at April 1, 2021	**6**	**1,33,700**	**26,091**	**16,910**	**9,269**	**720**	**43,082**	**2,29,778**
Profit for the year	-	-	-	-	-	-	44,465	44,465
Other comprehensive income	-	-	-	-	-	-	53	53
Transferred to general reserve	-	-	-	-	4,350	-	(4,350)	-
Transferred to statutory reserve	-	-	8,904	-	-	-	(8,904)	-
Employee stock option outstanding	-	-	-	-	-	767	-	767
Balance as at March 31, 2022	**6**	**1,33,700**	**34,995**	**16,910**	**13,619**	**1,487**	**74,346**	**2,75,063**

Retained earnings includes remeasurment of defined benefit plans accumulated loss (net of tax) of ₹ 186 Lakh as at March 31, 2022.

For the year ended March 31, 2021

Particulars	Capital reserve on amalgamation	Securities premium	Statutory reserve	Debenture redemption reserve	General Reserve	Employee Stock Option Outstanding	Retained earnings	Total
Balance as at April 01, 2020	**6**	**1,69,335**	**19,264**	**16,910**	**7,267**	**114**	**17,876**	**2,30,772**
Profit for the year	-	-	-	-	-	-	33,997	33,997
Other comprehensive income	-	-	-	-	-	-	36	36
Transfer of securities premium on exercise of ESOPs / ESARs	-	4	-	-	-	(4)	-	-
Transferred to statutory reserve	-	-	6,827	-	-	-	(6,827)	-
Transferred to general reserve	-	-	-	-	2,002	(2)	(2,000)	-
Utilization of securities premium on allotment of bonus shares	-	(35,528)	-	-	-	-	-	(35,528)
Expenses on allotment of bonus shares	-	(111)	-	-	-	-	-	(111)
Employee stock option outstanding	-	-	-	-	-	612	-	612
Balance as at March 31, 2021	**6**	**1,33,700**	**26,091**	**16,910**	**9,269**	**720**	**43,082**	**2,29,778**

Retained earnings includes remeasurement of defined benefit plans accumulated loss (net of tax) of ₹ 239 lakh as at March 31, 2021

The accompanying significant accounting policies and notes form an integral part of the financial statements

In terms of our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No: 001076N/N500013

Manish Gujral
Partner
Membership No.: 105117

Place: Mumbai
Date: May 16, 2022

For and on behalf of the Board of Directors of Aadhar Housing Finance Limited

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Sharmila A Karve
Director
DIN 05018751

Rajesh Viswanathan
Chief Financial Officer

Sreekanth VN
Company Secretary

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

1. Corporate information

Aadhar Housing Finance Limited (formerly known as DHFL Vysya Housing Finance Limited) (the “Company”) was incorporated in India in the name of Vysya Bank Housing Finance Limited (“VBHFL”) on 26 November, 1990. VBHFL was taken over by Dewan Housing Finance Corporation Limited in 2003 and renamed as DHFL Vysya Housing Finance Ltd (“DVHFL”). The erstwhile Aadhar Housing Finance Ltd which was established in 2010 and commenced operation in February ,2011 was merged into DVHFL on 20 November 2017 and renamed as Aadhar Housing Finance Limited on 4 December 2017 with permission of National Housing Bank (“NHB”) and Registrar of Companies (“ROC”). The Company is carrying business of providing loans to customers including individuals, companies, corporations, societies or association of persons for purchase / construction / repair and renovation of residential property, loans against property and provide other property related services. The Company is registered with National Housing Bank under section 29A of the National Housing Bank Act, 1987. The Company is a subsidiary of BCP Topco VII Pte. Ltd. (“Holding Company”).

During the financial year 2019-20, the Wadhawan Global Capital Ltd. and Dewan Housing Finance Corporation Limited, along with promoter shareholders and International Finance Corporation (collectively “sellers”) transferred their entire shareholding to BCP Topco VII Pte. Ltd., which is held through intermediary companies by private equity funds managed by wholly owned subsidiaries of The Blackstone Group L.P. (collectively “Blackstone”).

2. Significant accounting policies

2.1 Basis of preparation and presentation

The Standalone Financial Statements have been prepared in accordance with the recognition and measurement principle of Indian Accounting Standards (“Ind AS”) prescribed under Section 133 of the Companies Act, 2013 (the “Act”), read with relevant rules issued thereunder and other accounting principles generally accepted in India, requirements prescribed under the Schedule III - Division III of the Act, as amended, the circulars and guidelines issued by the Reserve Bank of India (the “RBI”) and National Housing Bank (the “NHB”) from time to time to the extent applicable.

The previous period numbers have been regrouped/re-classified (as necessary) and incremental disclosures have been made to conform with current period disclosures.

2.2 Going concern

These financial statements have been prepared on a going concern basis.

2.3 Historical cost convention

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The measurement and/ or disclosure in these financial statements has been accordingly determined except for share based payment transactions, leasing transactions and certain other transactions that are required to be valued in accordance with Ind AS 102, Ind AS 116 and Ind AS 36, respectively.

2.4 Presentation of financial statements

Amounts in the financial statements are presented in Indian Rupees in Lakh. Per share data is presented in Indian Rupee.

2.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable, as applicable.

a. **Interest income**

The main source of revenue for the Company is Income from Housing and Other property loans. Repayment of housing and property loan is by way of Equated Monthly Instalments (EMIs) comprising of principal and interest. EMIs generally commence once the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month on the loan that has been disbursed. Interest is calculated either on annual rest or on monthly rest basis in terms of the financing scheme opted by the borrower.

Interest income on housing and property loans and other financial instruments carried at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate (“EIR”) applicable.

The EIR considers all fees, charges, transaction costs, and other premiums or discounts that are incremental and directly attributable to the specific financial instrument at the time of its origination. The financial assets that are classified at fair value through statement of profit and loss (“FVTPL”), transaction costs are recognised in statement of profit and loss at initial recognition.

The interest income on non-credit impaired financial assets is calculated by applying the EIR to the gross carrying amount (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). Interest income on credit-impaired financial assets is calculated on net carrying value (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)).

b. **Fee and commission income:**

Fee and commission, other than the fee that forms an integral part of EIR, are accounted on accrual basis.

c. **Dividend income**

Dividend income is recognised when the Company’s right to receive dividend is established by the reporting date.

d. **Investment income**

The gains/losses on sale of investments are recognised in the statement of profit and loss on trade date. Gain or loss on sale of investments is determined on the basis of weighted average cost.

e. **Other operating revenue:**

Prepayment charges, delayed payment interest and other such incomes where recovery is uncertain are recognised on receipt basis.

2.6 Property, plant and equipment and Intangible Assets

Property, plant and equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at cost less accumulated depreciation/ amortization and impairment losses, if any. The cost of PPE is its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the PPE ready for its intended use, other incidental expenses and interest on borrowing attributable to acquisition of qualifying PPE upto the date the asset is ready for its intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on 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.

PPEs not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land which is not depreciated) less their residual values over their useful lives specified in Schedule II to the Act, or in case of assets where the 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 accounted on prospective basis.

Estimated useful life considered by the Company are:

Asset	Estimated Useful Life
Office equipment & computer	5 – 10 Years
Furniture and fixtures	10 Years
Vehicles	8 Years
Leasehold improvements	Lease Period
Buildings	60 Years

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 enterprise 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".

Intangible assets are amortised on straight line basis over the estimated useful life of 3 years. 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.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

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

Impairment of assets

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

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the statement of profit and loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss was recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

2.7 **Employee benefits**

i. Defined contribution plan

The contribution to provident fund, pension fund, National Pension Scheme and employee state insurance scheme are considered as defined contribution plans and are charged as an expense in the statement of profit and loss based on the amount of contribution required to be made as and when services are rendered by the employees.

ii. Defined benefits plan

The Company's gratuity liability under the Payment of Gratuity Act, 1972 is determined on the basis of actuarial valuation made at the end of each year using the projected unit credit method.

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed periodically by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognition of the asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

iii. 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 period 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.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

iv. Other 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 less the fair value of the plan assets out of which the obligations are expected to be settled.

v. Share-based payment arrangements

The share appreciation rights / stock options granted to employees pursuant to the Company's Stock appreciation rights scheme / stock options policy are measured at the fair value of the rights at the grant date. The fair value of the rights / options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each year is based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within other equity.

2.8 **Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate.

The right-of-use assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

2.9 **Financial instruments**

Recognition of financial instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets primarily comprise of loans and advances, deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of deposits, borrowings (other than debt securities), debt securities, subordinate liabilities and trade payables.

Initial measurement of financial instruments

Recognised 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 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 at FVTPL are recognised immediately in the statement of profit and loss.

If the transaction price differs from fair value at initial recognition, the Company will account 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 bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or 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.

Financial assets

Classification of financial assets

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- all other debt instruments (e.g. debt instruments

managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Company may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 – Business Combination applies, in OCI; and
- the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

A financial asset is held for trading if:

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

Investment in equity instruments at FVOCI

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI.

The Company has not elected to classify any equity investment at FVOCI.

Debt instruments at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset individually and the Company's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are meeting 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 cash flows that are SPPI are consistent with a basic lending arrangement. 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. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed individually and together to achieve a particular business objective.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of profit or loss.

Subsequent measurement of financial assets

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Company business model objective is to hold financial assets in order to collect contractual cash flows. The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. During the current financial year and previous financial year there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

Impairment

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

A loss allowance for full 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, ECLs are measured at an amount equal to the 12-month ECL.

The Company measures ECL based on category of loans at a collective level. 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.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The Company has established a policy to perform an assessment, at the end of each reporting period, of 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 instrument.

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

- Stage 1 - Performing assets with zero to thirty days past due (DPD). Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 and Stage 3.
- Stage 2 - Under-performing assets having 31 to 90 DPD. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3 - Non-performing assets with overdue more than 90 DPD

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

The financial assets for which the Company 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.

Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial assets or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial assets. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

The Company transfers loans through assignment transactions. In accordance with the Ind AS 109, on derecognition of a financial asset under assignment transactions, the difference between the carrying amount and the consideration received shall be recognised in statement of profit and loss.

Write-off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities shall be recognised in statement of profit and loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

A financial liability is

a) 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 Company or

b) a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or

c) 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 Company's own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

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

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' in the statement of profit and loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company'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.

2.10 **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, balance in current account and Balances with banks in deposits accounts with original maturity of less than 3 months. 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.

2.11 **Borrowing costs**

Interest expenses are calculated using EIR and all other borrowing costs are recognised in the statement of profit and loss when they are incurred.

2.12 **Foreign currencies**

a. The functional currency and presentation currency of the Company is Indian Rupee. Functional currency of the Company has been determined based on the primary economic environment in which the Company operates considering the currency in which funds are generated, spent and retained.

b. Transactions in currencies other than the Company'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 period-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 except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

2.13 **Segments**

Based on "Management Approach" as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs.

2.14 **Investments in subsidiary**

Investments in subsidiary is measured at cost as per Ind AS 27 – Separate Financial Statements.

2.15 **Earnings per share**

Basic earnings per share has been computed by dividing net income by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

2.16 **Taxes on income**

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

Current tax

The tax currently payable is based on the estimated taxable profit for the year for the Company and is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity. Deferred tax assets are recognised 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 utilised.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the 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 Company intends to settle its current tax assets and liabilities on a net basis.

2.17 **Special reserve**

The Company creates statutory reserve every year out of its profits in terms of section 36(1)(viii) of the Income Tax Act, 1961 read with section 29C of the National Housing Bank Act, 1987.

2.18 **Impairment reserve**

As per the RBI Circular RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13 March, 2020, in the event of the aggregate impairment provision under Ind AS 109 is lower than that required under the Income Recognition, Asset Classification and Provisioning Norms , then the difference shall be appropriated from the Net Profit or loss after tax to a separate "Impairment Reserve".

2.19 **Provisions, contingent liabilities and contingent assets**

- Provisions are recognised only when an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

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. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- 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. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

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

2.20 **Commitments**

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

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.21 **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.

2.22 **Exceptional items**

An item of income or expense which its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

2.23 **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.

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.

3. Critical accounting judgements and key sources of estimation uncertainties

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. 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.

Expected credit loss

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and credit assessment and including forward-looking information. In certain cases, the assessment based on past experience is required for future estimation of cash flows which requires significant judgment.

The inputs used and process followed by the Company in determining the increase in credit risk have been detailed in note 37.

EIR

The Company's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as other fee income/expense that are integral parts of the instrument.

Share-based payments

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

Inputs into the valuation model, includes assumption such as the expected life of the share option, volatility and dividend yield.

Further details used for estimating fair value for share-based payment transactions are disclosed in note 41.

Following abbreviation to be read as :

"ESOP" - Employee Stock Option Plan

"ESAR" - Employee Stock Appreciation Rights

Business model assessment

The Company's business model objective is to hold financial assets in order to collect contractual cash flows. The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates, accordingly entire Loan Portfolio is classified at amortised cost.

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

4. Cash and bank balances

(₹ in Lakh)

Particulars		As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents			
a)	Cash on hand	345	1,097
b)	Balances with banks in current accounts	2,712	9,892
c)	Balances with banks in deposits accounts with original maturity of less than 3 months (refer note (i) below)	54,219	27,210
		57,276	38,199
Other bank balances			
a)	In other deposit accounts		
	- Original maturity of more than three months (refer note (ii) & (iii) below)	1,13,596	1,78,774
b)	Earmarked balances with banks		
	- Unclaimed dividend account	3	4
		1,13,599	1,78,778
	Total	**1,70,875**	**2,16,977**

i) Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

ii) Fixed deposit and other balances with banks earns interest at fixed rate.

iii) Other bank balances includes deposits of ₹ 39,565 Lakh for March 31, 2022 which are under lien including lien towards unutilized bank overdraft. (March 31, 2021: ₹ 39,450 Lakh).

5. Receivables

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables		
Unsecured, considered good	519	272
Total	**519**	**272**

i) Trade receivables includes amounts due from the related parties amounting to Nil (March 31, 2021 : Nil) [Refer Note 43].

ii) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

iii) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

iv) Trade receivables ageing schedule

As At March 31, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Revenue	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	12	455	51	1	-	-	519

As At March 31, 2021

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Revenue	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good Note: Date of the transaction considered as due date of payment	62	203	-	7	-	-	272

v) Impairment allowance for trade receivable is Nil and therefore related disclosures are not given in the financial statement.

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

6. Housing and other loans

(₹ in Lakh)

	Particulars	As at March 31, 2022	As at March 31, 2021
	At amortised cost		
i)	Housing and other property loans	12,00,693	10,73,462
ii)	Loans to developers	110	188
iii)	Loan against fixed deposits	-	10
iv)	Interest accrued on above loans	12,412	2,450
	Total gross	**12,13,215**	**10,76,110**
	Less: Impairment loss allowance	17,181	14,784
	Total net	**11,96,034**	**10,61,326**

i) All housing and other loans are originated in India.

ii) Loans granted by the Company are secured by equitable mortgage/ registered mortgage of the property and assets financed and/or undertaking to create a security and/or assignment of Life Insurance Policies and/or personal guarantees and/or hypothecation of assets and are considered appropriate and good.

iii) The Company has assigned pool of certain housing and property loans and managed servicing of such loan accounts. The balance outstanding in the pool, as at the reporting date aggregates ₹ 2,72,969 Lakh (March 31, 2021: ₹ 2,54,687 Lakh). The carrying value of these assets have been de-recognised in the books of the Company.

iv) There is no outstanding loan to public institution.

v) 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 (March 31, 2021 : Nil).

vi) Housing loan and other property loan includes ₹ 8,394 Lakh (March 31, 2021: ₹ 8,288 Lakh) given to employees of the Company under the staff loan.

vii) Housing loan and other property loan includes ₹ 3,078 Lakh (March 31, 2021: ₹ 2,775 Lakh) in respect of properties held for disposal under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

viii) The outbreak of COVID-19 pandemic across the globe and in India resulted in a nationwide lockdown in April-May 2020, followed by localised lockdowns in areas with significant number of COVID-19 cases, which had contributed to a significant decline and volatility in the financial markets and slowdown in the economic activities. The subsequent easing of lockdown measures led to a gradual improvement in economic activities from the second half of FY 2021. In FY 2022, India witnessed two more waves of the COVID-19 pandemic and re-imposition of localised/regional lockdown measures in some parts of the country.

While the number of new COVID-19 cases have reduced significantly and the Government of India has withdrawn most of the COVID-19 related restrictions, the extent to which the COVID-19 pandemic will ultimately impact the Company's results, including the impairment loss allowance which is subject to a number of management judgments and estimates, is dependent on future developments, including any new information concerning the severity and spread of the COVID-19 pandemic. The Company continues to closely monitor any anticipated material changes to future economic conditions. The Company holds an impairment provision of ₹ 8,536 Lakh as at March 31, 2022 (March 31, 2021 : ₹ 6,022 Lakh) on account of COVID-19 and loans on which One Time Restructuring was implemented.

7. Investments

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	No's of Units / Shares		(₹ in Lakh)	
At cost				
Investments in equity instruments (Subsidiary)				
Investment in Aadhar Sales and Services Private Limited (Face Value of ₹ 10 each)	10,000	10,000	1	1
At amortised cost				
Investments in bonds				
6.10% GOI Bonds 2031 (Face Value of ₹ 100 each)	1,75,00,000	-	17,423	-
6.57% GOI Bonds 2033 (Face Value of ₹ 100 each)	5,00,000	5,00,000	494	494
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd (Face Value of ₹ 1,00,000 each) (refer note iii below)	2,000	2,000	1,713	1,904
			19,630	**2,398**
At fair value through profit and loss				
Investments in mutual funds				
ABSL Liquid Fund Direct Growth	2,38,488	-	818	-
SBI Liquid Fund Direct Growth	75,810	2,20,963	2,527	7,118
HDFC Liquid Fund Direct Growth	59,814	1,47,714	2,503	5,976
Axis Liquid Fund - Direct Growth	1,48,213	3,10,554	3,504	7,096

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	No's of Units / Shares		(₹ in Lakh)	
Mirae Assets Cash Management Liquid Fund Direct Growth	-	1,12,791	-	2,449
Nippon India Liquid Fund Direct Growth	13,976	98,084	728	4,936
Invesco India Liquid Fund Direct Growth	-	1,40,507	-	3,971
ICICI Prudential Liquid Fund - Direct Plan - Growth	9,46,558	23,36,690	2,984	7,121
BNP Paribas Liquid Fund Direct Growth	45,093	35,019	1,106	1,109
Tata Liquid Fund Direct Growth	-	2,31,943	-	7,533
			14,170	**47,309**
Investments in quoted equity instruments (others than subsidiary)				
Reliance Power Limited Equity Shares (Face value of ₹ 10 each)	222	222	0	0
IDFC First Bank Limited Equity Shares (Face value of ₹ 10 each)	2390	2,390	1	1
Mangalore Refinery and Petrochemical Limited Equity Shares (Face value of ₹ 10 each)	3000	3,000	1	1
			2	**2**
Total			**33,803**	**49,710**

Notes :

i) Amount "0" represent value less than ₹ 50,000.

ii) All investments are made within India.

iii) Investment in bonds aggregating to ₹ 1,713 Lakh (March 31, 2021: ₹ 1,904 Lakh) carry a floating charge in favour of fixed deposits holder read with note no 16.

8. Other financial assets

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered Good		
Receivable from related parties		
Security deposits	-	40
Others		
Receivable from assigned portfolio	23,816	20,864
Receivable on assigned loans (net of servicing fee)	3	12
Security deposits	715	656
Total	**24,534**	**21,572**

9. Current tax assets (net)

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax paid in advance (net of provisions)	2,247	3,303
Total	**2,247**	**3,303**

10. Property, plant and equipment

(₹ in Lakh)

Particulars	Freehold Land	Building - Owned	Furniture & Fixture	Office Equipments	Vehicles	Computer	Total
Balance as at April 01, 2020	**27**	**13**	**1,159**	**755**	**28**	**1,073**	**3,055**
Additions during the year	-	-	202	34	-	157	393
Deduction / adjustments	-	-	(61)	(43)	-	(19)	(123)
Balance as at March 31, 2021	**27**	**13**	**1,300**	**746**	**28**	**1,211**	**3,325**
Balance as at April 01, 2021	**27**	**13**	**1,300**	**746**	**28**	**1,211**	**3,325**
Additions during the year	-	-	383	140	-	425	948
Deduction / adjustments	-	-	(87)	(26)	(2)	(29)	(144)
Balance as at March 31, 2022	**27**	**13**	**1,596**	**860**	**26**	**1,607**	**4,129**

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

(₹ in Lakh)

Particulars	Freehold Land	Building - Owned	Furniture & Fixture	Office Equipments	Vehicles	Computer	Total
Accumulated depreciation							
Balance as at April 01, 2020	**-**	**2**	**359**	**259**	**4**	**680**	**1,304**
Depreciation for the year	-	1	147	110	4	213	475
Deduction / adjustments	-	-	(45)	(31)	-	(17)	(93)
Balance as at March 31, 2021	**-**	**3**	**461**	**338**	**8**	**876**	**1,686**
Balance as at April 01, 2021	**-**	**3**	**461**	**338**	**8**	**876**	**1,686**
Depreciation for the year	-	2	161	100	4	218	485
Deduction / adjustments	-	-	(74)	(21)	(2)	(26)	(123)
Balance as at March 31, 2022	**-**	**5**	**548**	**417**	**10**	**1,068**	**2,048**
Net book value							
As at March 31, 2022	**27**	**8**	**1,048**	**443**	**16**	**539**	**2,081**
As at March 31, 2021	**27**	**10**	**839**	**408**	**20**	**335**	**1,639**

Title deeds of Immovable Properties not held in name of the Company:-

Particulars of the land and building	Gross block as at March 31, 2022	Gross block as at March 31, 2021	Property Held since which date	Reason for not being held in the name of Company
Plot no.11, Mangala Nagar alias Sri Arunachala Nagar situated in No. 68, Athur Village, Chengalpet Taluk, Kanchipuram District, Tamil Nadu	20	20	November 20, 2017 (date of Amalgamation)	The title deeds are in the name of DHFL Vysya Housing Finance Limited, currently known as Aadhar Housing Finance Limited. The Company was merged under Section 230 to 232 of the Companies Act, 2013.
Plot no 14, Mangala Nagar alias Sri Arunachala Nagar situated in No. 68, Athur Village, Chengalpet Taluk, Kanchipuram District, Tamil Nadu	7	7	November 20, 2017 (date of Amalgamation)	The title deeds are in the name of erstwhile Aadhar Housing Finance Limited that was merged with the Company under Section 230 to 232 of the Companies Act 2013.
Unit No. 5, Row 07, Block B, Garden City, Coimbatore	13	13	November 20, 2017 (date of Amalgamation)	

1. In respect of immovable properties of land and buildings that have been taken on lease, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

2. No promoter / director, or relative of promoter / director or employee of promoter / director is the holder of aforementioned title deeds.

11. Other intangible asset

(₹ in Lakh)

Particulars	Software
Balance as at April 01, 2020	**208**
Additions during the year	106
Deduction / adjustments	-
Balance as at March 31, 2021	**314**
Balance as at April 01, 2021	**314**
Additions during the year	22
Deduction / adjustments	-
Balance as at March 31, 2022	**336**
Accumulated depreciation	
Balance as at April 01, 2020	**113**
Amortisation for the year	74
Deduction / adjustments	-
Balance as at March 31, 2021	**187**
Balance as at April 01, 2021	**187**
Amortisation for the year	70
Deduction / adjustments	-
Balance as at March 31, 2022	**257**
Net book value	
As at March 31, 2022	**79**
As at Match 31, 2021	**127**

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

12. Other non-financial assets

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Assets held for sale	396	396
Less : Provision for diminution in the value of asset held for sale	(185)	(185)
	211	211
Prepaid expenses	439	387
Capital advance	34	32
Advance for expenses and other advances	744	1,531
Unamortised share issue expenses [Refer Note i below]	1,972	1,594
Receivable from Government (Ex-gratia) [Refer Note 44]	-	538
Balance with government authorities	316	4
Total	**3,716**	**4,297**

Notes :

i). The Company has incurred certain expenses towards proposed Initial public offering of its equity shares. The company expects to recover certain amounts from the selling shareholders and the balance amount would be charged-off to securities premium account in accordance with Section 52 of the Companies Act, 2013 upon share being issued.

13. Trade payables

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues to micro enterprises and small enterprises (Refer Note a and b below)	8	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note b and c below)	5,089	3,863
Total	**5,097**	**3,863**

a) Based on and to the extent of information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors.

There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2022 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

b) Trade Payables ageing schedule

As At March 31, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME*	-	8	-	-	-	8
Others	4,639	450	-	-	-	5,089
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**4,639**	**458**	**-**	**-**	**-**	**5,097**
*GST credit disputed Cases						

As At March 31, 2021

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	3,767	94	2	-	-	3,863
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**3,767**	**94**	**2**	**-**	**-**	**3,863**

Note: Date of the transaction considered as due date of payment

c) Trade Payables includes ₹ 120 Lakh (March 31, 2021: ₹ 96 Lakh) due to related parties [Refer Note 43].

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

14. Debt securities

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Secured		
Redeemable non convertible debentures	1,76,429	2,14,031
Total	**1,76,429**	**2,14,031**

i) All debt securities are issued in India

ii) Terms of repayment and rate of interest in case of debt securities:

As At March 31, 2022

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
Secured					
Redeemable non convertible debentures	6.90% to 9.80%	1,52,277	22,360	2,123	1,76,760

As At March 31, 2021

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
Secured					
Redeemable non convertible debentures	7.35% to 9.80%	1,90,397	19,220	5,264	2,14,881

Maturity profile disclosed above excludes discount/premium and EIR adjustments amounting to ₹ 331 Lakh (March 31, 2021: ₹ 850 Lakh).

List of Redeemable debentures

Sr No.	ISIN	Rate of interest	Date of Redemption	As at March 31, 2022	As at March 31, 2021
1	INE538L07338	9.40%	27-May-2021	-	450
2	INE883F07033	9.60%	5-Jul-2021	-	200
3	INE883F07082	9.35%	17-Aug-2021	-	200
4	INE883F07090	9.35%	25-Aug-2021	-	100
5	INE538L07486	9.60%	29-Sep-2021	-	2,943
6	INE538L07494	9.60%	29-Sep-2021	-	57,627
7	INE538L07353	9.20%	18-Oct-2021	-	5,000
8	INE883F07108	9.37%	20-Oct-2021	-	200
9	INE883F07116	9.36%	25-Oct-2021	-	100
10	INE883F07132	9.36%	27-Oct-2021	-	200
11	INE538L07361	9.00%	11-Nov-2021	-	1,000
12	INE538L07064	9.80%	27-Mar-2022	-	2,000
13	INE538L07072	9.80%	3-Jun-2022	1,000	1,000
14	INE538L07072	9.80%	3-Jun-2022	1,000	1,000
15	INE538L07080	9.80%	7-Aug-2022	800	800
16	INE538L07080	9.80%	7-Aug-2022	100	100
17	INE538L07080	9.80%	7-Aug-2022	100	100
18	INE538L07098	9.80%	3-Sep-2022	1,000	1,000
19	INE538L07106	9.80%	10-Sep-2022	1,000	1,000
20	INE538L07122	9.70%	4-Nov-2022	2,000	2,000
21	INE538L07155	9.60%	28-Dec-2022	2,000	2,000
22	INE538L07171	9.60%	7-Jan-2023	2,000	2,000
23	INE538L07296	9.30%	28-Apr-2023	1,000	1,000
24	INE538L07296	9.30%	28-Apr-2023	130	130
25	INE883F07017	9.40%	5-May-2023	3,000	3,000
26	INE538L07304	9.50%	13-May-2023	500	500
27	INE883F07165	9.15%	20-Jun-2023	20,000	20,000
28	INE538L07502	9.25%	29-Sep-2023	3,051	3,051
29	INE538L07510	9.65%	29-Sep-2023	1,896	1,896
30	INE883F07124	9.36%	27-Oct-2023	400	400
31	INE883F07140	9.40%	21-Nov-2023	1,800	1,800

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

List of Redeemable debentures

Sr No.	ISIN	Rate of interest	Date of Redemption	As at March 31, 2022	As at March 31, 2021
32	INE883F07140	9.40%	21-Nov-2023	200	200
33	INE883F07157	9.40%	22-Nov-2023	900	900
34	INE538L07056	9.80%	23-Mar-2025	2,500	2,500
35	INE538L07163	9.60%	6-Jan-2026	1,000	1,000
36	INE538L07163	9.60%	6-Jan-2026	1,000	1,000
37	INE538L07163	9.60%	6-Jan-2026	1,000	1,000
38	INE538L07189	9.60%	19-Jan-2026	1,000	1,000
39	INE538L07197	9.60%	19-Jan-2026	100	100
40	INE538L07197	9.60%	19-Jan-2026	170	170
41	INE538L07205	9.60%	25-Jan-2026	1,000	1,000
42	INE538L07205	9.60%	25-Jan-2026	1,000	1,000
43	INE538L07213	9.55%	29-Jan-2026	500	500
44	INE538L07213	9.55%	29-Jan-2026	100	100
45	INE538L07213	9.55%	29-Jan-2026	500	500
46	INE538L07213	9.55%	29-Jan-2026	100	100
47	INE538L07221	9.55%	1-Mar-2026	1,000	1,000
48	INE538L07254	9.55%	22-Mar-2026	2,000	2,000
49	INE538L07270	9.55%	31-Mar-2026	1,000	1,000
50	INE538L07270	9.55%	31-Mar-2026	250	250
51	INE883F07025	9.40%	5-May-2026	2,000	2,000
52	INE883F07041	9.35%	8-Jul-2026	200	200
53	INE883F07058	9.40%	13-Jul-2026	120	120
54	INE883F07066	9.28%	18-Jul-2026	200	200
55	INE883F07074	9.15%	5-Aug-2026	120	120
56	INE538L07379	9.00%	16-Nov-2026	500	500
57	INE538L07528	9.35%	29-Sep-2028	955	955
58	INE538L07536	9.75%	29-Sep-2028	1,168	1,168
59	INE883F07173	8.00%	5-May-2023	20,000	20,000
60	INE883F07181	8.20%	17-Aug-2023	30,000	30,000
61	INE883F07199	8.20%	1-Sep-2023	16,500	16,500
62	INE883F07207	7.35%	28-Feb-2022	-	10,000
63	INE883F07215	8.10%	20-Oct-2025	5,000	5,000
64	INE883F07223	7.10%	7-Oct-2024	9,900	-
65	INE883F07231	6.90%	29-Oct-2024	12,000	-
66	INE883F07249	7.15%	9-Dec-2026	10,000	-
67	INE883F07256	7.05%	24-Feb-2026	10,000	-
Total				**1,76,760**	**2,14,881**

iii) The Company has raised ₹ 41,900 Lakh (March 31, 2021 : ₹ 81,500 Lakh) from Secured Redeemable Non Convertible Debentures (NCDs) during the year ended March 31, 2022. NCDs are long term and are secured by way of pari passu first charge by way of (present & future obligations) hypothecation on standard book debts / receivables/ outstanding moneys, current assets, Cash & Bank balances & Investments as per contracted terms except for those book debts/ receivables charged or to be charged in favour of NHB for refinance availed or to be availed from them and the Company has provided Security on specific immovable property on certain series of NCDs private placement (excluding IPO Series). NCDs including current maturities are redeemable at par in various periods.

iv) There has been no deviation in the utilisation of issue proceeds of publically issued secured redeemable NCD, from the Objects as stated in the Shelf prospectus document dated September 03, 2018.

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

15. Borrowings (other than debt securities)

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
At amortised cost		
Term Loans		
from banks	6,35,860	6,41,232
from National Housing Bank	2,38,537	1,69,809
Cash credit facilities		
from banks	7,500	-
Total	**8,81,897**	**8,11,041**

i) All borrowings are issued in India

ii) Terms of repayment and rate of interest in case of Borrowings:

As at March 31, 2022

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
Secured					
Term loan from banks	Floating*	3,25,821	1,68,060	1,43,525	6,37,406
Term loan from National Housing Bank	2.94% to 7.30%	1,14,688	65,696	58,153	2,38,537

As at March 31, 2021

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
Secured					
Term loan from banks	Floating*	3,28,972	1,53,907	1,60,558	6,43,437
Term loan from National Housing Bank	3.00% to 7.50%	88,513	41,182	40,114	1,69,809

*(Linked with MCLR/Base Rate of respective banks)

Maturity profile disclosed above excludes EIR adjustments amounting to ₹ 1,546 Lakh (March 31, 2021 : ₹ 2,205 Lakh).

iii) The secured term loans from banks are availed from various scheduled banks. These loans are repayable as per the individual contracted terms in one or more instalments between April 2022 and October 2031. These loans are secured / to be secured by way of jointly ranking pari passu inter-se charge, along with NHB and NCD holders, on the Company's book debts, housing loans and the whole of the present and future movable assets of the Company as applicable.

iv) Secured term loan from National Housing Bank are repayable as per the contracted terms in one or more instalments between January 2022 and July 2032. These loans from National Housing Bank are secured / to be secured by way of first charge to and in favour of NHB, other banks and NCD holders and jointly ranking pari passu inter-se, on the Company's book debts, housing loans and the whole of the present and future movable and immovable assets wherever situated excluding SLR assets.

v) Cash credit facilities from banks are secured by way of jointly ranking pari passu inter-se charge, along with NHB and NCD holders, on the Company's book debts, housing loans and the whole of the present and future movable assets of the Company as applicable. All cash credit facilities are repayable as per the contracted / rollover term.

16. Deposits

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Deposit		
At amortised cost		
Public deposits	799	4,056
Total	**799**	**4,056**

The National Housing Bank Directives requires all HFCs, accepting public deposits, to create a floating charge on the statutory liquid assets maintained in favour of the depositors through the mechanism of a Trust Deed. The Company has accordingly appointed SEBI approved Trustee Company as a Trustee for the above by executing a trust deed.

The public deposits of the Company as defined in paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge on the Statutory Liquid Assets maintained in terms of sub-sections (1) and (2) of Section 29B of the National Housing Bank Act, 1987.

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

17. Subordinated liabilities

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured		
Redeemable non convertible debentures	8,334	8,319
Total	**8,334**	**8,319**

i) All subordinated liabilities are issued in India

ii) Terms of repayment and rate of interest in case of Subordinated Liabilities:

As at March 31, 2022

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
Redeemable non convertible debentures	9.75% to 10.00%	2,400	6,000	-	8,400

As at March 31, 2021

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
Redeemable non convertible debentures	9.75% to 10.00%	2,400	-	6,000	8,400

Maturity profile disclosed above excludes EIR adjustments amounting to ₹ 66 Lakh (March 31, 2021: ₹ 81 Lakh).

iii) Unsecured Redeemable Non-Convertible Debentures are subordinated to present and future senior indebtedness of the Company. These Unsecured Redeemable Non-Convertible Debentures qualifies as Tier II capital in accordance with National Housing Bank (NHB) guidelines for assessing capital adequacy based on balance term to maturity. These debentures are redeemable at par on maturity at the end of various periods.

18. Other financial liabilities

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Book overdraft	19,623	22,625
Lease liabilities (refer note 34)	3,053	3,241
Accrued employee benefits	3,649	2,978
Interest accrued but not due - Deposits	1	150
Interest accrued but not due - Others	8,198	11,135
Amount payable under assignment of receivables (refer note 44)	10,836	7,347
Unpaid dividend (refer note below)	4	4
Unpaid matured deposits and interest accrued thereon	156	268
Total	**45,520**	**47,748**

The Company has transferred a sum of ₹ 0.28 Lakh during the year ended March 31, 2022 (March 31, 2021 : ₹ 0.92 Lakh) being Unclaimed Dividend to Investor Education and Protection Fund under section 124 of the Companies Act, 2013.

19. Provisions

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Provision for compensated absences	758	757
Provision for gratuity (refer note 40)	529	383
Total	**1,287**	**1,140**

20. Deferred tax liabilities (net)

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities	6,595	6,243
Deferred tax assets	5,064	4,462
Total deferred tax liabilities (net)	**1,531**	**1,781**

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

Deferred tax assets and liabilities in relation to:

(₹ in Lakh)

Particulars	As at April 1, 2021	Charged to Profit and Loss	Charged to Other Comprehensive Income	As at March 31, 2022
Deferred tax liabilities				
Fair value on amalgamation	1,170	(390)	-	780
Net gain on derecognition of financial instruments under amortised cost category	5,073	742	-	5,815
	6,243	**352**	**-**	**6,595**
Deferred tax assets				
On difference between book balance and tax balance of assets	113	5	-	118
On account of impairment on financial instruments	3,493	486	-	3,979
On account of provision for employee benefits	277	37	(18)	296
Others	579	92	-	671
	4,462	**620**	**(18)**	**5,064**
Net deferred tax (assets)/liabilities	**1,781**	**(268)**	**18**	**1,531**

Deferred tax assets and liabilities in relation to:

(₹ in Lakh)

Particulars	As at April 1, 2020	Charged to Profit and Loss	Charged to Other Comprehensive Income	As at March 31, 2021
Deferred tax liabilities				
Fair value on amalgamation	1,560	(390)	-	1,170
Net gain on derecognition of financial instruments under amortised cost category	4,513	560	-	5,073
	6,073	**170**	**-**	**6,243**
Deferred tax assets				
On difference between book balance and tax balance of assets	85	29	-	113
On account of impairment on financial instruments	2,977	516	-	3,493
On account of provision for employee benefits	207	83	(13)	277
Others	939	(360)	-	579
	4,208	**268**	**(13)**	**4,462**
Net deferred tax (assets)/liabilities	**1,865**	**(98)**	**13**	**1,781**

21. Other non-financial liabilities

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from customers	298	604
Statutory dues	715	314
Others	789	619
Total	**1,802**	**1,537**

22. Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	Number of shares		(₹ in Lakh)	
Authorised share capital				
Equity shares of ₹ 10 each	50,00,00,000	50,00,00,000	50,000	50,000
Issued share capital				
Equity shares of ₹ 10 each	39,47,54,970	39,47,54,970	39,476	39,476
Subscribed and paid up capital				
Equity shares of ₹ 10 each	39,47,54,970	39,47,54,970	39,476	39,476
Total			**39,476**	**39,476**

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2022	As at March 31, 2021
Equity shares at the beginning of the year	39,47,54,970	3,94,64,898
Add: Shares issued during the year		
Shares allotted pursuant to exercise of stock options during the year	-	10,599
Bonus shares allotment during the year *	-	35,52,79,473
Equity shares at the end of the year	**39,47,54,970**	**39,47,54,970**

*Includes allotment of 26,100 bonus shares pertaining to existing share holder holding shares in physical mode, allotment of same is pending on account of conversion of physical shares into demat mode.

b) Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders. Dividend declared towards equity shares will be subject to the approval of shareholder in the ensuing Annual General Meeting.

c) The Company has not proposed any dividend for the year ended March 31, 2022.

d) Details of shareholders holding more than five percent equity shares in the Company are as under:

Particulars	As at March 31, 2022			As at March 31, 2021		
	% of Total Shares	Number of shares	% of Change during the year ended	% of Total Shares	Number of shares	% of Change during the year ended
BCP Topco VII Pte. Ltd (Holding Company)	98.72%	38,96,83,420	-	98.72%	38,96,83,420	-

e) the Authorised share capital of the Company was increased from ₹ 22,000 Lakh to ₹ 50,000 Lakh during the year ended March 31, 2021.

f) The shareholders vide a special resolution have approved bonus issue of equity shares of the Company in the ratio of nine shares of face value of ₹ 10 each for each existing equity share of the face value of ₹ 10 each on 16th January 2021 in extraordinary general meeting (EGM).

g) Shareholding of promoters

Particulars	As at March 31, 2022			As at March 31, 2021		
	% of Total Shares	Number of shares	% of Change during the year ended	% of Total Shares	Number of shares	% of Change during the year ended
BCP Topco VII Pte. Ltd (Holding Company)	98.72%	38,96,83,420	-	98.72%	38,96,83,420	-

23. Other equity

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserve on amalgamation	6	6
Securities premium	1,33,700	1,33,700
Statutory reserve (Special reserve as per Section 29C of National Housing Bank Act, 1987 and Special reserve as per Section 36(1)(viii) of the Income Tax Act, 1961) (refer note (i) below)	34,995	26,091
Debenture redemption reserve (refer note (ii) below)	16,910	16,910
General reserve	13,619	9,269
Employee stock option outstanding	1,487	720
Retained earnings	74,346	43,082
Total	**2,75,063**	**2,29,778**

Notes :

i) Statement for Disclosure on Statutory / Special Reserves, as prescribed by NHB vide its circular no NHB(ND)/DRS/Pol.Circular.61/2013-14, dated: 7th April, 2014 and NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017.

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	708	708
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	25,383	18,556
c) Total	**26,091**	**19,264**
Additions during the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	8,904	6,827
c) Total	**8,904**	**6,827**
Utilised during the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
c) Total	**-**	**-**
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	708	708
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	34,287	25,383
c) Total	**34,995**	**26,091**

ii) The Company holds Debenture redemption reserve as at year ended March 31, 2022 aggregating of ₹ 16,910 Lakh (March 31, 2021 : ₹ 16,910 Lakh) required towards its public issue of Secured Redeemable Non-convertible debentures.

24. Revenue from operations

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Interest income		
On financial assets measured at amortised cost		
Interest on loans	1,46,343	1,30,336
Interest on fixed deposits	6,890	12,121
Interest on bonds and debentures	596	235
Other interest	-	2
	1,53,829	**1,42,694**
b) Net gain on fair value changes		
Measured at FVTPL		
Equity investment measured at FVTPL		
Realised	-	-
Unrealised	0	0
	0	**0**
Investment in mutual fund measured at FVTPL		
Realised	2,290	676
Unrealised	55	202
	2,345	**878**
c) Net gain on derecognition of financial instruments under amortised cost category		
On assignment of portfolio	9,296	6,381
d) Fees and commission Income		
Loan processing fee and other charges (net of business sourcing expenses)	2,209	3,230
Intermediary services	1,582	1,789
	3,791	**5,019**
Total	**1,69,261**	**1,54,972**

i) Amount "0" represent value less than ₹ 50,000.

ii) Disclosure in respect of fees and commission income on insurance business undertaken by the Company

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Life insurance business	513	476
Non - life insurance business	666	989
Total	**1,179**	**1,465**

25. Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent income	2	2
Miscellaneous income	3	7
Total	**5**	**9**

26. Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expenses on financial liabilities measured at amortised cost		
Interest on borrowings (other than debt securities)	55,563	59,747
Interest on deposits	79	486
Interest on non convertible debentures	16,974	18,002
Interest on subordinated liabilities	827	827
Interest on others	77	134
Interest on lease liabilities (refer note 34)	295	211
Finance charges	2,305	2,190
Total	**76,120**	**81,597**

27. Impairment on financial instruments

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
On financial instruments measured at amortised cost		
Impairment allowance on loans (refer note 27.1 & 27.2 below)	4,267	4,935
Bad-debts written off	604	588
Others		
Asset held for sale	-	(29)
Total	**4,871**	**5,494**

27.1 The Company has made an additional impairment provision of ₹ 2,514 Lakh during the year ended March 31, 2022 towards Covid-19 and loans on which one-time restructuring was implemented (March 31, 2021 : ₹ 1,071 Lakh) [Refer note 6(viii)].

27.2 Impairment allowance on loans (including write off) includes reversal of ₹ 2,091 Lakh during the year ended March 31, 2022 (However for March 31, 2021 Impairment allowance on loans (including write off) amounted to ₹ 503 Lakh) towards loans to developers. The net carrying value of loans to developers after impairment provision is Nil as at March 31, 2022 (₹ 138 Lakh as at March 31, 2021). The Company has not made any fresh loan sanctions under loans to developers during the period ended March 31, 2022 (March 31, 2021 : Nil).

28. Employee benefits expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, bonus and other allowances	18,894	14,350
Contribution to provident fund and other funds (refer note 40)	1,277	1,199
Share based payments to employees (refer note 41)	767	612
Staff welfare expenses	507	321
Total	**21,445**	**16,482**

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

29. Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent (refer note 34)	590	574
Travelling expenses	1,167	466
Printing and stationery	240	218
Advertisement and business promotion	524	261
Insurance	624	444
Legal and professional charges	614	731
Auditors remuneration (refer note below 29.2)	129	75
Postage, telephone and other communication expenses	642	514
General repairs and maintenance	1,433	1,495
Loss on sale of asset held for sale	-	12
Electricity charges	225	277
Directors sitting fees and commission (refer note 43)	146	121
Corporate social responsibility expenses (refer note below 29.1)	600	417
Goods and service tax	1,131	769
Loss on sale of fixed assets	17	26
Other expenses	713	661
Total	**8,795**	**7,061**

29.1 Details of Corporate Social Responsibility

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Amount required to be spent during the year	600	417
b) Amount spent during the year	856	477
c) Amount provided as at year end	32	288
d) Amount of shortfall at the end of the year	32	289
e) Total amount of previous years shortfall	289	349

f) Reason for shortfall : Due to one of the skilling projects not being executed as planned, the CSR Committee decided to stop the project in FY 21-22. The unspent amount has been transferred to the Unspent CSR Account and will be utilized for an identified ongoing projects in FY 22-23.

Due to widespread pandemic of COVID19, the Company's major CSR activities focused on health, education & response to pandemic crisis. Hence the Company was unable to utilise the complete amount of CSR budget allocated for the year ended March 31, 2021.

g) Nature CSR activities :- Donation of ambulances & support equipment, early child care & education, skill development & livelihood enhancement, skilling for specially challenged, skilling for kids of destitute homes, computer lab set up for government schools, skilling of women, health camps, donation of oxygen concentrators, donation of ration kits.

Amount mentioned above were paid in cash during the respective financial period and were incurred for the purpose other than construction / purchase of assets.

29.2 Details of auditors remuneration :

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Audit fee (including regulatory certificates)	110	52
Tax audit fee	6	8
Others	8	10
GST on Above	5	5
Total	**129**	**75**

Note : Auditors remuneration upto September 30, 2021 is paid / payable to previous auditors.

30. Tax expenses

a) Income tax expenses

The major components of income tax expenses

i) Profit and loss section

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax expenses	12,513	9,329
Deferred tax charge / (credit)	(268)	(98)
Total	**12,245**	**9,231**

ii) Other comprehensive income section

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax expenses	-	-
Deferred tax	18	13
Total	**18**	**13**

b) Reconciliation of tax expenses

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
(A)	Profit before income taxes	56,781	43,277
(B)	Enacted tax rate in India (including surcharge and cess)	25.168%	25.168%
(C)	Expected tax expenses	14,291	10,892
(D)	Other than temporary difference		
	Special reserve	2,178	1,710
	Difference in Tax expense of earlier years	-	46
	Expenses (disallowed) / allowed	(150)	(108)
(E)	Tax expense recognised in profit and loss	12,245	9,231
(F)	Tax expense recognised in other comprehensive income	18	13

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

31. Earnings per equity share

The following is the computation of earnings per equity share on basic and diluted earnings per equity share:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net profit after tax attributable to equity shareholders (₹ In Lakh)	44,465	33,997
Weighted average number of equity shares outstanding during the year (Nos)	39,47,54,970	3,94,71,461
Adjustment for Bonus Issue (refer note below)	-	35,52,43,149
Weighted average number of equity shares outstanding during the year (Nos) after adjustment for Bonus Issue	39,47,54,970	39,47,14,610
Add: Effect of potential issue of shares / stock rights outstanding during the year*	1,23,85,519	11,82,939
Adjustment for Bonus Issue (refer note below)	-	1,06,46,451
Effect of potential issue of shares / stock rights outstanding during the year after adjustment for Bonus Issue*	1,23,85,519	1,18,29,390
Weighted average number of equity shares outstanding during the year including potential shares outstanding (Nos)	40,71,40,489	40,65,44,000
Face value per equity share (₹)	10	10
Basic earnings per equity share (₹)	11.26	8.61
Diluted earnings per equity share (₹)	10.92	8.36

* not considered when anti-dilutive

Note: The shareholders vide a special resolution have approved bonus issue of equity shares of the Company in the ratio of nine shares of face value of ₹ 10 each for each existing equity share of the face value of ₹ 10 each on January 16, 2021 in extraordinary general meeting (EGM).

32. Contingent liabilities

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax matters of earlier years	357	21
Indirect tax matters of earlier years	216	-
Total	**573**	**21**

Part of the aforementioned contingent liabilities towards income tax have been paid under protest.

33. Commitments

i. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at March 31, 2022 ₹ 361 Lakh. (March 31, 2021 ₹ 828 Lakh)

ii. Undisbursed amount of loans sanctioned and partly disbursed as at March 31, 2022 ₹ 55,957 Lakh. (March 31, 2021 ₹ 39,227 Lakh)

34. Operating lease

Following are the changes in the carrying value of right of use assets:

(₹ in Lakh)

Particulars	Building & Intangible asset
Balance as of April 1, 2021*	**3,547**
Addition during the year	625
Deletion during the year	(55)
Depreciation charge for the year	(770)
Balance as of March 31, 2022	**3,347**
Balance as of April 1, 2020	**2,581**
Addition during the year	1,549
Deletion during the year	(13)
Depreciation charge for the year	(570)
Balance as of March 31, 2021*	**3,547**

*Includes Nil as at March 31, 2022 (March 31, 2021: ₹ 144 Lakh) of Right to use asset which are under development.

The following is the movement in lease liabilities:

Particulars	₹ in Lakh
Balance as of April 1, 2021	**3,241**
Addition during the year	424
Finance cost accrued during the year	295
Deletion during the year	(55)
Payment made during the year	(854)
Balance as of March 31, 2022	**3,053**
Balance as of April 1, 2020	**2,292**
Addition during the year	1,405
Finance cost accrued during the year	211
Deletion during the year	(15)
Payment made during the year	(652)
Balance as of March 31, 2021	**3,241**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:

Particulars	₹ in Lakh
Less than one year	894
One to five years	2,261
More than five years	653
Total	**3,809**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

Particulars	₹ in Lakh
Less than one year	874
One to five years	3,035
More than five year	182
Total	**4,091**

Rental expense recorded for short-term leases was ₹ 590 Lakh For the year ended March 31, 2022. (March 31, 2021 ₹ 574 Lakh)

The aggregate depreciation on Right to use assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

35. Financial instruments

(i) Fair value hierarchy

The Company uses the following hierarchy to determine the fair values of its 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:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) 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.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There were no transfers between levels 1, 2 and 3 during the period.

The Company recognises transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

(ii) Valuation process

The management of the Company performs the valuations of financial assets and liabilities required for financial reporting purposes.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Valuation processes and Technique

Type of Instrument	Reference Price
Investment in Mutual Funds	NAV as on the reporting date.
Investment in Equity Shares	Quoted price on exchange as on the reporting date.

As at March 31, 2022

(₹ in Lakh)

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets							
Investments							
- Equity instruments	**Level 1**	2	-	-	2	-	-
- Mutual funds	**Level 1**	14,170	-	-	14,170	-	-
- Government securities	**Level 2**	-	-	17,074	-	-	17,917
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd Face Value of ₹ 1,00,000/- each	**Level 1**	-	-	1,960	-	-	1,713
Financial liabilities							
Debt securities	**Level 1**	-	-	7,299	-	-	7,052
Debt securities	**Level 3**	-	-	1,72,989	-	-	1,69,377

As at March 31, 2021

(₹ in Lakh)

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets							
Investments							
- Equity instruments	**Level 1**	2	-	-	2	-	-
- Mutual funds	**Level 1**	47,309	-	-	47,309	-	-
- Government securities	**Level 2**	-	-	495	-	-	494
- 9.80% NCD Jaipur Vidyut Vitran Nigam Ltd	**Level 1**	-	-	2,075	-	-	1,904
Financial liabilities							
Debt securities	**Level 1**	-	-	71,498	-	-	67,254
Debt securities	**Level 3**	-	-	1,49,142	-	-	1,46,777

The Company considers that the carrying amounts recognised in the financial statements for housing and other loans, debt securities (other than disclosed above), deposits, subordinated liabilities, borrowings (other than debt securities) , trade receivables, payables and other financial assets and liabilities whose fair value is not disclosed approximate their fair values. The Company is carrying the investment in subsidiary at Cost.

36. 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. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR.

(₹ in Lakh)

Particulars	March 31, 2022			March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Cash and cash equivalents	57,276	-	57,276	38,199	-	38,199
Other bank balances	1,01,558	12,041	1,13,599	1,78,320	458	1,78,778
Receivables	519	-	519	272	-	272
Housing and other loans	1,46,845	10,49,189	11,96,034	1,55,841	9,05,485	10,61,326
Investments	14,170	19,633	33,803	47,309	2,401	49,710
Other financial assets	10,682	13,852	24,534	9,054	12,518	21,572
Non-financial assets						
Current tax assets (Net)	2,247	-	2,247	3,303	-	3,303
Property, plant and equipment	-	2,081	2,081	-	1,639	1,639
Right of use assets	-	3,347	3,347	-	3,547	3,547
Other intangible assets	-	79	79	-	127	127
Other non-financial assets	3,646	70	3,716	4,265	32	4,297
Total Assets	**3,36,943**	**11,00,292**	**14,37,235**	**4,36,563**	**9,26,207**	**13,62,770**
LIABILITIES						
Financial Liabilities						
Trade Payables	5,097	-	5,097	3,863	-	3,863
Debt Securities	10,668	1,65,761	1,76,429	79,170	1,34,861	2,14,031
Borrowings (Other than debt securities)	1,33,242	7,48,655	8,81,897	1,41,754	6,69,287	8,11,041
Deposits	488	311	799	3,226	830	4,056
Subordinated liabilities	1,734	6,600	8,334	(81)	8,400	8,319
Other financial liabilities	43,104	2,416	45,520	45,106	2,642	47,748
Non-Financial Liabilities						
Provisions	-	1,287	1,287	-	1,140	1,140
Deferred tax liabilities (Net)	-	1,531	1,531	-	1,781	1,781
Other non-financial liabilities	1,802	-	1,802	1,537	-	1,537
Total liabilities	**1,96,135**	**9,26,561**	**11,22,696**	**2,74,575**	**8,18,941**	**10,93,516**
Net	**1,40,808**	**1,73,731**	**3,14,539**	**1,61,988**	**1,07,266**	**2,69,254**

Note: The maturity analysis is prepared considering the prepayments on housing and other loans in line with historical trend. Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Company for compiling the return submitted to the RBI/NHB, which has been relied upon by the auditors.

37. Financial risk management

a. Liquidity Risk

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund diverse products, the Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

Liquidity risk is managed in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Company formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

Maturity analysis of financial assets and financial liabilities
As at March 31, 2022

(₹ in Lakh)

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Assets					
Cash and cash equivalents	57,276	57,276	-	-	-
Other bank balances	1,13,599	1,01,558	11,798	-	243
Housing and other loans	11,96,034	1,46,845	2,54,993	2,16,754	5,77,442
Investments	33,803	14,170	-	-	19,633
Receivables & Other financial assets	25,053	11,201	9,204	3,120	1,528
Total	**14,25,765**	**3,31,050**	**2,75,995**	**2,19,874**	**5,98,846**
Financial Liabilities					
Trade payables	5,097	5,097	-	-	-
Debt securities	1,76,429	10,668	1,41,278	22,360	2,123
Borrowings (other than debt securities)	8,81,897	1,33,242	3,13,221	2,33,756	2,01,678
Deposits	799	488	260	41	10
Subordinated liabilities	8,334	1,734	600	6,000	-
Other financial liabilities	45,520	43,104	1,361	689	366
Total	**11,18,076**	**1,94,333**	**4,56,720**	**2,62,846**	**2,04,177**
Net	**3,07,689**	**1,36,717**	**(1,80,725)**	**(42,972)**	**3,94,669**
Cumulative Net		**1,36,717**	**(44,008)**	**(86,980)**	**3,07,689**

As at March 31, 2021

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Assets					
Cash and cash equivalents	38,199	38,199	-	-	-
Other bank balances	1,78,778	1,78,320	-	228	230
Housing and other loans	10,61,326	1,55,841	2,67,129	2,13,445	4,24,911
Investments	49,710	47,309	-	-	2,401
Receivables & Other financial assets	21,844	9,326	7,993	2,941	1,584
Total	**13,49,857**	**4,28,995**	**2,75,122**	**2,16,614**	**4,29,126**
Financial Liabilities					
Trade payables	3,863	3,863	-	-	-
Debt securities	2,14,031	79,170	1,10,377	19,220	5,264
Borrowings (other than debt securities)	8,11,041	1,41,754	2,73,527	1,95,089	2,00,671
Deposits	4,056	3,226	714	74	42
Subordinated liabilities	8,319	(81)	2,400	-	6,000
Other financial liabilities	47,748	45,106	1,235	1,097	310
Total	**10,89,058**	**2,73,038**	**3,88,253**	**2,15,480**	**2,12,287**
Net	**2,60,799**	**1,55,957**	**(1,13,131)**	**1,134**	**2,16,839**
Cumulative Net		**1,55,957**	**42,826**	**43,960**	**2,60,799**

Note: The maturity analysis is prepared considering the prepayments on housing and other loans in line with historical trend.

Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the company for compiling the return submitted to the NHB, which has been relied upon by the auditors.

b. Interest Risk

The core business of the company is providing housing and other mortgage loans. The company borrows through various financial instruments to finance its core lending activity. These activities expose the company to interest rate risk.

Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of Balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. The interest rate risk is monitored through above measures on a quarterly basis.

Interest Rate Sensitivity

The following table demonstrates the net sensitivity to a reasonably possible change in interest rate (all other variables being constant) of the Company's statement of profit and loss (before taxes)

(₹ in Lakh)

Particulars	Basis Points	For the year ended March 31, 2022	For the year ended March 31, 2021
Increase by basis points	+50	1,967	1,646
Decrease by basis points	-50	(1,967)	(1,646)

c. 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 company. In its lending operations, the Company is principally exposed to credit risk.

The credit risk is governed by the Credit Policy approved by the Board of Directors. The Credit Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

The Company measures, monitors and manages credit risk at an individual borrower level and at the group exposure level for corporate borrowers. The credit risk for retail borrowers is being managed at portfolio level for both Home loans and other property loans. The Company has a structured and standardized credit approval process, which includes a well-established procedure of comprehensive credit appraisal. The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk.

Credit Risk Assessment Methodology

Company's customers for retail loans are primarily lower and middle income, salaried and self-employed individuals. The loans are secured by the mortgage of the borrowers' property.

The Company's credit officers evaluate credit proposals on the basis of operating policies approved by the Board of Directors. The criteria typically include factors such as the borrower's income, the loan-to-value ratio and demographic parameters. Any deviations need to be approved at the designated levels.

External agencies such as field investigation agencies facilitate a comprehensive due diligence process including visits to offices and homes in the case of loans made to retail borrowers.

Company monitor's borrower account behaviour as well as static data regularly to monitor the portfolio performance of each product segment regularly, and use these as inputs in revising its product programs, target market definitions and credit assessment criteria to meet the twin objectives of combining volume growth and maintenance of asset quality.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Stage 1	High quality assets	12-month ECL
Stage 2	Assets for which there is significant increase in credit risk	Lifetime ECL
Stage 3	Credit-impaired assets	Lifetime ECL – credit-impaired

The key elements in calculation of ECL are as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD has been determined based on seasoned historical portfolio data using the survival analysis methodology.

EAD - The Exposure at Default includes repayments scheduled by contract or otherwise, expected drawdowns on committed facilities, accrued interest from missed payments and loan commitments.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on seasoned historical portfolio data.

Additional provision due to Covid-19 and onetime restructuring-

Based on management overlay the additional provision amount of ₹ 8,536 lakh has been carried as of March 31, 2022 (March 31, 2021: ₹ 6,022 Lakh).

The customers who have availed the benefit of one-time restructuring have been disclosed in stage 2 assets.

An analysis of changes in the gross carrying amount (excluding adjustment to carrying value on account of application of effective interest rate) and the corresponding ECL allowances in relation to lending is, as follows:

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

a) **Housing and Other Property Loan**

The table below shows the credit quality and the exposure to credit risk based on the period-end stage classification. The amounts presented are gross of impairment allowances.

As at March 31, 2022

(₹ in Lakh)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss (refer note 1 and 2 below)	Net Carrying Amount
Stage 1 – High quality assets	Loan	11,29,730	3,547	11,26,183
Stage 2 – Assets for which there is significant increase in credit risk	Loan	65,120	8,170	56,950
Stage 3 - Credit-impaired assets	Loan	18,255	5,353	12,902

1. Above includes Expected Credit Loss provision on Loan commitment amount to ₹ 93 Lakh (Stage1- included in ₹ 3,547 Lakh).
2. Above includes Expected Credit Loss provision due to current economic situation of Covid-19 and loans on which One Time Restructuring was implemented amounting to ₹ 8,536 Lakh.
3. Gross carrying amount disclosed above excludes EIR adjustments amounting to ₹ 4,007 Lakh.
4. Stage 3 assets includes loan assets more than 90 DPD and less than equal to 90 DPD, the breakup is as under :-

(₹ in Lakh)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 3a – Assets Less than equal to 90 DPD	Loan	3,389	532	2,857
Stage 3b – Assets more than 90 DPD (refer note)	Loan	14,866	4,821	10,045
Total Stage 3 - Credit-impaired assets	Loan	**18,255**	**5,353**	**12,902**

Note : Stage 3b - Assets more than 90 DPD is comparable with Stage 3 assets of March 31, 2021.

As at March 31, 2021

(₹ in Lakh)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss (refer note 1 and 2 below)	Net Carrying Amount
Stage 1 – High quality assets	Loan	9,98,296	2,442	9,95,854
Stage 2 – Assets for which there is significant increase in credit risk	Loan	68,486	7,956	60,530
Stage 3 - Credit-impaired assets	Loan	13,501	4,336	9,165

1. Above includes Expected Credit Loss provision on Loan commitment amount to ₹ 45 Lakh (Stage1- included in ₹ 2,442 Lakh).
2. Above includes Expected Credit Loss provision due to current economic situation of Covid-19 and loans on which One Time Restructuring was implemented amounting to ₹ 6,022 Lakh.
3. Gross carrying amount disclosed above excludes EIR adjustments amounting to ₹ 4,371 Lakh.

Reconciliation of Loan balances is given below:

(₹ in Lakh)

Particulars	March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**9,98,296**	**68,486**	**13,501**	**10,80,283**
New assets added during the year	3,99,193	-	-	3,99,193
Assets derecognised under direct assignment	(77,212)	-	-	(77,212)
Repayment of Loans (excluding write offs)	(1,77,772)	(5,381)	(1,888)	(1,85,041)
Transfers to / from Stage 1	18,279	(17,258)	(1,021)	-
Transfers to / from Stage 2	(26,240)	26,349	(109)	-
Transfers to / from Stage 3	(4,676)	(7,055)	11,731	-
Amounts written off	(138)	(21)	(3,959)	(4,118)
Gross carrying amount closing balance	**11,29,730**	**65,120**	**18,255**	**12,13,105**

Note: Gross carrying amount disclosed above excludes EIR adjustments amounting to ₹ 4,007 Lakh.

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

(₹ in Lakh)

Particulars	March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**8,57,981**	**36,399**	**9,912**	**9,04,292**
New assets added during the year	3,54,471	-	-	3,54,471
Assets derecognised under direct assignment	(57,787)	-	-	(57,787)
Repayment of Loans (excluding write offs)	(1,16,304)	(2,001)	(1,922)	(1,20,227)
Transfers to / from Stage 1	9,616	(9,479)	(137)	-
Transfers to / from Stage 2	(48,748)	49,073	(325)	-
Transfers to / from Stage 3	(809)	(5,425)	6,234	-
Amounts written off	(124)	(81)	(261)	(466)
Gross carrying amount closing balance	**9,98,296**	**68,486**	**13,501**	**10,80,283**

Note: Gross carrying amount disclosed above excludes EIR adjustments amounting to ₹ 4,371 Lakh.

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**2,442**	**7,956**	**4,336**	**14,734**
New assets added during the year	1,237	-	-	1,237
Assets derecognised under direct assignment	(239)	-	-	(239)
Repayment of Loans (excluding write offs)	(427)	(626)	(626)	(1,679)
Transfers to / from Stage 1	57	(53)	(4)	-
Transfers to / from Stage 2	(3,293)	3,307	(14)	-
Transfers to / from Stage 3	(1,379)	(2,081)	3,460	-
Impact on year end ECL of exposures transferred between stages during the year	5,287	(2,826)	2,160	4,621
Additional provision due to Covid-19 and onetime restructuring	-	2,514	-	2,514
Amounts written off	(138)	(21)	(3,959)	(4,118)
Gross carrying amount closing balance	**3,547**	**8,170**	**5,353**	**17,070**

Note: Above includes Expected Credit Loss provision on Loan commitment amounting to ₹ 93 Lakh.

(₹ in Lakh)

Particulars	March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**4,100**	**3,551**	**2,549**	**10,200**
New assets added during the year	851	-	-	851
Assets derecognised under direct assignment	(139)	-	-	(139)
Repayment of Loans (excluding write offs)	(163)	(97)	(431)	(691)
Transfers to / from Stage 1	23	(23)	-	-
Transfers to / from Stage 2	(5,669)	5,707	(38)	-
Transfers to / from Stage 3	(268)	(1,799)	2,067	-
Impact on year end ECL of exposures transferred between stages during the year	3,707	(454)	131	3,384
Additional provision due to Covid-19 and onetime restructuring	-	1,071	-	1,071
Amounts written off	-	-	58	58
Gross carrying amount closing balance	**2,442**	**7,956**	**4,336**	**14,734**

Note: Above includes Expected Credit Loss provision on Loan commitment amounting to ₹ 45 Lakh.

b) Loans to Developers

The table below shows the credit quality and the exposure to credit risk based on the period-end stage classification. The amounts presented are gross of impairment allowances.

As at March 31, 2022

(₹ in Lakh)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 1 – High quality assets	Loan	-	-	-
Stage 2 – Assets for which there is significant increase in credit risk	Loan	-	-	-
Stage 3 - Credit-impaired assets	Loan	110	110	-

As at March 31, 2021

(₹ in Lakh)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 1 – High quality assets	Loan	188	50	138
Stage 2 – Assets for which there is significant increase in credit risk	Loan	-	-	-
Stage 3 - Credit-impaired assets	Loan	-	-	-

Reconciliation of Loan balances is given below:

(₹ in Lakh)

Particulars	March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**188**	**-**	**-**	**188**
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	(1,722)	-	-	(1,722)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	(110)	-	110	-
Amounts (written off) / recovery from write offs	1,644	-	-	1,644
Gross carrying amount closing balance	**-**	**-**	**110**	**110**

(₹ in Lakh)

Particulars	March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**254**	**1,000**	**3,219**	**4,473**
New assets added during the year				
Repayment of Loans (excluding write offs)	(66)	(317)	(940)	(1,323)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	-	-	-	-
Amounts written off	-	(683)	(2,279)	(2,962)
Gross carrying amount closing balance	**188**	**-**	**-**	**188**

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**50**	**-**	**-**	**50**
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	(1,644)	-	-	(1,644)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	-	-	110	110
Impact on year end ECL of exposures transferred between stages during the year	(50)	-	-	(50)
Amounts (written off) / recovery from write offs	1,644	-	-	1,644
Gross carrying amount closing balance	**-**	**-**	**110**	**110**

Note: Above includes Expected Credit Loss provision on Loan commitment amounting to Nil Lakh.

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

(₹ in Lakh)

Particulars	March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**26**	**318**	**2,165**	**2,509**
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	(7)	(101)	(632)	(740)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	31	466	897	1,394
Amounts written off	-	(683)	(2,430)	(3,113)
Gross carrying amount closing balance	**50**	**-**	**-**	**50**

Note: Above includes Expected Credit Loss provision on Loan commitment amounting to Nil Lakh.
Impairment allowance for loan against fixed deposit is Nil and therefore related disclosures are not given in the financial statement.

c) Company monitors Gross NPAs on Assets under Company's management ("AUM") and Own Book at retail and overall basis.

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
AUM	14,77,779	13,32,710
GNPA on AUM*	21,545*	14,303
GNPA on AUM (%)	1.46%*	1.07%
Retail AUM	14,77,669	13,32,522
GNPA on Retail AUM	21,435*	14,303
GNPA on Retail AUM (%)	1.45%*	1.07%
Own Book	12,04,809	10,78,023
GNPA on Own Book	18,257 **	13,071
GNPA on Own Book (%)	1.52%**	1.21%
Retail Own Book	12,04,699	10,77,835
GNPA on Retail Own Book	18,147 **	13,071
GNPA on Retail Own Book (%)	1.51%**	1.21%

Note: The amount mentioned above of 'Own Book' excludes EIR, Interest accrued on loans and loans against Fixed Deposits.
* Includes loan assets of ₹ 3,954 Lakhs (0.27%) not more than 90 DPD which have been classified as NPA as per the RBI circular dated 12th November 2021.
** Includes loan assets of ₹ 3,281 Lakhs (0.27%) not more than 90 DPD which have been classified as NPA as per the RBI circular dated 12th November 2021.

38. Capital Management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents and Liquid investments) divided by Total 'equity' (as shown in the balance sheet) and Capital adequacy ratio.

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Borrowings (₹ in Lakh)	10,67,459	10,37,447
Total Net Borrowings* (₹ in Lakh)	8,82,417	7,73,165
Total Equity (₹ in Lakh)	3,14,539	2,69,254
Gross Debt Equity Ratio	3.39	3.85
Net Debt Equity Ratio	2.81	2.87

*Total net borrowing = Total borrowings – Cash and bank balances – Investment in Liquid Mutual fund – Receivable from Mutual Fund

The Company is required to maintain the CRAR of 15% as required by RBI and NHB. Further company is required to maintain borrowing not exceeding 12 times of Net Owned Fund.

Below are the details of CRAR and other ratios maintained by the Company.

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Risk weighted Assets (₹ in Lakh)	7,02,432	6,24,549
Net owned funds (Tier I Capital) (₹ in Lakh)	3,10,501	2,66,218
Tier II Capital (₹ in Lakh)	8,467	9,092
CRAR	45.41%	44.08%
Variance in CRAR	3.02%	NA
CRAR-Tier I Capital	44.20%	42.62%
Variance in CRAR-Tier I Capital	3.71%	NA
CRAR- Tier II Capital	1.21%	1.46%
Variance in CRAR-Tier II Capital	(17.12%)	NA
Amount of subordinated debt raised as Tier-II Capital (₹ in Lakh)	4,920	6,600
Amount raised by issue of perpetual debt instruments	Nil	Nil
Liquidity Coverage Ratio*	70.09%	Not Applicable on the reporting date

1. CRAR (Capital Risk Adjusted Ratio) = [Risk Weighted Assets / Net owned fund and Tier II Capital]

2. CRAR (Capital Risk Adjusted Ratio) -Tier I Capital = [Risk Weighted Assets / Net owned fund]

3. CRAR (Capital Risk Adjusted Ratio) -Tier II Capital = [Risk Weighted Assets / Tier II Capital)

4. Liquidity Coverage Ratio = [Stock of High Quality Liquid Assets / Total net cash outflow required in next 30 calendar days]

*Liquidity Coverage Ratio requirement applicable from December 1, 2021 to the Company as per Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 circular no RBI/2020-21/73 DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated February 17, 2021.

39. Segment reporting

The Company operates only in one Operating Segment i.e Housing Finance business - Financial Services and all other activities are incidental to the main business activity, hence have only one reportable Segment as per Indian Accounting Standard 108 "Operating Segments". The reportable business segments are in line with the segment wise information which is being presented to the CODM. The Company has identified Managing Director and CEO as CODM.

The Company has its operations within India and all revenue is generated within India.

40. Employee benefits

40.1 Defined contribution plan

The Company makes contributions to provident fund for qualifying employees to Regional Provident Fund Commissioner under defined contribution plan under the Provident Fund Act.

Amount recognised as an expense and included under the head "Contribution to Provident and Other Funds" of Statement of Profit and Loss are as follows:

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contribution to provident fund	369	324
Contribution to pension fund	369	342
Contribution to new pension scheme	40	32
Contribution to ESIC	6	8

40.2 Defined obligation benefit

The Company provides gratuity to its employees which are defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The gratuity plan typically exposes the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

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. For other defined benefit plans, the discount rate is determined by reference to market yield at the end of reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table sets out the funded status of the Gratuity and the amount recognised in the Financial Statements:

i. Changes in Defined Benefit Obligation

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Liability at the beginning of the year	1,046	848
Current service cost	252	234
Interest cost	68	54
Plan Amendment Cost	-	-
Actuarial (gain) /losses	(83)	(43)
Benefits paid	(59)	(47)
Liability at the end of the year	1,224	1,046

ii. Changes in Fair Value of Plan Assets

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Plan Assets at the beginning of the year	663	616
Expected return on plan assets	44	41
Actuarial Gain/(Loss)	(12)	6
Employer Contribution	-	-
Plan Assets at the end of the year	695	663

iii. Reconciliation of Fair Value of Assets and Obligations

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Fair value of Plan Assets	695	663
Present Value of Obligation	1,224	1,046
Amount Recognised in Balance Sheet	(529)	(383)

iv. Expenses recognised in Statement of Profit and Loss

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current Service Cost	252	234
Net interest on net defined benefit liability / (asset)	24	14
Plan Amendment cost / Direct Payment	-	-
Expenses recognised in the statement of profit and loss under employee benefits expenses	276	248

v. Expenses recognised in Statement of Other Comprehensive Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial (gain) / loss arising during year	(71)	(49)
(Income) / Expenses recognised in the other comprehensive income	(71)	(49)

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

vi. Expected benefit payments

(₹ in Lakh)

Particulars	As at March 31, 2022
March 31, 2023	87
March 31, 2024	92
March 31, 2025	113
March 31, 2026	138
March 31, 2027	178
March 31, 2028 to March 31, 2032	1,418

vii. Actuarial Assumptions

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Discount Rate	7.00%	6.7%
Salary Escalation Rate	9.50%	9.5%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factor including supply and demand in the employment market. The above information is certified by actuary and this has been relied upon by the auditors.

The expected rate of return on plan asset is determined considering several applicable factors, mainly the composition of plan asset held, assessed risks, historical result of return on plan assets and the Company's policy for plan assets management.

Effect of change in assumptions as at March 31, 2022

(₹ in Lakh)

Particulars	Plan Liabilities
Discount Rate (increase by 0.5%)	(56)
Discount Rate (decrease by 0.5%)	61
Salary Escalation Rate (increase by 0.5%)	55
Salary Escalation Rate (decrease by 0.5%)	(52)

viii. Amount recognised in current year and previous years

Gratuity:

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Defined benefit obligation	1224	1,046	848	580	415
Fair value of plan asset	695	663	616	509	407
(Surplus)/ Deficit in the plan	529	383	232	71	8
Actuarial (gain)/loss on plan obligation	(83)	(43)	130	59	98
Actuarial gain/(loss) on plan asset	(12)	6	10	(2)	(10)

Plan Assets as at March 31, 2022

Plan asset composition	Percentage
Schemes of Insurance –conventional products	2.56%
Schemes of Insurance –ULIP Product	97.44%

41. Employee stock appreciation rights and Employees Stock Option

a) Employee Stock Appreciation Rights Plan 2018 ("ESAR 2018" / "Plan")

ESAR 2018 was approved by the shareholders of the company and subsequently the Grant was approved by the Board and the Nomination and Remuneration Committee at its meeting held on March 26, 2018.

Movement in ESARs

Particulars	For the year ended March 31, 2022 (No's)	For the year ended March 31, 2021 (No's)
Opening	**19,69,286.25**	**1,98,992.48**
Adjustment for Bonus Issue (refer note below)		17,90,932.32
Granted during the year	-	-
Lapsed during the year	-	8,255.42
Exercised by employee	-	12,383.13
Closing	**19,69,286.25**	**19,69,286.25**
Vested as at year end	**19,69,286.25**	**11,81,571.76**
Unvested as at year end	**-**	**787,714.49**

Note: The shareholders vide a special resolution have approved bonus issue of equity shares of the Company in the ratio of nine shares of face value of ₹ 10 each for each existing equity share of the face value of ₹ 10 each on January 16, 2021 in extraordinary general meeting (EGM).

ESAR were granted at the Price of ₹ 291.70 which was the fair value on the grant date.

The key assumptions used to estimate the fair value of ESARs are:

Particulars	ESAR 2018
Dividend yield	2.40%
Expected Life	3 Years
Risk free interest rate	7.45%
Volatility	0.01%
Model Used	Black & Scholes

The expense arises from equity settled ESARs amounting to ₹ Nil (March 31, 2021: ₹ 25 Lakh) For the year ended March 31, 2022.

b) Employee stock option plans (ESOPS)

Employee Stock Option Plan 2020 ("ESOP Plan 2020")

ESOP Plan 2020 was approved by the shareholders of the company and subsequently the Grant was approved by the Board and the Nomination and Remuneration Committee at its meeting held on May 05, 2020 with the grant date of December 31, 2020 and meeting held on January 16, 2021 with the grant date of January 16, 2021. Details of ESOP Plan 2020 granted are as follows:

Particulars	ESOP Plan 2020 – March 2020*	ESOP Plan 2020 – January 2021	ESOP Plan 2020 – September 2021
Scheme Name	Employee Stock Option Plan 2020	Employee Stock Option Plan 2020	Employee Stock Option Plan 2020
No. of options approved	12,00,000	6,15,460	18,79,549
Date of Grant	March 31, 2020	January 16, 2021	September 22, 2021
No of option granted	10,44,395	6,15,460	18,79,549
Exercise Price (₹)	908.05	90.805	90.805
Method of Settlement	Equity	Equity	Equity
Time Based Eligibility	20% each year in next Five years.	20% each year in next Five years.	20% each year in next Five years.
Vesting Schedule	Eligible options will vest in 60%, 20% and 20% in on Eligibility date, 1st year from eligibility date and 2nd year from eligibility date respectively	Eligible options will vest in 60%, 20% and 20% in on Eligibility date, 1st year from eligibility date and 2nd year from eligibility date respectively	Eligible options will vest in 60%, 20% and 20% in on Eligibility date, 1st year from eligibility date and 2nd year from eligibility date respectively
Condition	1. All eligible options will vest subject to BCP Topco VII Pte. Ltd. Realising minimum net consideration cumulatively from the sale of the Shares held 2. Proportion of eligible option vesting to extent of sale by BCP Topco VII Pte. Ltd.	1. All eligible options will vest subject to BCP Topco VII Pte. Ltd. Realising minimum net consideration cumulatively from the sale of the Shares held 2. Proportion of eligible option vesting to extent of sale by BCP Topco VII Pte. Ltd.	1. All eligible options will vest subject to BCP Topco VII Pte. Ltd. Realising minimum net consideration cumulatively from the sale of the Shares held 2. Proportion of eligible option vesting to extent of sale by BCP Topco VII Pte. Ltd.
Exercise period	2 Years from Vesting	2 Years from Vesting	2 Years from Vesting

* ESOP Plan 2020 – March 2020 disclosure doesn't include the impact **of** bonus issue of equity shares of the Company in the ratio of nine shares of face value of ₹ 10 each for each existing equity share of the face value of ₹ 10 each on 16th January 2021 in extraordinary general meeting (EGM).

Computation of fair value of options

The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	ESOP Plan 2020 (December 31, 2020)	ESOP Plan 2020 (January 16, 2021)	ESOP Plan 2020 (September 22, 2021)
Fair value of the option (₹)	₹ 96 to ₹ 333	₹ 28.15 to ₹ 51.92	₹ 28.8 to ₹ 51.6
Fair value of share on the date of grant (₹)	908.05	110.00	111.10
Exercise Price(₹)	908.05	90.805	90.805
Expected Life	3 years to 9 years	3 years to 9 years	3 years to 9 years
Expected Volatility (%)	9.7% to 12.7%	15.6% to 22.1%	15.2% to 22.0%
Life of the Option (years)	3 years to 9 years	3 years to 9 years	3 years to 9 years
Risk Free rate of return (%)	5.2% to 6.7%	4.0% to 6.6%	3.9% to 6.3%
Expected dividend rate (%)	0.8%	0.6%	0.6%

The expected life of the share options is based on current expectations and is not necessarily indicative of exercise patterns that may actually occur. Further, the condition of specified sale of the shares held by the investor is estimated to be fulfilled on the relevant eligibility dates.

Movement in ESOPs

Particulars	For the year ended March 31, 2022 (No's)	For the year ended March 31, 2021 (No's)
Opening	1,07,02,850	10,44,395
Adjustment for Bonus Issue (refer note below)	-	93,99,555
Granted during the year	18,79,549	6,15,460
Lapsed during the year	14,31,966	3,56,560
Closing	**1,11,50,433**	**1,07,02,850**
Vested as at year end	-	-
Unvested as at year end	**1,11,50,433**	**1,07,02,850**

Note: The shareholders vide a special resolution have approved bonus issue of equity shares of the Company in the ratio of nine shares of face value of ₹ 10 each for each existing equity share of the face value of ₹ 10 each on January 16, 2021 in extraordinary general meeting (EGM).

The expense arises from equity settled ESOPs transaction amounting to ₹ 767 Lakh (March 31, 2021: ₹ 587 Lakh) For the year ended March 31, 2022.

42. Foreign currency transactions

There are no foreign currency transactions during the year ended March 31, 2022 and March 31, 2021.

43. Related party transactions

List of related parties with whom transactions have taken place during the year and relationship:

S.No	Relationship	Name of Related Party
1.	Holding Company	BCP Topco VII Pte. Ltd.
2.	Wholly owned subsidiary	Aadhar Sales and Service Private Limited
3.	Key Management Personnel	O P Bhatt - Chairman and Director
		Deo Shankar Tripathi - Managing Director and CEO
		Amit Dixit - Director
		Mukesh G Mehta - Director
		Neeraj Mohan - Director (upto July 13, 2021)
		Sharmila Karve – Director
		Dr. Nivedita Haran – Director

Transactions with Related Parties:

(₹ in Lakh)

Name	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Income :			
Aadhar Sales and Services Private Limited	Rent Income	2	2
Expenditure:			
Aadhar Sales and Services Private Limited	Business sourcing services	4,003	3,032
Deo Shankar Tripathi – Managing Director and CEO	Remuneration	236	219
Others:			
Aadhar Sales and Services Private Limited	Recovery of Expenses	1	79

Compensation of key management personnel of the Company

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Short–term employee benefits	228	211
Post–employment pension (defined contribution)	8	8
Sitting fee and commission	146	121
Total	**382**	**340**

Balances with Related Parties:

(₹ in Lakh)

Name	Particulars	As at March31, 2022	As at March 31, 2021
Aadhar Sales and Services Private Limited	Investment	1	1
Aadhar Sales and Services Private Limited	Security Deposit	-	40
Aadhar Sales and Services Private Limited	Receivables	0*	0*
Directors Commission & sitting fee	Payable	120	96
Deo Shankar Tripathi	Fixed Deposit (including accrued interest)	-	51
Deo Shankar Tripathi	Debt securities	-	13

* Less than ₹ 50,000

44. Scheme for Grant of Ex-gratia

The Government of India has announced the Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for nine months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020) (the 'Scheme') on October 23, 2020, which mandates ex-gratia payment to certain categories of borrowers by way of crediting the difference between simple interest and compound interest for the period between March 1, 2020 to August 31, 2020 by respective lending institutions by November 5, 2020.

The Scheme is applicable to the borrowers of the Company. Under the said scheme, the Company has credited the ex-gratia amount of ₹ 2,118 Lakh to borrower's accounts by November 5, 2020.

The Company has received ₹ 1,580 Lakh against ex gratia credit to customers during the year ended March 31, 2021. The Company has received ₹ 538 Lakh from the Government of India towards ex gratia credit given to customers of the assigned loans during the year ended March 31, 2022.

The Hon'ble Supreme Court of India has pronounced its judgement in the matter of Small Scale Industrial Manufacturers Association vs UOI & Ors. and other connected matters on March 23, 2021 in related to Interest on Interest during the nine months.

The Reserve Bank of India vide circular no RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 directed all lending institutions to put in place a Board-approved policy to refund/adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in conformity with the supreme court judgement.

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

45. A comparison between provisions required under Income Recognition, Asset classification and provision norms and impairment allowances made under Ind AS 109 as at March 31, 2022

(₹ in Lakh)

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	11,29,732	3,454	11,26,277	4,378	(924)
	Stage 2 (Refer Note 3)	65,120	8,170	56,950	4,252	3,918
Subtotal		**11,94,852**	**11,624**	**11,83,228**	**8,631**	**2,994**
Non-Performing Assets (NPA)						
Substandard	Stage 3	11,947	2,923	9,025	1,776	1,147
Doubtful - up to 1 year	Stage 3	4,074	1,597	2,476	1,018	579
1 to 3 years	Stage 3	2,179	878	1,301	871	6
More than 3 years	Stage 3	164	65	99	164	(99)
Subtotal for doubtful		**6,416**	**2,540**	**3,876**	**2,054**	**487**
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	55,957	93	55,864	-	93
Subtotal		**55,957**	**93**	**55,864**	**-**	**93**
	Stage 1	**11,85,689**	**3,547**	**11,82,142**	**4,378**	**(831)**
	Stage 2	**65,120**	**8,170**	**56,950**	**4,252**	**3,918**
Total	**Stage 3**	**18,363**	**5,463**	**12,900**	**3,830**	**1,633**
	Total	**12,69,173**	**17,181**	**12,51,992**	**12,460**	**4,721**

Notes:

1. The provision under Expected Credit Loss Model is higher than Income Recognition and Prudential Norms.
2. Interest on Net NPA amounting to ₹ 108 Lakh (Included in Stage 3 Sub-standard asset – Gross Carrying Amount) has been recognised under Ind AS which is not recognisable under IRACP norms.
3. Customers who has availed the benefit of One-time restructuring as per RBI Circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 2020 and RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 2020 (for restructuring of accounts of Micro, small and Medium Enterprises (MSME) sector – Restructuring of Advances having exposure less than or equal to ₹ 25 crores) and RBI Notification – RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 (Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses) have been disclosed as Stage 2 assets under Ind AS with gross outstanding value of ₹ 43,350 Lakh. Impairment provision and provision required under IRACP is maintained at 10% as required by RBI circular.
4. The above-mentioned amount of 'Total Gross Carrying Amount as per Ind AS' excludes loan against fixed deposits and includes pending part disbursement of loans.

46. Disclosures pursuant to RBI Notification RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 date August 6, 2020 and – RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 (Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses)g

(₹ in Lakh)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at September 30, 2021 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2022	Of (A) amount written off during the half-year ended March 31, 2022	Of (A) amount paid by the borrowers during the half-year ended March 31, 2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2022
Personal Loans (refer note below)	45,964	1,980	17	2,260	43,208
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**45,964**	**1,980**	**17**	**2,260**	**43,208**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

Note : Includes loans amounting to ₹ 8,703 Lakh where resolution process was invoked or before September 30, 2021 and resolution plan was implemented by December 31, 2021.

47. Disclosures pursuant to RBI Notification-RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021.

a.) Details of transfer through assignment in respect of loans not in default during the year ended March 31, 2022

Particulars	Year ended March 31, 2022
Entity	NBFC (Housing Finance Company)
Count of Loan Accounts Assigned	11,774
Amount of Loan Accounts Assigned (₹ in Lakh)	77,212
Weighted average maturity (in Months)	167
Weighted average holding period (in Months)	29
Retention of beneficial economic interest (MRR)	10%
Coverage of tangible security coverage	100%

The Loans transferred are not rated as same are non-corporate borrowers.

b.) The Company has not transferred or acquired, any stressed / default loans during the year ended March 31, 2022.

48. The Company periodically files returns/statements with banks and financial institution as per the agreed terms and they are in agreement with books of accounts of the Company. This information has been relied upon by the auditors.

49. Registration of charges or satisfaction with Registrar of Companies are filed and paid within the statutory period for debt and borrowings issued during the year.

50. Money raised by way of debt instruments and the term loans have been applied by the Company for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

51. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

52. None of the entities in the Company have been declared wilful defaulter by any bank or financial institution or government or any government authority.

53. The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

54. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

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

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company 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 Company shall:

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

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

55. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

56. The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

57. Disclosure of details as required under notification issued by RBI dated February 17, 2021, RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/ 03.10.136/2020-21 and notification issued by RBI dated March 13, 2020 RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20:

57.1 **Disclosure as per Annexure III of the Circular**

(1) Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:

(₹ in Lakh)

Particulars			March 31, 2022	
Liabilities side			**Amount outstanding**	**Amountoverdue**
(a)	Debentures	: Secured	1,82,983	-
		: Unsecured	8,765	-
	(other than falling within the meaning of public deposits*)			
(b)	Deferred Credits		-	-
(c)	Term Loans		8,83,109	-
(d)	Inter-corporate loans and borrowing		-	-
(e)	Commercial Paper		-	-
(f)	Public Deposits		956	-
(g)	Other Loans (specify nature)		-	-

(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued there on but not paid):

(₹ in Lakh)

Particulars		March 31, 2022	
Liabilities side		**Amount outstanding**	**Amountoverdue**
(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	956	-

(3) Break-up of Loans and Advances including billsreceivables [other than those included in (4) below]:

Particulars		March 31, 2022
Assets side		**Amount outstanding**
(a)	Secured	12,13,215
(b)	Unsecured	-

(4) Break up of Leased Assets and stock on hireand other assets counting towards asset financing activities

(₹ in Lakh)

Particulars			March 31, 2022
(i)	Lease assets including lease rentals undersundry debtors		
	(a)	Financial lease	-
	(b)	Operating lease	-
(ii)	Stock on hire including hire charges undersundry debtors		
	(a)	Assets on hire	-
	(b)	Repossessed Assets	-
(iii)	Other loans counting towards asset financingactivities		
	(a)	Loans where assets have beenrepossessed	-
	(b)	Loans other than (a) above	-

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

(5) Break-up of Investments

(₹ in Lakh)

Particulars	March 31, 2022
Current Investments	
1. Quoted	
(i) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	14,170
(iv) Government Securities	-
(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 (please specify)	-
Long Term investments	
1. Quoted	
(i) Share	
(a) Equity	2
(b) Preference	-
(ii) Debentures and Bonds	1,713
(iii) Units of mutual funds	-
(iv) Government Securities	17,917
(v) Others (please specify)	-
2. Unquoted	
(i) Shares	
(a) Equity	1
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

6) Borrower group-wise classification of assets financed as in (3) and (4) above:

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. **Related Parties ****			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	12,13,215	-	12,13,215
Total	**12,13,215**	**-**	**12,13,215**

(7) Investor group-wise classification of all investments (current and long term) inshares and securities (both quoted and unquoted):

Category	Market Value / Break up or fairvalue or NAV	Book Value (Netof Provisions)
1. Related Parties **		
(a) Subsidiaries	1	1
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	33,206	33,802
Total	**33,207**	**33,803**

** As per notified Accounting Standard

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

(8) Other information

Particulars			Amount
(i)	Gross Non-Performing Assets		
	(a)	Related parties	-
	(b)	Other than related parties	18,257
(ii)	Net Non-Performing Assets		
	(a)	Related parties	-
	(b)	Other than related parties	12,794
(iii)	Assets acquired in satisfaction of debt		-

57.2 Summary of Significant accounting policies

The accounting policies are disclosed as note 2 and 3 of the Standalone Financial Statement for the year ended March 31, 2022.

57.3 Capital to Risk Asset Ratio (CRAR)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
CRAR	45.41%	44.08%
CRAR-Tier I Capital	44.20%	42.62%
CRAR- Tier II Capital	1.21%	1.46%
Amount of subordinated debt raised as Tier-II Capital (₹ in Lakh)	4,920	6,600
Amount raised by issue of perpetual debt instruments	Nil	Nil

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

Statement for Reserve Fund is disclosed in Note No. 23 of the Standalone Financial Statement for the year ended March 31, 2022.

57.5 Investment

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
1. Value of Investments		
(i) Gross value of investments		
(a) In India	33,803	49,710
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	33,803	49,710
(b) Outside India	-	-
2. Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off / Written-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

57.6 Derivatives

i. Forward Rate Agreement (FRA)/ Interest Rate Swap:
Nil during the year ended March 31, 2022 (March 31, 2021: Nil)

ii. Exchange Traded Interest Rate (IR) Derivative:
Nil during the year ended March 31, 2022 (March 31, 2021: Nil)

iii. Disclosures on Risk Exposure in Derivatives:
The Company has not entered into derivative transaction during the year ended March 31, 2022 & March 31, 2021.

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

57.7 Securitisation

i. Securitised assets as per books of the SPVs sponsored by the HFC

Nil during the year ended March 31, 2022 (March 31, 2021: Nil)

ii. Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Reconstruction

Nil during the year ended March 31, 2022 (March 31, 2021: Nil)

iii. Detail of Assignment transactions undertaken:

(₹ in Lakh)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1	No of Pools/Accounts	7	9
2	Aggregate value (Net of Provisions) of accounts assigned	77,212	57,787
3	Aggregate consideration	77,212	57,787
4	Additional consideration realized in respect of accounts transferred in earlier years	-	-
5	Aggregate gain over net book value	9,296	6,381

iv. Details of non-performing financial assets purchased / sold

A. Details of non-performing financial assets purchased:

Nil during the year ended March 31, 2022 (March 31, 2021: Nil)

B. Details of non-performing financial assets sold:

Nil during the year ended March 31, 2022 (March 31, 2021: Nil)

57.8 Maturity pattern of certain items of assets and liabilities as per Asset Liability Management system of the company as of March 31, 2022 is as under:

(₹ in Lakh)

Particulars	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	21	40	138	127	50	51	61	260	41	10	799
Borrowings from banks	-	-	4,922	2,323	12,629	31,319	83,595	3,13,221	2,33,755	2,01,679	8,83,443
Market Borrowings	-	-	-	100	3,700	4,250	7,250	1,39,377	28,360	2,124	1,85,161
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	15,936	3,103	6,206	12,723	12,615	37,210	71,678	2,54,993	2,16,754	5,77,442	12,08,660
Investments	32,087	-	-	-	2	-	-	-	-	1,714	33,803
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-

Note:

1. The maturity analysis is prepared considering the prepayments on housing and other loans in line with historical trend. Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the company for compiling the return submitted to the RBI/NHB, which has been relied upon by the auditors.

2. The above-mentioned amount of Advances excludes interest accrued on loans, fair value of loans, ECL provision on stage 3 loans and EIR.

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

57.9 Exposure to Real Estate Sector

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
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.	9,32,227	8,57,581
(ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estates		
· Funds Based and Non Fund Based	66,693	11,478
· Others (refer note below)	2,05,889	2,08,964
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
. Residential	-	-
. Commercial Real Estate	-	-
B. INDIRECT EXPOSURE		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
Total Exposure to Real Estate Sector	**12,04,809**	**10,78,023**

Note:

1. Amount disclosed under Commercial Real Estate includes non-housing loan which are provided against residential property.

2. The amount mentioned above for Total Exposure to Real estate sector excludes EIR, interest accrued on loans and loans against Fixed Deposits amount.

57.10 Exposure to Capital Market

(₹ in Lakh)

Particulars		As at March 31, 2022	As at March 31, 2021
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpusof which is not exclusively invested in corporate debt	5	5
(ii)	Advances against shares / bonds / debentures or other securitiesor on clean basis to individuals for investment in shares (includingIPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where theprimary security other than shares / convertible bonds / convertibledebentures / units of equity oriented mutual funds 'does not fully cover the advances'	-	-
(v)	Secured and unsecured advances to stock brokers and guarantees issued on behalf of stockbrokers and market makers	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis formeeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(vii)	Bridge loans to companies against expected equity flows / issues	-	-
(viii)	All exposures to Venture Capital Funds/Alternate Investment Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market		**5**	**5**

Note: As mentioned in para 23.2.2 of RBI master direction –NBFC –HFC dated 17.02.2021 the computation of exposure to capital markets has been done considering cost price of the investment.

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

57.11 Details of financing parent company products

Nil during the year ended March 31, 2022 (March 31, 2021: Nil)

57.12 Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by the HFC

Nil during the year ended March 31, 2022 (March 31, 2021: Nil)

57.13 Unsecured Advances

Nil during the year ended March 31, 2022 (March 31, 2021: Nil)

57.14 Advances against Intangible Collateral

Nil during the year ended March 31, 2022 (March 31, 2021: Nil)

57.15 Exposure to group companies engaged in real estate business

Nil during the year ended March 31, 2022 (March 31, 2021: Nil)

The Exposure to a single borrower and group of borrower does not exceed the limit stipulated by the NHB prudential norms applicable to Housing Finance Companies.

57.16 There were no loans given against the collateral of gold jewellery.

57.17 Registration obtained from other financial sector regulators

Regulator	Registration Number
IRDA Registration as Corporate Agent(Composite)	Registration Code :- CA0012
LEI	335800JQMNJOX3W7LY96
SEBI	SCRIP CODE NCDs(BSE) : 953947
RBI	RBI Registration Number : FC 11 BYR 0068

57.18 Disclosure of penalties imposed by RBI, NHB and other regulators

Nil during the year ended March 31, 2022 (Nil in March 31, 2021)

57.19 Related party Transactions

Details of all material transactions with related parties are disclosed in note 43.

57.20 Group Structure

Holding Company - BCP Topco VII Ptd Ltd (Percentage of Holding - 98.72%)

Company - Aadhar Housing Finance Limited (Percentage of Holding - 100%)

Subsidiary Company - Aadhar Sales & Services Pvt. Ltd.

57.21 Rating assigned by Credit Rating Agencies and migration of rating during the year.

Name of the Rating Agency	Type	Rating As at March 31, 2022	Rating As at March 31, 2021
CARE	Long Term Bank Facilities	CARE AA (Stable)	CARE AA (Stable)
CARE	Non-Convertible Debentures	CARE AA (Stable)	CARE AA (Stable)
CARE	Subordinated Debt	CARE AA - (Stable)	CARE AA - (Stable)
BRICKWORKS	Non-Convertible Debentures	BWR AA(Stable)	BWR AA(Stable)
BRICKWORKS	Subordinated Debt	BWR AA(Stable)	BWR AA(Stable)
CRISIL	Commercial Paper	CRISIL A1+	CRISIL A1+
CRISIL	Fixed Deposits	FAA- (Stable)	FAA- (Stable)
ICRA	Short Term Borrowings	ICRA A1+	ICRA A1+
India Rating	Short Term Borrowings	IND A1+	IND A1+

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

57.22 Remuneration of Non-Executive Directors for the year ended March 31, 2022.

(In ₹)

Name of the Director	Sitting Fee	Commission*	Total
Shri. O P Bhatt	7,73,500	87,75,000	95,48,500
Smt. Sharmila Karve	8,75,000	2,75,000	11,50,000
Dr. Nivedita Haran	7,73,500	5,00,000	12,70,000

Note: Above does not include the provision for commission for an amount of ₹ 120 Lakh (excluding disallowance of GST) for the year ended March 31, 2022 which will be paid subject to approval in the ensuing Annual General Meeting.

*Commission paid during the year (FY 21-22) pertains to previous year (FY 20-21).

57.23 Net profit or Loss for the period, prior period items and changes in accounting policies

The financial statements have been prepared under historical cost convention on an accrual basis in accordance with the Indian Accounting Standards ("Ind AS") and the relevant provisions of the Companies Act, 2013 (the "Act") (to the extent notified). Same accounting policies have been followed for all period presented in these financial statements.

57.24 Revenue Recognition

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

57.25 Consolidated Financial Statements (CFS)

Refer to the Consolidated Financial Statements for the relevant disclosures.

57.26 Disclosure as per Loan Portfolio

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Housing loans		
Standard loans	9,19,579	8,47,374
Sub-Standard loans	8,141	5,006
Doubtful loans	4,618	5,201
Loss assets	-	-
Total Housing Loans	**9,32,338**	**8,57,581**
Other property loan		
Standard loans	2,66,973	2,17,577
Sub-Standard loans	3,699	1,227
Doubtful loans	1,800	1,638
Loss assets	-	-
Total Other Property Loans	**2,72,472**	**2,20,442**
Total Own Loan Book	**12,04,809**	**10,78,023**
Assigned Book	**2,72,969**	**2,54,687**
Total Asset Under Management	**14,77,779**	**13,32,710**

Note: The amount mentioned above of Total own loan book amount excludes EIR, interest accrued on loans and loans against Fixed Deposits.

57.27 Insurance portion of Housing Loan is excluded from Housing Loan and regrouped in Other Property Loans (Refer Note 51.9, 51.26, 51.32, 51.38). The Insurance portion amounting to ₹ 54,133 lakh (March 31, 2021: ₹ 50,259 Lakh) helps in mitigating the risk and secures the Company's Loan portfolio against any eventuality.

57.28 The Company has prepared the financial statements taking into consideration the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India including the prevailing RBI/NHB regulations.

The Company has complied with the extant provisions of the applicable Ind AS for the purpose of asset classification based on credit risks and provisioning as per expected credit loss requirements during the financial year ended March 31, 2022. In respect of asset classification and provisioning requirements, the Company has complied with RBI Circulars dated March 13, 2020 on implementation of Indian Accounting Standards and have considered the impact of the RBI circulars during the year.

Refer for Note 45 – (comparison between provisions required under Income Recognition, Asset classification and provision norms and impairment allowances made under Ind AS 109)

57.29 The Company has complied and is meeting principal business criteria as laid down under paragraph 4.1.17 of the RBI circular dated February 17, 2021 RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21.

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

57.30 The Company operates in 20 States and Union Territories in India. The company does not have any branch/offices outside India.

Additional Disclosures

57.31 Provisions and Contingencies

Break up of provisions and contingencies shown under the head Expenditure in Profit and Loss Account

(₹ in Lakh)

S.No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1.	Provisions for depreciation on Investment	-	-
2.	Provision made towards Income Tax	12,513	9,329
3.	Provision towards NPA	1,127	(378)
4.	Provision for Standard Assets	1,269	2,453
5.	Other Provision (Expenses) and Contingencies		
5a.	Provision for Expenses	4,639	3,366
5b.	Provision for asset held for sale	-	(29)

57.32 Break up of Loan and Advances and Provisions thereon

(₹ in Lakh)

Particulars	Housing		Non-Housing	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Standard Assets				
a) Total Outstanding Amount	9,29,016	8,48,887	2,69,840	2,18,083
b) Provisions made	8,390	7,231	3,328	3,217
Sub-Standard Assets				
a) Total Outstanding Amount	8,216	5,371	3,728	1,292
b) Provisions made	1,940	1,154	983	298
Doubtful Assets - Category – I				
a) Total Outstanding Amount	2,943	4,360	1,134	1,430
b) Provisions made	1,135	1,830	463	604
Doubtful Assets - Category – II				
a) Total Outstanding Amount	1,531	429	649	108
b) Provisions made	607	181	271	45
Doubtful Assets - Category – III				
a) Total Outstanding Amount	146	412	18	99
b) Provisions made	58	184	7	42
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
TOTAL				
a) Total Outstanding Amount	**9,41,853**	**8,59,459**	**2,75,368**	**2,21,012**
b) Provisions made	**12,129**	**10,580**	**5,052**	**4,206**

Note: The above mentioned total outstanding amount excludes Loan against Fixed Deposits and EIR.

57.33 Draw Down from Reserves

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

57.34 Concentration of Public Deposits

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Deposits of twenty largest depositors	341	1,593
Percentage of Deposits of twenty largest deposits to Total Deposits of the HFC	35.66%	36.79%

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

57.35 Concentration of Loans and Advances

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Loans and Advances to twenty largest borrowers	2,175	2,250
Percentage of Loans and Advances to twenty largest borrowers to Total Advances of the HFC	0.18%	0.21%

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

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Loans and Advances to twenty largest borrowers	2,175	2,250
Percentage of Loans and Advances to twenty largest borrowers / customers to Total exposure of the HFC on borrowers / customers.	0.15%	0.17%

57.37 Concentration of NPAs

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Exposure to top ten NPA accounts	522	505

57.38 Sector-wise NPAs

S.No.	Particulars	Percentage of NPAs to Total Advances in that Sector
A.	**Housing Loan:**	
1.	Individuals	1.36%
2.	Builders / Project Loans	100.00%
3.	Corporate	-
4.	Others	-
B.	**Non Housing Loans:**	
1.	Individuals	2.02%
2.	Builders / Project Loans	-
3.	Corporate	-
4.	Others	-

57.39 Movement of NPAs

(₹ in Lakh)

S.No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
i)	Net NPAs to Net Advances (%)	1.07%	0.81%
ii)	Movement of NPAs (Gross)		
	a) Opening Balance	**13,071**	**11,700**
	b) Additions during the year	11,856	6,239
	c) Reductions during the year*	6,670	4,868
	d) Closing Balance	**18,257**	**13,071**
iii)	Movement of Net NPAs		
	a) Opening Balance	**8,735**	**6,986**
	b) Additions during the year	8,463	3,086
	c) Reductions during the year*	4,404	1,337
	d) Closing Balance	**12,794**	**8,735**
iv)	Movement of provisions for NPAs (excluding provision on standard assets)		
	a) Opening Balance	**4,336**	**4,714**
	b) Additions during the year	3,393	3,153
	c) Reductions during the year*	2,266	3,531
	d) Closing Balance	**5,463**	**4,336**

* Includes write off.

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

57.40 Overseas Assets

Nil as at March 31, 2022 (March 31, 2021: Nil)

57.41 Off- Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Overseas: Nil
Domestic: Nil

57.42 Loan accounts which became doubtful due to fraudulent misrepresentation by the borrowers and has been written off during the year.

7 Accounts with outstanding value of ₹ 86 Lakhs (March 31, 2021 : 5 Accounts with outstanding value of ₹ 33 Lakh)

57.43 Disclosure of Complaints

S.No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a)	No. of complaints pending at the beginning of the year	16	23
b)	No. of complaints received during the year	2,331	2,448
c)	No. of complaints redressed during the year	2,304	2,455
d)	No. of complaints pending at the end of the year	43	16

57.44 Disclosure of Liquidity Risk

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

S.No.	Number of Significant Parties	Amount (₹ in Lakh)	% of Total deposits	% of Total Liabilities
1	2	3,74,156	39178.63%	26.03%

ii. Top 20 large deposits

(₹ in Lakh)

Particulars	As at March 31, 2022
Total Deposits of twenty largest depositors	341
Percentage of Deposits of twenty largest deposits to Total Deposits of the HFC	35.66%

iii. Top 10 borrowings

(₹ in Lakh)

Particulars	As at M arch 31, 2022
Top 10 Borrowings	7,11,077
Percentage of Borrowings of Ten largest Borrowings to Total Borrowing of the HFC	66.60%

iv. Funding Concentration based on significant instrument/product

Name of Instrument	₹ in Lakh	% of Total Borrowing
Debt securities	1,76,429	16.53%
Term Loan	6,35,860	59.56%
NHB	2,38,537	22.34%
Deposits	955	0.09%
Subordinated liabilities	8,334	0.78%
Working capital / short term facilities	7,500	0.70%

v. Stock Ratios:

a) Commercial papers as a % of total public funds, total liabilities and total assets

Nil

b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets

Nil

Summary of significant accounting policies and other explanatory information to the standalne financial statements as at and for the year ended 31 March 2022

c) Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets

(₹ in Lakh)

Particulars	As at March 31, 2022
Total Liabilities of less than 12 months	1,96,135
% of total public funds	20537.70%
% of total liabilities	17.47%
% of total assets	13.65%

57.45 Disclosure of LCR

(₹ in Lakh)

Particulars		Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets			
1	**Total High Quality Liquid Assets (HQLA)	19,717	19,339
Cash Outflows			
2	Deposits (for deposit taking companies)	918	1,056
3	Unsecured wholesale funding	-	-
4	Secured wholesale funding	26,726	30,735
5	Additional requirements, of which	-	-
(i)	*Outflows related to derivative exposures and other collateral requirements*	-	-
(ii)	*Outflows related to loss of funding on debt products*	-	-
(iii)	*Credit and liquidity facilities*	-	-
6	Other contractual funding obligations	22,154	25,477
7	Other contingent funding obligations	51,197	58,877
8	TOTAL CASH OUTFLOWS		1,16,144
Cash Inflows			
9	Secured lending	-	-
10	Inflows from fully performing exposures	16,031	12,023
11	Other cash inflows	3,10,876	2,33,157
12	TOTAL CASH INFLOWS		2,45,181
Total Adjusted Value			
13	TOTAL HQLA		19,339
14	TOTAL NET CASH OUTFLOWS		29,036
15	LIQUIDITY COVERAGE RATIO (%)		66.60%

****Total High Quality Liquid Assets (HQLA) includes Investments made in Government securities & NCD issued by State Government companies.

58. The financial statements for year ended March 31, 2021 were audited by Deloitte Haskins & sells LLP and Chaturvedi SK & fellows, Chartered Accountants (Previous Auditors).

59. Previous year figures have been regrouped/re-classified wherever necessary to confirm to current year's classification.

The accompanying significant accounting policies and notes form an integral part of the financial statements
In terms of our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No: 001076N/N500013

Manish Gujral
Partner
Membership No.: 105117

Place: Mumbai
Date: May 16, 2022

For and on behalf of the Board of Directors of Aadhar Housing Finance Limited

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Sharmila A Karve
Director
DIN 05018751

Rajesh Viswanathan
Chief Financial Officer

Sreekanth VN
Company Secretary

Independent Auditor's Report

To the Members of Aadhar Housing Finance Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Aadhar Housing Finance Limited ('the Holding Company') and its subsidiary, Aadhar Sales and Services Private Limited, (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (the"consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on the financial statement of its subsidiary referred to in the Other Matter section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2022, and their consolidated profit (including other comprehensive income), their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditor in terms of their report referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of financial assets based on Expected Credit Losses (ECL)

Key Audit Matter	How our audit addressed the key audit matter
Ind AS 109, Financial Instruments (Ind AS 109) requires the Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach involving an estimation of probability of loss on the financial assets over their life, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets. Expected credit loss cannot be measured precisely but can only be estimated through use of statistics. The estimation of impairment loss allowance on financial instruments involves significant judgement and estimates and applying appropriate measurement principles, including additional considerations on account of Reserve Bank of India guidelines in relation to COVID-19 regulatory package and restructuring. The expected credit loss is calculated using the percentage of probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each of the stages of loan portfolio. Additional management overlay is estimated considering non-prediction and long-term future impact. The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach.	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the expected credit losses through the following procedures, but were not limited to, the following procedures: - Examined the Board Policy approving methodologies for computation of ECL that addresses policies and procedures for assessing and measuring credit risk on the lending exposures of the Company in accordance with the requirements of Ind AS 109. The parameters and assumptions used and their rationale have been documented. Also, obtained the policy on moratorium and restructuring of loans approved by the Board of Directors pursuant to the RBI circulars/guidelines and ensured such policy is in compliant with the requirements of the RBI circulars/guidelines. - Evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates. These controls, among others, included controls over the allocation of assets into stages including management's monitoring of stage effectiveness, model monitoring including the need for post model adjustments, and completeness of the underlying data used in the models, credit monitoring, passing of journal entries and preparing disclosures.

The Expected Credit Loss ("ECL") is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgment and assumptions involved in measuring ECL is required with respect to:

- Segmentation of loan book in buckets
- determining the criteria for a significant increase in credit risk
- factoring in future economic assumptions
- past experience and forecast data on customer behaviour on repayments
- techniques used to determine probability of default, loss given default and exposure at default.

Adjustments to the model-driven ECL results as overlays are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. As at 31 March 2022, overlays represent approximately XX% of the ECL balances. These adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts.

Considering the significance of the above matter to the financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit.

- Tested the completeness of loans and advances included in the Expected Credit Loss calculations as of 31 March 2022 by reconciling it with the balances as per loan balance register. We tested the data used in the PD and LGD model for ECL calculation by reconciling it to the source system. We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage.
- Tested the appropriateness of determining Exposure at Default (EAD), PD and LGD, on sample basis. For exposure determined to be individually impaired, we tested samples of loans and advances and examined management's estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations.
- Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Test of details on post model adjustments, considering the size and complexity of management overlays with a focus on COVID-19 and restructuring related overlays, in order to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology.
- On a test check basis, ensured compliance with RBI Master Circular on 'Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to advances' ('IRACP') read with RBI circular on 'Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications' dated 12 November 2021, in relation to identification, upgradation and provisioning of non-performing assets (NPAs) and ensured that the Company has considered NPAs as credit impaired loans.
- Ensured that the Company complied with the minimum provision requirements under RBI circular on "Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs)" dated 5 May 2021

Assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework.

Information Technology ("IT") Systems and Controls for the financial reporting process

Key Audit Matter

The Company is highly dependent on its information technology (IT) systems for carrying on its operations which require large volume of transactions to be processed daily in numerous locations.

As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Company. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting.

The accuracy and reliability of the financial reporting process depends on the IT systems and the related control environment, including:

- IT general controls over user access management and change management across applications, networks, database, and operating systems;
- IT application controls.

Further, during the year, the Company has migrated to a new IT infrastructure. We have focused on this migration due to the risk of error and the impact such an error could have on the Company's

How our audit addressed the key audit matter

In assessing the integrity of the IT systems relevant for financial reporting, we involved our IT experts to obtain an understanding of the IT infrastructure and IT systems relevant to the Company's financial reporting process for evaluation and testing of relevant IT general controls and IT application controls. Also, obtained an understanding of the changes that were made to the identified IT applications during the audit period and tested those changes that had a significant impact on financial reporting.

We involved out IT experts and assessed, amongst other things, the controls in place during the implementation on the new IT Infrastructure including the rigour of user acceptance testing conducted by the users of the system and the segregation of duties. We also performed substantive testing on the migration of the general ledger data from the legacy IT system to the new IT system, to ensure their completeness and accuracy, including review of reconciliations between the two systems performed by the management.

Access rights were tested over applications, operating systems, networks, and databases, which are relied upon for financial reporting. We also assessed the operating effectiveness of controls over granting, removal and periodical review of access rights. We further tested segregation of duties, including preventive controls to ensure that access to change applications, the operating system or databases in the production environment were granted only to authorized personnel.

financial accounting and reporting process. Due to the importance of the impact of the IT systems and related control environment on the Company's financial reporting process, we have identified testing of such IT systems and related control environment as a key audit matter for the current year audit.	Other areas that were assessed under the IT control environment, included password policies, security configurations, and controls around change management. We also evaluated the design and tested the operating effectiveness of key automated controls within various business processes. This included testing the integrity of system interfaces, the completeness and accuracy of data feeds, system reconciliation controls and automated calculations. Where deficiencies were identified, tested compensating controls or performed alternative procedures.

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Director's Report ('the Reports'), but does not include the consolidated financial statements and our auditor's report thereon. The Reports are expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, compare with the financial statement of the subsidiary audited by the other auditor, to the extent it relates to this entity and, in doing so, place reliance on the work of the other auditor and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary, is traced from their financial statement audited by the other auditor.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group, are responsible for assessing the ability of the Group, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. The respective Board of Directors of the companies included in the Group, are responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance of the Holding Company, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

15. The Consolidated financial statements of the Company of the year ended 31 March 2021 were jointly audited by Deloitte Haskins & Sells LLP and Chaturvedi SK & Fellows, who have expressed opinion on those Consolidated financial statements vide their report dated 06 May 2021.

16. We did not audit the annual financial statements of one subsidiary included in the consolidated financial statements, whose financial information reflects total assets of INR 347 lakh as at 31 March 2022, total revenues of INR 4,030 lakh, total net profit after tax of INR 20 lakh, total comprehensive income of INR 102 lakh and cash out flows (net) of INR 10 lakh for the year ended on that date, as considered in the Statement. These annual financial statements have been audited by other auditor and whose report has been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiary is based solely on the audit report of such other auditor.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

17. The consolidated financial statements for the corresponding year ended 31 March 2021, included as comparative financial information, was jointly audited by Deloitte Haskins & Sells LLP and Chaturvedi SK & Fellows, who have expressed an unmodified opinion on those financial statements, vide their report dated 06 May 2021. The report has been furnished to us by the management and have been relied upon by us for the purpose of our audit of the Statement. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

18. As required by section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 16, on separate financial statements of the subsidiary, we report that the Holding Company and its subsidiary company covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

19. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 16 above, of companies included in the consolidated financial statements for the year ended 31 March 2022 and covered under the Act we report that following are the qualifications/adverse remarks reported by us in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2022 for which such Order reports have been issued till date and made available to us:

S No	Name	CIN	Holding Company / subsidiary / Associate / Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Aadhar Housing Finance Limited	U66010KA1990PLC011409	Holding Company	vii(a)

20. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on the separate financial statement of its subsidiary entity referred to in the Other Matters section above, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c) The consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

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

e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and based on the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure I, which is based on the auditor's report of the Holding Company and its subsidiary. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditors' Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on the separate financial statements of the subsidiary:

i) the consolidated financial statements disclose the impact of pending ligations of the consolidated financial position of the Group as at 31 March 2022;

ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;

iii) there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2022;

iv) a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Group to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Group from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed, as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v) The Holding Company and its subsidiary company have not declared or paid any dividend during the year ended 31 March 2022.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Gujral
Partner
Membership No.: 105117
UDIN:

Place: Mumbai
Date: 16 May 2022

Annexure II

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Aadhar Housing Finance Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary company, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is a companies covered under the Act, whose financial statements reflect total assets of ₹ 347 lakh and net assets of ₹ 134 lakh as at 31 March 2022, total revenues of ₹ 4,030 lakh and net cash outflows amounting to ₹ 10 lakh for the year ended on that date, as considered in the consolidated financial statements. Our report on the adequacy and operating

effectiveness of the internal financial controls with reference to financial statements for the Holding Company and the subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the reports of the auditors of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Gujral
Partner
Membership No.: 105117
UDIN:

Place: Mumbai
Date: 16 May 2022

Consolidated Balance Sheet

as at March 31, 2022

(₹ in Lakh)

	Particulars	Note	As at March 31, 2022	As at March 31, 2021
	Assets			
1.	**Financial assets**			
a)	Cash and cash equivalents	4	57,417	38,350
b)	Other bank balances	4	1,13,599	1,78,778
c)	Receivables	5	519	272
d)	Housing and other loans	6	11,96,034	10,61,326
e)	Investments	7	33,802	49,709
f)	Other financial assets	8	24,534	21,532
			14,25,905	**13,49,967**
2.	**Non-financial assets**			
a)	Current tax assets (net)	9	2,422	3,428
b)	Property, plant and equipment	10	2,081	1,639
c)	Right to use assets	34	3,347	3,547
d)	Other intangible assets	11	79	127
e)	Deferred tax assets (Net)	20	28	28
f)	Other non-financial assets	12	3,719	4,297
			11,676	**13,066**
	Total assets		**14,37,581**	**13,63,033**
	Liabilities and equity			
	Liabilities			
1.	**Financial liabilities**			
a)	Trade payables	13		
i)	Total outstanding dues to micro enterprises and small enterprises		8	-
ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises		5,092	3,868
b)	Debt securities	14	1,76,429	2,14,031
c)	Borrowings (other than debt securities)	15	8,81,897	8,11,041
d)	Deposits	16	799	4,056
e)	Subordinated liabilities	17	8,334	8,319
f)	Other financial liabilities	18	45,520	47,749
			11,18,079	**10,89,064**
2.	**Non-financial liabilities**			
a)	Provisions	19	1,390	1,250
b)	Deferred tax liabilities (net)	20	1,531	1,781
c)	Other non-financial liabilities	21	1,912	1,656
			4,833	**4,687**
3.	**Equity**			
a)	Equity share capital	22	39,476	39,476
b)	Other equity	23	2,75,193	2,29,806
			3,14,669	**2,69,282**
	Total liabilities and equity		**14,37,581**	**13,63,033**

The accompanying significant accounting policies and notes form an integral part of the financial statements
In terms of our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No: 001076N/N500013

Manish Gujral
Partner
Membership No.: 105117

Place: Mumbai
Date: May 16, 2022

For and on behalf of the Board of Directors of Aadhar Housing Finance Limited

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Sharmila A Karve
Director
DIN 05018751

Rajesh Viswanathan
Chief Financial Officer

Sreekanth VN
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in Lakh)

	Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
1.	**Income**			
	Revenue from operations			
a)	Interest income	24	1,53,829	1,42,694
b)	Net gain on fair value changes	24	2,346	878
c)	Net gain on derecognition of financial instruments under amortised cost category	24	9,296	6,381
d)	Fees and commission income	24	7,356	7,580
	Total revenue from operations		1,72,827	1,57,533
	Other income	25	29	22
	Total income		**1,72,856**	**1,57,555**
2.	**Expenses**			
	Finance costs	26	76,120	81,597
	Impairment on financial instruments	27	4,871	5,494
	Employees benefits expense	28	24,819	18,881
	Depreciation and amortisation expense	10, 11 & 34	1,325	1,119
	Other expenses	29	8,985	7,213
	Total expenses		**1,16,120**	**1,14,304**
3.	**Profit before tax (1-2)**		**56,736**	**43,251**
4.	**Tax expense**			
	Current tax	30	12,545	9,346
	Deferred tax charge / (credit)	30	(294)	(108)
			12,251	**9,238**
5.	**Profit for the year (3-4)**		**44,485**	**34,013**
6.	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
i	Remeasurements of the defined employee benefit plans		179	46
ii	Income tax relating to items that will not be reclassified to profit or loss		(44)	(13)
	Total other comprehensive income for the year (i + ii)		**135**	**33**
7.	**Total comprehensive income (5+6)**		**44,620**	**34,046**
8.	**Earnings per equity share**			
	Basic earnings per share (₹)	31	11.27	8.62
	Diluted earnings per share (₹)	31	10.93	8.37

The accompanying significant accounting policies and notes form an integral part of the financial statements
In terms of our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No: 001076N/N500013

Manish Gujral
Partner
Membership No.: 105117

Place: Mumbai
Date: May 16, 2022

For and on behalf of the Board of Directors of Aadhar Housing Finance Limited

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Sharmila A Karve
Director
DIN 05018751

Rajesh Viswanathan
Chief Financial Officer

Sreekanth VN
Company Secretary

Consolidated Cash flow statement

for the year ended March 31, 2022

(₹ in Lakh)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
A.	**Cash flow from operating activities**		
	Profit before tax	56,736	43,251
	Adjustments for:		
	Depreciation and amortisation expense	1,325	1,119
	Loss on sale of fixed assets (net)	17	26
	Interest on lease liabilities	295	211
	Gain on modification in lease	-	(2)
	Impairment on financial instruments and loss on sale of asset held for sale	4,871	5,506
	Profit on sale of investment in mutual fund and other investments	(2,346)	(878)
	Provision for Employee share based payments	767	612
	Operating profit before working capital changes	**61,665**	**49,845**
	Adjustments for:		
	Increase in other financial and non-financial liabilities and provisions	1,069	18,384
	(Increase) / Decrease in trade receivables	(247)	136
	Increase in other financial and non-financial assets	(12,370)	(3,187)
	Cash generated from operations during the year	**50,117**	**65,178**
	Tax paid	(11,539)	(9,987)
	Net cash flow generated from operations before movement in housing and other loans	**38,578**	**55,191**
	Housing and other property loans disbursed	(3,99,193)	(3,54,471)
	Proceeds from assignment of portfolio	77,212	57,787
	Housing and other property loans repayments	1,92,728	1,21,264
	Net cash used in operating activities [A]	**(90,675)**	**(1,20,229)**
B.	**Cash flow from investing activities**		
	Proceeds received on sale / redemption of investments	6,70,563	2,05,374
	Payment towards purchase of investments	(6,52,310)	(2,51,800)
	Investment in fixed deposits (net of maturities)	65,179	(1,114)
	Payment towards purchase of fixed assets	(1,181)	(512)
	Proceeds received on sale of fixed assets	6	4
	Net cash generated from / (used in) investing activities [B]	**82,257**	**(48,048)**

(₹ in Lakh)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
C.	**Cash flow from financing activities**		
	Proceeds on issue of equity shares	-	2
	Share issue expenses / expenses towards offer for sale of shares	(378)	(1,705)
	Proceeds from loans from banks/institutions	3,41,500	2,78,597
	Proceeds from Non-convertible debentures	41,900	81,500
	Repayment of loans to banks/institutions	(2,71,303)	(2,46,211)
	Repayment of Non-convertible debentures	(80,019)	(38,583)
	Repayment of deposits	(3,369)	(2,809)
	Payment of lease liabilities	(846)	(652)
	Net cash generated from financing activities [C]	**27,485**	**70,139**
	Net increase / (decrease) in cash and cash equivalents [A+B+C]	**19,067**	**(98,138)**
	Cash and cash equivalents at the beginning of the year	**38,350**	**1,36,488**
	Cash and cash equivalents at the end of the year (refer note 4)	**57,417**	**38,350**

The accompanying significant accounting policies and notes form an integral part of the financial statements
In terms of our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No: 001076N/N500013

Manish Gujral
Partner
Membership No.: 105117

Place: Mumbai
Date: May 16, 2022

For and on behalf of the Board of Directors of Aadhar Housing Finance Limited

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Sharmila A Karve
Director
DIN 05018751

Rajesh Viswanathan
Chief Financial Officer

Sreekanth VN
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

a) Equity Share Capital

For the year ended March 31, 2022 (₹ in Lakh)

Particulars	Amount
Balance as at April 01, 2021	**39,476**
Changes in equity share capital during the year	-
Balance as at March 31, 2022	**39,476**

For the year ended March 31, 2021

Particulars	Amount
Balance as at April 01, 2020	**3,946**
Changes in equity share capital during the year	
Share issued on ESOP / ESARs Allotment	2
Bonus Share issued	35,528
Balance as at March 31, 2021	**39,476**

b) Other Equity

For the year ended March 31, 2022

Particulars	Capital reserve on amalgamation	Securities premium	Statutory reserve	Debenture redemption reserve	General Reserve	Employee Stock Option Outstanding	Retained earnings	Total
Balance as at April 1, 2021	**6**	**1,33,700**	**26,091**	**16,910**	**9,269**	**720**	**43,110**	**2,29,806**
Profit for the year	-	-	-	-	-	-	44,485	44,485
Other comprehensive income	-	-	-	-	-	-	135	135
Transferred to general reserve	-	-	-	-	4,350	-	(4,350)	-
Transferred to statutory reserve	-	-	8,904	-	-	-	(8,904)	-
Employee Stock Option Outstanding	-	-	-	-	-	767	-	767
Balance as at March 31, 2022	**6**	**1,33,700**	**34,995**	**16,910**	**13,619**	**1,487**	**74,476**	**2,75,193**

Retained earnings includes remeasurment of defined benefit plans accumulated loss (net of tax) of ₹ 93 Lakh as at March 31, 2022.

For the year ended March 31, 2021

Particulars	Capital reserve on amalgamation	Securities premium	Statutory reserve	Debenture redemption reserve	General Reserve	Employee Stock Option Outstanding	Retained earnings	Total
Balance as at April 01, 2020	**6**	**1,69,335**	**19,264**	**16,910**	**7,267**	**114**	**17,891**	**2,30,787**
Profit for the year	-	-	-	-	-	-	34,013	34,013
Other comprehensive income	-	-	-	-	-	-	33	33
Transfer of Securities premium on exercise of ESOPs / ESARs	-	4	-	-	-	(4)	-	-
Transferred to general reserve	-	-	-	-	2,002	(2)	(2,000)	-
Transferred to statutory reserve	-	-	6,827	-	-	-	(6,827)	-
Utilization of Securities premium on Allotment of Bonus Shares	-	(35,528)	-	-	-	-	-	(35,528)
Expenses on Allotment of Bonus Shares	-	(111)	-	-	-	-	-	(111)
Employee Stock Option Outstanding	-	-	-	-	-	612	-	612
Balance as at March 31, 2021	**6**	**1,33,700**	**26,091**	**16,910**	**9,269**	**720**	**43,110**	**2,29,806**

Retained earnings includes remeasurment of defined benefit plans accumulated loss (net of tax) of ₹ 228 Lakh as at March 31, 2021.

The accompanying significant accounting policies and notes form an integral part of the financial statements
In terms of our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No: 001076N/N500013

Manish Gujral
Partner
Membership No.: 105117

Place: Mumbai
Date: May 16, 2022

For and on behalf of the Board of Directors of Aadhar Housing Finance Limited

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Sharmila A Karve
Director
DIN 05018751

Rajesh Viswanathan
Chief Financial Officer

Sreekanth VN
Company Secretary

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2022

1. Corporate information

Aadhar Housing Finance Limited (formerly known as DHFL Vysya Housing Finance Limited) (the "Parent Company") and its subsidiary company (collectively referred to as "the Group" or "the Company") was incorporated in India in the name of Vysya Bank Housing Finance Limited ("VBHFL") on 26 November, 1990. VBHFL was taken over by Dewan Housing Finance Corporation Limited in 2003 and renamed as DHFL Vysya Housing Finance Ltd ("DVHFL"). The erstwhile Aadhar Housing Finance Ltd which was established in 2010 and commenced operation in February ,2011 was merged into DVHFL on 20 November 2017 and renamed as Aadhar Housing Finance Limited on 4 December 2017 with permission of National Housing Bank ("NHB") and Registrar of Companies ("ROC"). The Company is carrying business of providing loans to customers including individuals, companies, corporations, societies or association of persons for purchase / construction / repair and renovation of residential property, loans against property and provide other property related services. The Parent Company is registered with National Housing Bank under section 29A of the National Housing Bank Act, 1987. The Parent Company is a subsidiary of BCP Topco VII Pte. Ltd. ("Holding Company").

During the financial year 2019-20, the Wadhawan Global Capital Ltd. and Dewan Housing Finance Corporation Limited, along with promoter shareholders and International Finance Corporation (collectively "sellers") transferred their entire shareholding to BCP Topco VII Pte. Ltd., which is held through intermediary companies by private equity funds managed by wholly owned subsidiaries of The Blackstone Group L.P. (collectively "Blackstone").

2. Significant accounting policies

2.1 Basis of preparation and presentation

The Consolidated Financial Statements have been prepared in accordance with the recognition and measurement principle of Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India, requirements prescribed under the Schedule III - Division III of the Act, as amended, the circulars and guidelines issued by the Reserve Bank of India (the "RBI") and National Housing Bank (the "NHB") from time to time to the extent applicable.

The previous period numbers have been regrouped/re-classified (as necessary) and incremental disclosures have been made to conform with current period disclosures.

2.2 Going concern

These financial statements have been prepared on a going concern basis.

2.3 Historical cost convention

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The measurement and/ or disclosure in these financial statements has been accordingly determined except for share based payment transactions, leasing transactions and certain other transactions that are required to be valued in accordance with Ind AS 102, Ind AS 116 and Ind AS 36, respectively.

2.4 Basis of Consolidation

The Group consolidates all entities which are controlled by it.

The Group establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity.

Entities controlled by the Group are consolidated from the date control commences until the date control ceases.

All inter-company transactions, balances and income and expenses are eliminated in full on consolidation.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Parent Company.

Details of Companies Consolidated in these consolidated financial statements

Name of the Company	Type	Country of Incorporation	Holding As at March 31, 2022	Holding As at March 31, 2021
Aadhar Housing Finance Limited	Parent Company	India	Parent Company	Parent Company
Aadhar Sales and Services Private Limited	Subsidiary Company	India	100%	100%

2.5 Presentation of financial statements

Amounts in the financial statements are presented in Indian Rupees in Lakh. Per share data is presented in Indian Rupee.

2.6 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable, as applicable.

a. **Interest income**

The main source of revenue for the Group is Income from Housing and Other property loans. Repayment of housing and property loan is by way of Equated Monthly Instalments (EMIs) comprising of principal and interest. EMIs generally commence once the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month on the loan that has been disbursed. Interest is calculated either on annual rest or on monthly rest basis in terms of the financing scheme opted by the borrower.

Interest income on housing and property loans and other financial instruments carried at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable.

The EIR considers all fees, charges, transaction costs, and other premiums or discounts that are incremental and directly attributable to the specific financial instrument at the time of its origination. The financial assets that are classified at fair value through statement of profit and loss ("FVTPL"), transaction costs are recognised in statement of profit and loss at initial recognition.

The interest income on non-credit impaired financial assets is calculated by applying the EIR to the gross carrying amount (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). Interest income on credit-impaired financial assets is calculated on net carrying value (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)).

b. **Fee and commission income:**

Fee and commission, other than the fee that forms an integral part of EIR, are accounted on accrual basis.

c. **Dividend income**

Dividend income is recognised when the Group's right to receive dividend is established by the reporting date.

d. **Investment income**

The gains/losses on sale of investments are recognised in the statement of profit and loss on trade date. Gain or loss on sale of investments is determined on the basis of weighted average cost.

e. **Other operating revenue:**

Prepayment charges, delayed payment interest and other such incomes where recovery is uncertain are recognised on receipt basis.

2.7 **Property, plant and equipment and Intangible Assets**

Property, plant and equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at cost less accumulated depreciation/ amortization and impairment losses, if any. The cost of PPE is its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the PPE ready for its intended use, other incidental expenses and interest on borrowing attributable to acquisition of qualifying PPE upto the date the asset is ready for its intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on 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.

PPEs not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land which is not depreciated) less their residual values over their useful lives specified in Schedule II to the Act, or in case of assets where the 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 accounted on prospective basis.

Estimated useful life considered by the Group are:

Asset	Estimated Useful Life
Office equipment & computer	5 – 10 Years
Furniture and fixtures	10 Years
Vehicles	8 Years
Leasehold improvements	Lease Period
Buildings	60 Years

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 enterprise 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".

Intangible assets are amortised on straight line basis over the estimated useful life of 3 years. 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.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

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

Impairment of assets

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

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the statement of profit and loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss was recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

2.8 **Employee benefits**

i. Defined contribution plan

The contribution to provident fund, pension fund, National Pension Scheme and employee state insurance scheme are considered as defined contribution plans and are charged as an expense in the statement of profit and loss based on the amount of contribution required to be made as and when services are rendered by the employees.

ii. Defined benefits plan

The Group's gratuity liability under the Payment of Gratuity Act, 1972 is determined on the basis of actuarial valuation made at the end of each year using the projected unit credit method.

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed periodically by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognition of the asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

iii. 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 period 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.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

iv. Other 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 less the fair value of the plan assets out of which the obligations are expected to be settled.

v. Share-based payment arrangements

The share appreciation rights / stock options granted to employees pursuant to the Group's Stock appreciation rights scheme / stock options policy are measured at the fair value of the rights at the grant date. The fair value of the rights / options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each year is based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within other equity.

2.9 **Leases**

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate.

The right-of-use assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

2.10 **Financial instruments**

Recognition of financial instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets primarily comprise of loans and advances, deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of deposits, borrowings (other than debt securities), debt securities, subordinate liabilities and trade payables.

Initial measurement of financial instruments

Recognised 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 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 at FVTPL are recognised immediately in the statement of profit and loss.

If the transaction price differs from fair value at initial recognition, the Group will account 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 bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or 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.

Financial assets

Classification of financial assets

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Group may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 – Business Combination applies, in OCI; and
- the Group may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

A financial asset is held for trading if:

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

Investment in equity instruments at FVOCI

The Group subsequently measures all equity investments at fair value through profit or loss, unless the Group's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI.

The Group has not elected to classify any equity investment at FVOCI.

Debt instruments at amortised cost or at FVTOCI

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset individually and the Group's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are meeting 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 cash flows that are SPPI are consistent with a basic lending arrangement. 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. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how financial assets are managed individually and together to achieve a particular business objective.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of profit or loss.

Subsequent measurement of financial assets

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group's business model objective is to hold financial assets in order to collect contractual cash flows. The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets. During the current financial year and previous financial year there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made.

Impairment

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

A loss allowance for full 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, ECLs are measured at an amount equal to the 12-month ECL.

The Group measures ECL based on category of loans at a collective level. 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.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The Group has established a policy to perform an assessment, at the end of each reporting period, of 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 instrument.

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

- Stage 1 - Performing assets with zero to thirty days past due (DPD). Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 and Stage 3.
- Stage 2 - Under-performing assets having 31 to 90 DPD. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3 - Non-performing assets with overdue more than 90 DPD

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

The financial assets for which the Group 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.

Derecognition of financial assets

A financial asset is derecognised only when:

- The Group has transferred the rights to receive cash flows from the financial assets or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial assets. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

The Group transfers loans through assignment transactions. In accordance with the Ind AS 109, on derecognition of a financial asset under assignment transactions, the difference between the carrying amount and the consideration received shall be recognised in statement of profit and loss.

Write-off

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities shall be recognised in statement of profit and loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

A financial liability is

a) 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 Group or

b) a contract that will or may be settled in the Group's own equity instruments and is a non-derivative contract for which the Group is or may be obliged to deliver a variable number of its own equity instruments, or

c) 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 Group's own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

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

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' in the statement of profit and loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group'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.

2.11 **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, balance in current account and Balances with banks in deposits accounts with original maturity of less than 3 months. 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.

2.12 **Borrowing Costs**

Interest expenses are calculated using EIR and all other borrowing costs are recognised in the statement of profit and loss when they are incurred.

2.13 **Foreign currencies**

a. The functional currency and presentation currency of the Group is Indian Rupee. Functional currency of the Group has been determined based on the primary economic environment in which the Group operates considering the currency in which funds are generated, spent and retained.

b. Transactions in currencies other than the Group'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 period-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 except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

2.14 **Segments**

Based on "Management Approach" as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs.

2.15 **Earnings per share**

Basic earnings per share has been computed by dividing net income by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

2.16 **Taxes on income**

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

Current tax

The tax currently payable is based on the estimated taxable profit for the year for each entity of the Group and is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity. Deferred tax assets are recognised 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 utilised.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the 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 each entity of the Group intends to settle its current tax assets and liabilities on a net basis.

2.17 **Special reserve**

The Parent Company creates statutory reserve every year out of its profits in terms of section 36(1)(viii) of the Income Tax Act, 1961 read with section 29C of the National Housing Bank Act, 1987.

2.18 **Impairment reserve**

As per the RBI Circular RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13 March, 2020, in the event of the aggregate impairment provision under Ind AS 109 is lower than that required under the Income Recognition, Asset Classification and Provisioning Norms , then the difference shall be appropriated from the Net Profit or loss after tax to a separate "Impairment Reserve".

2.19 **Provisions, contingent liabilities and contingent assets**

- Provisions are recognised only when an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

- a reliable estimate can be made of the amount of the obligation

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. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- 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. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

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

2.20 **Commitments**

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

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.21 **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.

2.22 **Exceptional items**

An item of income or expense which its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and the same is disclosed in the notes to accounts.

2.23 **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.

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.

3. Critical accounting judgements and key sources of estimation uncertainties

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. 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.

Expected credit loss

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and credit assessment and including forward-looking information. In certain cases, the assessment based on past experience is required for future estimation of cash flows which requires significant judgment.

The inputs used and process followed by the Group in determining the increase in credit risk have been detailed in note 37.

EIR

The Group's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as other fee income/expense that are integral parts of the instrument.

Share-based payments

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

Inputs into the valuation model, includes assumption such as the expected life of the share option, volatility and dividend yield.

Further details used for estimating fair value for share-based payment transactions are disclosed in Note 41.

Following abbreviation to be read as :

"ESOP" - Employee Stock Option Plan

"ESAR" - Employee Stock Appreciation Rights

Business model assessment

The Company's business model objective is to hold financial assets in order to collect contractual cash flows. The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates, accordingly entire Loan Portfolio is classified at amortised cost.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2022

4. Cash and bank balances

(₹ in Lakh)

	Particulars	As at March 31, 2022	As at March 31, 2021
	Cash and cash equivalents		
a)	Cash on hand	345	1,097
b)	Balances with banks in current accounts	2,853	10,043
c)	Balances with banks in deposits accounts with original maturity of less than 3 months (refer note (i) below)	54,219	27,210
		57,417	38,350
	Other bank balances		
a)	In other deposit accounts		
	- Original maturity of more than three months (refer note (ii) & (iii) below)	1,13,596	1,78,774
b)	Earmarked balances with banks		
	- Unclaimed dividend account	3	4
		1,13,599	1,78,778
	Total	**1,71,016**	**2,17,128**

i) Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

ii) Fixed deposit and other balances with banks earns interest at fixed rate.

iii) Other bank balances includes deposits of ₹ 39,565 Lakh for March 31, 2022 which are under lien including lien towards unutilized bank overdraft. (March 31, 2021: ₹ 39,450 Lakh).

5. Receivables

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables		
Unsecured, considered good	519	272
Total	**519**	**272**

i) Trade receivables includes amounts due from the related parties amounting to Nil (March 31, 2021 : Nil) [Refer Note 43].

ii) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

iii) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

iv) Trade Receivables ageing schedule

As At March 31, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Revenue	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	12	455	51	1	-	-	519

As At March 31, 2021

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Revenue	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good Note: Date of the transaction considered as due date of payment	62	203	-	7	-	-	272

v) Impairment allowance for trade receivable is Nil and therefore related disclosures are not given in the financial statement.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2022

6. Housing and other loans

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
i) Housing and other property loans	12,00,693	10,73,462
ii) Loans to developers	110	188
iii) Loan against fixed deposits	-	10
iv) Interest accrued on above loans	12,412	2,450
Total gross	**12,13,215**	**10,76,110**
Less: Impairment loss allowance	17,181	14,784
Total net	**11,96,034**	**10,61,326**

i) All Housing and other loans are originated in India.

ii) Loans granted by the Company are secured by equitable mortgage/ registered mortgage of the property and assets financed and/ or undertaking to create a security and/or assignment of Life Insurance Policies and/or personal guarantees and/or hypothecation of assets and are considered appropriate and good.

iii) The Company has assigned pool of certain housing and property loans and managed servicing of such loan accounts. The balance outstanding in the pool, as at the reporting date aggregates ₹ 2,72,969 Lakh (March 31, 2021: ₹ 2,54,687 Lakh). The carrying value of these assets have been de-recognised in the books of the Company.

iv) There is no outstanding loan to Public institution.

v) 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 (March 31, 2021 : Nil).

vi) Housing loan and other property loan includes ₹ 8,394 Lakh (March 31, 2021: ₹ 8,288 Lakh) given to employees of the Company under the staff loan.

vii) Housing loan and other property loan includes ₹ 3,078 Lakh (March 31, 2021: ₹ 2,775 Lakh) in respect of properties held for disposal under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

viii) The outbreak of COVID-19 pandemic across the globe and in India resulted in a nationwide lockdown in April-May 2020, followed by localised lockdowns in areas with significant number of COVID-19 cases, which had contributed to a significant decline and volatility in the financial markets and slowdown in the economic activities. The subsequent easing of lockdown measures led to a gradual improvement in economic activities from the second half of FY 2021. In FY 2022, India witnessed two more waves of the COVID-19 pandemic and re-imposition of localised/regional lockdown measures in some parts of the country.

While the number of new COVID-19 cases have reduced significantly and the Government of India has withdrawn most of the COVID-19 related restrictions, the extent to which the COVID-19 pandemic will ultimately impact the Company's results, including the impairment loss allowance which is subject to a number of management judgments and estimates, is dependent on future developments, including any new information concerning the severity and spread of the COVID-19 pandemic. The Company continues to closely monitor any anticipated material changes to future economic conditions. The Company holds an impairment provision of ₹ 8,536 Lakh as at March 31, 2022 (March 31, 2021 : ₹ 6,022 Lakh) on account of COVID-19 and loans on which One Time Restructuring was implemented.

7. Investments

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	No's of Units / Shares		(₹ in Lakh)	
At amortised cost				
Investments in bonds				
6.10% GOI Bonds 2031 (Face Value of ₹ 100 each)	1,75,00,000	-	17,423	-
6.57% GOI Bonds 2033 (Face Value of ₹ 100 each)	5,00,000	5,00,000	494	494
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd (Face Value of ₹ 1,00,000 each) (refer note iii below)	2,000	2,000	1,713	1,904
			19,630	**2,398**
At fair value through profit and loss				
Investments in mutual funds				
ABSL Liquid Fund Direct Growth	2,38,488	-	818	-
SBI Liquid Fund Direct Growth	75,810	2,20,963	2,527	7,118
HDFC Liquid Fund Direct Growth	59,814	1,47,714	2,503	5,976
Axis Liquid Fund - Direct Growth	1,48,213	3,10,554	3,504	7,096
Mirae Assets Cash Management Liquid Fund Direct Growth	-	1,12,791	-	2,449
Nippon India Liquid Fund Direct Growth	13,976	98,084	728	4,936
Invesco India Liquid Fund Direct Growth	-	1,40,507	-	3,971
ICICI Prudential Liquid Fund - Direct Plan - Growth	9,46,558	23,36,690	2,984	7,121
BNP Paribas Liquid Fund Direct Growth	45,093	35,019	1,106	1,109
Tata Liquid Fund Direct Growth	-	2,31,943	-	7,533

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2022

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	No's of Units / Shares		(₹ in Lakh)	
			14,170	47,309
Investments in quoted equity instruments (others than subsidiary)				
Reliance Power Limited Equity Shares (Face value of ₹ 10 each)	222	222	0	0
IDFC First Bank Limited Equity Shares (Face value of ₹ 10 each)	2390	2,390	1	1
Mangalore Refinery and Petrochemical Limited Equity Shares (Face value of ₹ 10 each)	3000	3,000	1	1
			2	2
Total			**33,802**	**49,709**

Notes :

i) Amount "0" represent value less than ₹ 50,000.

ii) All investments are made within India.

iii) Investment in bonds aggregating to ₹ 1,713 Lakh (March 31, 2021: ₹ 1,904 Lakh) carry a floating charge in favour of fixed deposits holder read with note no 16.

8. Other financial assets

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered Good		
Others		
Receivable from assigned portfolio	23,816	20,864
Receivable on assigned loans (net of servicing fee)	3	12
Security deposits	715	656
Total	**24,534**	**21,532**

9. Current tax assets (net)

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax paid in advance (net of provisions)	2,422	3,428
Total	**2,422**	**3,428**

10. Property, plant and equipment

(₹ in Lakh)

Particulars	Freehold Land	Building - Owned	Furniture & Fixture	Office Equipments	Vehicles	Computer	Total
Balance as at April 01, 2020	**27**	**13**	**1,159**	**755**	**28**	**1,073**	**3,055**
Additions during the year	-	-	202	34	-	157	393
Deduction / adjustments	-	-	(61)	(43)	-	(19)	(123)
Balance as at March 31, 2021	**27**	**13**	**1,300**	**746**	**28**	**1,211**	**3,325**
Balance as at April 01, 2021	**27**	**13**	**1,300**	**746**	**28**	**1,211**	**3,325**
Additions during the year	-	-	383	140	-	425	948
Deduction / adjustments	-	-	(87)	(26)	(2)	(29)	(144)
Balance as at March 31, 2022	**27**	**13**	**1,596**	**860**	**26**	**1,607**	**4,129**
Accumulated depreciation							
Balance as at April 01, 2020	**-**	**2**	**359**	**259**	**4**	**680**	**1,304**
Depreciation for the year	-	1	147	110	4	213	475
Deduction / adjustments	-	-	(45)	(31)	-	(17)	(93)
Balance as at March 31, 2021	**-**	**3**	**461**	**338**	**8**	**876**	**1,686**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2022

(₹ in Lakh)

Particulars	Freehold Land	Building - Owned	Furniture & Fixture	Office Equipments	Vehicles	Computer	Total
Balance as at April 01, 2021	**-**	**3**	**461**	**338**	**8**	**876**	**1,686**
Depreciation for the year	-	2	161	100	4	218	485
Deduction / adjustments	-	-	(74)	(21)	(2)	(26)	(123)
Balance as at March 31, 2022	**-**	**5**	**548**	**417**	**10**	**1,068**	**2,048**
Net book value							
As at March 31, 2022	**27**	**8**	**1,048**	**443**	**16**	**539**	**2,081**
As at March 31, 2021	**27**	**10**	**839**	**408**	**20**	**335**	**1,639**

Title deeds of Immovable Properties not held in name of the Company:-

Particulars of the land and building	Gross block as at March 31, 2022	Gross block as at March 31, 2021	Property Held since which date	Reason for not being held in the name of Company
Plot no.11, Mangala Nagar alias Sri Arunachala Nagar situated in No. 68, Athur Village, Chengalpet Taluk, Kanchipuram District, Tamil Nadu	20	20	November 20, 2017 (date of Amalgamation)	The title deeds are in the name of DHFL Vysya Housing Finance Limited, currently known as Aadhar Housing Finance Limited. The Company was merged under Section 230 to 232 of the Companies Act, 2013.
Plot no 14, Mangala Nagar alias Sri Arunachala Nagar situated in No. 68, Athur Village, Chengalpet Taluk, Kanchipuram District, Tamil Nadu	7	7	November 20, 2017 (date of Amalgamation)	The title deeds are in the name of erstwhile Aadhar Housing Finance Limited that was merged with the Company under Section 230 to 232 of the Companies Act 2013.
Unit No. 5, Row 07, Block B, Garden City, Coimbatore	13	13	November 20, 2017 (date of Amalgamation)	

1. In respect of immovable properties of land and buildings that have been taken on lease, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement
2. No promoter / director, or relative of promoter / director or employee of promoter / director is the holder of aforementioned title deeds.

11. Other intangible asset

(₹ in Lakh)

Particulars	Software
Balance as at April 01, 2020	**208**
Additions during the year	106
Deduction / adjustments	-
Balance as at March 31, 2021	**314**
Balance as at April 01, 2021	**314**
Additions during the year	22
Deduction / adjustments	-
Balance as at March 31, 2022	**336**
Accumulated depreciation	
Balance as at April 01, 2020	**113**
Depreciation for the year	74
Deduction / adjustments	-
Balance as at March 31, 2021	**187**
Balance as at April 01, 2021	**187**
Depreciation for the year	70
Deduction / adjustments	-
Balance as at March 31, 2022	**257**
Net book value	
As at March 31, 2022	**79**
As at Match 31, 2021	**127**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2022

12. Other non-financial assets

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Asset held for sale	396	396
Less : Provision for diminution in the value of asset held for sale	(185)	(185)
	211	211
Prepaid expenses	439	387
Capital advance	34	32
Advance for expenses and other advances	747	1,531
Unamortised share issue expenses [Refer Note i below]	1,972	1,594
Receivable from Government (Ex-gratia) [Refer Note 44]	-	538
Balance with government authorities	316	4
Total	**3,719**	**4,297**

Notes :

i). The Company has incurred certain expenses towards proposed Initial public offering of its equity shares. The company expects to recover certain amounts from the selling shareholders and the balance amount would be charged-off to securities premium account in accordance with Section 52 of the Companies Act, 2013 upon share being issued.

13. Trade payables

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues to micro enterprises and small enterprises (Refer Note a and b below)	8	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note b and c below)	5,092	3,868
Total	**5,100**	**3,868**

a) Based on and to the extent of information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors.

There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2022 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

b) Trade Payables ageing schedule

As At March 31, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME*	-	8	-	-	-	8
Others	4,642	450	-	-	-	5,092
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**4,642**	**458**	**-**	**-**	**-**	**5,100**

*GST credit disputed Cases

As At March 31, 2021

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	3,772	94	2	-	-	3,868
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**3,772**	**94**	**2**	**-**	**-**	**3,868**

Note: Date of the transaction considered as due date of payment

Trade Payables includes ₹ 120 Lakh (March 31, 2021: ₹ 96 Lakh) due to related parties [Refer Note 43].

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2022

14. Debt securities

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Secured		
Redeemable non convertible debentures	1,76,429	2,14,031
Total	**1,76,429**	**2,14,031**

i) All debt securities are issued in India

ii) Terms of repayment and rate of interest in case of debt securities:

As At March 31, 2022

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
Secured					
Redeemable non convertible debentures	6.90% to 9.80%	1,52,277	22,360	2,123	1,76,760

As At March 31, 2021

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
Secured					
Redeemable non convertible debentures	7.35% to 9.80%	1,90,397	19,220	5,264	2,14,881

Maturity profile disclosed above excludes discount/premium and EIR adjustments amounting to ₹ 331 Lakh (March 31, 2021: ₹ 850 Lakh).

List of Redeemable debentures

Sr No.	ISIN	Rate of interest	Date of Redemption	As at March 31, 2022	As at March 31, 2021
1	INE538L07338	9.40%	27-May-2021	-	450
2	INE883F07033	9.60%	5-Jul-2021	-	200
3	INE883F07082	9.35%	17-Aug-2021	-	200
4	INE883F07090	9.35%	25-Aug-2021	-	100
5	INE538L07486	9.60%	29-Sep-2021	-	2,943
6	INE538L07494	9.60%	29-Sep-2021	-	57,627
7	INE538L07353	9.20%	18-Oct-2021	-	5,000
8	INE883F07108	9.37%	20-Oct-2021	-	200
9	INE883F07116	9.36%	25-Oct-2021	-	100
10	INE883F07132	9.36%	27-Oct-2021	-	200
11	INE538L07361	9.00%	11-Nov-2021	-	1,000
12	INE538L07064	9.80%	27-Mar-2022	-	2,000
13	INE538L07072	9.80%	3-Jun-2022	1,000	1,000
14	INE538L07072	9.80%	3-Jun-2022	1,000	1,000
15	INE538L07080	9.80%	7-Aug-2022	800	800
16	INE538L07080	9.80%	7-Aug-2022	100	100
17	INE538L07080	9.80%	7-Aug-2022	100	100
18	INE538L07098	9.80%	3-Sep-2022	1,000	1,000
19	INE538L07106	9.80%	10-Sep-2022	1,000	1,000
20	INE538L07122	9.70%	4-Nov-2022	2,000	2,000
21	INE538L07155	9.60%	28-Dec-2022	2,000	2,000
22	INE538L07171	9.60%	7-Jan-2023	2,000	2,000
23	INE538L07296	9.30%	28-Apr-2023	1,000	1,000
24	INE538L07296	9.30%	28-Apr-2023	130	130
25	INE883F07017	9.40%	5-May-2023	3,000	3,000
26	INE538L07304	9.50%	13-May-2023	500	500
27	INE883F07165	9.15%	20-Jun-2023	20,000	20,000
28	INE538L07502	9.25%	29-Sep-2023	3,051	3,051
29	INE538L07510	9.65%	29-Sep-2023	1,896	1,896
30	INE883F07124	9.36%	27-Oct-2023	400	400
31	INE883F07140	9.40%	21-Nov-2023	1,800	1,800

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2022

Sr No.	ISIN	Rate of interest	Date of Redemption	As at March 31, 2022	As at March 31, 2021
32	INE883F07140	9.40%	21-Nov-2023	200	200
33	INE883F07157	9.40%	22-Nov-2023	900	900
34	INE538L07056	9.80%	23-Mar-2025	2,500	2,500
35	INE538L07163	9.60%	6-Jan-2026	1,000	1,000
36	INE538L07163	9.60%	6-Jan-2026	1,000	1,000
37	INE538L07163	9.60%	6-Jan-2026	1,000	1,000
38	INE538L07189	9.60%	19-Jan-2026	1,000	1,000
39	INE538L07197	9.60%	19-Jan-2026	100	100
40	INE538L07197	9.60%	19-Jan-2026	170	170
41	INE538L07205	9.60%	25-Jan-2026	1,000	1,000
42	INE538L07205	9.60%	25-Jan-2026	1,000	1,000
43	INE538L07213	9.55%	29-Jan-2026	500	500
44	INE538L07213	9.55%	29-Jan-2026	100	100
45	INE538L07213	9.55%	29-Jan-2026	500	500
46	INE538L07213	9.55%	29-Jan-2026	100	100
47	INE538L07221	9.55%	1-Mar-2026	1,000	1,000
48	INE538L07254	9.55%	22-Mar-2026	2,000	2,000
49	INE538L07270	9.55%	31-Mar-2026	1,000	1,000
50	INE538L07270	9.55%	31-Mar-2026	250	250
51	INE883F07025	9.40%	5-May-2026	2,000	2,000
52	INE883F07041	9.35%	8-Jul-2026	200	200
53	INE883F07058	9.40%	13-Jul-2026	120	120
54	INE883F07066	9.28%	18-Jul-2026	200	200
55	INE883F07074	9.15%	5-Aug-2026	120	120
56	INE538L07379	9.00%	16-Nov-2026	500	500
57	INE538L07528	9.35%	29-Sep-2028	955	955
58	INE538L07536	9.75%	29-Sep-2028	1,168	1,168
59	INE883F07173	8.00%	5-May-2023	20,000	20,000
60	INE883F07181	8.20%	17-Aug-2023	30,000	30,000
61	INE883F07199	8.20%	1-Sep-2023	16,500	16,500
62	INE883F07207	7.35%	28-Feb-2022	-	10,000
63	INE883F07215	8.10%	20-Oct-2025	5,000	5,000
64	INE883F07223	7.10%	7-Oct-2024	9,900	-
65	INE883F07231	6.90%	29-Oct-2024	12,000	-
66	INE883F07249	7.15%	9-Dec-2026	10,000	-
67	INE883F07256	7.05%	24-Feb-2026	10,000	-
Total				**1,76,760**	**2,14,880**

iii) The Company has raised ₹ 41,900 Lakh (March 31, 2021 : ₹ 81,500 Lakh) from Secured Redeemable Non Convertible Debentures (NCDs) during the year ended March 31, 2022. NCDs are long term and are secured by way of pari passu first charge by way of (present & future obligations) hypothecation on standard book debts / receivables/ outstanding moneys, current assets, Cash & Bank balances & Investments as per contracted terms except for those book debts/ receivables charged or to be charged in favour of NHB for refinance availed or to be availed from them and the Company has provided Security on specific immovable property on certain series of NCDs private placement (excluding IPO Series). NCDs including current maturities are redeemable at par in various periods.

iv) There has been no deviation in the utilisation of issue proceeds of publically issued secured redeemable NCD, from the Objects as stated in the Shelf prospectus document dated September 03, 2018.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2022

15. Borrowings (other than debt securities)

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
At amortised cost		
Term Loans		
from banks	6,35,860	6,41,232
from National Housing Bank	2,38,537	1,69,809
Cash credit facilities		
from banks	7,500	-
Total	**8,81,897**	**8,11,041**

i) All borrowings are issued in India

ii) Terms of repayment and rate of interest in case of Borrowings:

As at March 31, 2022

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
Secured					
Term loan from banks	Floating*	3,25,821	1,68,060	1,43,525	6,37,406
Term Loan from National Housing Bank	2.94% to 7.30%	1,14,688	65,696	58,153	2,38,537

As at March 31, 2021

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
Secured					
Term loan from banks	Floating*	3,28,972	1,53,907	1,60,558	6,43,437
Term Loan from National Housing Bank	3.00% to 7.50%	88,513	41,182	40,114	1,69,809

*(Linked with MCLR/Base Rate of respective banks)

Maturity profile disclosed above excludes EIR adjustments amounting to ₹ 1,546 Lakh (March 31, 2021 : ₹ 2,205 Lakh).

iii) The secured term loans from banks are availed from various scheduled banks. These loans are repayable as per the individual contracted terms in one or more instalments between April 2022 and October 2031. These loans are secured / to be secured by way of jointly ranking pari passu inter-se charge, along with NHB and NCD holders, on the Company's book debts, housing loans and the whole of the present and future movable assets of the Company as applicable.

iv) Secured term loan from National Housing Bank are repayable as per the contracted terms in one or more instalments between January 2022 and July 2032. These loans from National Housing Bank are secured / to be secured by way of first charge to and in favour of NHB, other banks and NCD holders and jointly ranking pari passu inter-se, on the Company's book debts, housing loans and the whole of the present and future movable and immovable assets wherever situated excluding SLR assets.

v) Cash credit facilities from banks are secured by way of jointly ranking pari passu inter-se charge, along with NHB and NCD holders, on the Company's book debts, housing loans and the whole of the present and future movable assets of the Company as applicable. All cash credit facilities are repayable as per the contracted / rollover term.

16. Deposits

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Deposit		
At amortised cost		
Public deposits	799	4,056
Total	**799**	**4,056**

The National Housing Bank Directives requires all HFCs, accepting public deposits, to create a floating charge on the statutory liquid assets maintained in favour of the depositors through the mechanism of a Trust Deed. The Company has accordingly appointed SEBI approved Trustee Company as a Trustee for the above by executing a trust deed.

The public deposits of the Company as defined in paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge on the Statutory Liquid Assets maintained in terms of sub-sections (1) and (2) of Section 29B of the National Housing Bank Act, 1987.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2022

17. Subordinated liabilities

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured		
Redeemable non convertible debentures	8,334	8,319
Total	**8,334**	**8,319**

i) All subordinated liabilities are issued in India

ii) Terms of repayment and rate of interest in case of Subordinated Liabilities:

As at March 31, 2022

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
Redeemable non convertible debentures	9.75% to 10.00%	2,400	6,000	-	8,400

As at March 31, 2021

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
Redeemable non convertible debentures	9.75% to 10.00%	2,400	-	6,000	8,400

Maturity profile disclosed above excludes EIR adjustments amounting to ₹ 66 Lakh (March 31, 2021: ₹ 81 Lakh).

iii) Unsecured Redeemable Non-Convertible Debentures are subordinated to present and future senior indebtedness of the Company. These Unsecured Redeemable Non-Convertible Debentures qualifies as Tier II capital in accordance with National Housing Bank (NHB) guidelines for assessing capital adequacy based on balance term to maturity. These debentures are redeemable at par on maturity at the end of various periods.

18. Other financial liabilities

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Book overdraft	19,623	22,625
Lease liabilities (refer note 34)	3,053	3,241
Accrued employee benefits	3,649	2,979
Interest accrued but not due - Deposits	1	150
Interest accrued but not due - Others	8,198	11,135
Amount payable under assignment of receivables (refer note 44)	10,836	7,347
Unpaid dividend (refer note below)	4	4
Unpaid matured deposits and interest accrued thereon	156	268
Total	**45,520**	**47,749**

The Company has transferred a sum of ₹ 0.28 Lakh during the year ended March 31, 2022 (March 31, 2021 : ₹ 0.92 Lakh) being Unclaimed Dividend to Investor Education and Protection Fund under section 124 of the Companies Act, 2013.

19. Provisions

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Provision for compensated absences	758	757
Provision for gratuity (refer note 40)	632	493
Total	**1,390**	**1,250**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2022

20. Deferred tax liabilities (net)

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities	6,595	6,243
Deferred Tax Assets	5,064	4,462
	1,531	1,781
Deferred Tax Assets	28	28
Total deferred tax liabilities (net)	**1,503**	**1,753**

Deferred tax assets and liabilities in relation to:

(₹ in Lakh)

Particulars	As at April 1, 2021	Charged to Profit and Loss	Charged to Other Comprehensive Income	As at March 31, 2022
Deferred tax liabilities				
Fair value on Amalgamation	1,170	(390)	-	780
Net gain on derecognition of financial instruments under amortised cost category	5,073	742	-	5,815
	6,243	**352**	**-**	**6,595**
Deferred tax assets				
On difference between book balance and tax balance of assets	113	5	-	118
On account of impairment on financial instruments	3,493	486	-	3,979
On account of provision for employee benefits	305	63	(44)	324
Others	579	92	-	671
	4,490	**646**	**(44)**	**5,092**
Net Deferred tax (assets)/liabilities	**1,753**	**(294)**	**44**	**1,503**

Deferred tax assets and liabilities in relation to:

(₹ in Lakh)

Particulars	As at April 1, 2020	Charged to Profit and Loss	Charged to Other Comprehensive Income	As at March 31, 2021
Deferred tax liabilities				
Fair value on Amalgamation	1,560	(390)	-	1,170
Net gain on derecognition of financial instruments under amortised cost category	4,513	560	-	5,073
	6,073	**170**	**-**	**6,243**
Deferred tax assets				
On difference between book balance and tax balance of assets	85	29	-	113
On account of impairment on financial instruments	2,977	516	-	3,493
On account of provision for employee benefits	224	94	(13)	305
Others	939	(360)	-	579
	4,225	**279**	**(13)**	**4,490**
Net Deferred tax (assets)/liabilities	**1,848**	**(109)**	**13**	**1,753**

21. Other non-financial liabilities

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from Customers	298	604
Statutory dues	822	430
Others	792	622
Total	**1,912**	**1,656**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2022

22. Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
		Number of shares		(₹ in Lakh)
Authorised share capital				
Equity shares of ₹ 10 each	50,00,00,000	50,00,00,000	50,000	50,000
Issued share capital				
Equity shares of ₹ 10 each	39,47,54,970	39,47,54,970	39,476	39,476
Subscribed and paid up capital				
Equity shares of ₹ 10 each	39,47,54,970	39,47,54,970	39,476	39,476
Total			**39,476**	**39,476**

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2022	As at March 31, 2021
Equity shares at the beginning of the year	39,47,54,970	3,94,64,898
Add: Shares issued during the year		
Shares allotted pursuant to exercise of stock options during the year	-	10,599
Bonus shares allotment during the year *	-	35,52,79,473
Equity shares at the end of the year	**39,47,54,970**	**39,47,54,970**

*Includes allotment of 26,100 bonus shares pertaining to existing share holder holding shares in physical mode, allotment of same is pending on account of conversion of physical shares into demat mode.

b) Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders. Dividend declared towards equity shares will be subject to the approval of shareholder in the ensuing Annual General Meeting.

c) The Company has not proposed any dividend for the year ended March 31, 2022.

d) Details of shareholders holding more than five percent equity shares in the Company are as under:

Particulars	As at March 31, 2022			As at March 31, 2021		
	% of Total Shares	Number of shares	% of Change during the year ended	% of Total Shares	Number of shares	% of Change during the year ended
BCP Topco VII Pte. Ltd (Holding Company)	98.72%	38,96,83,420	-	98.72%	38,96,83,420	-

e) The Authorised share capital of the Company was increased from ₹ 22,000 Lakh to ₹ 50,000 Lakh during the year ended March 31, 2021.

f) The shareholders vide a special resolution have approved bonus issue of equity shares of the Company in the ratio of nine shares of face value of ₹ 10 each for each existing equity share of the face value of ₹ 10 each on 16th January 2021 in extraordinary general meeting (EGM).

g) Shareholding of promoters

Particulars	As at March 31, 2022			As at March 31, 2021		
	% of Total Shares	Number of shares	% of Change during the year ended	% of Total Shares	Number of shares	% of Change during the year ended
BCP Topco VII Pte. Ltd (Holding Company)	98.72%	38,96,83,420	-	98.72%	38,96,83,420	-

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2022

23. Other equity

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserve on amalgamation	6	6
Securities premium	1,33,700	1,33,700
Statutory reserve (Special reserve as per Section 29C of National Housing Bank Act, 1987 and Special reserve as per Section 36(1)(viii) of the Income Tax Act, 1961) (refer note (i) below)	34,995	26,091
Debenture redemption reserve (refer note (ii) below)	16,910	16,910
General reserve	13,619	9,269
Employee Stock Option Outstanding	1,487	720
Retained earnings	74,476	43,110
Total	**2,75,193**	**2,29,806**

Notes :

i) Statement for Disclosure on Statutory / Special Reserves, as prescribed by NHB vide its circular no NHB(ND)/DRS/Pol.Circular.61/2013-14, dated: 7th April, 2014 and NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017.

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	708	708
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	25,383	18,556
c) Total	**26,091**	**19,264**
Additions during the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	8,904	6,827
c) Total	**8,904**	**6,827**
Utilised during the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
c) Total	**-**	**-**
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	708	708
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	34,287	25,383
c) Total	**34,995**	**26,091**

ii) The Company has created Debenture redemption reserve as at year ended March 31, 2022 aggregating of ₹ 16,910 Lakh (March 31, 2021 : ₹ 16,910 Lakh) required towards its public issue of Secured Redeemable Non-Convertible Debentures.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2022

24. Revenue from operations

(Rs in Lakh)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a)	**Interest income**		
	On financial assets measured at amortised cost		
	Interest on loans	1,46,343	1,30,336
	Interest on fixed deposits	6,890	12,121
	Interest on bonds and debentures	596	235
	Other interest	-	2
		1,53,829	**1,42,694**
b)	**Net gain on fair value changes**		
	Measured at FVTPL		
	Equity investment measured at FVTPL		
	Realised	-	-
	Unrealised	0	0
		0	**0**
	Investment in mutual fund measured at FVTPL		
	Realised	2,291	676
	Unrealised	55	202
		2,346	**878**
c)	**Net gain on derecognition of financial instruments under amortised cost category**		
	On assignment of portfolio	9,296	6,381
d)	**Fees and commission Income**		
	Loan processing fee and other charges (net of business sourcing expenses)	5,774	5,791
	Intermediary services	1,582	1,789
		7,356	**7,580**
	Total	**1,72,827**	**1,57,533**

i) Amount "0" represent value less than Rs 50,000.

ii) Disclosure in respect of fees and commission income on insurance business undertaken by the company

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Life Insurance Business	513	476
Non - Life Insurance Business	666	989
Total	**1,179**	**1,465**

25. Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Miscellaneous income	29	22
Total	**29**	**22**

26. Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expenses on financial liabilities measured at amortised cost		
Interest on borrowings (other than debt securities)	55,563	59,747
Interest on deposits	79	486
Interest on non convertible debentures	16,974	18,002
Interest on subordinated liabilities	827	827
Interest on others	77	134
Interest on lease liabilities (refer note 34)	295	211
Finance charges	2,305	2,190
Total	**76,120**	**81,597**

27. Impairment on financial instruments

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
On financial instruments measured at amortised cost		
Impairment allowance on Loans (Refer note 27.1 & 27.2 below)	4,267	4,935
Bad-debts written off	604	588
Others		
Asset held for sale	-	(29)
Total	**4,871**	**5,494**

27.1 The Company has made an additional impairment provision of Rs 2,514 Lakh during the year ended March 31, 2022 towards Covid-19 and loans on which one-time restructuring was implemented (March 31, 2021 : Rs 1,071 Lakh) [refer note 6(viii)].

27.2 Impairment allowance on Loans (including write off) includes reversal of Rs 2091 Lakh during the year ended March 31, 2022 (However for March 31, 2021 Impairment allowance on loans (including write off) amounted to Rs 503 Lakh) towards loans to developers. The net carrying value of loans to developers after impairment provision is Nil as at March 31, 2022 (Rs. 138 Lakh as at March 31, 2021). The Company has not made any fresh loan sanctions under loans to developers during the year ended March 31, 2022 (March 31, 2021 : Nil).

28. Employee benefits expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, bonus and other allowances	21,829	16,420
Contribution to provident fund and other funds (refer note 40)	1,716	1,528
Share based payments to employees (refer note 41)	767	612
Staff welfare expenses	507	321
Total	**24,819**	**18,881**

29 Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent (refer note 34)	590	574
Travelling expenses	1,167	466
Printing and stationery	240	218
Advertisement and business promotion	524	261
Insurance	737	566
Legal and professional charges	687	755
Auditors remuneration (refer note below 29.2)	132	78
Postage, telephone and other communication expenses	642	514
General repairs and maintenance	1,433	1,495
Loss on sale of asset held for sale	-	12
Electricity charges	225	277
Directors sitting fees and commission (refer note 43)	146	121
Corporate social responsibility expenses (refer note below 29.1)	600	417
Goods and service tax	1,131	769
Loss on sale of fixed assets	17	26
Other expenses	714	664
Total	**8,985**	**7,213**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2022

29.1 Details of Corporate Social Responsibility

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Amount required to be spent during the year	600	417
b) Amount spent during the year	856	477
c) Amount provided as at year end	32	288
d) Amount of shortfall at the end of the year	32	289
e) Total amount of previous years shortfall	289	349

f) Reason for shortfall : Due to one of the skilling projects not being executed as planned, the CSR Committee decided to stop the project in FY 21-22. The unspent amount has been transferred to the Unspent CSR Account and will be utilized for an identified ongoing projects in FY 22-23.

Due to widespread pandemic of COVID19, the Company's major CSR activities focused on health, education & response to pandemic crisis. Hence the Company was unable to utilise the complete amount of CSR budget allocated for the year ended March 31, 2021.

g) Nature CSR activities :- Donation of ambulances & support equipment, early child care & education, skill development & livelihood enhancement, skilling for specially challenged, skilling for kids of destitute homes, computer lab set up for government schools, skilling of women, health camps, donation of oxygen concentrators, donation of ration kits.

Amount mentioned above were paid in cash during the respective financial period and were incurred for the purpose other than construction / purchase of assets.

29.2 Details of auditors remuneration :

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Audit fee (including regulatory certificates)	113	55
Tax audit fee	6	8
Others	8	10
GST on Above	5	5
Total	**132**	**78**

Note : Auditors remuneration upto September 30, 2021 is paid / payable to previous auditors.

30 Tax expenses

a) Income tax expenses

The major components of income tax expenses

i) Profit and loss section

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax expenses	12,545	9,346
Deferred tax charge / (credit)	(294)	(108)
Total	**12,251**	**9,238**

ii) Other comprehensive income section

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax expenses	-	-
Deferred tax	44	13
Total	**44**	**13**

b) Reconciliation of tax expenses

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(A)	Profit before income taxes	56,915	43,297
(B)	Enacted tax rate in India (including surcharge and cess)	25.168%	25.168%
(C)	Expected tax expenses	14,324	10,897
(D)	Other than temporary difference		
	Special reserve	2,178	1,710
	Difference in Tax expense of earlier years	-	46
	Expenses disallowed / (allowed)	(149)	(110)
(E)	Tax expense recognised in profit and loss	12,251	9,238
(F)	Tax expense recognised in other comprehensive income	44	13

31. Earnings per equity share

The following is the computation of earnings per equity share on basic and diluted earnings per equity share:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net profit after tax attributable to equity shareholders (₹ In Lakh)	44,485	34,013
Weighted average number of equity shares outstanding during the year (Nos)	39,47,54,970	3,94,71,461
Adjustment for Bonus Issue (refer note below)	-	35,52,43,149
Weighted average number of equity shares outstanding during the year (Nos) after adjustment for Bonus Issue	39,47,54,970	39,47,14,610
Add: Effect of potential issue of shares / stock rights outstanding during the year*	1,23,85,519	11,82,939
Adjustment for Bonus Issue (refer note below)	-	1,06,46,451
Effect of potential issue of shares / stock rights outstanding during the year after adjustment for Bonus Issue*	1,23,85,519	1,18,29,390
Weighted average number of equity shares outstanding during the year including potential shares outstanding (Nos)	40,71,40,489	40,65,44,000
Face value per equity share (₹)	10	10
Basic earnings per equity share (₹)	11.27	8.62
Diluted earnings per equity share (₹)	10.93	8.37

* not considered when anti-dilutive

Note: The shareholders vide a special resolution have approved bonus issue of equity shares of the Parent Company in the ratio of nine shares of face value of ₹ 10 each for each existing equity share of the face value of ₹ 10 each on January 16, 2021 in extraordinary general meeting (EGM).

32. Contingent liabilities

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax matters of earlier years	357	21
Indirect tax matters of earlier years	216	-
Total	**573**	**21**

Part of the aforementioned contingent liabilities towards income tax have been paid under protest.

33. Commitments

i. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at March 31, 2022 ₹ 361 Lakh. (March 31, 2021 ₹ 828 Lakh)

ii. Undisbursed amount of loans sanctioned and partly disbursed as at March 31, 2022 ₹ 55,957 Lakh. (March 31, 2021 ₹ 39,227 Lakh)

34. Operating lease

Following are the changes in the carrying value of right of use assets:

(₹ in Lakh)

Particulars	Building & Intangible asset
Balance as of April 1, 2021*	**3,547**
Addition during the year	625
Deletion during the year	(55)
Depreciation charge for the year	(770)
Balance as of March 31, 2022	**3,347**
Balance as of April 1, 2020*	**2,581**
Addition during the year	1,549
Deletion during the year	(13)
Depreciation charge for the year	(570)
Balance as of March 31, 2021*	**3,547**

***Includes Nil as at March 31, 2022 (March 31, 2021: ₹ 144 Lakh) of Right to use asset which are under development.**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2022

The following is the movement in lease liabilities:

Particulars	₹ in Lakh
Balance as of April 1, 2021	**3,241**
Addition during the year	424
Finance cost accrued during the year	295
Deletion during the year	(55)
Payment made during the year	(854)
Balance as of March 31, 2022	**3,053**
Balance as of April 1, 2020	**2,292**
Addition during the year	1,405
Finance cost accrued during the year	211
Deletion during the year	(15)
Payment made during the year	(652)
Balance as of March 31, 2021	**3,241**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:

Particulars	₹ in Lakh
Less than one year	894
One to five years	2,261
More than five years	653
Total	**3,809**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

Particulars	₹ in Lakh
Less than one year	874
One to five years	3,035
More than five year	182
Total	**4,091**

Rental expense recorded for short-term leases was ₹ 590 Lakh For the year ended March 31, 2022. (March 31, 2021 ₹ 574 Lakh)

The aggregate depreciation on Right to use assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

35. Financial instruments

(i) Fair value hierarchy

The Group uses the following hierarchy to determine the fair values of its 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:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) 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.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There were no transfers between levels 1, 2 and 3 during the period.

The Group recognises transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation process

The management of the Group performs the valuations of financial assets and liabilities required for financial reporting purposes.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Valuation processes and Technique

Type of Instrument	Reference Price
Investment in Mutual Funds	NAV as on the reporting date.
Investment in Equity Shares	Quoted price on exchange as on the reporting date.

As at March 31, 2022

(₹ in Lakh)

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets							
Investments							
- Equity instruments	**Level 1**	2	-	-	2	-	-
- Mutual funds	**Level 1**	14,170	-	-	14,170	-	-
- Government securities	**Level 2**	-	-	17,074	-	-	17,917
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd Face Value of ₹ 1,00,000/- each	**Level 1**	-	-	1,960	-	-	1,713
Financial liabilities							
Debt securities	**Level 1**	-	-	7,299	-	-	7,052
Debt securities	**Level 3**	-	-	1,72,989	-	-	1,69,377

As at March 31, 2021

(₹ in Lakh)

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets							
Investments							
- Equity instruments	**Level 1**	2	-	-	2	-	-
- Mutual funds	**Level 1**	47,309	-	-	47,309	-	-
- Government securities	**Level 2**	-	-	495	-	-	494
-9.80% NCD Jaipur Vidyut Vitran Nigam Ltd	**Level 1**	-	-	2,075	-	-	1,904
Financial liabilities							
Debt securities	**Level 1**	-	-	71,498	-	-	67,254
Debt securities	**Level 3**	-	-	1,49,142	-	-	1,46,777

The Group considers that the carrying amounts recognised in the financial statements for housing and other loans, debt securities (other than disclosed above), deposits, subordinated liabilities, borrowings (other than debt securities) , trade receivables, payables and other financial assets and liabilities whose fair value is not disclosed approximate their fair values. The Group is carrying the investment in subsidiary at Cost.

36. 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. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR.

(₹ in Lakh)

Particulars	March 31, 2022			March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Cash and cash equivalents	57,417	-	57,417	38,350	-	38,350
Other bank balances	1,01,558	12,041	1,13,599	1,78,320	458	1,78,778
Receivables	519	-	519	272	-	272
Housing and other loans	1,46,845	10,49,189	11,96,034	1,61,165	9,00,161	10,61,326
Investments	14,170	19,632	33,802	47,309	2,400	49,709
Other financial assets	10,682	13,852	24,534	9,014	12,518	21,532
Non-financial assets						
Current tax assets (Net)	2,422	-	2,422	3,428	-	3,428
Property, plant and equipment	-	2,081	2,081	-	1,639	1,639
Right to use assets	-	3,347	3,347	-	3,547	3,547
Other intangible assets	-	79	79	-	127	127
Deferred tax assets (Net)	-	28	28	-	28	28
Other non-financial assets	3,649	70	3,719	4,265	32	4,297
Total Assets	**3,37,262**	**11,00,319**	**14,37,581**	**4,42,123**	**9,20,910**	**13,63,033**
LIABILITIES						
Financial Liabilities						
Trade Payables	5,100	-	5,100	3,868	-	3,868
Debt Securities	10,668	1,65,761	1,76,429	79,170	1,34,861	2,14,031
Borrowings (Other than debt securities)	1,33,242	7,48,655	8,81,897	1,41,754	6,69,287	8,11,041
Deposits	488	311	799	3,226	830	4,056
Subordinated liabilities	1,734	6,600	8,334	(81)	8,400	8,319
Other financial liabilities	43,104	2,416	45,520	45,107	2,642	47,749
Non-Financial Liabilities						
Provisions	-	1,390	1,390	-	1,250	1,250
Deferred tax liabilities (Net)	-	1,531	1,531	-	1,781	1,781
Other non-financial liabilities	1,912	-	1,912	1,656	-	1,656
Total liabilities	**1,96,248**	**9,26,664**	**11,22,912**	**2,74,700**	**8,19,051**	**10,93,751**
Net	**1,41,014**	**1,73,655**	**3,14,669**	**1,67,423**	**1,01,859**	**2,69,282**

Note: The maturity analysis is prepared considering the prepayments on housing and other loans in line with historical trend. Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Group for compiling the return submitted to the RBI/NHB, which has been relied upon by the auditors.

37. Financial risk management

a. Liquidity Risk

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

The Group manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund diverse products, the Group maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

Liquidity risk is managed in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Group formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

Maturity analysis of financial assets and financial liabilities

As at March 31, 2022

(₹ in Lakh)

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Assets					
Cash and cash equivalents	57,417	57,417	-	-	-
Other bank balances	1,13,599	1,01,558	11,798	-	243
Housing and other loans	11,96,034	1,46,845	2,54,993	2,16,754	5,77,442
Investments	33,802	14,170	-	-	19,632
Receivables & Other financial assets	25,053	11,201	9,204	3,120	1,528
Total	**14,25,905**	**3,31,191**	**2,75,995**	**2,19,874**	**5,98,845**
Financial Liabilities					
Trade payables	5,100	5,100	-	-	-
Debt securities	1,76,429	10,668	1,41,278	22,360	2,123
Borrowings (other than debt securities)	8,81,897	1,33,242	3,13,221	2,33,756	2,01,678
Deposits	799	488	260	41	10
Subordinated liabilities	8,334	1,734	600	6,000	-
Other financial liabilities	45,520	43,104	1,361	689	366
Total	**11,18,079**	**1,94,336**	**4,56,720**	**2,62,846**	**2,04,177**
Net	**3,07,826**	**1,36,855**	**(1,80,725)**	**(42,972)**	**3,94,668**
Cumulative Net		**1,36,855**	**(43,870)**	**(86,842)**	**3,07,826**

As at March 31, 2021

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Assets					
Cash and cash equivalents	38,350	38,350	-	-	-
Other bank balances	1,78,778	1,78,320	-	228	230
Housing and other loans	10,61,326	1,55,841	2,67,129	2,13,445	4,24,911
Investments	49,709	47,309	-	-	2,400
Receivables & Other financial assets	21,804	9,286	7,993	2,941	1,584
Total	**13,49,967**	**4,29,106**	**2,75,122**	**2,16,614**	**4,29,125**
Financial Liabilities					
Trade payables	3,868	3,868	-	-	-
Debt securities	2,14,031	79,170	1,10,377	19,220	5,264
Borrowings (other than debt securities)	8,11,041	1,41,754	2,73,527	1,95,089	2,00,671
Deposits	4,056	3,226	714	74	42
Subordinated liabilities	8,319	(81)	2,400	-	6,000
Other financial liabilities	47,749	45,107	1,235	1,097	310
Total	**10,89,064**	**2,73,044**	**3,88,253**	**2,15,480**	**2,12,287**
Net	**2,60,903**	**1,56,062**	**(1,13,131)**	**1,134**	**2,16,838**
Cumulative Net		**1,56,062**	**42,931**	**44,065**	**2,60,903**

Note: The maturity analysis is prepared considering the prepayments on housing and other loans in line with historical trend.

Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Group for compiling the return submitted to the NHB, which has been relied upon by the auditors.

b. Interest Risk

The core business of the Group is providing housing and other mortgage loans. The Group borrows through various financial instruments to finance its core lending activity. These activities expose the Group to interest rate risk.

Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of Balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. The interest rate risk is monitored through above measures on a quarterly basis.

Interest Rate Sensitivity

The following table demonstrates the net sensitivity to a reasonably possible change in interest rate (all other variables being constant) of the Group's statement of profit and loss (before taxes)

(₹ in Lakh)

Particulars	Basis Points	For the year ended March 31, 2022	For the year ended March 31, 2021
Increase by basis points	+50	1,967	1,646
Decrease by basis points	-50	(1,967)	(1,646)

c. 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 Group. In its lending operations, the Group is principally exposed to credit risk.

The credit risk is governed by the Credit Policy approved by the Board of Directors. The Credit Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

The Group measures, monitors and manages credit risk at an individual borrower level and at the group exposure level for corporate borrowers. The credit risk for retail borrowers is being managed at portfolio level for both Home loans and other property loans. The Group has a structured and standardized credit approval process, which includes a well-established procedure of comprehensive credit appraisal. The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk.

Credit Risk Assessment Methodology

Group's customers for retail loans are primarily lower and middle income, salaried and self-employed individuals. The loans are secured by the mortgage of the borrowers' property.

The Group's credit officers evaluate credit proposals on the basis of operating policies approved by the Board of Directors. The criteria typically include factors such as the borrower's income, the loan-to-value ratio and demographic parameters. Any deviations need to be approved at the designated levels.

External agencies such as field investigation agencies facilitate a comprehensive due diligence process including visits to offices and homes in the case of loans made to retail borrowers.

Group monitor's borrower account behaviour as well as static data regularly to monitor the portfolio performance of each product segment regularly, and use these as inputs in revising its product programs, target market definitions and credit assessment criteria to meet the twin objectives of combining volume growth and maintenance of asset quality.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Stage 1	High quality assets	12-month ECL
Stage 2	Assets for which there is significant increase in credit risk	Lifetime ECL
Stage 3	Credit-impaired assets	Lifetime ECL – credit-impaired

The key elements in calculation of ECL are as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD has been determined based on seasoned historical portfolio data using the survival analysis methodology.

EAD - The Exposure at Default includes repayments scheduled by contract or otherwise, expected drawdowns on committed facilities, accrued interest from missed payments and loan commitments.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on seasoned historical portfolio data.

Additional provision due to Covid-19 and onetime restructuring-

Based on management overlay the additional provision amount of ₹ 8,536 lakh has been carried as of March 31, 2022 (March 31, 2021: ₹ 6,022 Lakh).

The customers who have availed the benefit of one-time restructuring have been disclosed in stage 2 assets.

An analysis of changes in the gross carrying amount (excluding adjustment to carrying value on account of application of effective interest rate) and the corresponding ECL allowances in relation to lending is, as follows:

a) **Housing and Other Property Loan**

The table below shows the credit quality and the exposure to credit risk based on the period-end stage classification. The amounts presented are gross of impairment allowances.

As at March 31, 2022

(₹ in Lakh)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss (refer note 1 and 2 below)	Net Carrying Amount
Stage 1 – High quality assets	Loan	11,29,730	3,547	11,26,183
Stage 2 – Assets for which there is significant increase in credit risk	Loan	65,120	8,170	56,950
Stage 3 - Credit-impaired assets	Loan	18,255	5,353	12,902

1. Above includes Expected Credit Loss provision on Loan commitment amount to ₹ 93 Lakh (Stage1- included in ₹ 3,547 Lakh).
2. Above includes Expected Credit Loss provision due to current economic situation of Covid-19 and loans on which One Time Restructuring was implemented amounting to ₹ 8,536 Lakh.
3. Gross carrying amount disclosed above excludes EIR adjustments amounting to ₹ 4,007 Lakh.
4. Stage 3 assets includes loan assets more than 90 DPD and less than equal to 90 DPD, the breakup is as under :-

(₹ in Lakh)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 3a – Assets Less than equal to 90 DPD	Loan	3,389	532	2,857
Stage 3b – Assets more than 90 DPD (refer note)	Loan	14,866	4,821	10,045
Total Stage 3 - Credit-impaired assets	Loan	**18,255**	**5,353**	**12,902**

Note : Stage 3b - Assets more than 90 DPD is comparable with Stage 3 assets of March 31, 2021.

As at March 31, 2021

(₹ in Lakh)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss (refer note 1 and 2 below)	Net Carrying Amount
Stage 1 – High quality assets	Loan	9,98,296	2,442	9,95,854
Stage 2 – Assets for which there is significant increase in credit risk	Loan	68,486	7,956	60,530
Stage 3 - Credit-impaired assets	Loan	13,501	4,336	9,165

1. Above includes Expected Credit Loss provision on Loan commitment amount to ₹ 45 Lakh (Stage1- included in ₹ 2,442 Lakh).
2. Above includes Expected Credit Loss provision due to current economic situation of Covid-19 and loans on which One Time Restructuring was implemented amounting to ₹ 6,022 Lakh.
3. Gross carrying amount disclosed above excludes EIR adjustments amounting to ₹ 4,371 Lakh.

Reconciliation of Loan balances is given below:

(₹ in Lakh)

Particulars	March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**9,98,296**	**68,486**	**13,501**	**10,80,283**
New assets added during the year	3,99,193	-	-	3,99,193
Assets derecognised under direct assignment	(77,212)	-	-	(77,212)
Repayment of Loans (excluding write offs)	(1,77,772)	(5,381)	(1,888)	(1,85,041)
Transfers to / from Stage 1	18,279	(17,258)	(1,021)	-
Transfers to / from Stage 2	(26,240)	26,349	(109)	-
Transfers to / from Stage 3	(4,676)	(7,055)	11,731	-
Amounts written off	(138)	(21)	(3,959)	(4,118)
Gross carrying amount closing balance	**11,29,730**	**65,120**	**18,255**	**12,13,105**

Note: Gross carrying amount disclosed above excludes EIR adjustments amounting to ₹ 4,007 Lakh.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2022

(₹ in Lakh)

Particulars	March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**8,57,981**	**36,399**	**9,912**	**9,04,292**
New assets added during the year	3,54,471	-	-	3,54,471
Assets derecognised under direct assignment	(57,787)	-	-	(57,787)
Repayment of Loans (excluding write offs)	(1,16,304)	(2,001)	(1,922)	(1,20,227)
Transfers to / from Stage 1	9,616	(9,479)	(137)	-
Transfers to / from Stage 2	(48,748)	49,073	(325)	-
Transfers to / from Stage 3	(809)	(5,425)	6,234	-
Amounts written off	(124)	(81)	(261)	(466)
Gross carrying amount closing balance	**9,98,296**	**68,486**	**13,501**	**10,80,283**

Note: Gross carrying amount disclosed above excludes EIR adjustments amounting to ₹ 4,371 Lakh.

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**2,442**	**7,956**	**4,336**	**14,734**
New assets added during the year	1,237	-	-	1,237
Assets derecognised under direct assignment	(239)	-	-	(239)
Repayment of Loans (excluding write offs)	(427)	(626)	(626)	(1,679)
Transfers to / from Stage 1	57	(53)	(4)	-
Transfers to / from Stage 2	(3,293)	3,307	(14)	-
Transfers to / from Stage 3	(1,379)	(2,081)	3,460	-
Impact on year end ECL of exposures transferred between stages during the year	5,287	(2,826)	2,160	4,621
Additional provision due to Covid-19 and onetime restructuring	-	2,514	-	2,514
Amounts written off	(138)	(21)	(3,959)	(4,118)
Gross carrying amount closing balance	**3,547**	**8,170**	**5,353**	**17,070**

Note: Above includes Expected Credit Loss provision on Loan commitment amounting to ₹ 93 Lakh.

(₹ in Lakh)

Particulars	March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**4,100**	**3,551**	**2,549**	**10,200**
New assets added during the year	851	-	-	851
Assets derecognised under direct assignment	(139)	-	-	(139)
Repayment of Loans (excluding write offs)	(163)	(97)	(431)	(691)
Transfers to / from Stage 1	23	(23)	-	-
Transfers to / from Stage 2	(5,669)	5,707	(38)	-
Transfers to / from Stage 3	(268)	(1,799)	2,067	-
Impact on year end ECL of exposures transferred between stages during the year	3,707	(454)	131	3,384
Additional provision due to Covid-19 and onetime restructuring	-	1,071	-	1,071
Amounts written off	-	-	58	58
Gross carrying amount closing balance	**2,442**	**7,956**	**4,336**	**14,734**

Note: Above includes Expected Credit Loss provision on Loan commitment amounting to ₹ 45 Lakh.

b) Loans to Developers

The table below shows the credit quality and the exposure to credit risk based on the period-end stage classification. The amounts presented are gross of impairment allowances.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2022

As at March 31, 2022

(₹ in Lakh)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 1 – High quality assets	Loan	-	-	-
Stage 2 – Assets for which there is significant increase in credit risk	Loan	-	-	-
Stage 3 - Credit-impaired assets	Loan	110	110	-

As at March 31, 2021

(₹ in Lakh)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 1 – High quality assets	Loan	188	50	138
Stage 2 – Assets for which there is significant increase in credit risk	Loan	-	-	-
Stage 3 - Credit-impaired assets	Loan	-	-	-

Reconciliation of Loan balances is given below:

(₹ in Lakh)

Particulars	March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**188**	**-**	**-**	**188**
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	(1,722)	-	-	(1,722)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	(110)	-	110	-
Amounts (written off) / recovery from write offs	1,644	-	-	1,644
Gross carrying amount closing balance	**-**	**-**	**110**	**110**

(₹ in Lakh)

Particulars	March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**254**	**1,000**	**3,219**	**4,473**
New assets added during the year				
Repayment of Loans (excluding write offs)	(66)	(317)	(940)	(1,323)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	-	-	-	-
Amounts written off	-	(683)	(2,279)	(2,962)
Gross carrying amount closing balance	**188**	**-**	**-**	**188**

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**50**	**-**	**-**	**50**
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	(1,644)	-	-	(1,644)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	-	-	110	110
Impact on year end ECL of exposures transferred between stages during the year	(50)	-	-	(50)
Amounts (written off) / recovery from write offs	1,644	-	-	1,644
Gross carrying amount closing balance	**-**	**-**	**110**	**110**

Note: Above includes Expected Credit Loss provision on Loan commitment amounting to Nil Lakh.

(₹ in Lakh)

Particulars	March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**26**	**318**	**2,165**	**2,509**
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	(7)	(101)	(632)	(740)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	31	466	897	1,394
Amounts written off	-	(683)	(2,430)	(3,113)
Gross carrying amount closing balance	**50**	**-**	**-**	**50**

Note: Above includes Expected Credit Loss provision on Loan commitment amounting to Nil Lakh.

Impairment allowance for loan against fixed deposit is Nil and therefore related disclosures are not given in the financial statement.

c) Group monitors Gross NPAs on Assets under Group's management ("AUM") and Own Book at retail and overall basis.

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
AUM	14,77,779	13,32,710
GNPA on AUM*	21,545*	14,303
GNPA on AUM (%)	1.46%*	1.07%
Retail AUM	14,77,669	13,32,522
GNPA on Retail AUM	21,435*	14,303
GNPA on Retail AUM (%)	1.45%*	1.07%
Own Book	12,04,809	10,78,023
GNPA on Own Book	18,257 **	13,071
GNPA on Own Book (%)	1.52%**	1.21%
Retail Own Book	12,04,699	10,77,835
GNPA on Retail Own Book	18,147 **	13,071
GNPA on Retail Own Book (%)	1.51%**	1.21%

Note: The amount mentioned above of 'Own Book' excludes EIR, Interest accrued on loans and loans against Fixed Deposits.

* Includes loan assets of ₹ 3,954 Lakhs (0.27%) not more than 90 DPD which have been classified as NPA as per the RBI circular dated 12th November 2021.

** Includes loan assets of ₹ 3,281 Lakhs (0.27%) not more than 90 DPD which have been classified as NPA as per the RBI circular dated 12th November 2021.

38. Capital Management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents and Liquid investments) divided by Total 'equity' (as shown in the balance sheet) and Capital adequacy ratio.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2022

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Total Borrowings (₹ in Lakh)	10,67,459	10,37,447
Total Net Borrowings* (₹ in Lakh)	8,82,276	7,73,014
Total Equity (₹ in Lakh)	3,14,669	2,69,282
Gross Debt Equity Ratio	3.39	3.85
Net Debt Equity Ratio	2.80	2.87

*Total net borrowing = Total borrowings – Cash and bank balances – Investment in Liquid Mutual fund – Receivable from Mutual Fund

The Group is required to maintain the CRAR of 15% as required by RBI and NHB. Further Group is required to maintain borrowing not exceeding 12 times of Net Owned Fund.

Below are the details of CRAR and other ratios maintained by the Group.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Risk weighted Assets (₹ in Lakh)	7,02,432	6,24,549
Net owned funds (Tier I Capital) (₹ in Lakh)	3,10,501	2,66,218
Tier II Capital (₹ in Lakh)	8,467	9,092
CRAR	45.41%	44.08%
Variance in CRAR	3.02%	NA
CRAR-Tier I Capital	44.20%	42.62%
Variance in CRAR-Tier I Capital	3.71%	NA
CRAR- Tier II Capital	1.21%	1.46%
Variance in CRAR-Tier II Capital	(17.12%)	NA
Amount of subordinated debt raised as Tier-II Capital (₹ in Lakh)	4,920	6,600
Amount raised by issue of perpetual debt instruments	Nil	Nil
Liquidity Coverage Ratio*	70.09%	Not Applicable on the reporting date

1. CRAR (Capital Risk Adjusted Ratio) = [Risk Weighted Assets / Net owned fund and Tier II Capital]
2. CRAR (Capital Risk Adjusted Ratio) -Tier I Capital = [Risk Weighted Assets / Net owned fund]
3. CRAR (Capital Risk Adjusted Ratio) -Tier II Capital = [Risk Weighted Assets / Tier II Capital)
4. Liquidity Coverage Ratio = [Stock of High Quality Liquid Assets / Total net cash outflow required in next 30 calendar days]

*Liquidity Coverage Ratio requirement applicable from December 1, 2021 to the Parent Company as per Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 circular no RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021.

39. Segment reporting

The Group operates only in one Operating Segment i.e Housing Finance business - Financial Services and all other activities are incidental to the main business activity, hence have only one reportable Segment as per Indian Accounting Standard 108 "Operating Segments". The reportable business segments are in line with the segment wise information which is being presented to the CODM. The Group has identified Managing Director and CEO as CODM.

The Group has its operations within India and all revenue is generated within India.

40. Employee benefits

40.1 Defined Contribution Plan

The Group makes contributions to provident fund for qualifying employees to Regional Provident Fund Commissioner under defined contribution plan under the Provident Fund Act.

Amount recognised as an expense and included under the head "Contribution to Provident and Other Funds" of Statement of Profit and Loss are as follows:

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contribution to provident fund	437	383
Contribution to pension fund	518	473
Contribution to new pension scheme	40	32
Contribution to ESIC	109	88

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2022

40.2 Defined obligation benefit

The Group provides gratuity to its employees which are defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The gratuity plan typically exposes the Group to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

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. For other defined benefit plans, the discount rate is determined by reference to market yield at the end of reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table sets out the funded status of the Gratuity and the amount recognised in the Financial Statements:

i. Changes in Defined Benefit Obligation

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Liability at the beginning of the year	1,156	913
Current service cost	345	272
Interest cost	75	58
Plan Amendment Cost	-	-
Actuarial (gain) /losses	(191)	(40)
Benefits paid	(59)	(47)
Liability at the end of the year	1,327	1,156

ii. Changes in Fair Value of Plan Assets

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Plan Assets at the beginning of the year	663	616
Expected return on plan assets	44	41
Actuarial Gain/(Loss)	(12)	6
Employer Contribution	-	-
Plan Assets at the end of the year	695	663

iii. Reconciliation of Fair Value of Assets and Obligations

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Fair value of Plan Assets	695	663
Present Value of Obligation	1,327	1156
Amount Recognised in Balance Sheet	(632)	(493)

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2022

iv. Expenses recognised in Statement of Profit and Loss

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current Service Cost	345	272
Net interest on net defined benefit liability / (asset)	31	18
Plan Amendment cost / Direct Payment	-	-
Expenses recognised in the statement of profit and loss under employee benefits expenses	376	290

v. Expenses recognised in Statement of Other Comprehensive Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial (gain) / loss arising during year	(179)	(46)
(Income) / Expenses recognised in the other comprehensive income	(179)	(46)

vi. Expected benefit payments

(₹ in Lakh)

Particulars	As at March 31, 2022
March 31, 2023	87
March 31, 2024	92
March 31, 2025	123
March 31, 2026	152
March 31, 2027	208
March 31, 2028 to March 31, 2032	1,746

vii. Actuarial Assumptions

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Discount Rate	7.00%	6.7%
Salary Escalation Rate	9.50%	9.5%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factor including supply and demand in the employment market. The above information is certified by actuary and this has been relied upon by the auditors.

The expected rate of return on plan asset is determined considering several applicable factors, mainly the composition of plan asset held, assessed risks, historical result of return on plan assets and the Group's policy for plan assets management.

Effect of change in assumptions as at March 31, 2022

(₹ in Lakh)

Particulars	Plan Liabilities
Discount Rate (increase by 0.5%)	(62)
Discount Rate (decrease by 0.5%)	68
Salary Escalation Rate (increase by 0.5%)	62
Salary Escalation Rate (decrease by 0.5%)	(58)

viii. Amount recognised in current year and previous years

Gratuity:

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Defined benefit obligation	1,327	1,156	913	580	415
Fair value of plan asset	695	663	616	509	407
(Surplus)/ Deficit in the plan	632	493	297	71	8
Actuarial (gain)/loss on plan obligation	(191)	(40)	118	52	98
Actuarial gain/(loss) on plan asset	(12)	6	10	(2)	(10)

Plan Assets as at March 31, 2022

Plan asset composition	Percentage
Schemes of Insurance –conventional products	2.56%
Schemes of Insurance –ULIP Product	97.44%

41. Employee stock appreciation rights and Employees Stock Option

a) Employee Stock Appreciation Rights Plan 2018 ("ESAR 2018" / "Plan")

ESAR 2018 was approved by the shareholders of the Parent company and subsequently the Grant was approved by the Board and the Nomination and Remuneration Committee at its meeting held on March 26, 2018.

Movement in ESARs

Particulars	For the year ended March 31, 2022 (No's)	For the year ended March 31, 2021 (No's)
Opening	**19,69,286.25**	**1,98,992.48**
Adjustment for Bonus Issue (refer note below)		17,90,932.32
Granted during the year	-	-
Lapsed during the year	-	8,255.42
Exercised by employee	-	12,383.13
Closing	**19,69,286.25**	**19,69,286.25**
Vested as at year end	**19,69,286.25**	**11,81,571.76**
Unvested as at year end	**-**	**787,714.49**

Note: The shareholders vide a special resolution have approved bonus issue of equity shares of the Parent Company in the ratio of nine shares of face value of ₹ 10 each for each existing equity share of the face value of ₹ 10 each on January 16, 2021 in extraordinary general meeting (EGM).

ESAR were granted at the Price of ₹ 291.70 which was the fair value on the grant date.

The key assumptions used to estimate the fair value of ESARs are:

Particulars	ESAR 2018
Dividend yield	2.40%
Expected Life	3 Years
Risk free interest rate	7.45%
Volatility	0.01%
Model Used	Black & Scholes

The expense arises from equity settled ESARs amounting to ₹ Nil (March 31, 2021: ₹ 25 Lakh) For the year ended March 31, 2022.

b) Employee stock option plans (ESOPS)

Employee Stock Option Plan 2020 ("ESOP Plan 2020")

ESOP Plan 2020 was approved by the shareholders of the Parent company and subsequently the Grant was approved by the Board and the Nomination and Remuneration Committee at its meeting held on May 05, 2020 with the grant date of December 31, 2020 and meeting held on January 16, 2021 with the grant date of January 16, 2021. Details of ESOP Plan 2020 granted are as follows:

Particulars	ESOP Plan 2020 – March 2020*	ESOP Plan 2020 – January 2021	ESOP Plan 2020 – September 2021
Scheme Name	Employee Stock Option Plan 2020	Employee Stock Option Plan 2020	Employee Stock Option Plan 2020
No. of options approved	12,00,000	6,15,460	18,79,549
Date of Grant	March 31, 2020	January 16, 2021	September 22, 2021
No of option granted	10,44,395	6,15,460	18,79,549
Exercise Price (₹)	908.05	90.805	90.805
Method of Settlement	Equity	Equity	Equity
Time Based Eligibility	20% each year in next Five years.	20% each year in next Five years.	20% each year in next Five years.
Vesting Schedule	Eligible options will vest in 60%, 20% and 20% in on Eligibility date, 1st year from eligibility date and 2nd year from eligibility date respectively	Eligible options will vest in 60%, 20% and 20% in on Eligibility date, 1st year from eligibility date and 2nd year from eligibility date respectively	Eligible options will vest in 60%, 20% and 20% in on Eligibility date, 1st year from eligibility date and 2nd year from eligibility date respectively

Particulars	ESOP Plan 2020 – March 2020*	ESOP Plan 2020 – January 2021	ESOP Plan 2020 – September 2021
Condition	1. All eligible options will vest subject to BCP Topco VII Pte. Ltd. Realising minimum net consideration cumulatively from the sale of the Shares held 2. Proportion of eligible option vesting to extent of sale by BCP Topco VII Pte. Ltd.	1. All eligible options will vest subject to BCP Topco VII Pte. Ltd. Realising minimum net consideration cumulatively from the sale of the Shares held 2. Proportion of eligible option vesting to extent of sale by BCP Topco VII Pte. Ltd.	1. All eligible options will vest subject to BCP Topco VII Pte. Ltd. Realising minimum net consideration cumulatively from the sale of the Shares held 2. Proportion of eligible option vesting to extent of sale by BCP Topco VII Pte. Ltd.
Exercise period	2 Years from Vesting	2 Years from Vesting	2 Years from Vesting

* ESOP Plan 2020 – March 2020 disclosure doesn't include the impact **of** bonus issue of equity shares of the Parent Company in the ratio of nine shares of face value of ₹ 10 each for each existing equity share of the face value of ₹ 10 each on 16th January 2021 in extraordinary general meeting (EGM).

Computation of fair value of options

The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	ESOP Plan 2020 (December 31, 2020)	ESOP Plan 2020 (January 16, 2021)	ESOP Plan 2020 (September 22, 2021)
Fair value of the option (₹)	₹ 96 to ₹ 333	₹ 28.15 to ₹ 51.92	₹ 28.8 to ₹ 51.6
Fair value of share on the date of grant (₹)	908.05	110.00	111.10
Exercise Price(₹)	908.05	90.805	90.805
Expected Life	3 years to 9 years	3 years to 9 years	3 years to 9 years
Expected Volatility (%)	9.7% to 12.7%	15.6% to 22.1%	15.2% to 22.0%
Life of the Option (years)	3 years to 9 years	3 years to 9 years	3 years to 9 years
Risk Free rate of return (%)	5.2% to 6.7%	4.0% to 6.6%	3.9% to 6.3%
Expected dividend rate (%)	0.8%	0.6%	0.6%

The expected life of the share options is based on current expectations and is not necessarily indicative of exercise patterns that may actually occur. Further, the condition of specified sale of the shares held by the investor is estimated to be fulfilled on the relevant eligibility dates.

Movement in ESOPs

Particulars	For the year ended March 31, 2022 (No's)	For the year ended March 31, 2021 (No's)
Opening	1,07,02,850	10,44,395
Adjustment for Bonus Issue (refer note below)	-	93,99,555
Granted during the year	18,79,549	6,15,460
Lapsed during the year	14,31,966	3,56,560
Closing	**1,11,50,433**	**1,07,02,850**
Vested as at year end	-	-
Unvested as at year end	**1,11,50,433**	**1,07,02,850**

Note: The shareholders vide a special resolution have approved bonus issue of equity shares of the Parent Company in the ratio of nine shares of face value of ₹ 10 each for each existing equity share of the face value of ₹ 10 each on January 16, 2021 in extraordinary general meeting (EGM).

The expense arises from equity settled ESOPs transaction amounting to ₹ 767 Lakh (March 31, 2021: ₹ 587 Lakh) For the year ended March 31, 2022.

42. Foreign currency transactions

There are no foreign currency transactions during the year ended March 31, 2022 and March 31, 2021.

43. Related party transactions

List of related parties with whom transactions have taken place during the year and relationship:

S.No	Relationship	Name of Related Party
1.	Holding Company	BCP Topco VII Pte. Ltd.
2.	Key Management Personnel	O P Bhatt - Chairman and Director
		Deo Shankar Tripathi - Managing Director and CEO
		Amit Dixit - Director
		Mukesh G Mehta - Director
		Neeraj Mohan - Director (upto July 13, 2021)
		Sharmila Karve – Director
		Dr. Nivedita Haran – Director

Transactions with Related Parties:

(₹ in Lakh)

Name	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Expenditure:			
Deo Shankar Tripathi – Managing Director and CEO	Remuneration	236	219

Compensation of key management personnel of the Group

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Short–term employee benefits	228	211
Post–employment pension (defined contribution)	8	8
Sitting fee and commission	146	121
Total	**382**	**340**

Balances with Related Parties:

(₹ in Lakh)

Name	Particulars	As at March 31, 2022	As at March 31, 2021
Directors Commission & sitting fee	Payable	120	96
Deo Shankar Tripathi	Fixed Deposit (including accrued interest)	-	51
Deo Shankar Tripathi	Debt securities	-	13

* Less than ₹ 50,000

44. Scheme for Grant of Ex-gratia

The Government of India has announced the Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for nine months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020) (the 'Scheme') on October 23, 2020, which mandates ex-gratia payment to certain categories of borrowers by way of crediting the difference between simple interest and compound interest for the period between March 1, 2020 to August 31, 2020 by respective lending institutions by November 5, 2020.

The Scheme is applicable to the borrowers of the Group. Under the said scheme, the Group has credited the ex-gratia amount of ₹ 2,118 Lakh to borrower's accounts by November 5, 2020.

The Group has received ₹ 1,580 Lakh against ex gratia credit to customers during the year ended March 31, 2021. The Group has received ₹ 538 Lakh from the Government of India towards ex gratia credit given to customers of the assigned loans during the year ended March 31, 2022.

The Hon'ble Supreme Court of India has pronounced its judgement in the matter of Small Scale Industrial Manufacturers Association vs UOI & Ors. and other connected matters on March 23, 2021 in related to Interest on Interest during the nine months.

The Reserve Bank of India vide circular no RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 directed all lending institutions to put in place a Board-approved policy to refund/adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in conformity with the supreme court judgement.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 March 2022

45. A comparison between provisions required under Income Recognition, Asset classification and provision norms and impairment allowances made under Ind AS 109 as at March 31, 2022

(₹ in Lakh)

Asset Classification as per RBI Norms	Asset classificat-ion 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	11,29,732	3,454	11,26,277	4,378	(924)
	Stage 2 (Refer Note 3)	65,120	8,170	56,950	4,252	3,918
Subtotal		**11,94,852**	**11,624**	**11,83,228**	**8,631**	**2,994**
Non-Performing Assets (NPA)						
Substandard	Stage 3	11,947	2,923	9,025	1,776	1,147
Doubtful - up to 1 year	Stage 3	4,074	1,597	2,476	1,018	579
1 to 3 years	Stage 3	2,179	878	1,301	871	6
More than 3 years	Stage 3	164	65	99	164	(99)
Subtotal for doubtful		**6,416**	**2,540**	**3,876**	**2,054**	**487**
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	55,957	93	55,864	-	93
Subtotal		**55,957**	**93**	**55,864**	**-**	**93**
	Stage 1	**11,85,689**	**3,547**	**11,82,142**	**4,378**	**(831)**
	Stage 2	**65,120**	**8,170**	**56,950**	**4,252**	**3,918**
Total	**Stage 3**	**18,363**	**5,463**	**12,900**	**3,830**	**1,633**
	Total	**12,69,173**	**17,181**	**12,51,992**	**12,460**	**4,721**

Notes:

1. The provision under Expected Credit Loss Model is higher than Income Recognition and Prudential Norms.
2. Interest on Net NPA amounting to ₹ 108 Lakh (Included in Stage 3 Sub-standard asset – Gross Carrying Amount) has been recognised under Ind AS which is not recognisable under IRACP norms.
3. Customers who has availed the benefit of One-time restructuring as per RBI Circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 2020 and RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 2020 (for restructuring of accounts of Micro, small and Medium Enterprises (MSME) sector – Restructuring of Advances having exposure less than or equal to ₹ 25 crores) and RBI Notification – RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 (Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses) have been disclosed as Stage 2 assets under Ind AS with gross outstanding value of ₹ 43,350 Lakh. Impairment provision and provision required under IRACP is maintained at 10% as required by RBI circular.
4. The above-mentioned amount of 'Total Gross Carrying Amount as per Ind AS' excludes loan against fixed deposits and includes pending part disbursement of loans.

46. Disclosures pursuant to RBI Notification RBI/2020-21/16DOR.No.BP.BC/3/21.04.048/2020-21 date August 6, 2020 and – RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 (Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses)

(₹ in Lakh)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at September 30, 2021 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2022	Of (A) amount written off during the half-year ended March 31, 2022	Of (A) amount paid by the borrowers during the half-year ended March 31, 2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2022
Personal Loans (refer note below)	45,964	1,980	17	2,260	43,208
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**45,964**	**1,980**	**17**	**2,260**	**43,208**

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

Note : Includes loans amounting to ₹ 8,703 Lakh where resolution process was invoked on or before September 30, 2021 and resolution plan was implemented by December 31, 2021.

47. Disclosures pursuant to RBI Notification-RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021.

a) Details of transfer through assignment in respect of loans not in default during the year ended March 31, 2022

Particulars	Year ended March 31, 2022
Entity	NBFC (Housing Finance Company)
Count of Loan Accounts Assigned	11,774
Amount of Loan Accounts Assigned (₹ in Lakh)	77,212
Weighted average maturity (in Months)	167
Weighted average holding period (in Months)	29
Retention of beneficial economic interest (MRR)	10%
Coverage of tangible security coverage	100%

The Loans transferred are not rated as same are non-corporate borrowers.

b) The Group has not transferred or acquired, any stressed / default loans during the year ended March 31, 2022.

48. The Group periodically files returns/statements with banks and financial institution as per the agreed terms and they are in agreement with books of accounts of the Group. This information has been relied upon by the auditors.

49. Registration of charges or satisfaction with Registrar of Companies are filed and paid within the statutory period for debt and borrowings issued during the year.

50. Money raised by way of debt instruments and the term loans have been applied by the Group for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

51. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

52. None of the entities in the Company have been declared wilful defaulter by any bank or financial institution or government or any government authority.

53. The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

54. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

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

   b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

   The Company 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 Company shall:

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

   b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

55. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

56. The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

57. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act.

Name of the entity in the Group	Net assets i.e. Total Assets minus Total Liabilities			
	As % of consolidated net assets	Amount (₹ in Lakh) As at March 31, 2022	As % of consolidated net assets	Amount (₹ in Lakh) As at March 31, 2021
Parent				
Aadhar Housing Finance Limited	99.96%	3,14,539	99.99%	2,69,254
Direct Subsidiary				
Aadhar Sales and Services Private Limited	0.04%	134	0.01%	32

Name of the entity in the Group	Profit after tax			
	As % of consolidated net profit after tax	Amount (₹ in Lakh) As at March 31, 2022	As % of consolidated net profit after tax	Amount (₹ in Lakh) As at March 31, 2021
Parent				
Aadhar Housing Finance Limited	99.96%	44,465	99.95%	33,997
Direct Subsidiary				
Aadhar Sales and Services Private Limited	0.04%	20	0.05%	16

Name of the entity in the Group	Other Comprehensive Income			
	As % of consolidated Other Comprehensive Income	Amount (₹ in Lakh) As at March 31, 2022	As % of consolidated Other Comprehensive Income	Amount (₹ in Lakh) As at March 31, 2021
Parent				
Aadhar Housing Finance Limited	39.26%	53	105.88%	36
Direct Subsidiary				
Aadhar Sales and Services Private Limited	60.74%	82	(5.88%)	(2)

Name of the entity in the Group	Total Comprehensive Income			
	As % of consolidated Total Comprehensive Income	Amount (₹ in Lakh) As at March 31, 2022	As % of consolidated Total Comprehensive Income	Amount (₹ in Lakh) As at March 31, 2021
Parent				
Aadhar Housing Finance Limited	99.77%	44,518	99.96%	34,033
Direct Subsidiary				
Aadhar Sales and Services Private Limited	0.23%	102	0.04%	14

58. The financial statements for year ended March 31, 2021 were audited by Deloitte Haskins & sells LLP and Chaturvedi SK & fellows, Chartered Accountants (Previous Auditors).

59. Previous year figures have been regrouped/re-classified wherever necessary to confirm to current year's classification.

In terms of our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No: 001076N/N500013

Manish Gujral
Partner
Membership No.: 105117

Place: Mumbai
Date: May 16, 2022

For and on behalf of the Board of Directors of Aadhar Housing Finance Limited

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Sharmila A Karve
Director
DIN 05018751

Rajesh Viswanathan
Chief Financial Officer

Sreekanth VN
Company Secretary

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GHAR BANEGA, TOH DESH BANEGA.

www.aadharhousing.com

Registered Office

Aadhar Housing Finance Ltd.
CIN: U66010KA1990PLC011409
2nd Floor, No. 03, JVT Towers, 8th 'A' Main Road,
S.R. Nagar, Bengaluru - 560 027, Karnataka
Toll Free: 1800 3004 2020

Corporate Office

Unit No. 802, Natraj by Rustomjee,
Western Express Highway, M.V. Road, Andheri East, Mumbai -
400069, Maharashtra

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