



GHAR BANEGA, TOH DESH BANEGA.

# Leading with **Legacy** Living with **Purpose**

ANNUAL REPORT  
2023-24





# Leading With Legacy

*The recent success of our IPO solidifies our enduring position as India's leading low-income housing finance company. A pivotal milestone in our journey, this IPO has reinforced our foundation and further fuelled our drive to achieve transformative growth and uplift communities.*

Aadhar Housing Finance Limited has been a pillar of strength in the low-income housing finance sector, consistently shaping industry standards and driving transformative growth. This persistent record of excellence reached a milestone with the successful Initial Public Offering, affirming the company's leadership and securing trust among a broad base of stakeholders. This significant event not only underscores our steadfast commitment but also propels us forward on our established path.

Rooted in a tradition of innovation and customer dedication, Aadhar Housing Finance has continually broadened the accessibility to housing finance. Adapting to evolving market demands with advanced technological integration and strategic branch expansions, the company stands as a beacon of progress and stability. By weaving robust risk management with dynamic marketing strategies, Aadhar Housing Finance ensures it remains at the forefront, equipped to face future challenges. With a rich heritage of empowering communities and driving substantial impact, Aadhar Housing Finance is poised to continue its trajectory of enriching lives and fostering sustainable growth across India.

## Living With Purpose







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# Corporate Information

## BOARD OF DIRECTORS

- a. **Mr. Om Prakash Bhatt**  
Independent Director  
(Non-Executive Chairman of the Board)  
(DIN: 00548091)
- b. **Dr. Nivedita Haran**  
Independent Director  
(DIN: 06441500)
- c. **Ms. Sharmila A. Karve**  
Independent Director  
(DIN: 05018751)
- d. **Mr. Amit Dixit**  
Non-Executive Director (Nominee)  
(DIN: 01798942)
- e. **Mr. Mukesh Mehta**  
Non-Executive Director (Nominee)  
(DIN: 08319159)
- f. **Mr. Prateek Roongta**  
Non-Executive Director (Nominee)  
(DIN: 00622797)
- g. **Mr. Deo Shankar Tripathi**  
Executive Vice Chairman  
(DIN: 07153794)
- h. **Mr. Rishi Anand**  
Managing Director & CEO  
(DIN: 02303503)

## KEY MANAGERIAL PERSONNEL

- a. **Mr. Rishi Anand**  
Managing Director & CEO
- b. **Mr. Rajesh Viswanathan**  
Chief Financial Officer
- c. **Ms. Harshada Pathak**  
Company Secretary & Compliance Officer

## STATUTORY AUDITORS

**Walker Chandio & Co LLP**  
11<sup>th</sup> Floor, Tower II, One International Center, S B Marg, Prabhadevi, Mumbai - 400013, Maharashtra.  
T: +91 22 66262699

**Kirtane & Pandit LLP**  
601, 6<sup>th</sup> Floor, Earth Vintage, Senapati Bapat Marg, Dadar (West), Mumbai - 400028, Maharashtra.

## DEBENTURE TRUSTEES:

- a. **Catalyst Trusteeship Limited**  
(Formerly known as GDA Trusteeship Ltd.) GDA House, Plot No. 85, S. No. 94 & 95  
Bhusari Colony (Right), Kothrud, Pune - 411038, Maharashtra.  
Ph. No.: +91 20 66807200  
Email Id: [dt@ctltrustee.com](mailto:dt@ctltrustee.com)  
Website: [www.catalysttrustee.com](http://www.catalysttrustee.com)

## b. Beacon Trusteeship Ltd.

5W, 5<sup>th</sup> Floor, The Metropolitan, E Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051  
Phone: 022-26558759  
Email Id:  
[contact@beacontrustee.co.in](mailto:contact@beacontrustee.co.in)  
Website: [www.beacontrustee.co.in](http://www.beacontrustee.co.in)

## HOLDING COMPANY

BCP Topco VII Pte. Ltd., Singapore

## SUBSIDIARY COMPANY

Aadhar Sales and Services Pvt. Ltd.

## COMPANY SECRETARY

**Ms. Harshada Pathak**  
Company Secretary & Compliance Officer  
Unit No. 802, 8<sup>th</sup> Floor, Natraj By Rustomjee, Junction of Western Express Highway and M. V. Road, Andheri (E), Mumbai - 400 069, Maharashtra.  
Ph. No.: +91 22 4168 9991  
Email:  
[complianceofficer@aadharhousing.com](mailto:complianceofficer@aadharhousing.com)

## STOCK EXCHANGE

### BSE Ltd.

P.J. Towers, Dalal Street, Mumbai - 400001, Maharashtra.  
Ph. No.: +91 22 22721234  
Website: [www.bseindia.com](http://www.bseindia.com)

### National Stock Exchange of India Ltd.

Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051  
Website: [www.nseindia.com](http://www.nseindia.com)

## DEPOSITORIES FOR DEMAT

### a. National Securities Depository Ltd. (NSDL)

4<sup>th</sup> 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](mailto:info@nsdl.co.in)  
Website: [www.nsdl.co.in](http://www.nsdl.co.in)

### b. Central Depository Services (India) Ltd. (CDSL)

Marathon Futurex, A-Wing, 25<sup>th</sup> Floor, N M Joshi Marg, Lower Parel, Mumbai - 400013, Maharashtra.  
Ph. No.: +91 22 2305 8640  
Email id: [helpdesk@cdslindia.com](mailto:helpdesk@cdslindia.com)  
Website: [www.cdslindia.com](http://www.cdslindia.com)

## REGISTRAR & TRANSFER AGENTS:

### a. KFin Technologies Ltd.

(Formerly known as KFin Technologies Pvt Ltd.)  
Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, India, 500032.  
Ph. No.: +91 40 6716 1663  
Email id: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com)

### b. 3i Infotech Ltd.

(for privately placed NCDs)  
Tower # 5, 3<sup>rd</sup> Floor, International Infotech Park, Vashi, Navi Mumbai - 400703  
Ph. No.: +91 22 7123 8000  
Email id:  
[vijaysingh.chauhan@3i-infotech.com](mailto:vijaysingh.chauhan@3i-infotech.com)  
Website: [www.3i-infotech.com](http://www.3i-infotech.com)

## REGISTERED OFFICE:

2nd Floor, No. 3, JVT Towers, 8<sup>th</sup> 'A' Main Road, Sampangi Rama Nagar, Bengaluru - 560 027, Karnataka.  
Toll Free No: 1800 3004 2020

## CORPORATE OFFICE:

Unit No. 802, 8<sup>th</sup> Floor, Natraj By Rustomjee, Junction of Western Express Highway and M. V. Road, Andheri (E), Mumbai - 400 069, Maharashtra.  
Ph. No.: +91 22 41689900  
Fax No.: +91 22 41689934  
Email id:  
[customercare@aadharhousing.com](mailto:customercare@aadharhousing.com)  
Website: <https://aadharhousing.com/>  
CIN : L66010KA1990PLC011409

## BANKERS

National Housing Bank  
Axis Bank Limited  
Bank of Baroda  
Bank of India  
Canara Bank  
Central Bank of India  
Citibank N.A.  
DBS Bank India Limited  
HDFC Bank Limited  
IDBI Bank Limited  
Indian Bank  
Indian Overseas Bank  
Karnataka Bank Limited  
Kotak Mahindra Bank Limited  
Punjab National Bank  
Shinhan Bank  
State Bank of India  
SVC Co-operative Bank Limited  
The Federal Bank Limited  
The Hongkong & Shanghai Banking Corporation Limited  
The South Indian Bank Limited  
UCO Bank  
Union Bank of India



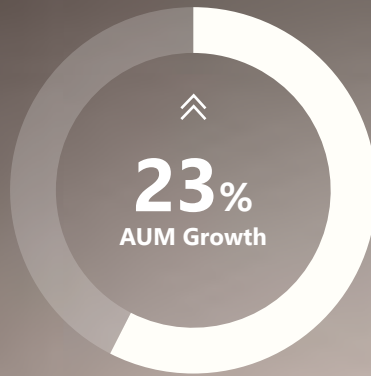
# A Year of Strategic Achievements

## Financial Highlights

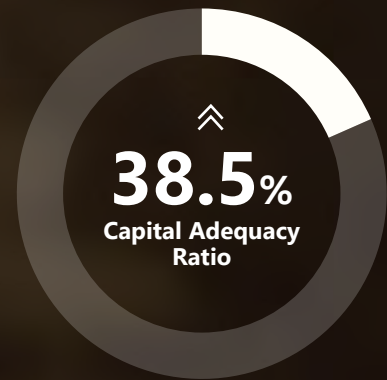
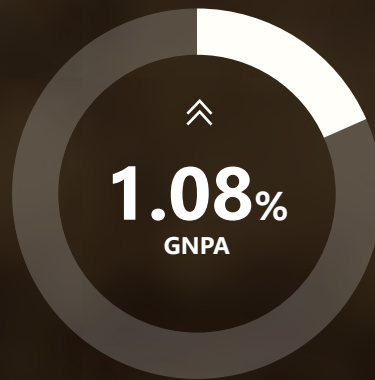
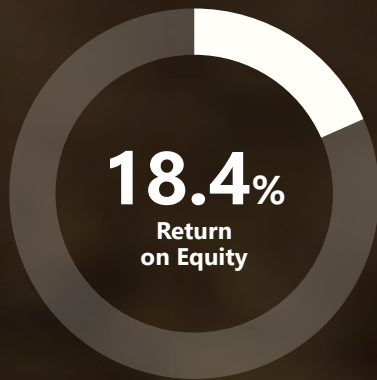
**₹71 bn**  
Disbursements

**₹211 bn**  
Total AUM

**₹44+ bn**  
Net Worth







### Operational Highlights

**534**

Branches and Offices

**20**

States & UT's

**3,931**

Employees

**266,000+**

Live Accounts

**38**

Borrowings Relationships

**AA/Stable**

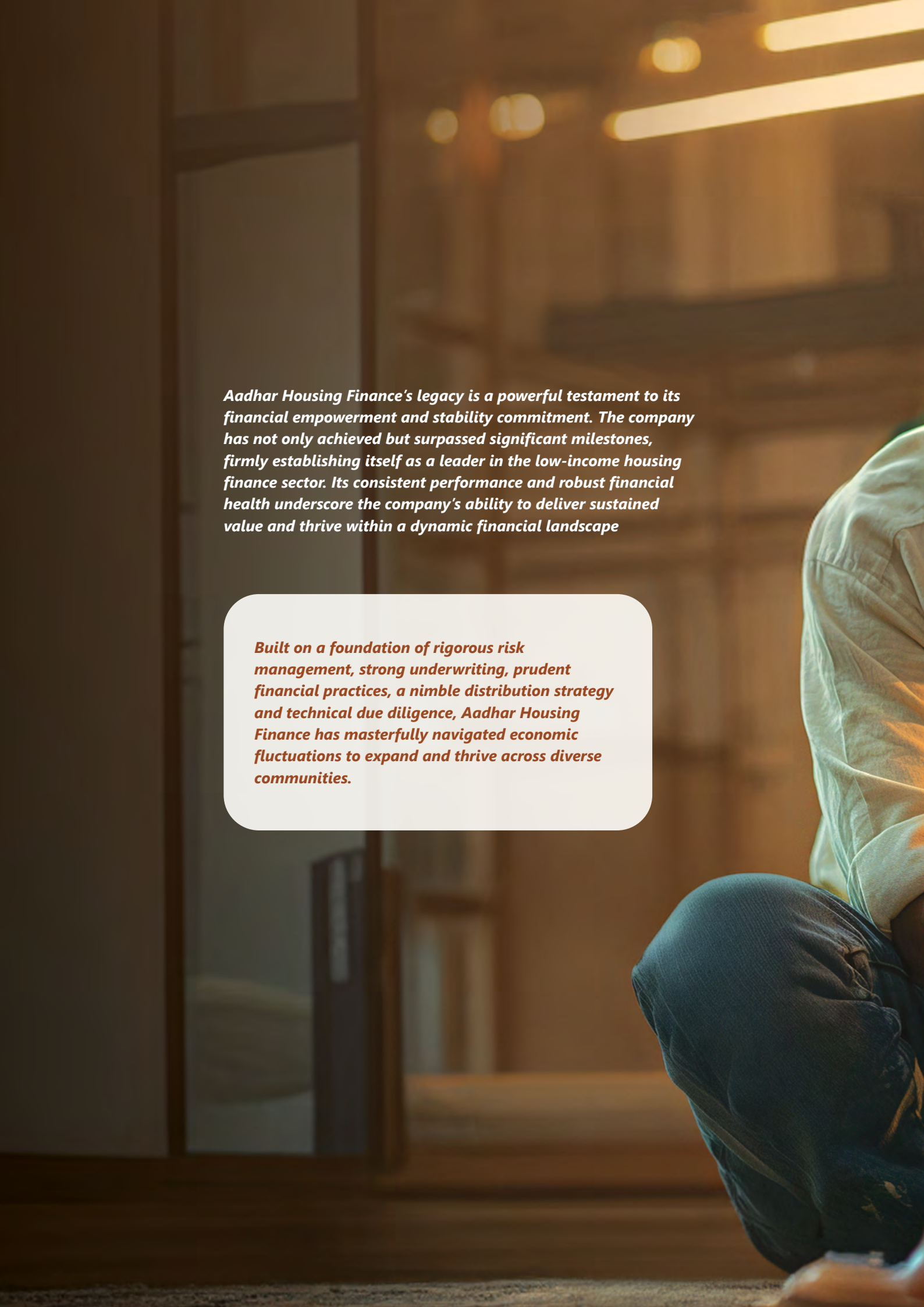
CARE/ICRA/INDIA RATINGS  
Long-Term Credit Ratings

### Social Impact Highlight

## Transforming 50,000+ Lives in FY 2023-24

Through strategic social investments, Aadhar Housing Finance Ltd. has positively impacted over 50,000 lives in the fiscal year 2023-24, underlining its commitment to community development and societal betterment.



A person wearing a white long-sleeved shirt and blue trousers is kneeling on the floor in a modern, brightly lit interior space. The background is blurred, showing architectural elements like glass panels and warm-toned lighting fixtures. The overall atmosphere is professional and clean.

*Aadhar Housing Finance's legacy is a powerful testament to its financial empowerment and stability commitment. The company has not only achieved but surpassed significant milestones, firmly establishing itself as a leader in the low-income housing finance sector. Its consistent performance and robust financial health underscore the company's ability to deliver sustained value and thrive within a dynamic financial landscape*

*Built on a foundation of rigorous risk management, strong underwriting, prudent financial practices, a nimble distribution strategy and technical due diligence, Aadhar Housing Finance has masterfully navigated economic fluctuations to expand and thrive across diverse communities.*







## Igniting Homeownership Aspirations:

# Vibrant Commitment to Inclusive Finances

*Aadhar Housing Finance is dedicated to providing affordable housing solutions to economically weaker and low-to-middle-income groups who often have limited access to traditional financial services. With a strong focus on low-income housing, the Company offers small-ticket mortgage loans of less than ₹1.5 million, ensuring broader financial inclusivity.*

*In FY 2024, Aadhar Housing achieved a record number of live accounts, demonstrating its expansive reach and significant impact. The Company has extended its geographical footprint and fortified its market presence with custom-tailored financial solutions through strategic expansion, effective risk management, and innovative marketing initiatives. Committed to transparency and ethical practices, Aadhar Housing is a beacon of sustainable growth and impactful investment, using capital to foster social and economic development.*

### A Landmark Achievement: The IPO Unveiled

On 15<sup>th</sup> May 2024, Aadhar Housing Finance Ltd. successfully launched its Initial Public Offering (IPO), marking a vibrant new chapter in its journey. This significant move, involving a fresh issue and an offer for sale, was strategically planned to bolster the Company's capital base, empowering it to enhance and extend its lending activities. Focused on energising the low-income segments of the housing market, the IPO served as a crucial lever for broadening Aadhar Housing Finance's impact.

The IPO generated immense enthusiasm among retail and institutional investors, reflecting strong market confidence in the Company's solid business model and expansive branch network. This landmark event has not only celebrated the Company's past achievements, but also set the stage for accelerated growth and increased operational scale across India, opening up new avenues for development and success.

### Mission

- To focus on the low-income segment
- To provide valuable financial services at affordable rates
- To expand our network to every corner of the nation and widen the net of financial and economic inclusion
- To go one step beyond in serving our customers, providing a sense of security and creating customer delight
- To speak the language of respect, dignity, and courtesy with every customer

### Vision

To enable homeownership for every Indian across the nation

## Ghar Banega, Toh Desh Banega



## Values

Aadhar Housing remains a value-centric organisation with all its strategies being governed by the core values of:



### **Speed**

To set clear performance standards and be accountable for providing solutions within specified timelines, with skill and agility.



### **Integrity**

To honour our commitment, we will act responsibly, honestly, and transparently in all our external and internal relationships.



### **Innovation**

To expand our network to every corner of the nation and widen the net of financial and economic inclusion.



### **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 customers.

## Driving Change: Innovative Financial Solutions at Aadhar Housing

Aadhar Housing Finance delivers a dynamic range of mortgage-related financial solutions, expertly tailored to meet the varied needs of diverse societal segments. The product lineup empowers individuals to buy residential plots, construct on self-owned land, enhance existing homes, and expand living spaces. Each loan solution bursts with flexibility, crafted to ensure maximum accessibility and affordability for salaried and self-employed individuals.

- Residential Plot Purchase Loan
- Plot Purchase and Construction Loan
- Self-Owned Plot Residential Construction Loan
- Home Improvement Loan
- Home Extension Loan
- Non-Residential Property Purchase Loan
- Home Loans for Salaried Employees
- Loan Against Residential/Commercial Property
- Home Loans for Self-Employed





*Expanding Horizons:*

# Aadhar Housing's Nationwide Reach

*"In terms of distribution, we are in 20 states and union territories, covering close to 534 Branches and Offices, spread in about 533 districts out of the 806 districts in the country. We are covering about 11,300+ Pin Codes out of the 17500+ Pin Codes in the states where we operate with distribution spread across the length and breadth of the country."*

**Rishi Anand**

MD & CEO,





## Distribution Network



**71**

Uttar Pradesh



**42**

Telangana



**66**

Maharashtra



**40**

Madhya Pradesh



**63**

Gujarat



**40**

Andhra Pradesh



**52**

Tamil Nadu



**25**

Karnataka



**50**

Rajasthan



**85**

Other States

### Customer Promise

The Company has pledged seven commitments to all its customers:

- While striving to fulfil its responsibilities, the Company is committed to consistently treating its customers fairly, with respect and integrity.
- Meticulously work with customers to help them achieve their home ownership goals and respond with a prompt solution.
- At every step, transparency is maintained and customers are well informed.
- Listen to customers and incorporate their feedback.
- The Company strives to foster a trusted, supportive and confidential environment that encourages customers to discuss their home ownership needs.
- Provides great ongoing financial care and guidance.
- Communicate clearly and honestly.

**534**

Branches and Offices

**59**

New Branches in FY 2024

**20**

States & UTs

*Competitive Edge:*

# Cementing Foundations for Lasting Excellence







### Focused Market Segment

Aadhar Housing is strategically positioned to serve the low-income housing segment in India. This focus allows the Company to cater to a market historically underserved by traditional financial institutions.



### Extensive Branch Network

The Company boasts a widespread network of branches that facilitates deeper market penetration and enhances customer accessibility. This network is crucial in reaching potential customers in both urban and rural areas.



### Robust Risk Management

Aadhar Housing employs stringent risk assessment and management practices, ensuring the quality of its loan book and minimising the incidence of non-performing assets (NPAs).



### Innovative Product Offerings

The Company offers a diverse range of products tailored to meet the varied needs of its target customers. This customisation helps in addressing the specific requirements of different customer segments.



### Technology Integration

Aadhar has streamlined its operations and improved service delivery by leveraging technology. This integration enhances customer experience and operational efficiency.



### Strong Regulatory Compliance

Aadhar Housing adheres strictly to regulatory requirements, bolstering investor and stakeholder confidence in its operational integrity and stability.



### Community Impact and CSR Initiatives

Through its corporate social responsibility (CSR) initiatives, Aadhar Housing significantly contributes to community development, further strengthening its market presence and customer loyalty.

## Message from The Management

# A New Chapter Of Purposeful Progress

*I am pleased to present Aadhar Housing Finance Ltd.'s Annual Report for the fiscal year that ended on 31<sup>st</sup> March 2024. Reflecting on an eventful year, our journey has been marked by significant milestones, including our heartening Initial Public Offering. This pivotal event celebrates our past achievements and opens the door to new possibilities.*

*I am deeply thankful for our dedicated employees, whose commitment and hard work are the cornerstone of our success. Their relentless drive is the foundation of our achievements, and I am confident in their ongoing passion and commitment.*

### Enabling Economic Growth Through Strategic Government Initiatives

Strategic fiscal measures and rapid urbanisation are reshaping India's economic landscape, driving significant growth across various sectors. Initiatives such as the **Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA)** and the **Pradhan Mantri Awas Yojana (Gramin) (PMAY-G)** are crucial in enhancing rural incomes and employment, thereby bolstering demand. With a projected 13.2% increase in funding for these initiatives, there is a renewed commitment to revitalising rural economic resilience.

With the urban population projected to increase, the demand for urban housing is set to rise, supported by an improving per capita GDP, which experienced a 6.8% rise in fiscal 2024. This growth underscores the government's effort to position India as an upper-middle-income economy. The Union government's **Pradhan Mantri Awas Yojana (Urban)** has been and will be a key factor to boost demand in urban locations.

The housing finance sector, especially in the low-income segment, is set to expand significantly. Anticipated to grow at a compound annual growth rate (CAGR) of **13-15% from fiscal 2023 to 2026**, the market is demonstrating resilience. This growth is supported by the increasing robustness of the rural economy and a shift towards digital lending platforms, which enhance transparency and affordability in the housing sector. These elements collectively foster a dynamic environment conducive to the continued expansion of low income housing finance, aligning seamlessly with our strategic objectives at Aadhar Housing.

### FY 2024 for Aadhar Housing Finance Limited

This fiscal year, Aadhar Housing Finance Ltd. has shown strong financial and operational growth, affirming its leadership in the low-income housing finance sector. Our total income surged by 27% to ₹25,235.9 million, primarily driven by a 28% increase in interest income from loans, which amounted to ₹21,480.7 million. The Company's return on equity (RoE) stood at an impressive 18.4%, with the net worth exceeding ₹44 billion.

Our Assets Under Management (AUM) has reached a record high of **₹211 billion**, thanks to our focused approach to the low-income segment and our dedication to providing secured retail loans. Disbursement trends have also shown a robust **20% growth in FY 2024**, underscoring our ability to scale operations and effectively meet our customers' financial needs. Our commitment to technological integration across business functions continues to enhance our operational efficiency and profitability, evidenced by approximately **33% profit after tax before exceptional items on YoY basis**.

With solid foundations and a cycle-tested, professional management team, Aadhar Housing Finance Ltd. is well-prepared to continue its growth trajectory, uphold high governance standards, and deliver exceptional value to our stakeholders.





## Regulatory Environment and Market Dynamics

The dynamic landscape of housing finance is continually shaped by regulatory changes and market conditions, which are critical in guiding our strategic direction. Recent updates in housing finance regulations and incentives, such as the PMAY Scheme's credit-linked subsidies and unique financing windows have significantly facilitated the demand for housing. Further, the relaxation of ECB guidelines and revisions in GST rates for housing projects have stimulated sector growth, making financing more accessible.

Our strategic orientation is consistently refined to align with these regulatory shifts and capitalise on evolving market conditions. The transition of regulatory oversight from NHB to RBI has introduced more streamlined and robust frameworks for Housing Finance Companies (HFCs), enhancing our operational efficiency and risk management capabilities. These developments bolster the sector's growth potential and reinforce our commitment to providing reliable and inclusive financial services, supporting our vision of empowering more homeowners across India.

## Social Objectives at the Core of Our Business

Aadhar Housing integrates social objectives across its operations, focusing on the Economically Weaker Section (EWS) and Low-Income Group (LIG). Currently, 71% of our

**"In terms of AUM, we are the largest low-income housing finance Company, at ₹ 21,100 crore"**

AUM is dedicated to these priority sectors, affirming our commitment to this strategic focus. We remain dedicated to this proven approach as we continue to serve and empower these essential segments of our society.

Our community empowerment initiatives such as Aadhar Kaushal, Aadhar Aangan, and Aayushman Aadhar enhance our impact on underserved populations. Governed by strong leadership and robust corporate governance, Aadhar Housing is committed to both, financial excellence and meaningful social contribution.

## Strategic Operations and Technology Integration

Aadhar Housing Finance Ltd. is strategically positioned to leverage favourable economic conditions and regulatory environments, enhancing its standing in the Indian housing

**"We are covering about 11,300+ Pin Codes out of the 17500+ Pin Codes in the states where we operate with distribution spread across the length and breadth of the country"**

finance market. Our focus on creating demand-supply dynamics is evidenced through our comprehensive credit assessment strategies, ensuring robust portfolio quality and extensive presence across India.

Our meticulous underwriting process is at the heart of our strategy, which is finely tuned to cater to salaried and other customer segments through centralised and decentralised processing. This approach ensures rigorous credit evaluation by leveraging in-house technical and legal due diligence, enhancing operational efficiency and customer satisfaction.

By maintaining a balanced focus on these strategic pillars—economic insight, regulatory adaptability, comprehensive credit assessment, strategic distribution, and technological advancement—Aadhar Housing Finance Ltd. strengthens its market position, driving sustainable growth and value creation for all stakeholders.

## Navigating the Future with Vision and Commitment

Building on our legacy achievements and strategic initiatives, Aadhar Housing Finance Ltd. is excellently positioned to capitalise on emerging opportunities within the expanding economy. We are committed to enhancing our operational efficiency and strengthening our market presence. Through extending our operations into new regions, championing Green Housing Initiatives, and broadening our co-lending network, we are set to enhance our lending capacity, diversify our customer base, and unlock fresh opportunities for growth.

We anticipate that FY 2024-25 will present its challenges and opportunities. The economy, geopolitical unrest, inflation, regulatory changes, and climate change are all factors that will continue to pose challenges not just to the broader market but directly to Aadhar Housing Finance as well. We have successfully navigated these challenges and I remain optimistic about our ability to continue doing so. Our perseverance, underpinned by a commitment to purpose and integrity, will ensure we remain on a path to success. I am profoundly grateful to our shareholders and customers for their continued trust in us. My gratitude extends to our employees and their families, whose steadfast support has been crucial during challenging times. On behalf of the Board of Directors and myself, it is a privilege to lead this journey, and we look forward to forging ahead with confidence and resilience.

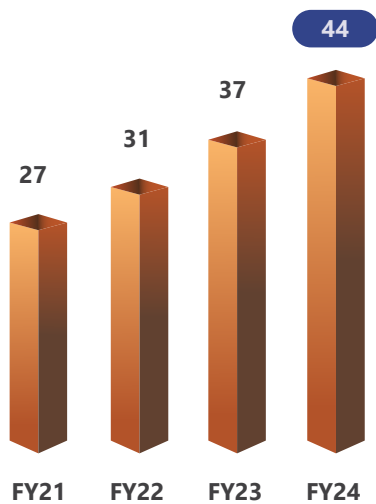
## Rishi Anand

MD & CEO

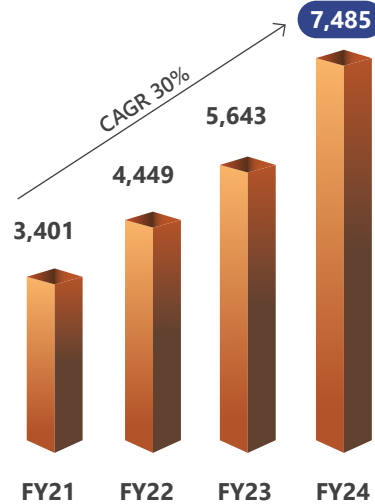
# Purpose-Driven Performance: Tracking Success at Aadhar Housing

Our strong financial performance reflects the enduring legacy of resilience and a purpose-driven approach. These indicators bolster confidence among our current and prospective investors and underscore our commitment to expanding equitable access to financial services.

**Net Worth** (₹ in bn)

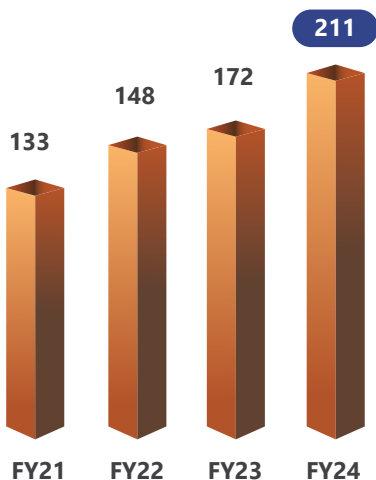


**Profit After Tax** (₹ in mn)

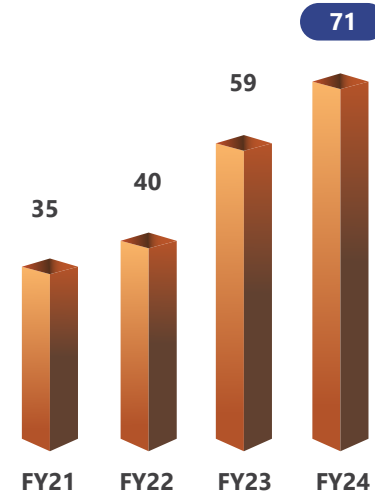


FY 2023 PAT is before exceptional items

**Assets Under Management** (₹ in bn)



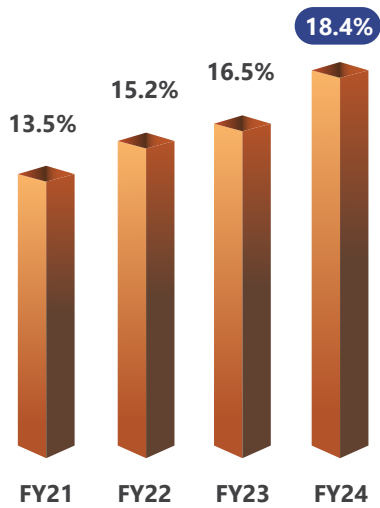
**Disbursements** (₹ in bn)





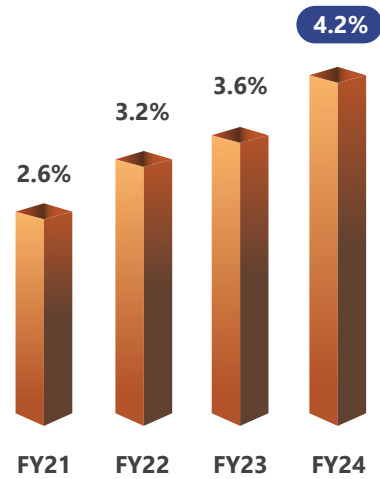
## Return on Equity

(₹ in bn)



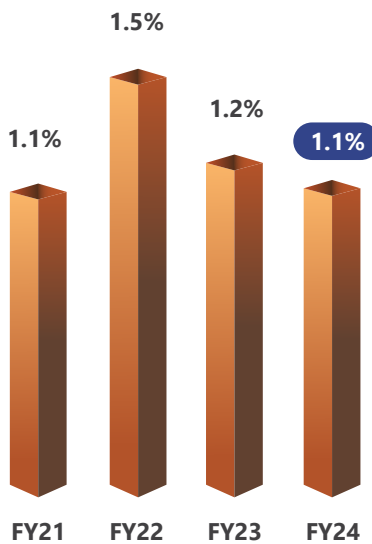
FY 2023 ROE is before exceptional items

## Return on Total Assets

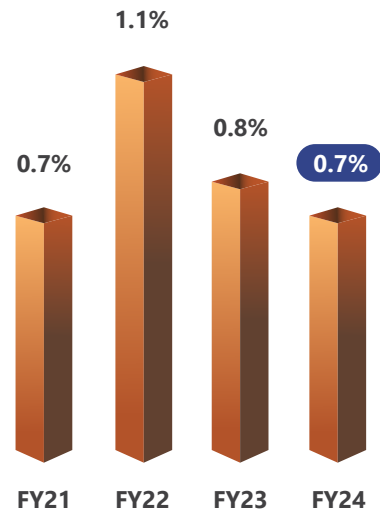


FY 2023 ROA is before exceptional items

## GNPA to AUM



## NNPA to AUM



# Living with Purpose

*Aadhar Housing Finance adopts a proactive approach to growth, focusing on creating sustainable value while adhering to its social objectives. The company is committed to expanding its reach and impact by continuously innovating its financial products and services. This strategy is designed to enhance accessibility to low-income housing finance across India, particularly for underserved communities. Through strategic initiatives, the company aims to deepen its market penetration and improve service delivery, ensuring that more families can achieve the dream of homeownership.*

*The company is committed to corporate social responsibility, strengthening its future plans. It prioritises investments in community development, aligning its business operations with broader social goals. Integrating these objectives, Aadhar Housing ensures financially sound and socially responsible growth. The company's efforts to maintain transparency and engage with stakeholders further strengthen its position as a trusted leader in the housing finance sector, poised for long-term success.*

## Vision for the Future







## Driving Progress:

# Customised Financial Solutions for Every Dream

Discover the expansive range of loan solutions at Aadhar Housing, crafted to empower your financial aspirations. The Company's diverse portfolio offers flexible financing options tailored to various needs, including home loans, plot purchases, construction, and renovations. With streamlined processing, competitive rates, and personalised assistance, Aadhar Housing is your trusted partner, dedicated to turning your dreams of homeownership and beyond, into reality.

## Purchase of Residential Plots

**Loan Purpose:** Designed for individuals looking to purchase non-agricultural land within municipal / local development authority limits, whether for building a home or solely owning the plot.

### Key Highlights



**Loan Amount:** Up to ₹10 million, capped at 60% of the registered cost of the plot or 60% of market value, whichever is lower.



**Quick Disbursement:** Loans are disbursed quickly and hassle-free once eligibility is verified based on documents.



**Flexible Tenure:** The maximum loan tenure is 20 years, subject to retirement age for salaried employees and 70 years for self-employed individuals at loan maturity.

## Plot Purchase and Construction Loan

**Loan Purpose:** This composite loan is designed for individuals who have identified a plot of land for construction within municipal or local development authority limits. It covers financing for both, land purchase and home construction.

### Key Highlights



**Loan Amount:** Up to ₹10 million for Plot Purchase & Construction, capped at 60% of the plot's registered cost and 80% of the construction cost. The overall loan amount is restricted to 80% of the property's market value (75% for loans exceeding ₹75 lakh)



**Quick Disbursement:** Timely disbursement is made upon plot purchase and construction progress verification.



**Construction Guidelines:** Construction must occur on the plot and adhere to NHB guidelines regarding timeframes.



**Tenure:** Maximum loan tenure is 30 years for bank-salaried individuals and 20 years for cash-salaried and self-employed professionals/self-employed non-professionals, subject to retirement age for salaried employees and 70 years for self-employed individuals at loan maturity.



## Self-Owned Plot Residential Construction Loan

**Loan Purpose:** The self-owned plot residential construction loan from Aadhar Housing is designed to provide financial assistance for individuals planning to construct their dream home on a plot of land they own.

### Key Highlights



**Loan Amount:** Up to ₹10 million, capped at 80% of the construction cost or 80% of the property's market value (75% if the loan amount exceeds ₹75 lakh), whichever is lower.



**Construction Requirement:** Construction must occur on land owned by the applicant.



**Timely Completion:** Construction must be completed within a specified period according to NHB guidelines.



**Loan Assessment:** The disbursed loan amount is determined based on repayment capacity, income, age, etc.

## Improvements in Existing House

**Loan Purpose:** You may want to repaint the house, spruce up the flooring, or do any other renovation or repair work. The Company looks forward to helping you with Home Improvement Loans for all your home renovation requirements.



**Loan Amount:** You can avail a Home Improvement Loan online from Aadhar Housing up to ₹10 million. However, this amount cannot exceed 100% of the estimated renovation cost as certified by the chartered engineer or 100% of the cost estimated by the Company's officer. The lower estimate will be considered. This amount is subject to a maximum of 80% of the property's overall market value (75% if the loan amount exceeds ₹75 lakh).



**Loan Tenure:** Maximum loan tenure for Bank-Salaried is 30 years. For cash-salaried and self-employed professionals/self-employed non-professionals, the maximum tenure is 20 years, subject to retirement age for salaried employees, and 70 years for self-employed individuals on loan maturity.

### Home Improvement Loan for Various Purposes

Flooring or roofing | Plumbing | Plastering | Electrical work | Painting | Parapet wall & boundary wall | Underground or overhead water tank | Replacement of doors & windows or non-movable assets | Grills and sliding doors & windows

## Extensions in Existing Structures

**Loan Purpose:** Home Extension Loans are designed to provide financial support for extending your home, whether adding a new room or building new floors. You can use the loan to extend your home however you desire.

### Key Highlights



**Loan Amount:** Up to ₹10 million, capped at 100% of the estimated cost of an extension or 100% of the cost estimated by the Company's officer, whichever is lower. Subject to a maximum of 80% of the property's overall market value (75% if the loan amount exceeds ₹75 lakh).



**Flexible Usage:** You can use the loan to add new rooms or build new floors within your home, allowing you to customise your home extension project according to your preferences.



**Tenure:** Maximum loan tenure for bank-salaried is 30 years. For cash-salaried and self-employed professionals/self-employed non-professionals, the maximum tenure is 20 years, subject to retirement age for salaried employees and 70 years for self-employed individuals on loan maturity.

## Loan Against Residential/ Commercial Property

**Loan Purpose:** The Company provides mortgage loans with several benefits. Whether you are a salaried individual or a self-employed professional, the Company has got you covered.

### Key Highlights



**Salaried Individuals:** Avail loans against property up to ₹25 lakh.



**Self-Employed Individuals:** Get mortgage loans against residential/ commercial property up to ₹10 million.



**Tenure:** Flexible repayment options with a maximum tenure of 15 years, restricted till retirement age for salaried individuals and 70 years for self-employed individuals at loan maturity.

## Loans for the Purchase/Construction of Non-residential Property

**Loan Purpose:** Aadhar Housing offers loans for purchasing non-residential properties within the municipality limits of the city that are approved by the civic authority for commercial usage.

### Key Highlights



**Loan Amount:** Up to ₹10 million to purchase non-residential property.



**Tenure:** The maximum loan tenure is 15 years, considering the retirement age for salaried individuals and 70 years for self-employed individuals at loan maturity.

## Home Loans for Salaried Employees

**Loan Purpose:** Aadhar Housing offers tailor-made home loan solutions specifically designed for salaried employees aiming to fulfil their dreams of homeownership.

### Key Highlights



**Loan Amount:** Up to ₹10 million for Aadhar Home Loans.



**Eligibility:** Monthly salary eligibility starts at ₹10,000 per month.



**Tenure:** The maximum loan tenure is 30 years for bank salaries and 20 years for cash salaries, subject to retirement age.

## Home Loans for Self-Employed

**Loan Purpose:** The Company understands the challenges self-employed individuals face in obtaining housing loans due to the lack of formal income documents. Hence, we have developed new processes to assess income for self-employed professionals and non-professionals, enabling fair terms for housing loans.

### Key Highlights



**Loan Amount:** You can avail of an Aadhar Home Loan up to ₹10 million, with the loan amount not exceeding 80% of the property cost (75% if the loan amount exceeds ₹75 lakh).



**Assessment Criteria:** A minimum of three years of experience in the same field is mandatory for loan eligibility. Alternatively, the applicant's business should be inherited from the parents.



**Tenure:** The maximum loan repayment tenure is up to 20 years, provided the borrower's age on the loan maturity date remains less than 70.



*Fortifying Financial Integrity:*

# Strategic Credit Risk Management at Aadhar Housing

*Aadhar Housing Finance Ltd. adopts a rigorous and holistic approach to credit risk management, which is pivotal in safeguarding stability and enhancing the quality of its financial portfolio. This strategic commitment ensures responsible lending practices and the Company's reputation as a trusted leader in the housing finance sector, consistently managing risks to deliver sustainable growth.*

## Underwriting Systems and Processes

Aadhar Housing maintains firm and thorough underwriting systems to ensure the financial soundness of its operations. The company's comprehensive underwriting process involves thoroughly checking applicants' credit history, financial stability and repayment capacity alongwith property legal, marketable and enforceable status, in case of default. This rigorous assessment helps identify credible borrowers and mitigate potential risks, thereby supporting the sustainability of the loan portfolio.

# 100%

Secured Loan Book

## Collections

The collections strategy at Aadhar Housing is robust and effective, strategically engineered to maintain optimal cash flows and minimize defaults. The company employs a systematic approach, incorporating regular follow-ups and adaptive repayment solutions. These measures ensure high recovery rates and significantly enhance the company's financial health.

## Asset Quality Monitoring

Aadhar Housing is committed to maintaining high asset quality across its loan portfolio. The Company regularly monitors asset quality through advanced analytics and real-time reporting mechanisms. This allows for the early detection of any signs of asset deterioration, enabling proactive remedial actions. Continuous monitoring ensures that the Company's asset base remains strong and that the risk of non-performing assets is minimal.

# 1.08%

Gross NPA (AUM)

# 0.7%

Net NPA (AUM)



From Vision to Value:

# Enacting Purpose in Every Step

Pioneering Affordable Housing Solutions, Trusted Across India

## Inputs

### Strong Balance Sheet



### Cycle-Tested Corporate Governance



### Extensive Network



### Scalable Technology Platform and Digital Processes



### Product & Customers



## Value Drivers



### Vision

To enable homeownership for every Indian across the nation.

**Ghar Banega, Toh Desh Banega**



### Mission

1. To focus on the low-income segment
2. To provide valuable financial services at affordable rates
3. To expand our network to every corner of the nation and widen the net of financial and economic inclusion
4. To go one step beyond in serving our customers, providing a sense of security and creating customer delight
5. To speak the language of respect, dignity, and courtesy with every customer



### Core Values

**Speed:** To set clear performance standards and be accountable for providing solutions within specified timelines, with skill and agility

**Integrity:** To honour our commitment, we will act responsibly, honestly, and transparently in all our external and internal relationships

**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 customers



### Our Strategy

1. Expanding our distribution network for deeper market penetration
2. Enhancing reach in target segments
3. Tech-Powered transformation: streamlining operations for superior service
4. Optimising borrowing costs and reducing operating expenses further



## What We Do

Aadhar Housing showcases strong financials with broad financing sources and cost-effectiveness. Through disciplined asset management and effective liquidity management, the Company maintains financial stability and agility, ensuring it meets market demands efficiently and sustains stakeholder value.

Aadhar Housing is guided by a highly experienced Board, supported by Blackstone through BCP Topco VII Pte. Ltd., one of the world's premier global investment firms. Our leadership team is seasoned and adheres to stringent corporate governance standards, ensuring that every decision and strategy aligns with our high standards of excellence and integrity.

Aadhar Housing maintains a pan-India presence with a comprehensive network for strategic geographic expansion. Our localised branch models and the development of Deep Impact Branches are underpinned by a nimble distribution strategy. Each branch is tailored to its location, ensuring operational expenditure is controlled, while maximising efficiency and service delivery.

We leverage a scalable technology platform developed by TCS, encompassing all aspects of the loan lifecycle, from digital onboarding to loan servicing and collection management. We employ advanced digital solutions for underwriting, customer engagement, and mobility, enabling efficient management of financial services across a broad customer base.

Aadhar Housing focused on the low-income housing segment with ticket sizes less than ₹1.5 million. We provide diverse mortgage-related loan products to facilitate homeownership and property development, primarily serving customers in urban and semi-urban areas. By embedding social objectives into our business model, we ensure that our offerings meet financial needs and support the broader goals of community development and financial inclusion.

## Value We Generate

Aadhar Housing Finance Ltd. delivers significant value through enhanced financial flexibility, enabling agile responses to market conditions. Our strategic financial management has effectively reduced our cost of capital, increasing profitability. This and a robust risk management framework have notably improved our risk profile. Moreover, the strength of our financial practices is reflected in our 100% secured loan book, underscoring our commitment to security and trust.

Our robust governance framework and internal controls are instrumental in managing operations effectively, yielding consistently strong results. Positioned distinctively in our chosen market, our differentiated business model ensures we remain poised for continued success, leveraging our leadership to drive strategic growth and innovation.

Our extensive network facilitates enhanced market penetration and improves customer accessibility, making our services available to a broader demographic. We are highly adaptable and responsive to local market demands, which positions us for sustainable growth. This approach extends our reach and deepens our impact across diverse communities, reinforcing our commitment to financial inclusion.

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Aadhar Housing leverages its position as a leading low-income housing finance to enhance financial inclusion and customer access to affordable housing. Our strategic utilisation of government schemes like PMAY reduces our customers' borrowing costs and boosts housing demand. This approach increases our market share, strengthens financial stability, and reinforces our commitment to social progress, positioning us as a pivotal player in the sector.

## Value Outcomes

Assets Under Management (AUM):

**₹211 bn**

Profit After Tax (PAT):

**₹7.5 bn**

Net Worth

**₹44 bn+**

**Enhanced Compliance:** Meets regulatory standards, reducing risk exposures.

**Investor Confidence:** Attracts stable, long-term investments.

**Risk Management:** Maintains lower risk ratios, ensuring financial stability.

**534**

Branches and Offices

New Branches Started in FY 2024:

**59**

No state accounts for more than

**14%** of AUM

**Use technology to build innovative distribution channels to originate loans and deepen market footprint**

**Process loans on best-in-class platforms to bring full visibility and trail in operations**

Disbursement Growth:

**20%**

Live Accounts:

**266K**

Gross AUM with EWS/LIG Customers:

**71%**

## Strategising With Purpose: Building Tomorrow Today

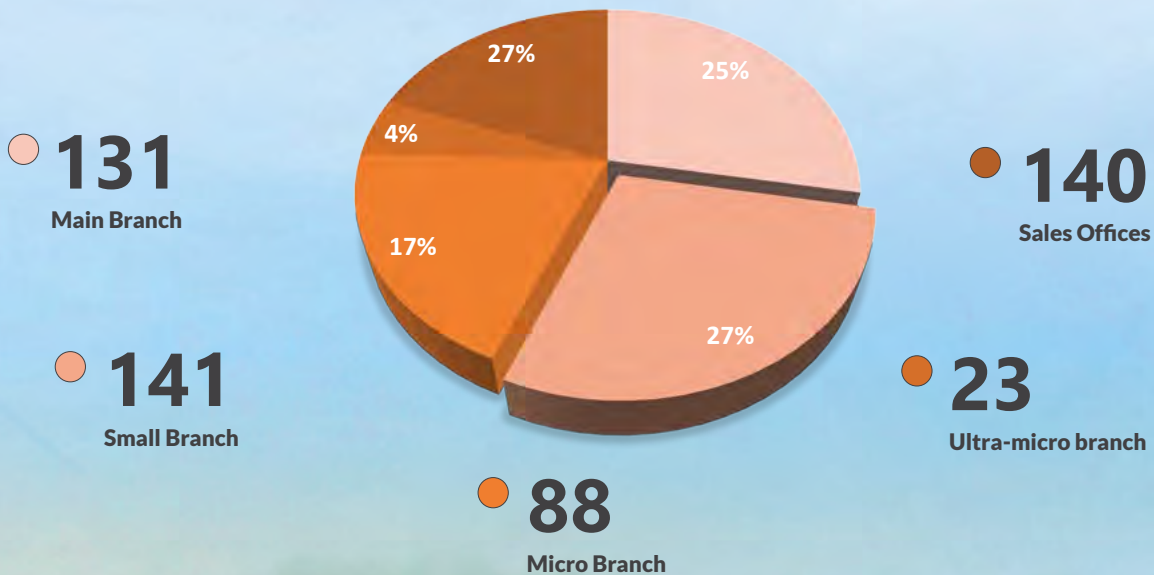
Aadhar Housing lays out a comprehensive blueprint to solidify its leadership in the housing finance market. The Company charts a course toward sustainable growth and substantial impact by prioritising innovation, distribution, customer-centricity, and operational excellence. This strategic focus not only prepares us for future challenges but also cements our commitment to making a meaningful difference in the lives of our customers.

### Expanding the Distribution Network for Deeper Market Penetration

Aadhar Housing is expanding its distribution network across India to meet the growing demand from urbanisation. The Company strategically places its branches, from main to ultra-micro branches, to efficiently cater to diverse market demands. This structured approach helps control operational costs and ensures optimal service at each location. By analysing demographics and market trends and employing the AGU product for market testing, Aadhar Housing aligns its expansion with actual market needs. Ongoing evaluations enable the Company to adjust its strategy, ensuring effective market penetration and improved service delivery.

### Enhancing Reach in Target Segments

In FY 2024, Aadhar Housing significantly expanded its customer base, serving over 266 thousand live accounts, primarily drawn from economically weaker and low-to-middle-income segments. The Company's strategic focus remains steadfast on the Low-Income Group (LIG) and Economically Weaker Sections (EWS), with a modest contribution from the Middle-Income Group (MIG). Despite the challenges of low mortgage penetration in India—largely due to variable income levels and the prevalence of informal employment—the prospects for growth are notably promising. Aadhar Housing prioritises low-income housing, leveraging digital innovations to widen access to its financial solutions.



### Tech-Powered Transformation: Streamlining Operations for Superior Service

Aadhar Housing is accelerating its evolution with a significant technological upgrade aimed at digitising its operations to boost efficiency and customer experience. This initiative includes the strategic rollout of digital and technology-enabled solutions designed to simplify processes, extend market reach, and fortify risk management practices. By implementing cutting-edge

technological tools, Aadhar Housing is enhancing its operational agility and ensuring greater cost-efficiency and improved service delivery. This commitment to digital transformation underscores the Company's forward-thinking approach, poised to redefine customer interaction standards and operational excellence in the housing finance sector.



# 1,10,000

AHFL Customer  
App Downloads

# 1

IT Data  
Center-Mumbai

# 1

IT Data Recovery  
Center-Hyderabad

### Lending and Securitisation Platform (Developed by TCS)

- Digital Onboarding: Lead capture, auto-allocation, customer onboarding, document validation, loan processing.
- Loan Origination: Streamlined processing for credit team, rule-based deviations based on customer profile.
- Verification Portal: Secure access for verification services, aiding credit underwriting.
- Loan Servicing: Managing disbursements, repayment schedules, NPA tracking, and interfacing with external agencies like CIBIL and PMAY.
- Finance & Accounting: Integrating enterprise-wide accounting solutions.
- GST Integration: Capturing and generating GST data for filing in returns.
- Collection Management: Accounts to agents via a rule-based engine, handling payments and collections.
- Information Insight: Operational reporting for loan life cycle activities.

### Optimising Borrowing Costs and Reducing Operating Expenses Further

Aadhar Housing Finance Ltd. diligently works to sustain its net interest margin (NIM) through strategic financial operations to diversify funding sources and refine asset-liability management practices. Initiatives include:

- Diversified Funding Sources: By increasing the share of National Housing Bank (NHB) refinancing and accessing international capital markets, the Company strategically reduces borrowing costs and enriches its funding mix.
- Operational Efficiency: Leveraging a robust distribution and collections infrastructure, Aadhar Housing enhances operating leverage, significantly curtailing operating expenses.
- Technology Investments: Strategic investments in technology and digitisation are pivotal in reducing operating expenses and credit costs, ensuring streamlined operations across all levels.

# 2600+

Direct Selling  
Team Members

# 12600+

Aadhar Mitras

# 38

Borrowing Relationships



**Strategic Outreach:**

# Purpose-Driven Marketing that Transforms Lives

*Equal Access Marketing: Aadhar Housing's Commitment to Equitable Homeownership*

**Ethos**

At Aadhar, we are committed to the idea that homeownership should be an equal right for everyone. Our recent digital video campaign showcases our dedication to ensuring that individuals from all backgrounds have equal opportunities to realize their homeownership dreams.

**Angle**

Titled 'Majboori,' the campaign portrays homeownership as a luxury and a right, emphasising stability and security as cornerstones for nation-building under the tagline: 'Ghar Banega toh Desh Banega.'

**Strategy**

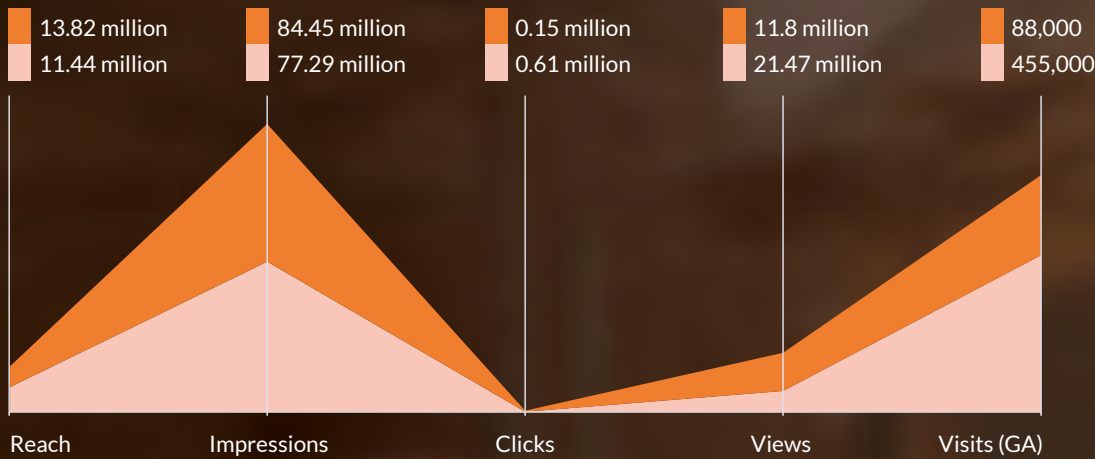
The campaign features the resilience and pride of individuals from the low-income groups, pivotal to nation's backbone. It moves beyond sympathy to spotlight empowerment and national contribution.

**Impact**

Supported by a robust digital strategy, the campaign aims to enhance Aadhar Housing Finance's brand identity, broaden market reach, and fortify its stake in new and existing markets, ultimately contributing to societal progress through financial empowerment.

**Campaign Success** (Budget - 7.3 million)

● **Planned**    ● **Achieved**



**2X**  
More Views as Projected

**5X**  
Website Visitors

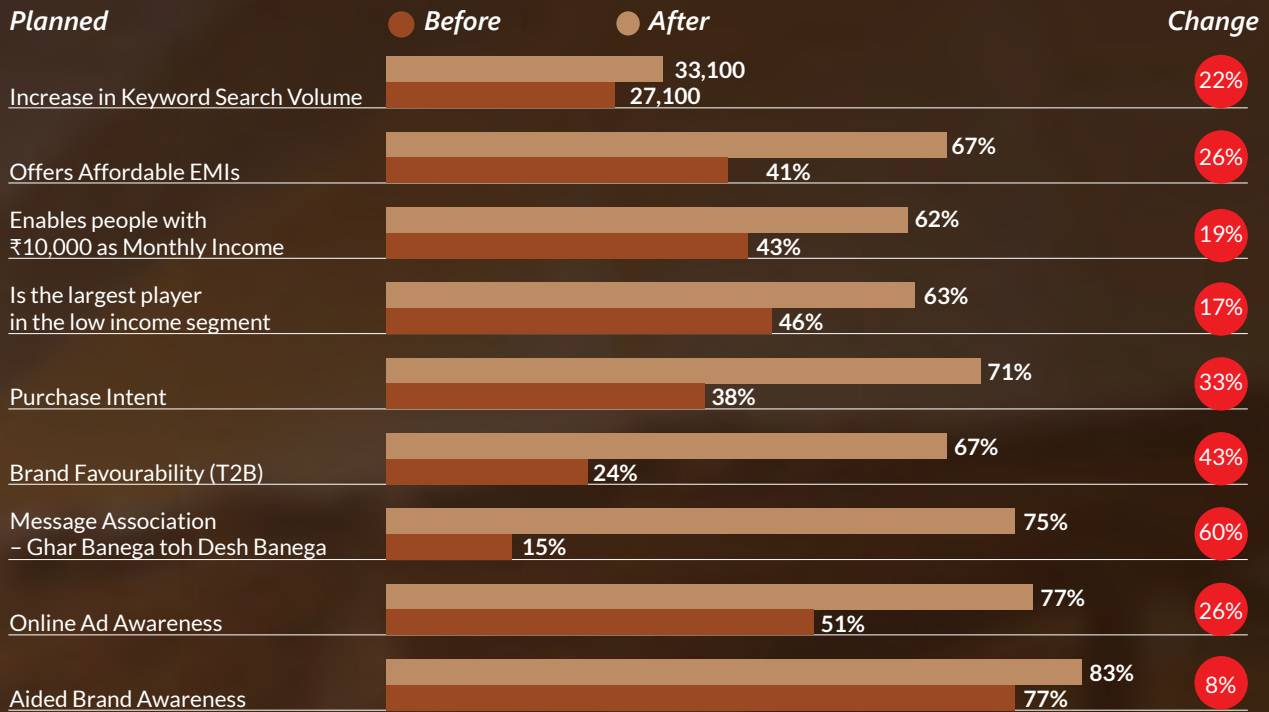
**4X**  
Campaign Clicks

**22%**  
Increase in Search Result





## Evaluating Impact: The Brand Lift Survey



## Dynamic Outdoor Marketing Initiatives FY 2024

In FY 2024, the Company's outdoor marketing efforts amplified its brand presence and solidified community ties through dynamic and strategic activations. Key activities spanned quick sanction events and immersive cultural branding during festivals. Noteworthy efforts included expansive wall art and specific community-centric events like the Home Loan Mela and Karunada Hubba. These initiatives skillfully utilized multiple platforms to boost visibility and engage customers, significantly expanding the Company's footprint across diverse locales.

- Spot Sanction Activities:** Across 29 events, the Company effectively engaged with over 10,000 people, generating upwards of 1030 leads. These activities showcased strong customer interest and extended our outreach significantly.
- Aadhar Parichay & Leaflet Distribution:** 1,138 Aadhar Parichay and 1,932 leaflet distribution activities resulted in more than 3,000 leads, effectively expanding the Company's reach and customer base.
- Wall Painting Campaign:** Implemented wall paintings across 500 locations, covering an impressive 702,172 sq. ft., enhancing Company's visual presence and brand visibility.
- Local Outreach and Consumer Connect Activities:** Organised Aadhar Housing Finance tied up with media partners Network18 at one of the largest cultural festivals in Karnataka with two significant events in Bengaluru and Shivamoga, engaging with over 10,000 consumers from various strata of society to educate & share offering on home loans
- Red FM Loan Carnival:** In collaboration with Red FM, the Company hosted a loan carnival, reaching over 1,500 individuals and producing 30 valuable leads. This event capitalized on media partnerships to significantly enhance our visibility and outreach.
- Local Cultural Events:** The Company actively participated in branding during Maharashtra's Ganapati Festival and West Bengal's Durga Puja, connecting deeply with over 50,000 attendees. These initiatives during culturally significant periods significantly boosted local engagement and brand recall.



# Governance with Purpose and Legacy

*Committed to excellence and living a purposeful mission, the Company's esteemed Board of Directors and the Management Team drive the organisation to new heights. Their unparalleled experience and deep insights ensures that the Company enhance shareholder value and meaningfully impacts its communities and the broader industry.*

## Board Of Directors



### **Mr. O.P. Bhatt**

*Independent Director & Non-Executive Chairman of the Board*

Appointed: September 2019

With a Bachelor's degree in Science and a Master's degree in English Literature from Meerut University, Shri Om Prakash Bhatt has rich industry experience. He has been serving as the Non-Executive Chairman and Independent Director on the Board of the Company since 13<sup>th</sup> September 2019. He is also a Director on the Boards of many companies including Hindustan Unilever Limited and Tata Group companies, viz. Tata Motors Limited and Tata Consultancy Services Limited, Greenko Energy Holdings Mauritius, Tata Daewoo Commercial Vehicle Limited and TML Holdings Pte. Ltd. Previously, he served as the Chairman of the State Bank of India.

### **Mr. Deo Shankar Tripathi**

*Executive Vice Chairman*

Appointed: January 2023

With a Bachelor's and Master's degree in Science from Lucknow University, Shri Deo Shankar Tripathi has served as the Company's Executive Vice Chairman since 3<sup>rd</sup> January 2023. He is a Diploma holder in Public Administration from Awadh University and has cleared the associate examination of the Indian Institute of Bankers. He completed various certificate courses, including an International Study Tour on 'Energy Efficiency in Residential Buildings' from KFW Entwicklungsbank, Germany, and a Strategy and Management in Banking Programme from International Development Ireland Limited. Previously, he was a General Manager at Union Bank and President and Chief Operating Officer at DHFL. He also serves as a Director inter alia on the Board of a subsidiary Company, Aadhar Sales and Services Private Limited. He has previously held the position of MD & CEO of the Company.





## **Mrs. Sharmila A. Karve**

### **Independent Director**

Appointed: December 2020

A qualified Chartered Accountant from the Institute of Chartered Accountants of India with a Bachelor's degree in Commerce from the University of Bombay, Smt. Sharmila Karve has been serving as an Independent Director on the Board of the Company since 15<sup>th</sup> December 2020. She is also serving as a Director on the Boards of EPL Limited, EPL Packaging (Guangzhou) Limited, Lamitube Technology Limited (Mauritius), EPL America LLC, Syngene International Limited, Fairfax India Holdings Corporation, Vanaz Engineers Limited, CSB Bank Limited, Thomas Cook (India) Limited and School for Social Entrepreneurs India.



## **Dr. Nivedita Haran**

### **Independent Director**

Appointed: September 2018

With a Ph.D. in Humanities and Social Sciences from the Indian Institute of Technology, Delhi, Dr. Nivedita Haran retired as the Additional Chief Secretary, Department of Home Affairs, Government of Kerala, India. She has been serving as an Independent Director of the Company since 15<sup>th</sup> September 2018. She is also serving the board of NESL Asset Data Limited. She serves as the Honourary Chairperson on the Board of Directors of the Centre for Migration and Inclusive Development.

## **Mr. Amit Dixit**

### **Non-Executive Director (Nominee)**

Appointed: August 2019

With a Bachelor's degree in Civil Engineering from the Indian Institute of Technology, Bombay, Shri Amit Dixit also has two Master's degrees, one in Science (Civil Engineering) from Leland Stanford Junior University and the other in Business Administration from Harvard University. He has been awarded the Director's Silver Medal for graduating at the top of his civil engineering programme. He has been serving as a Non-Executive (Nominee) Director on the Board of the Company since 2<sup>nd</sup> August 2019. Additionally, he is the Senior Managing Director, Head of Asia for the private equity business group at Blackstone Advisors India Private Limited. He has also worked as an Associate at Warburg Pincus. Currently, he is serving as a Director on the Board of several companies including Mphasis Limited, Sona BLW Precision Forgings Limited, EPL Limited, Blackstone Advisors India Private Limited, ASK Investment Managers Limited, TU Topco Inc., TU Midco Inc., TU Bidco Inc and VFS Global AG.





## **Mr. Mukesh Mehta**

**Non-Executive Director (Nominee)**

Appointed: August 2019

A qualified Chartered Financial Analyst (USA) and Chartered Accountant from the Institute of Chartered Accountants of India, with a Master's degree in Commerce from the University of Mumbai, Shri Mukesh Mehta is serving as a Non-Executive (Nominee) Director on the Board of the Company since 2<sup>nd</sup> August 2019. He has a rich 17.5 years of experience in private equity and is currently associated as the Senior Managing Director within the private equity business group of Blackstone Advisors India Private Limited. 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 International Gemmological Institute (India) Private Limited, R Systems International Limited, Simplilearn Solutions Private Limited, PGP Glass Private Limited, TU Topco Inc., TU Midco Inc., TU Bidco Inc and VFS Global AG.



## **Mr. Prateek Roongta**

**Non-Executive Director (Nominee)**

Appointed: January 2023



An MBA from the Indian Institute of Management, Ahmedabad, and a qualified Chartered Accountant and Company Secretary, Mr. Prateek Roongta has graduated in Commerce from the University of Delhi. He has been serving as a Non-Executive (Nominee) Director on the Board of the Company since 20<sup>th</sup> January 2023. Currently, he is the Managing Director within the Portfolio Operations Group at Blackstone Advisors India Private Limited. He has over two decades of experience and previously, he has worked at Boston Consulting Group, True North Managers LLP, and Kearney. Currently, he is also a Director on the Board of other public companies.

He is also serving as a Director on the Board of ASK Investment Managers Limited, ASK Long-Short Fund Managers Private Limited, ASK Wealth Advisors Private Limited, International Gemmological Institute (India) Private Limited, Fino Payments Bank Limited and Fino Paytech Limited.

## **Mr. Rishi Anand**

**Managing Director and Chief Executive Officer**

Appointed: January 2023

With a Post Graduate Certification in Business Management from IIM Kozhikode, Rishi Anand has been serving as the MD & CEO of the Company w.e.f. 3<sup>rd</sup> January 2023. Prior to his current appointment, he held the position of the COO of Aadhar Housing Finance. He has a rich experience of over 27 years in the financial services sector across a diverse spectrum of functions and businesses. Before joining the Aadhar group, he worked with other companies 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.





## Management Team

### **Mr. Rajesh Viswanathan** *Chief Financial Officer*

A qualified Chartered Accountant from the Institute of Chartered Accountants of India and a qualified Cost and Works Accountant from the Institute of Cost and Works Accountants of India, Mr. Rajesh Viswanathan holds a Bachelor's degree in Commerce from the University of Mumbai. He has been an integral part of the Company since 1<sup>st</sup> December 2019. He has several years of experience in accounting, finance, strategy, planning, taxation, treasury, audit, and managing investor relations. Previously, he has worked at A F Ferguson & Co., Mahindra & Mahindra Limited, DSP Financial Consultants Limited, KPMG Bahrain, Bajaj Allianz Life Insurance Corporation Limited, Bajaj Finance Limited & Capital Float.



### **R. Anil Kumar Nair** *Chief Business Officer*

He holds a Bachelor's and Master's degree in Commerce as well as a Diploma in marketing management from the Rani Durgavati Vishwavidyalaya, Jabalpur, Madhya Pradesh. He also holds a Master's in Business Administration degree from the Sikkim Manipal University. He has experience in the sectors of FMCG, electronics and mortgage industry. He has previously worked with various organisations including Bata India Limited, MIRC Electronics Limited – ONIDA, ICICI Bank Limited, DHFL, Aspire Home Finance Corporation (Now Motilal Oswal Home Finance Limited). He is also a Director on the Board of the Company's subsidiary. He joined the Company on 14<sup>th</sup> February 2019, as Business Head – Business Development – Housing Loan.

### **Mr. Anmol Gupta** *Chief Treasury Officer*

A qualified Chartered Accountant from the Institute of Chartered Accountants of India, Mr. Anmol Gupta holds a Bachelor's degree in Commerce (Hons.) from the University of Delhi. He has been an integral part of the Company since 21<sup>st</sup> November 2017. He has several years of experience in coordinating financial operations, preparing budgets, and ensuring the maintenance of up-to-date financial reports, commitments, expenditures, and legal records. Previously, he worked with BHW Birla Home Finance Limited as the Accounts Officer of CIMMYT-India, headquartered in Mexico. He was the Chief Financial Officer of Erstwhile AHFL.





## **Mr. Nirav Shah**

### **Chief Risk Officer**

A qualified Chartered Accountant from the Institute of Chartered Accountants of India, Mr. Nirav Shah holds a Bachelor's degree in Commerce from P. D. Lion's College of Commerce and Economics, University of Mumbai. He has also cleared the exam for Certified Information Systems Audit from the Information System Audit and Control Association. He joined the Aadhar team on 5<sup>th</sup> July 2018 and had been the Head Internal Audit of our Company from July 2018 till 31<sup>st</sup> December 2019. He has several years of experience in implementing risk management systems across business units and maintaining a strong integrated risk management framework. Previously, he has worked with Deloitte Haskins & Sells, ICICI Prudential Life Insurance Company Limited and Tata Capital Housing Finance Limited.



## **Mr. Haryyaksha Ghosh**

### **Chief Data Officer**

With a Postgraduate Diploma in Management from the Indian Institute of Management, Calcutta, Mr. Haryyaksha Ghosh holds an integrated Master's degree in Science (Physics) from the Indian Institute of Technology, Kharagpur. As the Chief Data Officer, he heads the data, digital, and data science initiatives of the Company. He joined the Aadhar team on 1<sup>st</sup> February 2021. He has around 17 years of experience in data science and information technology. He has previously worked with various organisations situated in India and South East Asia, including Infosys Technologies Limited, M/s Eckelon (Co-founder), Mindwave Solutions Pte. Ltd. (Singapore), Knowledge Management Solutions Pte. Ltd. (PTO Ltd. Singapore), Network 18 Media & Investments Ltd, and ECL Finance Limited. He is also a Director on the Board of Aashaa Global Solutions & Services Private Limited.



## **Harshada Pathak**

### **Company Secretary & Compliance Officer**

Ms. Harshada Pathak is the Company Secretary and Compliance Officer for the Company. She holds a Bachelor's degree in Commerce from Mulund College of Commerce and Bachelor's in law from University of Mumbai. She is a qualified Company Secretary from the Institute of Company Secretaries of India, having an experience of over 18 years and has previously worked as the Compliance Officer and Company Secretary for Volkswagen Finance Private Limited, in the secretarial department of Mahindra & Mahindra Financial Services and in the compliance department of Essar Investments Limited. She joined our Company on April 15, 2021.



## **Mr. Sreekanth V.N.**

### **Chief Compliance Officer**



Mr. Sreekanth V. N. is the Chief 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 our 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 our Company on November 21, 2017.



*Impact Beyond Numbers:*

# Aadhar Housing's Commitment to Societal Growth

*The Company extends its influence beyond financial services by actively engaging in Corporate Social Responsibility (CSR) initiatives that drive societal development. The Company supports community upliftment through these targeted programmes and fosters sustainable environmental practices. It affirms its role as a responsible leader in the housing finance sector.*

## Advancing Sustainability and Empowerment: Aadhar Housing's Vision for Tomorrow

Aadhar Housing Finance Ltd. is poised to broaden its CSR initiatives with an unwavering commitment to health, education, skill development, sports, and environmental conservation. The different interventions planned and executed across locations reinforce Aadhar Housing's dedication to sustainable practices, aligning its operations with environmental stewardship and social responsibility.

### Our Efforts Highlights:

- Organised health camps in rural and urban areas, significantly improving community health.
- Distributed essential mobility aids like Jaipur Foot, callipers, and crutches to individuals with physical disabilities.
- Invested in critical medical technology, including dialysis machines and ventilators, and supported the setup of specialised hospital wards.
- Enhanced educational opportunities and infrastructure, providing scholarships and setting up digital libraries in police stations.
- Supported Indian para-athletes with training and preparation for international competitions, including the Paralympics 2024.
- Implemented key skill development programmes aimed at empowering underserved youth and women, including survivors of acid attacks.






# Empowering Communities: Aadhar Housing's Comprehensive CSR Initiatives

## Aayushmaan Aadhar

**Programme Overview:** Understanding the need to address the health challenges of women with a primary focus on gynaecological issues across all age groups including menstrual hygiene challenges, 'AHFL Clinic on Wheels' focuses on early identification of diseases to timely medical intervention through teleconsultation and telemedicine services. The project also focused on reducing the challenges faced by physically disabled individuals by providing prosthetic aids such as Jaipur Foot, calipers, crutches, and hands.


Health camps were held across various cities in India, providing curative and preventative treatments. These included overall physical examinations, basic assessments of vital organs, nutrition, and gynaecological counselling.

 Madhya Pradesh, Karnataka, Gujarat, Maharashtra, Rajasthan

## Aadhar Paryavaran Parivartan

**Programme Overview:** Through this intervention, the focus is on working towards natural resource conservation and ensuring to put an end to the crisis of accessibility of drinking and utility water in the area.


Furthermore, through this project, support is being extended for installation of solar panels for providing cost-effective solution for generation of energy and mitigate the dependency on non-renewable sources of energy.

 Rajasthan, Uttar Pradesh, Madhya Pradesh

## Aadhar Kaushal


**Programme Overview:** The project extends financial assistance to meritorious students from economically marginalised families for their entire academic tenure, covering vocational, technical, and college-level studies. It also supports 250 youth from underserved sections of society with employable skills and soft skills training, aiming to make them self-reliant and contributing members of society.

In alignment with the 'Digital India Mission', the project also focusses on set up and development of infrastructure within police stations in Delhi in such a manner that extends cohesive environment to the underserved students preparing for competitive examinations and higher studies.

 Delhi, Haryana


## Aadhar Annapurna

**Programme Overview:** Through this initiative, the focus is to address the nutrition gap observed in underprivileged children going to private low-income schools by providing nutritious meals.

 Maharashtra


## Aadhar Kishori Kalyan

**Programme Overview:** The project supports the rehabilitation, skill training and empowerment of acid attack survivors. Furthermore, under this umbrella, skilling is also extended to women aspiring to become economically independent. The skilling is in the areas of sewing machine operation, hand embroidery and beauty & wellness.

 Uttar Pradesh, Madhya Pradesh and Tamil Nadu


## Aadhar Aangan

**Programme Overview:** An ECCE (Early Child Care and Education) Initiative for ensuring nutrition, early childhood education and care through capacity-building and system strengthening. The project focuses on capacity building through training to Aanganwadi Workers and helpers so that they can strengthen the Aanganwadis in respect to bringing solutions to malnutrition and community awareness towards it.

 Madhya Pradesh

## Aadhar Khel Kaushal

**Programme Overview:** The project extends support for the training and preparations of Indian para-athletes for the Paralympics, aimed at promoting sports for the physically challenged as a means of social inclusion and empowerment.

 Pan India



## *Celebrating Excellence:*

# Awards and Accolades

## Celebrating Excellence Across the Board

### *Innovation and Technology*

#### **Data Mastery**

AHFL was honoured at the Data Analytics and AI Show 2024 for the 'Best Use of Data Analytics in Risk Management.'

#### **Technology Leadership**

Aadhar MobileX acclaimed for its 'Technology Re-orientation Initiatives' at the ET BFSI Exceller Awards 2023

#### **Innovation at the Frontier**

AHFL celebrated at the Banking Frontier Awards 2023, receiving accolades for:

**Best New Product Initiative (AGU)**

**Best Cybersecurity Initiative**

### *Commitment to Community*

#### **CSR Times Award**

Awarded the prestigious CSR Times Award at the 10th National CSR Summit for the impactful Aadhar Aangan project, highlighting our dedication to corporate social responsibility and community engagement.

### *Workplace Recognition*

#### **Great Place to Work**

Certified for the 5th consecutive year, reinforcing AHFL's commitment to employee satisfaction and corporate culture.

### *Financial Sector Distinctions*

#### **Best In Housing Finance**

'Best NBFC - Housing Finance Category' at the MSME Banking Excellence Awards 2023.

#### **Risk Management Excellence**

Awarded for the 'Best Risk & Cyber Security Initiatives (Mid Layer NBFCs)' at the 18<sup>th</sup> Annual Summit & Awards by ASSOCHAM.

### *Regional Leadership*

#### **Excellence in Western Region**

Celebrated at the 12th Real Estate Summit by ASSOCHAM for 'Excellence in Housing Finance.'

### *Marketing and Brand Excellence*

#### **Double Victories at ASSOCHAM**

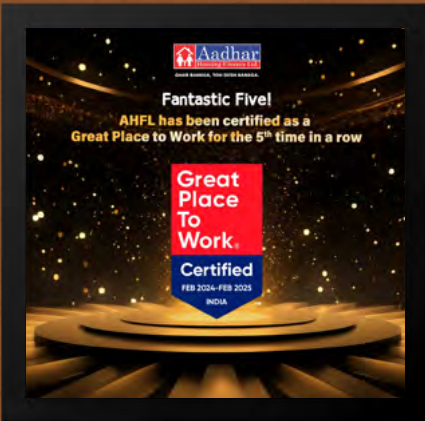
Gold for 'Best Performance Marketing Campaign of the Year.'

Silver for 'Integrated Marketing Communications Campaign of the Year.'

#### **Global Recognition**

Our Annual Report for 2022-23 awarded Gold at the 2023 Spotlight Awards Global Communication Competition.







# Management Discussion and Analysis

## 1. Indian Economy Overview

Global headwinds continued to persist in 2023 with growth at 3.1% amid high central bank policy rates to fight inflation, limited fiscal support amid high debt weighing on economic activity, and low underlying productivity growth. Amid favourable global supply developments, inflation showed a downward trend, financial conditions eased, equity valuations improved, capital flows to most emerging market economies excluding China saw a pick up, and some low-income countries and frontier economies regained market access.

Global growth is expected to remain stable and maintain its momentum, projected at 3.1% in 2024 and 3.2% in 2025. Risks to the global outlook are now broadly balanced. Global headline inflation is expected to fall from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025 with advanced economies expected to witness faster disinflation than emerging markets and developing economies. Geopolitical tensions may result in new price spikes and persistent core inflation, which in turn will raise interest rate expectations and result in financial stress. However, easing fiscal policy is expected to boost short term economic activity.

According to PwC CEO's survey, India rose four ranks on the global investment destination ranking fifth place in 2024 as compared to ninth position it held in 2023. The Indian economy continued to remain as the fastest growing major economy in the world amid volatile global economic performance. Strong government push for infrastructure, digitalisation, ease of doing business, inclusive growth and improved quality of fiscal spending enabled India to remain resilient. Despite muted growth in exports, the economic growth was led by strong domestic consumption and sustained growth in capital expenditure.

According to the National Statistics Office (NSO)'s provisional estimates, the Indian economy is expected to grow by 8.2% in FY 2024, surpassing the 7% growth in FY 2023. Main driving factors include continued increase in investment, boost in private consumption, improved business sentiments and the robust financial positions of banks and corporations.

The construction sector witnessed RBI refrained from taking any action in the market. The RBI maintained its stance of withdrawal of accommodation, particularly given the prevailing inflationary pressures. The RBI has reiterated its commitment to maintaining headline inflation at 4%, with an estimated inflation rate of 4.5% for FY 2023-24. The RBI is keeping a close watch on food inflation.

*(Source: IMF, Indian Economic Survey, NSO)*

### 1.1. Indian Economy Outlook

The robust growth momentum seen in 2024 has been driven by several positive macroeconomic indicators, including improved labour market conditions, heightened urban demand, increased capital expenditure and emphasis on digitalisation and technology-driven solutions.

With the likelihood of a normal monsoon and strong growth in manufacturing and service sectors, the Indian economy is expected to continue on its growth journey. Increased household consumption, growth in fixed investment, upturn in the private capital expenditure cycle, improved business sentiments, healthy balance sheets of banks and corporates, and the government's unwavering commitment on capital expenditure are reflective of strong future growth potential. The Indian economy is poised to grow at 7.2% in FY2025 despite continued geopolitical tensions, volatility in international commodity prices, and geoeconomic fragmentation. Over the medium term, the fiscal deficit and debt are projected to decline, led by strong output growth and consolidation efforts by the government. This will be amid global economic growth slowdown due to high global interest rates, geopolitical tensions and sluggish global demand.

*(Source: RBI)*

## 2. Industry Overview

### 2.1. Indian Housing Sector Overview

Contributing nearly 11% to the GDP, the housing sector is regarded as the engine of economic growth led by its strong forward and backward linkages with more than 250 ancillary industries. Recognising the importance of housing as a basic human need and its importance in job creation, the government attaches immense importance to the growth of the housing sector.

According to a 2011 census, ~240 million houses were used for residential purposes or residence-cum-other use purposes out of the total 330 million houses in India. About half of these houses did not have proper living conditions. As per the estimates of the Twelfth Five Year Plan, the shortage of housing in the rural segment of society stood at 43.13 million while that in the urban segment stood at 18.78 million. As per an RBI-appointed Committee on the Development of Housing Finance Securitisation market report (September 2019), India's housing shortage has grown since the Twelfth Five Year Plan, estimated to have increased to 100 million units by 2022. A majority of the household shortage is for the lower income group (LIG) and the economically weaker section (EWS) with 5-7% shortage for the medium income group (MIG) and the high income group (HIG). Urban housing shortage arises more from congestion and rural housing shortage is due to non-serviceable and kutcha houses (low quality houses) followed by congested houses. An estimated ₹ 50-60 trillion worth of incremental housing loans are needed if this entire shortage is to be addressed, as against the overall outstanding housing loans (excluding Pradhan Mantri Awas Yojana (PMAY) of ₹ 31.1 trillion as of March 2023. This indicates the immense latent potential of the housing finance market.



The year 2023 witnessed a high volume of registrations and interest from homebuyers with 19,050 + RERA registrations at pan India level, of which 45% projects were in the residential segment. The Indian residential market has witnessed remarkable growth in 2023, with sales in the top 8 cities of 4.1 lakh units up 33% YoY, surpassing the peak seen in 2013. The number of new launches in 2023 increased 20% YoY to 5.2 lakh units, with new supply at an all-time high and sales velocity sustaining momentum. The growth in residential real estate is attributable to stable repo rate scenarios, rapid urbanisation, rising population, increasing disposable income and growing nuclear family culture.

The same momentum of 2023 continued in Q1 2024, with top seven cities clocking the highest ever quarterly sales of 1.3 lakh units sales as compared to 1.1 lakh units in Q1 2023. Though new supply addition saw an increase of 1.1 lakh units, the available inventory declined 7%. The mid-segment homes priced at ₹ 40-80 lakh continued to capture the largest 33% share of new supply. Housing demand was broad-based across price points.

According to a report by the Confederation of Real Estate Developers' Associations of India, (CREDAI), housing demand in India is projected to reach 93 million units by 2036 with several tier II and III cities expected to spearhead both demand and supply. The real estate sector in India is considered a crucial element for economic growth and vital for reaching the US\$ 5 trillion goal.

*(Source: Housing demand in India to reach 93 million by 2036: CREDAI - The Economic Times (indiatimes.com); Real Insight Residential – Annual Round-up 2023; Residential market viewpoints (Q1 2024) by ANAROCK)*

## 2.2. Indian Housing Finance Market Overview

According to CRISIL, the Indian housing finance market grew at a healthy 13% CAGR (growth in loan outstanding - total housing loans on the books of all financiers put together) from ₹15 trillion in FY2018 to ₹ 29 trillion in FY2023 led by strong growth in normal housing loans (>₹1.5 million). The strong growth was led by an increase in disposable income, robust demand in smaller cities markets, stable interest rates scenario and strong government push for housing. In volume terms, the low-income housing loans (>₹1.5 million) constituted 52% of the total loans outstanding, though in value terms they constituted only 15% share as on FY2023.

Banks continue to remain the primary source of borrowing across ticket size. However, since bank loans are only accessible to customers whose income sources, banking behaviour and credit history can be easily assessed, customers who lack formal income proof avail loans from housing finance companies (HFCs). In low-income housing loan segments of up to ₹ 0.75 million and ₹ 0.75-1.5 million, PSUs have seen strong competition from HFCs. In terms of disbursement, the market share of HFCs increased in FY2023 from FY2022 in ticket size of up to ₹ 0.75 million and ₹ 0.75-1.5 million by 4% and 3% respectively to 35% in each category, whereas PSUs witnessed a market share decline of 4% and 1% respectively during the same period. In 9M FY2024, the market share of HFCs

increased by 3% to 38% each in ticket size of up to ₹ 0.75 million and ₹ 0.75-1.5 million. The low-income housing segment which generally includes houses on the outskirts of these areas and semi-urban and rural areas, is also the focus of government schemes such as affordable housing in partnership and CLSS under PMAY, and refinance under the NHB's affordable housing fund.

Among all large financial asset classes, housing finance has the lowest annual credit costs due to the collateral and the secured nature of the funding. The GNPA ratio for MSME loans and auto loans is 3-5% and 5-7% respectively for NBFCs in the past two years. Housing loans, in contrast, had GNPA of 1-2%. Thus, for HFCs the asset quality is better in comparison to other NBFCs operating in asset classes having higher GNPA levels.

Gross NPA levels have seen steady improvement in loans of all ticket sizes except loans of up to ₹ 0.75 million from FY2021 till 9M FY2024. Though asset quality improved in the ticket size of up to ₹ 0.75 million from 5.9% in FY2021 to 5.5% in FY2023, GNPA increased to 6% in 9M FY2024. Loans with ticket size ₹2.5 -5 million have the best GNPA ratio which improved from 2.4% in FY 2021 to 1.2% in 9M FY2024.

As per CIBIL data, the size of the housing finance market focusing on low-income housing loans was around ₹ 4.4 trillion as of December 2023, constituting a 14% share. The growth in the segment is expected at 8-10% CAGR between FY2023 and FY2026 led by a strong government focus on affordable housing.

## 2.3. Key Growth Drivers

Housing growth in India is inherently driven by favourable demographics, low mortgage penetration, rising urbanisation and nuclearisation, rising income levels and an increasing share of independent housing demand.

A strong appetite for home ownership among end-buyers is evident signalling good traction for housing demand in 2024 and beyond. Continued stability in interest rate and escalation in property prices bode well for housing segment demand. Strong government push with schemes like Housing for All, Smart Cities Mission, Pradhan Mantri Awas Yojana – Gramin (PMAY-G), Rural Housing Interest Subsidy Scheme (RHSS), Pradhan Mantri Awas Yojana-Urban (PMAY-U), Credit Linked Subsidy Scheme (CLSS), etc. are expected to drive the demand for housing sector.

## 2.4. Key challenges

While housing finance has evolved manifold in India, challenges such as affordability, housing quality, and access to finance for marginalised sections of the population remain. High inflation amid a challenging macro-economic environment can act as a double-edged sword, increasing input costs and raising interest rates. This would increase the cost burden on end-consumers who may also struggle to avail affordable loans. High global inflation could negatively influence foreign investment in the capital-intensive real estate sector.

Such a condition will hamper the growth of residential real estate and in turn, housing finance.

### 3. Company Overview

Aadhar Housing Finance Limited (hereafter referred to as "Aadhar" or "the Company") is one of the largest low-income housing finance companies in India servicing the home financing needs of economically weaker and low-to-middle income customers, who require small ticket mortgage loans. Aadhar endeavours to empower underserved millions to own their first homes. Aadhar, with an AUM at ₹211 billion, is a retail focused HFC catering to the needs of the salaried, self-employed and informal business segments. The Company offers a range of mortgage-related loan products, including loans for residential property purchase and construction; home improvement and extension loans; loans for commercial property construction and acquisition and loans against residential properties (LAP) which are micro lap with the ticket size ranging from 7-8 lakhs. The Company's robust financially inclusive, customer centric lending business model has enabled it to remain consistent and resilient through various external economic events.

The Company boasts of an extensive network of 534 branches and offices including 140 sales offices across 20 states and union territories, as of 31<sup>st</sup> March 2024, operating in approximately 11,300+ pin codes across India. The widely dispersed network ensures no state accounts for more than 14% in terms of Gross AUM and is well positioned to meet the specific needs of the target customers across geographies, in urban and semi-urban areas.

Backed by a strong parent Company, Blackstone Company's BCP Topco VII Pte. Ltd., which held 98.72% stake as at 31<sup>st</sup> March 2024 (76.5% stake post IPO in May 2024) in the Company, extends robust resources, relationships and expertise. The Company has built a strong brand equity especially among the financial sector owing to the Blackstone Group's unwavering professionalism and corporate governance. This ensures funding at highly competitive rates, acting as an enabler to establish trust and reliability among consumers. In addition, the Company enjoys immense support from the Board of Directors and a highly experienced senior management team. The Board is composed of a balanced team of independent directors along with qualified and experienced personnel, who have extensive knowledge and understanding of the housing finance and banking industries. An industry veteran, Mr. O.P. Bhatt, is the Chairman of the Board of Directors. He has previously served as the former Chairman of the State Bank Group.

Reflecting strong culture and ethics, the Company strives to drive positive change in society and improve lives. Social objectives are an intricate part of the Company operations. It provides a source of employment to a number of Indians with its widespread presence in urban and semi-urban locations pan India. Unwavering commitment to contribute to the economic upliftment of targeted customers, the Company has partnered with various government schemes like PMAY-G to enhance affordability. The Company's values-driven ESG approach is aimed at inclusive growth and equal opportunity for all.

The Company successfully concluded its Rs 3000 crs IPO in May 2024 and the equity shares of the Company were listed

on the stock exchanges on 15<sup>th</sup> May 2024. The primary portion of the IPO was Rs 1000 crs which will help the Company in its future growth plans. The Offer for Sale (OFS) portion was Rs 2000 crs and the sole selling shareholder was BCP Topco.

#### 3.1. Operational performance

Aadhar is a retail-focused HFC catering to the needs of the low-income housing segment, serving economically weaker and low-to-middle income customers, who require small ticket mortgage loans. A majority of its customers are first-time home buyers who may or may not have access to formal credit. In addition to housing loans, the Company offers loans against property, loans for renovation and property extension and loans for purchase of commercial property.

- The number of loan accounts increased to 266,000+ at FY 2024 end from 233,000+ at FY 2023 end
- AUM grew by 23% to ₹ 21,121 crore as on FY 2024 end from ₹ 17,223 crore as on FY 2023 end.
- Disbursements grew 20% to ₹7,072 crore in FY 2024 from ₹5,903 crore in FY 2023.
- GNPA decreased to 1.08% on AUM at FY 2024 end from 1.16% in FY 2023 end.
- In terms of liquidity, the unencumbered liquidity was ₹1,500 crore at FY 2024 end.
- Capital adequacy was strong at 38.46% which is well above the NHB norms and the gross debt to equity was 3.14.
- The Company operates out of 534 branches and offices as of FY 2024 end.
- As of 31<sup>st</sup> March 2024, salaried customers accounted for 57% of Gross AUM and self-employed customers accounted for 43% of Gross AUM.
- As of 31<sup>st</sup> March 2024, home loans and non home loans accounted for 75% and 25% of Gross AUM, respectively.
- The average ticket size of AUM was ₹9.7 Lakh, with an average loan-to-value of 59%, as of 31<sup>st</sup> March 2024.
- The Company has assigned a portfolio of ₹ 3,600 crore and fresh Direct Assignment during the year is ₹1,182 crore.
- Co-lent portfolio is ₹ 541 crore as on FY 2024 end. Fresh Co-Lending done during the year is ₹449 crores.

Aadhar operates through multiple lead sourcing channels such as Direct Selling Teams, Direct Selling Agents, Aadhar Mitras/Mahila Aadhar Mitras, digital channels and call centres with a continuous focus on ground level activities such as market combing, loan tents, and various other marketing activities to assist the front-end teams reach their target audience.

The Company continues to support the government's inclusive agenda and actively participates in several affordable housing schemes like PMAY to provide



subsidies to borrowers from economically weaker segments in the payment of interest.

### 3.2. Financial performance Standalone

- Total income increased by 27% for the year ended 31<sup>st</sup> March 2024 on y-o-y basis.
- Operating expenses are very stable and the overall cost-to-income ratio moved to 34.9% in FY 2024.
- Profit after Tax for FY 2024 at ₹750 crore was 33% higher than FY 2023 PAT (before exceptional item) of ₹564 crore.
- The Company has delivered a strong ROA of 4.2% in FY 2024 as compared to 3.6% in FY 2023
- The Company has delivered strong ROE of 18.4% in FY 2024 as compared to 16.5% in FY 2023

*\*FY23 PAT, ROA and ROE is before exceptional items*

### 3.3. Company Strategy and Outlook

Credit penetration in India is significantly lower than other developing countries with robust growth potential. In terms of the credit to GDP ratio, India has a low credit penetration at 91.9 (H1 FY2024) as compared with other developing countries, such as China (229.5), United States (151.5), United Kingdom (144.9) and Germany (123.6). Similarly, in terms of credit to households as a proportion of GDP as well, India lags other markets, with retail credit hovering at around 26% of GDP as of FY 2023. With rising financial awareness, government's continuous efforts for financial inclusion and rising credit accessibility to the underserved population, credit penetration in India is expected to rise led by growth in retail credit. To leverage this opportunity the Company is constantly expanding its distribution network across the length and breadth of the nation. In addition, the Company is also improving its digital presence to expand operations with lower incremental costs. The Company has strategised a systematic approach of testing before expanding and categorising branches into main, small, micro and ultra-micro, to ensure high efficiency in maximising returns.

The Company has a diversified borrowing strategy with 26% of borrowings from National Housing Bank (NHB), term loans from banks contributing 55% and the balance from NCD's, place with MF's, DFIs etc. As part of its liability strategy the Company does Direct Assignment of its portfolio to public sector and private sector banks. The Company has also entered into co-lending partnerships with two public sector banks to leverage its distribution network and widen funding sources.

The Company remains focused on the low-income housing segment mortgage market and economically weaker and low-to-middle income group segment of the economy. This approach of financial inclusion for these customers together with digital expansion will enhance the Company's loan portfolio.

With a view to reduce operating expenses the Company is leveraging the fully built-out distribution and collection infrastructure. Coupled with technology enhancement

and increased use of analytics across the business, the Company aims to improve its operating efficiency.

The key strategies for growth are:

- Expand Distribution Network to Achieve Deeper Penetration in key states
- Continue to focus on target customers and grow customer base
- Continue to invest in and roll out digital and technology enabled solutions across business to improve customer experience and improve cost efficiency and productivity
- Use of data analytics with a view of improving business metrics and enhance risk management
- Efficient risk management practices to ensure that various types of business risks are identified early and are mitigated or controlled
- Optimise borrowing costs and work on improving the cost to income ratio

With these strategies in place, the Company is in a good position to maintain low NPA and credit cost levels, maintain interest spreads and improve cost efficiencies, to deliver sustainable return ratios.

### 3.4. Customer base

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

Though the Company caters to both salaried and self-employed customers, the focus has traditionally been on salaried customers having a stable flow of income making them more resilient to economic cycles. As on March 31, 2024, the salaried customers constituted 57% of the AUM with a majority of the customers being formal salaried (customers who have a documented monthly salary typically credited directly in their bank accounts). The self employed customers constituted 43% of the AUM and informal segment ((customers that do not have formal income documentation) contributing a major portion of this.

The Company undertakes various efforts to provide seamless service to its customers and cater to the ever-evolving needs. The Company made available online payment facility for EMI payments, welcome

calling in regional languages, SMS facility in 5 vernacular languages, introduced CRM system, customer awareness programme, notice board display in branches in English and regional language, mandate/NACH activation online, conducted half-yearly training for all branch staff/call centre, GRO (Grievance Redressal Officers) details and contact numbers were updated on the website and detailed FAQs made available as knowledge centres. Aadhar's mobile app service and customer service web application have received good customer response.

The total number of loan accounts as of FY 2024 end was 266,000+ as compared to 233,000+, 204,000+ and 182,000+ at the end of FY 2023, FY 2022 and FY 2021 respectively.

### 3.5. Loan sourcing

The Company uses direct selling teams, channel partners and digital platforms to generate loans through both in-house and external sources. Its primary sales approach is its direct-selling teams, which include DSTs and relationship managers. The direct selling agents (DSA), "Aadhar Mitras" and "Mahila Aadhar Mitras," act as lead providers to the direct-selling teams. The Company also generates business through corporate channel partners and digital platforms such as digital lead aggregators under the 'Digital Aadhar Mitra' programme website and social media platforms.

Aadhar Mitras are individuals who may be in a non-allied industry and act as lead providers to the DSTs. For every referral that results in a loan disbursement, the Aadhar Mitras earn a referral fee. To ensure authenticity, the Company ensures document verification of every Aadhar Mitra followed by training programmes. The "Mahila Aadhar Mitra" programme, enrolling women as Aadhar Mitras, aids the Company to widen its network while contributing to the social cause of women upliftment.

The Company's unique Aadhar Gram Unnati (AGU) product enables it to test the waters in new geographies, particularly semi-urban locations. Depending on market demand in such locations, the Company can then make an informed decision to establish business presence by setting up branches to leverage on local demand. This enables the Company to cover a wider geographical area and increase customer access. The Company also operates through its corporate channel partners, digital platforms, website and social media platforms.

### 3.6. Branch network

The Company conducts its operations pan India through a well-diversified network of 534 branches and offices in 534 districts, covering 11,300+ pin codes in 20 states and union territories. The top 5 states account for 56% of the total branch network. No single state constitute over 15% of the total AUM, ensuring well spread geographical distribution. The Company caters to the housing needs across the length and breadth of the country covering 534 districts in the 20 states that the Company operates in. The Company also serves in 11,000+ pin codes.

In FY 2024, the Company added 59 new branches to its already wide network.

The Company's branch network comprises several types of branches, including:

pan India branch network is divided into the following types of branches:

- Main Branch
- Small Branch
- Micro Branch
- Ultra Micro Branch
- Sales Offices

The branch type required to cater to the needs of a particular location is decided based on the business potential of that location. Multiple factors including portfolio size, portfolio performance, branch operating expenses and the vintage of the branch are monitored on an ongoing basis to keep a check on individual branch performance. This enables the Company to remain nimble and flexible, and expand in a cost-effective way. The Company's gross AUM is spread widely across India, with not more than 27% coming from the top two states.

### 3.7. Credit approval and disbursement process

For credit underwriting, the Company uses both technology and manual verification methods with the help of well-trained credit officers. The credit team is capable of underwriting customers belonging to both formal and informal employment segments. For the formal employment segment, the Company verifies KYC documents and income of customers using technology led solutions like the online verification of PAN, Aadhar number, Voter identification data, EPF, TDS, company/ employer profile and income tax returns. For the informal customer segment, pre-defined policies and processes are used adhering to which the credit manager visits the customer's business and residential premises and assesses the income.

The Company has RPUs for centralised underwriting and branch led decentralised processing mechanisms:

- Regional central processing (through RPUs): The Company has 16 RPUs, i.e., one in each business region, where all loan applications for formal salaried customers are processed. This ensures standardisation, cost optimisation and better turnaround 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 such cases require on-ground verification of the business and income assessment.

We source and onboard our customers through digital means where a member of our sales team meets the customer in person and captures the demographic and income details, KYC and income documents on a mobile application. The application form is digitally signed by customer through an OTP sent to their mobile device. Once sales team submits the file, it moves into processing with all data and documents (stored digitally). Once the loan application is submitted digitally, our Centralized



Data Entry Team begins checking the loan application and supporting documents. If all documents are complete the file is moved to our Operations Team, after which the loan application is assigned to a credit manager in our loan origination system. The credit manager screens the database to avoid duplication with prior applications or existing customers and conducts credit bureau checks. Our credit manager checks the complete credit bureau report where the credit score of the applicant is reviewed along with a track record of loan repayments, if any. Thereafter, the credit manager processes the file for various online and offline verifications as well as arranges physical or video conference meetings with the customer to underwrite the case for decision.

For credit underwriting, (i) for formal banking salaried customers, a credit manager conducts the discussions over the telephone and (ii) for self-employed and informal salaried customers, the credit manager visits the customer's place of business and residence. The purpose of such visit is to understand their business, revenue streams and expenses and, assess the monthly net business income, or review the proof of salary for informal salaried customers. The credit manager fills in details in a pre-defined template which is mandatory for credit appraisal. During the physical visit to the customer, the credit manager also captures the photographs of the customer's business place with date and time stamp and attaches such photographs in the system. The loan eligibility is determined based on the income assessment and existing loan EMIs. The credit manager then prepares the credit appraisal memo. The loan application is then sent to our sanctioning authority for final approval.

The approval for the loan is provided once the legal evaluation and technical evaluation are done and the RCU – please use full form if being used for the first time - verifications are completed.

The Company has established a credit assessment system consisting of four components:

**Underwriting:** The credit managers in branches and central underwriting hubs, perform in-depth verification of customers, assess their business and financing requirements and analyse their loan repayment capacity. The current and projected cash flow of a customer's business are also evaluated by the credit managers.

**Legal assessments:** The Company's in-house team of lawyers performs legal assessments. For further assistance, like document verification and property title examination, the Company makes use of services of empanelled vendors, such as lawyers or law firms. The Company's in-house legal team reviews the legal reports prepared by the empanelled lawyers. Verification of all collateral is the responsibility of the Company's regional legal manager.

**Technical assessments:** The Company's in-house team of engineers and empanelled valuers, conducts technical assessments for loans related to construction, home improvement or home extension. This includes site visits, technical evaluation of properties, and periodic reviews of construction projects. Additional valuation from independent third parties is sought for properties

that exceed a certain threshold. Such properties are also visited by branch managers or credit managers.

**Risk containment unit:** For timely risk identification and mitigation multiple measures are undertaken by the risk control unit. Trigger-based checks, document scrutinisation and field investigations, are conducted by the unit. Certain customers are personally visited to check for fraud at the early stages. To ensure compliance with regulatory requirements and mitigate potential risks, the risk control unit also conducts geography-specific risk assessments and authenticates demand letters and employment certifications.

### 3.8. Loan collection and monitoring

The Company has well established processes and a strong four-tier collections infrastructure comprising tele-calling, field collection, legal recovery and settlement to aid loan collections. At the outset of loan disbursement, the Company provides its customers with the option to make their payments using different methods such as automated clearing house payment gateways, post-dated cheques and other digital modes of payment. The Company has also entered into an arrangement with payment systems to augment its digital payment gateways. However, given the limited digital access of customers in semi-urban areas, the Company has entered into an agreement with service providers to provide assisted digital payment services, to facilitate seamless cash payments through their network.

Pre-authorisations for electronic auto-debits from bank accounts are collected from customers. In case of delays in registering the auto-debit facility, post-dated cheques are collected in advance. Instalments are collected from borrowers by field executives with the support of third-party call centres.

A structured collection process is employed, consisting of pre delinquency management, delinquency management, and recovery management.

**Pre-Delinquency Management:** A well-defined process is set to send reminders to customers who are likely to bounce, identified with the help of Data Science Management team, through text messages, pre-recorded voice calls and calls from tele-callers. Tele callers give reminder calls and encourage customers to clear the EMI from their bank account.

**Delinquency Management:** Customers who eventually fall under delinquency are managed through a well-defined collection process with the help of well-trained in-house collection team and call centre. Based on the volume of loan disbursements in the area, each executive is assigned a specific number of borrowers. The field team uses the collection app, which has an offline feature enabling the employees to login anytime anywhere across the country. Field executives visit borrowers to collect overdue instalments based on allocation and PTP/pick up generated. Digital receipts are provided to customers via link on SMS. Geo-tagging, geo-tracking, route planner and scorecard features are available for better planning and effective execution. The operations team is empowered with control features to track and ensure deposition of amount collected from customers

for which e-receipts have been issued. A senior member of the Company's collections team may visit the customer in case of delayed payments. Due notices are sent and subsequent legal action is initiated if the customer's ability or intent to repay is in question. The Company reviews all customer accounts at periodic intervals, especially for customers with larger exposures or who have missed payments.

**Recovery Management:** The Company may initiate the process of repossessing collateral under SARFAESI ACT 2002, in the event a customer defaults on their loan and is classified as NPA. During the enforcement of assets, help is sought from local authorities to repossess assets. The Company ensures such customers are appropriately dealt with. Services of the legal team and external lawyers are sought to initiate and monitor legal proceedings. The entire collection field team is equipped with a mobility application for handy customer information useful for collection with the capability to issue digital receipts to customers. Other legal tools like Sec 138, Arbitration is also used where customer is available and alternate source of recovery is a more viable option than property.

### 3.9. Treasury function

The Company's capital requirements and asset liability management is the responsibility of its dedicated treasury department. The treasury team is also responsible for liquidity management and control, diversifying fund-raising sources, managing interest rate risk and investing surplus funds in accordance with the criteria set forth in our investment policy. Multiple sources of financing are resorted to by the Company including term loans, working capital facilities, Non-convertible Debentures (NCDs), refinancing from the National Housing Bank (NHB), and subordinated debt borrowings from banks, mutual funds and insurance companies. The Company assigns loans through direct assignment / co-lend to banks and financial institutions, enabling it to optimise its cost of borrowings, funding, liquidity requirements, capital management and asset liability management. On a periodic basis, the treasury team submit reports to the asset liability management committee. The observations are further submitted to the Board.

As of March 31<sup>st</sup>, 2024, the Company's total borrowings comprised 55% loans from banks, 20% from non-convertible debentures, 25% loans from NHB, 0.4% subordinate debt, and 0% public deposits. To maximise NHB borrowings to the extent allowed by NHB regulations and in compliance with their limits sanctioned as per the credit appraisal method, the Company intends to maintain / increase the share of NHB borrowings in its overall borrowing mix.

To avoid the risk emanating from any cumulative asset/liability mismatches, the Company utilises effective asset liability management strategies. Under the Company's Direct Assignment programme, an important part of the overall borrowing strategy, pools of Home Loans and Loan against Property are sold to PSUs and private sector banks. The Company intends to use the Direct Assignment programme to strengthen its relationship

with its banking partners. The Company has appointed a security trustee in respect of its banking arrangements with the approval and consent of its secured lenders. The security trustee is entrusted with the responsibility of the Company's assets that are provided as security.

Led by the Company's flexible fundraising strategy, Company is intending to further optimise its borrowing costs. The Company is striving to diversify its funding sources, identify new sources and pools of capital, and implement robust asset liability management policies. To reduce its overall cost of borrowing, the Company intends to increase the share of NHB refinancing, to the extent possible, in its total borrowings and also access international sources of funding.

In November 2020, with the intention to improve the flow of credit to the unserved and underserved sector of the economy and offer affordable funding to the ultimate beneficiary, the RBI amended the co-lending framework. Under the terms of the revised Co-Lending Model (CLM), based on a prior agreement in a manner akin to a bilateral assignment, banks are allowed to co-lend with all registered NBFCs (including HFCs).

Accordingly, the Company initiated a strategy to expand its distribution network and broaden its sources of funds. Subsequently, the Company entered into co-lending agreements. The co-lending agreement leverages the banks' low-cost funds and the NBFC's or HFC's efficient customer acquisition and management, including collections. This enables the NBFCs/HFCs to leverage the larger balance sheet of their bank partner and expand the customer base at a low cost.

### 3.10. Risk management framework

Risk management is an important part of the Company's operations given the nature of its business. Realising this, a set of internal policies are obligated with an aim to enhance the robustness of business operations. The Company faces a multitude of risks being in the lending business, including credit, liquidity, operational, interest rate, cash management, and collateral risks. The Company's risk management framework is managed by the Board and sub-committees, including the Audit Committee, the Asset Liability Management Committee, and the Risk Management Committee. The full-time Chief Risk Officer leads the framework. To minimise the impact of various risks, the Company follows prudent lending practices and implements various measures such as robust credit history verification from credit bureaus, multiple verifications of a customer's business and residence, income verification, and KYC document validation.

The Company has a formal risk management structure that includes an active and experienced Board of Directors, a senior management team, and a centralised risk management team led by an independent Chief Risk Officer. The Executive Risk Management Committee (ERMC), comprising senior management, screens risk indicators, stress scenarios, and risk appetite, and initiates appropriate measures. The Company's Risk Appetite Statement (RAS) defines the aggregate level and types of risk acceptable for normal course of conduct. The RAS



influences business decisions based on balancing risk and return, ensuring optimum use of capital. The Risk Management Committee closely monitors the RAS and conducts quarterly audits.

The Company has implemented a three-line of defence model to create a robust control environment to manage risks.

- 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
- 'Risk and Compliance' forms the second line of defence responsible for monitoring the first line by setting the limits, reviewing and putting constraints on the first line operations commensurate with the risk appetite
- The Company's Internal Audit function forms the third line of the defence, responsible for independent and objective assurance of the adequacy of the design and operational effectiveness of the risk management framework and control governance process.

### 3.11. Branding and marketing

The Company strives to establish a strong customer connection through a blend of local outreach activities and social media efforts to ensure relevance across the diversified customer base. The Company engages in various activities such as branding of DSA/Aadhar Mitra, local marketing activities, wall paintings for local branding and advertising, and branding of Aadhar Mitra boards to increase visibility in the target markets. To strengthen its brand recall, the Company provides branded merchandise to its partners and sales force.

The Company leverages its social media handles extensively to connect and interact with prospective and existing customers, promote its services, and update customers on new products or service offerings in a cost-effective manner. The website and call centre aid in generating leads and sourcing new business. Public relations initiatives enable the Company to spread awareness among its target audience and stakeholders. These initiatives ensure the Company holds a strong brand recall.

### 3.12. Information Technology

The business is dependent on information technology (IT) systems and the Company remains committed to investing in upgrading its systems, to improve operational efficiency, customer service and decision-making process while improving business continuity and reducing the risk and negative impacts of system failures.

Digital solutions are an integral part of various aspects of business, including credit underwriting, risk management, fraud detection, and collections 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 customer penetration through third party utilisation for sourcing customers while keeping credit appraisals in-house. Effective use of digital solutions allows data integration across all platforms while reducing manual intervention.

Overall customer experience is enhanced manifold led by digitisation of work processes through convenient accessibility, better service and engagement, and faster turnaround times. Additionally, digitisation leads to cost reduction for the Company enhancing productivity.

The Company proactively automated processes through Robotic process automation. This included automation of

- user creation, activation, deactivation in DOB & LOS modules,
- Loan Cancellation
- PDC clearance status updation
- branch asset depreciation & amortisation
- Direct Assignment / co-lending documents download automation
- automation of DOB UAT application creation

In addition, the Company successfully implemented features through inhouse software development. The key developments include physical asset verification module, document tracking module, part prepayment automation for tenure reduction, insurance portal, E-NACH functionality, teal integration for digital legal search and BBPS IPPB integration for collections payments.

To ensure safe and secure access, the major branches are equipped with an SD WAN network. The Company undertook automating load balancing of Linux servers which improved server uptime. All Company websites have secure access through SSL certification updation.

In October 2021, as a part of its Digital Transformation Programme, the Company replaced its enterprise-wide loan management system with the 'TCS Lending and Securitization Platform'. An effective analytics platform aids in data-backed decision-making and in developing a comprehensive information management system. The Company provides online payment facility through an online payment gateway on its website, spanning various digital modes including internet banking, UPI, and debit cards, and has joined hands with banks and online payment aggregators to improve collection efficiency. A three-layered multiprotocol label switching security at branches, restricts unauthorised access to its network, manages network broadcasting, and provides security from spoofing attacks. Remote working has been made available through secure VPN access. The Company has a dedicated IT infrastructure with a data centre hosted in Mumbai and a data recovery centre hosted in Hyderabad. The adoption of layered security architecture in the overall IT infrastructure ensures high up-time for better customer service and acquisition.

The Company's sales mobility app has been provided to all field sales teams and channel partners for submitting customer leads and documents through a digital onboarding process. The app allows the front-line sales employees to directly enter data into the app with in-built validations like PAN check, Aadhaar OTP verification, credit bureau check, etc. The application form is digitally generated once data is entered and validated. This leads to prompt data capture and an improved First Time Right (FTR) ratio.

The Company undertook digitisation of its compliance and information security through

- automated data flow to NHB,
- developing AVACOM compliance software for tracking all compliances across the Company,
- developing FINTRAK insider trading management application,
- implementing EDR CrowdStrike for endpoints security and
- Bitlocker Encryption to avoid data leakage for lost devices.
- The Company has also brought about annual vulnerability assessment and penetration testing at data centre and DR sites and SIEM integration for 24x7 monitoring of security incident.

The customer app available in both English and Hindi languages, enables the customer to access his account in a secure manner with easy login through OTP/MPIN. The app not only offers unique onboarding features for prospective new customers but also provides customer services for existing customers. The app allows for direct integration with CRM for raising requests.

### 3.13. Data Analytics

The Company's data science practice led by our Chief Data Officer (CDO) has been set up based on the concept of a data-driven strategy. In conjugation with artificial intelligence and machine learning, data analytics can aid in achieving business objectives more efficiently. The Company is in a robust position to manage risk, grow its business, perform market research and improve data and analytics integration led by the centralised data and data science function, coupled with the CDO role. The data science team includes data engineers, visualisation and data discovery experts and data scientists.

Currently, the data analytics team is focussed on:

- Enhancing asset quality by increasing the robustness of its risk analytics for credit risk underwriting.
- Collections analysis and identification of high-risk customer cohorts.
- Automating its risk-based pricing solutions to improve approval rates and pricing of credit risk, thereby boosting overall yields and profitability.
- Integrating its branch opening strategy with its data science initiatives to maximise effectiveness.

The Company aims to blend data analytics within the Company's business model enabling better risk management and improving productivity and decision-making process.

### 3.14. Human resource development

Human capital is considered to play a pivotal role in elevating organisational awareness and driving productivity and business growth. The Company fosters a growth-oriented work culture with a safe, productive and healthy environment. Various HR policies enable the Company to provide a holistic growth environment and a superior employee experience. The HR function constantly endeavours to align employee goals with Company goals.

The Company constantly endeavours to attract and retain the best talent by providing ample growth opportunities to all employees alike. Regular technical and soft skill training sessions are conducted for employees at all levels. The Company encourages employees to ensure balance between personal and professional growth. Annually, an Employee Engagement Survey is conducted through an independent consultant to better understand employee needs and fill in areas of gaps.

The Company mobile app, AHFL connect, acts as a single touch point for workline, aadhar neo platform, CRM and helpdesk. It has several helpful features like asset tracking option, allows sharing digital business cards via whatsapp, storage of litigation videos, job referral option, instant password reset, etc. The app has enabled the Company to establish effective communication amongst all employees.

As of March 31, 2024, the Company had 3,931 employees on its payrolls.

### 3.15. Corporate Social Responsibility

At its heart, CSR reflects an organization's understanding of the social and environmental impacts of its business operations and taking steps to mitigate any negative effects, making a positive contribution to the world. Rooted in ethical principles, CSR represents a commitment by businesses to contribute to society and uphold its ethical and moral standards.

At Aadhar, CSR is not just about giving back to the community, but also helping the community grow as the organization grows. Several initiatives have been undertaken with an aim of ensuring inclusive development, by catering to the vast, underserved sections of the society. The Company undertakes various CSR initiatives to contribute to the socio-economic development of the society through its philanthropic approach, social interventions and volunteering efforts. These are in addition to the social objectives that are at the core of the business operations. Various interventions have been undertaken across thematic areas primarily focus on the improvement of health, education and skilling, promotion of sports and environment conservation. The various interventions are guided by the principles of Sustainability, Accountability and Transparency.



During the year, the Company pledged different initiatives in the area of health, including support to Aanganwadis for early childcare and education, 'AHFL Clinic on Wheels' to provide solutions for gynaecological issues of women through teleconsultation and telemedicine services, creating awareness about menstrual hygiene and sanitation amongst adolescent school going girls, distribution of mobility aid to the physically challenged, prevention of malnutrition by providing nutritious meals to the students, and organizing health camps for the underserved. Furthermore, planned interventions around education and skilling included setting up digital libraries in police stations for children of lower-income segments preparing for competitive exams, skilling youth of destitute homes, providing scholarships for higher education to the children of low-income families, skilling women and empowering acid attack survivors. The Company also extended its support towards the training of para-athletes to promote paralympic sports. Fostering support towards the conservation of environment, the organization is also executing projects focusing on natural resource conservation and installation of solar panels with the purpose to mitigate dependency on non-renewable sources of energy.

CSR as a whole is considered as a crucial part of operations for both the community and the Company. As a result, the achievements of any organization are the combination of efforts of the employees, company and the society. In the last year, a lot of initiatives received enthusiastic participation and volunteering efforts of the employees. This forged a strong bond between the employees and the company, which further helped the former feel more connected to the world around them.

The details of the various CSR activities carried out by the Company have been provided as part of the Directors' Report on Page No. 62.

### 3.16. Internal Control

The Company has devised a comprehensive internal control system with a strong culture of integrity and ethics at its core, in keeping with the size and industry of operations. The internal control framework ensures adherence to regulations, safeguarding of assets, detection and prevention of frauds and errors, adequacy and completeness of accounting records, and timely preparation of reliable financial information. The internal control system keeps a strong check on systems and procedures to monitor transactions, maintain key back-up procedures and undertake contingency planning. Alongwith In-house Audit Team, an audit firm is assigned the task of conducting internal and process audits, to ensure procedures and processes adequately comply with the internal controls system. Periodic Audit Committee meetings are held to take cognisance of the reports submitted by the internal auditors and ensure appropriate corrective action is undertaken.

### 3.17. Awards and accolades

- Recognised as India's Leading NBFC (mid) at the Dun & Bradstreet BFSI & Fintech Summit 2023

- Certified as Great Place to Work by the Great Place to Work Institute, India for the fifth consecutive year.
- Awarded the Resilient Organization of the Year award at India Credit Risk Management Summit & Awards 2023 by Synnex Group.
- Conferred with the Best Data Analytics Initiative of the Year (HFC) at the 2<sup>nd</sup> Annual NBFC & FinTech Excellence Awards 2023 by Quantic Business Media Pvt Ltd.
- Awarded Best Financial Crime Investigation and Reporting Company at the Fraud Risk Management Summit & Awards 2023
- Awarded Best New Product Initiative and Best Cyber Security Initiative accolades at the DNA Awards 2023.
- Awarded Best Risk and Cyber Security Initiatives in Mid-Layer NBFCs at the 18<sup>th</sup> Annual Summit & Awards for Banking & Financial Sector Lending by the ASSOCHAM.
- Awarded with Excellence in Housing Finance award in the Western Region during the 12<sup>th</sup> Real Estate Summit by the ASSOCHAM.
- Awarded the Best Initiative in Technology Orientation [NBFC/HFC/MFI] at the ETBFSI Excellence Awards 2023.
- Awarded the Leading Technology Re-Oriented of the Year [NBFC/Housing Finance /MicroFinance Companies] for the initiative Aadhar MobileX at ETBFSI Exceller Awards 2023.
- Awarded the "Best Technology Re-Oriented Initiative Delivering Business Value" at the BFSI Excellence Award, 2023.

## 4. Cautionary Statement

It is worth noting that past performance does not necessarily indicate future results, and some information in this Management Discussion and Analysis ("MD&A") section may contain statements describing the Company's objectives, plans, projections, estimates, and expectations which may be 'forward-looking' within the meaning of applicable securities laws and regulations. The Company has based these forward-looking statements on its present beliefs, expectations, and intentions regarding the facts, actions, and events that may occur in the future. Forward-looking statements typically include words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will," or other similar words. A forward-looking statement may also include a statement of the assumptions or basis underlying the forward-looking statement. Actual results may differ materially from those expressed or implied due to external and internal factors beyond the Company's control. The Company does not undertake any obligation to update, amend or modify the forward-looking statements in this MD&A after the publication date based on subsequent developments, information, or events.

# Board's Report for the Financial Year 2023-24

Dear Members,

The Board of Directors of Aadhar Housing Finance Limited ("**your Company**" or "**the Company**" or "**Aadhar Housing**" or **AHFL**) are pleased to present the 34<sup>th</sup> (Thirty- Fourth) Annual Report and the Audited Financial Statements (Standalone and Consolidated) of your Company for the financial year ended 31<sup>st</sup> March, 2024 ("**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 the 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 534 branches.

## 1. Financial Performance of AHFL (Standalone):

(₹ in crore)

Particulars	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2024
AUM	14,778	17,223	21,121
Income	1,692.66	1,994.27	2,523.59
PAT	444.65	544.58	748.51
Net Worth / Total Equity	3,145.39	3,695.57	4,446.01
CRAR	45.41%	42.73%	38.46%
CRAR – Tier I Capital	44.20%	41.66%	37.74%
CRAR – Tier II Capital	1.21%	1.07%	0.72%
Retail NPA (on retail AUM)	1.45%	1.16%	1.08%
ROE %	15.2%	15.9%	18.4%

About AHFL:

- The Company is focused on low income segment (ticket size less than ₹ 15 lakhs) with an AUM of ₹ 21,121 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 an average ticket size of ₹ 9.7 Lakhs, high share of low risk salaried customers viz. 57.0% of AUM and moderate LTV ratios of 58.5% and majority of the mortgage portfolios are satisfying the Priority Sector Lending criteria prescribed by RBI/NHB.
- 12,600+ Aadhar Mitra's (including 800+ Mahila Aadhar Mitras) help in building out a low cost and wide distribution network.

- High asset quality: The Gross NPA on AUM stood at 1.08% for the year ended 31<sup>st</sup> March, 2024. Provision Coverage Ratio on NPA Assets (Stage 3B carrying value) at 41%.
- Strong liquidity: High liquid assets/cash & bank balances of ₹ 1500 crores as at 31<sup>st</sup> March, 2024 in addition to unutilized Banks' sanction lines.

## 2. Major Developments during the year

The Company has filed a Draft Red Herring Prospectus ("**DRHP**") with Securities and Exchange Board of India ("**SEBI**") on 2<sup>nd</sup> February 2024 and approval from SEBI was received on 5<sup>th</sup> April, 2024. SEBI vide its letter of observation no. SEBI/CFD/DIL2/2024/13635/1 dated 5<sup>th</sup> April, 2024 communicated its observations and allowed the issue to open within 12 months from date of the letter subject to fulfilment of requirements specified in the letter. The Company has accordingly filed Red Herring Prospectus on 30<sup>th</sup> April, 2024 for the initial public offering of ₹ 10000 million and Offer for sale by the promoter selling shareholder of ₹ 20000 million at a price band of ₹ 300 - ₹ 315. The issue opened and closed for anchor investors on 7<sup>th</sup> May, 2024 and for all other investors opened on 8<sup>th</sup> May, 2024 and closed on 10<sup>th</sup> May, 2024. The issue was oversubscribed ~ 26 times. Accordingly, 95,255,598 Equity Shares offered under the Offer (fresh issue of 31,763,535 Equity Shares by the Company aggregating to ₹10,000 million and an offer for sale of 63,492,063 Equity Shares by the promoter of the Company, BCP Topco VII Pte. Ltd. ("Promoter Selling Shareholder") aggregating to ₹ 20,000 million), are allotted/transferred at an Offer price of ₹ 315 per Equity Share (including a share premium of ₹ 305 per equity share) and to Eligible Employees under the Employee Reservation Portion i.e. at a Discount of ₹ 23 per share on the Offer Price.

## 3. Initiatives towards funding of Green Housing Projects

Your Company and International Finance Corporation ("**IFC**"), a member of the World Bank Organization, are collectively engaging on the terms to provide the services in connection with Aadhar for developing a Green Affordable Housing value proposition in the self-construction segment and creating a roadmap for launching this proposition in full scale.

A green home is one that reduces expenditure on electricity and water so you can save at least 20% on your electricity and water bills and it provides a healthier indoor environment and does not harm the planet.

### The following green initiatives were taken during the FY 23-24 –

- Successful implementation of green home product across 12 regions apart from pilot region and defined objective, roles, and targets for the regions.
- Design and implementation of training module on managing unconscious bias and gender sales.



- Successful implementation of green home product marketing within the regions.
- Green Home awareness sessions with Suppliers, Developers, and internal participants across multiple regions with more than 500 participants.
- Successful empanelment of certification agency for green homes.
- Successfully completion of 1<sup>st</sup> Batch in Green Homes on Feb -24.
- Successful distribution of Green Home certificates and subsidy amount as a benefit to the certified homes as Green.
- Training on CAFI tool to report development - How CAFI interfaces and interacts with EDGE to measure and monitor impact of affordable green housing finance.

Through this project the Company and IFC aim to educate and help the underserved section of society benefit from environment friendly and cost-efficient housing.

#### 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 Managerial Personnel

##### Board of Directors ("the Board")

- The Members at the Extra Ordinary General Meeting of the Company held on 13<sup>th</sup> December, 2023, considered and approved the re-appointment of Ms. Sharmila A Karve (DIN:05018751) as an Independent Director, before the expiry of her term, for a further period of five years w.e.f. 15<sup>th</sup> December, 2023 to 14<sup>th</sup> December, 2028.
- 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 34<sup>th</sup> Annual General Meeting of the Company.
- The Nomination and Remuneration Committee of the Company and the Board of Directors have recommended the re-appointment of Mr. Amit Dixit. A detailed profile of the Director seeking re-appointment is provided in the Notice of the 34<sup>th</sup> Annual General Meeting of the Company.
- The term of Dr. Nivedita Haran, Independent Director (DIN: 06441500) would expire at the conclusion of the 34<sup>th</sup> Annual General Meeting.

##### Key Managerial Personnel

- Upon recommendation from Nomination & Remuneration Committee, the Board of Directors at their meeting dated 9<sup>th</sup> August, 2023 approved the appointment of Mr. Sreekanth V. N. as Chief Compliance

Officer for a period of 3 years w.e.f. 1<sup>st</sup> October, 2023 as per the Reserve Bank of India-Compliance Function and Role of Chief Compliance Officer (CCO) in NBFC (RBI Circular) issued on 16<sup>th</sup> March, 2023. Consequently, he ceased to be Company Secretary of the Company on 30<sup>th</sup> September, 2023.

- Upon recommendation from Nomination & Remuneration Committee, the Board of Directors at their meeting dated 9<sup>th</sup> August, 2023 also approved the appointment of Ms. Harshada Pathak (Membership No. A19534) as Company Secretary and Compliance Officer with effect from 1<sup>st</sup> October, 2023 pursuant to Section 203 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### 6. Share Capital Structure:

Your Company's capital structure as at 31<sup>st</sup> March, 2024 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.

However, pursuant to initial public offering of ₹ 10000 million and Offer for sale by the promoter selling shareholder of ₹ 20000 million, the IPO Committee of the Company had, at its meeting held on May 13, 2024, approved the allotment/transfer of 95,255,598 Equity Shares at the Offer price of ₹315 per Equity Share (including a premium of ₹305 per Equity Share), aggregating to ₹30,000 million, in accordance with provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Further, a discount of ₹23 per Equity Share was offered to the Eligible Employee(s) Bidding in the Employee Reservation Portion, in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Pursuant to the allotment of Equity Shares in the Offer, the paid-up Equity Share capital of the Company stands increased from ₹3,947,549,700 to ₹4,265,185,050.

#### 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 USD 1 trillion as of December 31, 2023. Currently, the Board of Directors of the Company has 3 Nominee directors from the Promoter group.

The shareholding pattern of the Company as on the end of the financial year is as mentioned below :-

List of Shareholders & percentage of holding as on 31<sup>st</sup> March, 2024

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%
	<b>Total</b>	<b>39,47,54,970</b>	<b>100.00%</b>

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

Post listing of equity shares, the Company uploads the shareholding pattern as on the end of each quarter on the websites of BSE Ltd. and National Stock Exchange of India Limited ("the Stock Exchanges") as required under regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 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 31<sup>st</sup> March, 2024.

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

Particulars	Standalone		Consolidated	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Total Income from Operations	2,523.59	1,994.27	2586.98	2043.52
<b>Less:</b>				
Total Expenditures	1,564.36	1,273.72	1627.39	1322.70
Profit before Taxes and Exceptional Item	959.23	720.55	959.59	720.82
Exceptional Item	-	25.00	-	25.00
Profit before Taxes	959.23	695.55	959.59	695.82
Provision for Taxes	210.72	150.97	209.95	151.06
Profit after Taxes	748.51	544.58	749.64	544.76
Other comprehensive income	(0.10)	(0.03)	0.42	0.58
Total comprehensive income	748.41	544.55	750.06	545.34
<b>Appropriations:</b>				
Transfer to Special Reserve under NHB Act	149.70	109.00	149.70	109.00
Transfer to General Reserve	74.85	54.50	74.85	54.50
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	523.86	381.05	525.51	381.84
Balance at the beginning of the year	1124.51	743.46	1126.60	744.76
Balance at the end of the year	1648.37	1124.51	1652.11	1126.60
Earnings per share- Basic	18.96	13.80	18.99	13.80
Earnings per share- Diluted	18.32	13.38	18.35	13.39

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



## 7.2 GNPA and ECL Provision (including additional provision):

a) GNPA :

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
GNPA on AUM (%)	1.08%	1.16%
GNPA on Retail AUM (%)	1.08%	1.16%
GNPA on Own Book (%)	1.10%	1.17%
GNPA on Retail Own Book (%)	1.10%	1.17%

- 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.
- d) Your Company's gross loan assets are ₹ 17,111.15 crores as at 31<sup>st</sup> March, 2024 (₹ 14,037.55 crores as at 31<sup>st</sup> March, 2023). Your Company is carrying an impairment allowance of ₹ 208.21 crores as at 31<sup>st</sup> March, 2024 (₹ 186.10 crores as at 31<sup>st</sup> March, 2023). ECL provision coverage ratio on Stage 3B (NPA Assets) is 41% as at 31<sup>st</sup> March, 2024 (35% as at 31<sup>st</sup> March, 2023).
- e) 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 31<sup>st</sup> March, 2024, your Company is carrying a management overlay provision and one time restructuring additional provision of ₹ 69.93 crores.

The provision under Expected Credit Loss Model is higher than Income Recognition and Prudential Norms by ₹ 68.52 crores.

## 7.3 Financial Ratios:

The main financial ratios of the Company are-

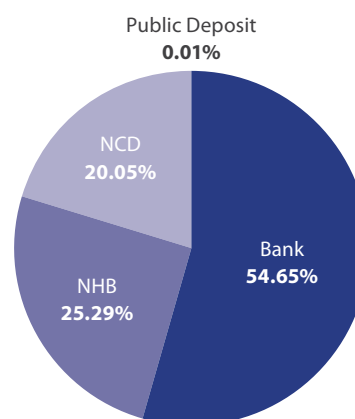
Particulars	FY 2023-24	FY 2022-23
Earning per share (EPS)	18.96	13.80
Capital to Risk Asset Ratio (CRAR)	38.46%	42.73%
Net Debt Equity Ratio (DE Ratio)	2.85	2.77
Net Owned Fund (NOF)	4,067.60 crore	3,474.17 crore

## 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 16<sup>th</sup> May, 2023 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.

### (a) Borrowing Composition:



31<sup>st</sup> March, 2024

The borrowings comprised of 54.65% from banks, 25.29% from National Housing Bank, 20.05% from Non-Convertible Debentures ("NCD") and 0.01% from Public deposits as at 31<sup>st</sup> March, 2024. 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 31<sup>st</sup> March, 2024, your Company had relationships with 22 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 ₹ 2,835 crores during the year at competitive rates. Total outstanding borrowing from banks as at 31<sup>st</sup> March, 2024 aggregated to ₹ 7,629 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 5 years to 15 years repayment tenure.

During the year, your Company has availed refinance facility of ₹ 1,405 crores from NHB. As on 31<sup>st</sup> March, 2024 the outstanding balance on NHB Refinance amounts to ₹ 3,531 crores.

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

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

As at 31<sup>st</sup> March, 2024, your Company's outstanding Secured NCDs issued under Initial Public Offer stood at 2,12,353 NCDs aggregating to ₹ 21.23 Crore, held by 1147 NCD holders. Your Company has duly paid the principal/ interest amounts on due dates for the NCDs public issue and has timely intimated the stock exchange/ debenture trustees.

During the financial year under review, your Company raised ₹ 1,320 Crore by way of issue of 28,520 Senior, Secured, Rated, Redeemable, Non-Convertible Debenture on private placement basis, as per the applicable provisions of relevant circulars issued by Securities and Exchange Board of India. The Company has completed the allotment process within the prescribed time-limit.

As at 31<sup>st</sup> March, 2024, your Company's outstanding secured NCDs under private placement were ₹ 2,727 Crores at face value. The necessary disclosures for the listed NCDs as per SEBI Master Circular no. SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated 10<sup>th</sup> August, 2021 ("SEBI Circular") has been disclosed to BSE Ltd. and are available at the website of the Company. The Company has met the shortfall of the previous financial year as per the SEBI Regulations, however, could not raise the required percentage of current year's borrowings through issuance of NCDs, due to unfavorable pricing for debt market as compared to bank borrowings.

The SEBI vide its circular no. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/172 dated October 19, 2023 has revised the framework for fund raising by issuance of debt securities by large corporates (LCs) by revising the criteria for identification as Large Corporate and the requirement of mandatory qualified borrowing by an LC in a FY shall be met over a contiguous block of three years from FY 2025 onwards. It also provided certain dispensation to Companies recognized as Large Corporates under erstwhile criteria. Accordingly, the Company endeavored to comply with the requirement of raising 25% of its incremental borrowings done during FY 2022, FY 2023 and FY 2024 respectively by way of issuance of debt securities till March 31, 2024 but met with a shortfall of ₹ 584 cr for compliance of FY24. due to market conditions and complied with the requirements for FY22 & FY23.

Further, as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("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 31<sup>st</sup> March, 2024:

- (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 – 114 NCDs
- (b) The total amount in respect of such debentures remaining unclaimed beyond the date mentioned at point a above – ₹ 1,14,000

### (ii) Unsecured Subordinated Non-Convertible Debentures:

As at 31<sup>st</sup> March, 2024, your Company's outstanding unsecured subordinated debts were ₹ 60 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 BSE Ltd. 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 31<sup>st</sup> March, 2024.

### (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 financial year under review, the Company has assigned/co-lent receivables of its mortgage loan assets aggregating to ₹ 1,631 crores, being investors' share. Total assigned pool outstanding as at 31<sup>st</sup> March, 2024 was ₹ 4,140 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 31<sup>st</sup> March, 2024.

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 FY 2023-24.



**(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 31 <sup>st</sup> March, 2023	Rating as on 31 <sup>st</sup> March, 2024
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)
CARE	Fixed Deposits	CARE AA (stable)	CARE AA (stable)
BRICKWORKS	Non-Convertible Debentures	BWR AA (stable)	BWR AA (stable)
BRICKWORKS	Subordinated Debt	BWR AA (stable)	-
CRISIL	Commercial Paper	CRISIL A1+	-
ICRA	Long Term Bank Facilities	ICRA AA (stable)	ICRA AA (stable)
ICRA	Non-Convertible Debentures	ICRA AA (stable)	ICRA AA (stable)
ICRA	Subordinated Debt	ICRA AA (stable)	ICRA AA (stable)
ICRA	Short Term Borrowings	ICRA A1+	ICRA A1+
INDIA RATINGS	Non-Convertible Debentures	IND AA (stable)	IND AA (stable)
INDIA RATINGS	Long Term Bank Facilities	-	IND AA (stable)

**10. Investments:**

As per Investment Policy of the Company, the 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 Executive 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 31<sup>st</sup> March, 2024, your Company had unencumbered liquidity buffers of ₹ 1,500 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 FY 2023-24, your Company earned ₹ 22.14 crores by way of income from mutual funds & other operations and ₹ 121.26 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 31<sup>st</sup> March, 2024, 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
<p><b>Credit Risk</b></p> <p>Credit risk is the potential that a borrower or counterparty will fail to meet its obligations in accordance with agreed terms.</p>	<p>There are robust policies and processes for managing credit risk, mainly through our:</p> <ul style="list-style-type: none"> <li>• Appropriate risk diversification;</li> <li>• Thorough risk assessment at the credit appraisal stage;</li> <li>• Risk-based pricing and risk mitigation;</li> <li>• Continuous risk monitoring at the individual counterparty level as well as portfolio level;</li> <li>• Avoidance of undesirable risks to the extent possible</li> </ul>	<p>Maintaining healthy asset quality with optimal risk reward considerations.</p>
<p><b>Operational Risk</b></p> <p>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.</p>	<p>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</p>	<p>Minimising operational losses through monitoring risk continuously, quick actions and mitigation.</p>
<p><b>Interest &amp; Liquidity Risk</b></p> <p>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.</p>	<p>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.</p> <p>Further, Company has Board Approved Investment and Resource Planning Policy to limit exposure and plan funding accordingly.</p>	<p>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</p>
<p><b>Information Security Risk</b></p> <p>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.</p>	<p>The Company has Board approved Information Security Policy &amp; Cyber Security Policy to manage the information security risk.</p>	<p>Facilitating growth via secure digital initiatives.</p> <ul style="list-style-type: none"> <li>- Sustaining operational effectiveness and efficiency.</li> <li>- Adapting and updating Cyber Defence framework to counter new-age threats</li> <li>- Continuous information to raise security awareness for employees and customers</li> </ul>

### 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 the internal audit.

### 14. Insurance Cover facilities:

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.

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 is rated, CARE AA (stable) by CARE Ratings Ltd. As on 31<sup>st</sup> March, 2024, your Company's outstanding FDs including accrued interest (excluding unclaimed matured deposit) ₹ 1.22 Cr. 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 due under such unclaimed/unpaid accounts as on 31<sup>st</sup> March, 2024 are mentioned below :

- a. Total 355 nos. 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 ₹ 69,21,341 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) Postal letters 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 contacted the depositors or nominee or sourcing agent through our local branches, requesting them to submit the 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.

### 16. Unclaimed/ Unpaid Dividend & Deposits:

During the financial year under review, your Company has transferred unclaimed Interim dividend of ₹ 55,575/- for the FY 2015-16 on 19<sup>th</sup> April 2023 and Final Dividend for the FY 2015-16 of ₹ 10,517/- on 15<sup>th</sup> September, 2023 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”) regarding Unclaimed/ Unpaid Dividend & Deposits.

### 17. Reserve Bank of India (“RBI”) Regulations/ Directions:

As per RBI circular No.- RBI/2022-23/24 Ref.No.DoS.CO.PPG./ SEC.01/11.01.005/2022-23 dated 11<sup>th</sup> April, 2022, NBFCs shall put in place a Board approved policy on compliance function on or before 1<sup>st</sup> April, 2023 clearly spelling out its compliance philosophy, expectations on compliance culture, structure and role of the compliance function, the role of Chief Compliance Officer (“CCO”), processes for identifying, assessing, monitoring, managing, and reporting on compliance risk and the appointment of CCO should be made by 1<sup>st</sup> October, 2023. Accordingly, the compliance policy of the Company has been approved by the Board on 16<sup>th</sup> March, 2023 and shall be reviewed periodically. The Company has appointed the Chief Compliance Officer w.e.f. 1<sup>st</sup> October, 2023.

Your Company has also adopted a 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 05<sup>th</sup> November, 2020 to define framework for entering into Co-Lending Model arrangements with banks/financial institutions as partners to improve the reach to customers. The policy has been reviewed by the Board at its Meeting held on 16<sup>th</sup> May, 2023.

All the Directors meet the fit and proper criteria stipulated under the RBI Master Direction, 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 2023-24.

### 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 5<sup>th</sup> April, 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, the 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 2023-24.

The Company is regular in filing the online returns on the Centralised Reporting and Management Information Systems (CRaMIS) portal of NHB.

The Company being a financial institution is also registered for taking SARFAESI Action under 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 15% on a stand-alone basis. The following table sets out Company's Capital Adequacy Ratios as at 31<sup>st</sup> March, 2024, 2023 and 2022:

Particulars	As on March 31		
	2024	2023	2022
Capital Adequacy Ratio	38.46%	42.73%	45.41%

The Capital Adequacy Ratio (CAR) of your Company was at 38.46% as on 31<sup>st</sup> March, 2024, 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. Principal Business Criteria for HFC's

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

- 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).
- 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/2020-21/73/DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated February 17, 2021 defined the principal business criteria for HFC's. The Company has complied and is meeting the aforesaid principal business criteria for HFC.

Particulars	As on 31 <sup>st</sup> March, 2024 (₹ In Lakhs)
Total Assets	19,08,571
Less : Intangible assets	35,582
Net total assets	1,872,989
Housing Finance	12,57,917
Housing Finance for Individuals	12,57,917
Percentage of housing finance to total assets (netted off intangible assets)	67.16%
Percentage of individual housing finance to total assets (netted off intangible assets)	67.16%
Percentage of individual housing finance to housing finance	100%

## 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 – 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 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 2023-2024, 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/fine was levied by the regulator during the FY 2023-2024.

## 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. The Company is in the process of registering the new Logo of the Company for Green Housing.

## 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 and the same is reviewed by the Board periodically. The Internal Auditors conducted audit of the branches to ensure adherence of these AML standards during the financial year under review. The quarterly reporting under KYC & AML policy has been submitted to NHB within the due dates for intimation.

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 2023-24, the Company did not receive any 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 all significant internal audit findings and action taken thereon are discussed in the Audit Committee of the Board. Audit Committee of the



Board reviews the performance of the internal audit and the adequacy and effectiveness of the internal control systems and compliance with regulatory guidelines.

## 25. Auditors

### Statutory Auditors, their Report and Notes to Financial Statements

The Statutory 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.

M/s. Kirtane & Pandit LLP, Chartered Accountants continues to be the joint auditor and tenure of M/s. Walker Chandiook & Co LLP, as joint auditor is completing at upcoming Annual General Meeting.

### 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 financial year 2023-24 forms part of this Board's report.

There are no qualifications or adverse remarks in the Secretarial Audit Report for the FY 2023-24 except for one day delay in giving prior intimation of Board Meeting to Stock exchange. The delay was due to technical issues encountered on the date of filing and the Company has duly paid fine of ₹ 5000 to BSE Ltd. for the said non-compliance. Pursuant to Regulation 24A (2) of the SEBI LODR Regulations, the Company had approached M/s Aashish K Bhatt Associates, Company Secretaries, Mumbai (Membership number- ACS 19639 and Certificate of Practice number -7023) for providing the Annual Secretarial Compliance Report for the financial year under review and which has been submitted to the Stock Exchanges and uploaded on the website of the Company at <https://aadharhousing.com/disclosures-under-regulation-62-of-the-sebi-lodr-regulation-2015-pdf/annual-secretarial-compliance-report>.

### 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 Aashish K Bhatt Associates, Company Secretaries, Mumbai is attached as **Annexure 1** to the Board's report.

In accordance with Part D of Schedule V of the SEBI LODR Regulations, declaration from Managing Director & CEO of the Company has been received confirming that all the Directors, Key Managerial Personnel and the Senior Managerial Personnel

of the Company have complied to the Code of Conduct for the financial year ended 31<sup>st</sup> March, 2024 and is attached as **Annexure 2** to this Report. The said code is hosted on the website of the Company and can be accessed at web link: <https://aadharhousing.com/disclosures-under-regulation-62-of-the-sebi-lodr-regulation-2015-pdf/code-of-conduct-of-the-board-of-directors-and-senior-management-personnel>.

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

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

During the year 2023-24, Annual General Meeting for the FY 2022-23 was duly held on 9<sup>th</sup> August, 2023 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/disclosures-under-regulation-62-of-the-sebi-lodr-regulation-2015-pdf/annual-return>.

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

During the year under review, the Board of Directors met periodically/as and when required, to deliberate various issues, policy matters and take suitable decisions etc. The details of Board of Directors and their Meetings and also various other Board level Committee 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 31<sup>st</sup> March, 2024, 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 31<sup>st</sup> March, 2024 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 2023-24, as per the provisions of section 134 (3) (ca) read with section 143 (12) of the Companies Act, 2013 to the regulatory authorities.
- b) Frauds of value involved for ₹ 1 Lakh & above and frauds committed by unscrupulous borrowers, detected, during the FY 2023-24 the Company has duly reported 17 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 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 forms part of this 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.

A quarterly update is also given to the Audit committee and the Board of Directors on the Related Party Transactions ("RPTs") undertaken by the Company for their review and consideration and disclosures of RPTs is also submitted to BSE Ltd. on a half-yearly basis and published on the Company's website at <https://aadharhousing.com/disclosures-under-regulation-62-of-the-sebi-lodr-regulation-2015-pdf/financial-results>.

Apart from payment of sitting fees and commission to Independent Directors, there is no pecuniary relationship or transactions of the Independent/Non-Executive Directors vis a vis the Company. The details with respect to the related party transactions are mentioned in the notes to the audited financial statements for the financial year ended 31<sup>st</sup> March, 2024.

There are no transactions to be reported as per Section 188 of the Act read with Rule 15 of Companies (Meetings of Board and its Powers) 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 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. The Audit Committee on 3<sup>rd</sup> May, 2023 has approved the omnibus transaction limits for RPTs with related parties and Directors for the FY 2023-2024 as per the note/limits circulated to the Committee with clarifications.

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/disclosures-under-regulation-62-of-the-sebi-lodr-regulation-2015-pdf/policy-on-dealing-with-related-party-transactions>

**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 8 (eight) times on 16<sup>th</sup> May, 2023, 13<sup>th</sup> July, 2023, 9<sup>th</sup> August, 2023, 7<sup>th</sup> November, 2023, 8<sup>th</sup> December, 2023, 21<sup>st</sup> January, 2024, 30<sup>th</sup> January, 2024 and on 8<sup>th</sup> February, 2024.

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 10 (ten) 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 ₹ 74.85 crores to General Reserve and a sum of ₹ 149.70 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: -**

The IPO Committee of the Company on 13<sup>th</sup> May 2024 has allotted/transferred 95,255,598 Equity Shares offered under the Offer (fresh issue of 31,763,535 Equity Shares by the Company aggregating to ₹10,000 million and an offer for sale of 63,492,063 Equity Shares by the promoter of the Company, BCP Topco VII Pte. Ltd. ("Promoter Selling Shareholder") aggregating to ₹ 20,000 million), at an Offer price of ₹ 315 per Equity Share (including a share premium of ₹ 305 per equity share) Further, a discount of ₹23 per Equity Share was offered to the Eligible Employee(s) Bidding in the Employee Reservation Portion, in accordance with SEBI ICDR Regulations. The equity shares of the Company are listed on the Stock Exchanges w.e.f. 15<sup>th</sup> May 2024. Other than the IPO by the Company as mentioned aforesaid, there were no

other material changes and commitments affecting the financial position of the Company.

**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. The Company does not have any associate companies or Joint ventures as on 31<sup>st</sup> March, 2024.

**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 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 energy efficient devices in the branches such as ACs, LED Light, VRF etc. which runs on very nominal energy with high impact. The initiatives taken by the Company for green housing projects are mentioned at point 3 in this Board's report.

➤ **Technology Upgradation**

The Company is continuously committed to investing in enhancing current digital capabilities for its stakeholders. Over the past three years, Company has transformed its technology landscape by establishing a cloud-based data centre and launching a comprehensive digital lending platform developed by M/s Tata Consultancy Services Ltd. This platform, with its end-to-end workflow and automation capabilities, has paved the way for further advancements. Company has initiated a mobile experience technology upgrade, enabling both customers and employees to access offline mobile functionalities, ensuring seamless operations anytime, anywhere. During the year, key mobility features developed and launched include Digital Customer Onboarding, Field Collections Mobility, Field Technical Scrutiny, Customer Self-Service, and an All-in-One App for Employees. This mobile initiative has significantly improved the Company's effectiveness, efficiency, and customer satisfaction across various areas such as Turnaround Time Improvement, Cost Savings, Productivity Enhancement, Compliance, and Customer Delight.

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 review.

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
	Amount (₹ in lakhs)	Amount (₹ in lakhs)
Foreign Exchange earnings	Nil	Nil
Foreign Exchange outgo	37	263
<b>Total</b>	<b>37</b>	<b>263</b>

**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 (“CSR Rules”), 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 Act, 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 Company has duly transferred the unspent amount relating to ongoing projects to a special account called the Unspent Corporate Social Responsibility Account 2024, in accordance with sub-section (6) of the CSR Rules within 30 days from end of the financial year 2023-24. The amount shall be spent by the Company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer.

The CSR Policy is available on the website of the Company, i.e. <https://aadharhousing.com/customer-relations/ahfl-policies-codes>.

**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) (iii a) 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 at the time of appointment and every year by the Board and NRC at their respective meetings.

Further, all Independent Directors have confirmed that they have registered with the data bank of Independent Directors maintained by; and are either exempt or have completed the online proficiency self -assessment test conducted by the Indian Institute of Corporate Affairs in accordance with the provisions of Section 150 of the Act.

**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 of the 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 and the same is also available at the website of the Company. 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 reviewed by the Board of Directors at their meeting held on 30<sup>th</sup> January, 2024.

**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 2023-24.



**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, we recognize our employees as our most valuable asset, instrumental in providing us with a competitive edge in the markets we operate in. Through a comprehensive array of initiatives and programs, our unwavering focus has always been to nurture a culture of encouragement, motivation, and inclusivity, making each employee an integral part of our company's vision and mission.

In addition to maintaining cordial relationships 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.

Key Highlights of FY 2023-24:

1. **Comprehensive Training Programs:** Throughout the year, we conducted targeted training sessions covering essential aspects such as functional skills, behavioral skills, health & well-being, and compliance-related trainings. Our commitment to employee development resulted in a total of 13208 training man-days, with an impressive 95% coverage of our entire employee base. These programs, conducted via both virtual and classroom modes, facilitated knowledge dissemination and skill enhancement of total 10,738 participants, including employees of subsidiaries and those on contract basis.
2. **Induct Right:** We have implemented an innovative Induct Right training aimed at providing our employees with a comprehensive foundation for success. Through this program, we meticulously track their progress across three critical stages: M0 (Joining Month), M1, M2, and M3. At each stage, employees receive tailored training and support to ensure a smooth transition and development within the company. Moreover, we prioritize equipping them with practical functional knowledge, enabling them to confidently execute daily sales calls, marketing activities, and effectively handhold them with the help their authority by their Joint-Calls.
3. **Restart:** The restart training program is designed to identify and address performance gaps among employees. It begins with the product team providing region-wise performance data, highlighting employees with zero logins or zero disbursements. Based on this data, non-performing

employees are identified and assessed for skill and will. They are then categorized into cohorts based on their training or non-training needs, or a combination of both. Following this, training and non-training interventions are executed, including training or mentoring sessions, and assessments with feedback. Performance is continuously measured using a performance matrix, monitored by both the business and HR teams, and reviewed at regular intervals. Finally, recommendations for further action are made based on performance criteria, ensuring continuous improvement and alignment with organizational goals.

Additionally, employees also completed Self-paced e-learning courses and functional modules on our Aadhar Gurukul platform. 6500 employees invested more than 10000 hours to enhance their Knowledge, Skill & behavior.

**xxiv) Human Resources:**

Human Resources are cornerstone of Company's growth and progress. The team of Aadhar Housing has grown steadily from 3663 employees last year to 3931 employees during the financial year under review.

Your Board would like to make a special mention that the Company has been certified as a 'Great Place to Work' for the Fifth time in a row. Further, the Company was awarded as one of the India's Top 40 best companies for Health and Wellness in the survey by Great Places to Work.

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 at the Meeting held on 24<sup>th</sup> January, 2024, the shareholders approved the amendments and changes to the ESAR scheme and rechristened it's name as Aadhar Housing Finance Limited – Employee Stock Options Plan, 2018 ("**ESOP Plan 2018**") to make the Company an eligible employer to undertake the IPO and align the ESOP Plan 2018 with the requirements of the SEBI (Share Based Employee Benefit & Sweat Equity) Regulations, 2021.

**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, as on 31<sup>st</sup> March, 2024, total 1,75,84,658 number of ESOP's were granted and outstanding to the identified & eligible existing employees including the Whole Time/ Executive/ Managing Director(s) of the Company.

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 23<sup>rd</sup> March, 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 & Sweat Equity) Regulations, 2021. At their Extra-Ordinary General Meeting held on 26<sup>th</sup> May, 2022, Shareholders approved 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 2020 & ESOP 2018	FY23-24	
	ESOP 2020	ESOP 2018
(a) options granted;	82,89,716	-
(b) options vested;	-	-
(c) options exercised;	-	-
(d) the total number of shares arising as a result of exercise of options;	-	-
(e) options lapsed;	9,03,905	1,03,741.13
(f) the exercise price;	90.805-147.50	-
(g) variation in terms of options;	-	-
(h) money realised by exercise of options;	-	-
(i) total number of options in force;	1,75,84,658	18,65,545
(j) employee wise details of options granted to:	-	-
(i) Key Managerial Personnel;	-	-
Rishi Anand	4,78,267	-
Deo Shankar Tripathi	2,86,960	-
Rajesh Viswanathan	4,33,777	-
Harshada Pathak	55,668	-
(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;	-	-
(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.	-	-

Further the Disclosures in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, are uploaded on the website of the Company at <https://aadharhousing.com/>

**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 review, 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**

Disclosures about remuneration required pursuant to the section 197(12) of the Act and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below-

(i) Name of Director	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year
Mr. O. P. Bhatt	20.07
Ms. Sharmila A Karve	5.00
Dr. Nivedita Haran	3.55
Mr. Amit Dixit	N.A.
Mr. Mukesh Mehta	N.A.
Mr. Prateek Roongta	N.A.
Mr. Deo Shankar Tripathi	66.23
Mr. Rishi Anand	60.87



**(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year -**

Managing Director & CEO - 8%,

Chief Financial Officer - 8%,

Head Secretarial - 14%

Chief Compliance Officer - 14%

**(iii) the percentage increase in the median remuneration of employees in the financial year - 8.2%**

**(iv) the number of permanent employees on the rolls of company - 3931**

**(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**

Key Managerial Persons - 16.9%

Other - 12.5% (Other than CXOs & HODs)

**(vi) It is further confirmed that the remuneration paid to employees is as per the remuneration policy of the Company.**

**(vii) The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Companies Act, 2013 ('Act') read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014, is available on the website of the Company at the link <https://aadharhousing.com/disclosures-under-regulation-62-of-the-sebi-lodr-regulation-2015-pdf/annual-report>.**

**(viii) None of the employees listed in the said list is a relative of any Director in the Company.**

**(ix) There was no employee either throughout the financial year or part thereof who was in receipt of remuneration which, in the aggregate, was in excess of that drawn by the managing director or whole-time director and who held by himself or along with his spouse or dependent children, not less than two percent of the equity shares of the Company.**

**(x) None of the Directors receive any commission or remuneration from holding or subsidiary of the Company.**

**xxviii) Other Statutory disclosures**

**(i)** During the year, the Company has not made any application under the Insolvency and Bankruptcy Code, 2016 ('IBC Code'). Further, there is no Corporate Insolvency Resolution Process initiated under the IBC Code

**(ii)** During the year, there was no one-time settlement done with the Banks or Financial Institutions. Therefore, the requirement to disclose details of difference between amounts of valuation done at the time of one-time settlement and the valuation done, while taking loan from Banks or Financial Institutions along with reasons thereof, is not applicable.

**(iii)** The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**(iv)** The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**(v)** During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

**(xxix) Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32(4) of the Listing Regulations:**

During the financial year under review, the Company has not done any preferential allotment or qualified institutional placement of equity shares.

**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 review. 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, 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**

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

**Mr. Rishi Anand**  
**DIN:- 02303503**  
**Managing Director &**  
**Chief Executive Officer**

Date : 29<sup>th</sup> May, 2024

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”) continuously endeavors to review, strengthen and upgrade its systems and processes so as to bring in transparency and efficiency in its business. With a steadfast dedication to integrity and values, your Company ensures that its operations adhere to the highest standards of corporate governance behavior. This dedication extends to all stakeholders, including members, customers, employees, and the environment. At the heart of this commitment lies the Board of Directors, which plays a pivotal role in overseeing management’s actions. The Board provides strategic guidance across all facets of operations, emphasizing optimal resource utilization, governance, and sustainability. Through its vigilant oversight, the Board ensures that your Company remains aligned with its core values while driving forward in its mission to serve its stakeholders responsibly and ethically.

Your Company’s Board comprises of Executive, Non-Executive and Independent Directors. 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 composition of your Company’s Board represents an optimal mix of professionalism, knowledge and experience that enables the Board in discharging its responsibilities and providing effective leadership and support to the business. The Board of Directors comprises of 8 (Eight) Directors, which includes 3 (Three) Independent Directors of which 2 (Two) are Women Directors, 3 (Three) Non-Executive (Nominee) Directors, the Executive Vice Chairman 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 Company. 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.

During the financial year under review, Mrs. Sharmila A Karve, Independent Director was re-appointed on the Board with the approval of shareholders at the Extra Ordinary General Meeting held on 13<sup>th</sup> December, 2023.

The details of the Directors of the Company with regard to their other Directorships, Committee positions, including that in listed entities, as on 31<sup>st</sup> March, 2024 were as follows:

Name of the Director	Category of Directorship held in your Company	Skills identified and area of core expertise	No. of other Directorship(s) held	Other 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	<ul style="list-style-type: none"> <li>Industry Knowledge</li> <li>Corporate Governance</li> <li>Financial Expertise</li> <li>Strategic Expertise</li> <li>General Management</li> </ul>	3	4	1	Category of directorship- Independent Director <ul style="list-style-type: none"> <li>Hindustan Unilever Limited</li> <li>Tata Consultancy Services Limited</li> <li>Tata Motors Limited</li> </ul>
Dr. Nivedita Haran	Non-Executive Independent Director	<ul style="list-style-type: none"> <li>Industry Knowledge</li> <li>Corporate Governance</li> <li>Financial Expertise</li> <li>Human Resource Development</li> </ul>	1	-	-	Nil
Ms. Sharmila A Karve	Non-Executive Independent Director	<ul style="list-style-type: none"> <li>Industry Knowledge</li> <li>Corporate Governance</li> <li>Financial Expertise</li> <li>Human Resource Development</li> </ul>	5	7	3	Category of directorship- Independent Director <ul style="list-style-type: none"> <li>EPL Limited</li> <li>Syngene International Limited</li> <li>CSB Bank Limited</li> <li>Thomas Cook (India) Limited</li> </ul>

Name of the Director	Category of Directorship held in your Company	Skills identified and area of core expertise	No. of other Directorship(s) held	Other 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. Mukesh Mehta	Non-Executive Nominee Director, Representative of Promoter	<ul style="list-style-type: none"> <li>Industry Knowledge</li> <li>Corporate Governance</li> <li>Financial Expertise</li> <li>Strategic Expertise</li> </ul>	1	-	-	Category of directorship- Non Executive Director <ul style="list-style-type: none"> <li>R Systems International Limited</li> </ul>
Mr. Amit Dixit	Non-Executive Nominee Director, Representative of Promoter	<ul style="list-style-type: none"> <li>Industry Knowledge</li> <li>Corporate Governance</li> <li>Financial Expertise</li> <li>Strategic Expertise</li> </ul>	4	-	-	Category of directorship- Non Executive Director <ul style="list-style-type: none"> <li>Sona BLW Precision Forgings Limited</li> <li>Mphasis Limited</li> <li>EPL Limited</li> </ul>
Mr. Prateek Roongta	Non-Executive Nominee Director, Representative of Promoter	<ul style="list-style-type: none"> <li>Industry Knowledge</li> <li>Corporate Governance</li> <li>Technology, Digitisation &amp; Innovation</li> <li>Financial Expertise</li> <li>Strategic Expertise</li> </ul>	3	2	-	Category of directorship- Non Executive Director <ul style="list-style-type: none"> <li>Fino Payments Bank Limited</li> </ul>
Mr. Deo Shankar Tripathi	Executive Vice Chairman to the Board	<ul style="list-style-type: none"> <li>Industry Knowledge</li> <li>Corporate Governance</li> <li>Financial Expertise</li> <li>Strategic Expertise</li> <li>General Management</li> </ul>	1	-	-	Nil
Mr. Rishi Anand	Managing Director and Chief Executive Officer	<ul style="list-style-type: none"> <li>Industry Knowledge</li> <li>Corporate Governance</li> <li>Financial Expertise</li> <li>Strategic Expertise</li> <li>Technology, Digitisation &amp; Innovation</li> <li>General Management</li> </ul>	-	-	-	Nil

**Notes:**

- None of the Directors are related to each other.
- 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.
- In terms of Regulation 26(1) of the SEBI LODR Regulations:
  - 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.
  - The committees considered for the purpose are audit committee and stakeholders' relationship committee.
  - None of the Directors held directorship 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.
  - Mr. Deo Shankar Tripathi and Mr. Rishi Anand did not serve as an independent director in any other equity listed entities.

**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/disclosures-under-regulation-62-of-the-sebi-lodr-regulation-2015-pdf/terms-and-conditions-of-appointment-of-independent-directors>.

In our commitment to ensure robust governance practices, we continue to prioritize Director Familiarization programs as a cornerstone of our Board's effectiveness. These initiatives serve as invaluable opportunities for our Directors to deepen their understanding of the Company's operations and industry landscape. Through structured interactions with Senior Management, regular presentations, and engagement with both Statutory and Internal Auditors, our Directors gain comprehensive insights into our businesses and key operational dynamics. These interactions cover a spectrum of critical areas, including risk assessment and mitigation strategies, updates on regulatory frameworks impacting our operations, and in-depth reviews of quarterly performance metrics. This continuous learning process not only enhances Board effectiveness but also reinforces our collective stewardship towards shareholder interests and organizational sustainability. The Directors are also regularly kept informed of the other developments of the



Company through emails. The familiarisation programme for the Directors of your Company is made available on the website of the Company at <https://aadharhousing.com/disclosures-under-regulation-62-of-the-sebi-lodr-regulation-2015-pdf/familiarization-programmes-imparted-to-independent-directors>.

### Declaration of independence:

On the basis of declarations received from each Independent Director, your Board is of the opinion that Independent Directors meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI LODR Regulations and are independent of the Management.

A certificate from M/s. Aashish K Bhatt & Associates, 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 8 (eight) times to deliberate various matters relating to Company's financial and business performance. The Board has accepted all recommendations of the various committees of the Board.

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
	16-05-2023	13-07-2023	09-08-2023	07-11-2023	08-12-2023	21-01-2024	30-01-2024	08-02-2024		
Mr. O. P. Bhatt, Chairperson	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8	Yes
Dr. Nivedita Haran, Independent Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8	Yes
Ms. Sharmila A Karve, Independent Director <sup>1</sup>	Yes	Yes	Yes	Yes	-	Yes	Yes	Yes	7	Yes
Mr. Amit Dixit, Non-Executive Director (Nominee)	Yes	Yes	Yes	Yes	Yes	-	-	Yes	6	-
Mr. Mukesh Mehta, Non-Executive Director (Nominee)	-	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7	-
Mr. Prateek Roongta, Non-Executive Director (Nominee)	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes	7	Yes
Mr. Deo Shankar Tripathi, Executive Vice Chairman	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8	Yes
Mr. Rishi Anand, Managing Director & CEO	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8	Yes

1. Shareholders at their Extra-ordinary General Meeting held on 13th December, 2023 approved re-appointment of Mrs. Sharmila A Karve for a period of 5 years w.e.f. 15th December 2023.

### Audit Committee:

As per provisions of section 177 of the Companies Act, 2013 and Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ("RBI Master Directions"), your Company has duly constituted the Audit Committee of the Board. The Audit Committee makes suitable recommendations to the Board from time to time after careful consideration of matters related to finance, accounts, inspection, audits, etc. and has met 7 (Seven) times during the financial year 2023-24.

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. 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 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. All members of Audit Committee including its chairperson shall be persons with ability to read and understand, the financial statement and at least one member shall have accounting or related financial management expertise.
3. 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.
4. 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.
  5. 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.
  6. 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.
  7. All appointments, including the filling of a casual vacancy of an auditor shall be made after taking into account the recommendations of such committee.
  8. 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.
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

#### **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 financial year under review are given below;

Name of the Members	Category	Date of Audit Committee Meetings held and attended							No. of Meetings attended
		16-05-2023	13-07-2023	09-08-2023	07-11-2023	18-01-2024	30-01-2024	08-02-2024	
Ms. Sharmila A Karve Chairperson	Independent Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7
Mr. O. P. Bhatt, Member	Independent Director	Yes	Yes	Yes	Yes	-	-	Yes	5
Dr. Nivedita Haran, Member	Independent Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7
Mr. Prateek Roongta, Member	Non-Executive (Nominee) Director	Yes	Yes	-	Yes	Yes	Yes	Yes	6

#### **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 Nomination and Remuneration Committee was reconstituted on 21<sup>st</sup> January 2024 which has been illustrated in table below.

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 of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees, fit and proper criteria for directors, in compliance with law.
- v) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.

- For the purpose of identifying suitable candidates, the Committee may:
- a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity;
  - c. consider the time commitments of the candidates
- vi) Formulating of criteria for evaluation of the performance of the independent directors and the Board;
  - vii) Devising a policy on Board diversity;
  - viii) 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;
  - ix) 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;
  - x) Analysing, monitoring and reviewing various human resource and compensation matters;
  - xi) 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;
  - xii) 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;
- xiii) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
  - xiv) 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 & Sweat Equity) Regulations, 2021, as amended;
  - xv) 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.
  - xvi) Recommend to our Board, all remuneration, in whatever form, payable to senior management; and
  - xvii) 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 and the details of attendance are given below:-

Name of the Members	Category	Date of NRC Meetings held & attended					No. of Meetings attended
		16-05-2023	09-08-2023	07-11-2023	18-01-2024	21-01-2024	
Ms. Sharmila A Karve, Chairperson	Independent Director	Yes	-	Yes	Yes	Yes	4
Mr. O. P. Bhatt, Member	Independent Director	Yes	Yes	Yes	Yes	Yes	5
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

\*Dr. Nivedita Haran and Mr. Amit Dixit ceased to be Members of the Nomination and remuneration committee w.e.f. 21st January, 2024.

### 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 Companies Act, 2013.

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 Companies Act, 2013 and Regulation 25 (3) of the SEBI LODR Regulations, a meeting of the Independent Directors of your Company was held on 8<sup>th</sup> February, 2024 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 Ms. Harshada Pathak, Company Secretary acts as Secretary to the Committee and is the Compliance Officer of the Company.

During the financial year under review, Stakeholders Relationship Committee met 1 (one) time on 23<sup>rd</sup> February, 2024 and the details of attendance are given below:

Name of the Members	Category	Date of Meeting held & attended
		23-02-2024
Dr. Nivedita Haran, Chairperson	Independent Director	Yes
Mr. Prateek Roongta, Member	Non-Executive (Nominee) Director	Yes
Mr. Deo Shankar Tripathi, Member	Executive Vice Chairman	Yes

The Committee oversees 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
Nil	Nil	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.

The terms of reference of the Risk Management Committee include:

- To formulate a detailed risk management policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- To meet at least quarterly and should review, approve and set companies exposure to various types of risks, risk appetite levels & other limits and take actions as required
- To approve significant policies and framework that govern the management of risks.
- To ensure Executive Risk Management Committee in place, consisting of senior management personal.
- To obtain assurance (through internal audit and external reviews) that risk management framework and policies are being adhered.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the Board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

During the financial year under review, the Committee met 4 (four) times and the details of attendance are given below:-

Name of the Member	Category	Date of Risk Management Committee Meeting held & attended				No. of Meetings attended
		16-05-2023	09-08-2023	07-11-2023	08-02-2024	
Mr. O. P. Bhatt, Chairperson	Independent Director	Yes	Yes	Yes	Yes	4
Ms. Sharmila A Karve, Member	Independent Director	Yes	Yes	Yes	Yes	4
Mr. Prateek Roongta, Member	Non-Executive (Nominee) Director	Yes	-	-	Yes	2

### 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 to ensure that liquidity and interest rate risks are contained within the limits laid down by the NHB.

During the financial year under review, the Committee met 4 (four) times and the details of composition and attendance are given below:-

Name of the Members	Category	Date of ALCO Meetings held & attended				No. of Meetings attended
		16-05-2023	09-08-2023	07-11-2023	08-02-2024	
Mr. Deo Shankar Tripathi, Chairperson	Executive Vice Chairman	Yes	Yes	Yes	Yes	4
Mr. O. P. Bhatt, Member	Independent Director	Yes	Yes	Yes	Yes	4
Ms. Sharmila A Karve, Member	Independent Director	Yes	-	Yes	Yes	3
Mr. Prateek Roongta, Member	Non-Executive (Nominee) Director	Yes	Yes	Yes	Yes	4

### IT Strategy Committee

The Company has duly constituted the IT Strategy Committee in accordance with the Reserve Bank of India - Master Direction – Information Technology Framework for the NBFC Sector dated 8<sup>th</sup> June, 2017 read with the RBI Master Directions.

During the financial year under review, the IT Strategy Committee met twice, i.e. on 08<sup>th</sup> September, 2023 and 01<sup>st</sup> March, 2024 and the details of attendance are given below:

Name of the Members	Category	Date of Meetings held & attended		No. of Meetings Attended
		08-09-2023	01-03-2024	
Ms. Sharmila A. Karve, Chairperson	Independent Director	Yes	Yes	2
Mr. Mukesh Mehta, Member	Non-Executive (Nominee) Director	-	-	-
Mr. Prateek Roongta, Member	Non-Executive (Nominee) Director	Yes	Yes	2
Mr. Deo Shankar Tripathi, Member	Executive Vice Chairman	Yes	Yes	2
Mr. Rishi Anand, Member	Managing Director and Chief Executive Officer	Yes	-	1
Mr. Rajesh Viswanathan, Member	Chief Financial Officer	Yes	-	1
Mr. Nirav Shah, Member	Chief Risk Officer	Yes	Yes	2
Mr. Sharad Jambukar, Member	Head- Information Technology	Yes	Yes	2

### Management Committee:

The Company has a duly constituted Management Committee of Directors, which consists of Mr. Prateek Roongta, Non Executive (Nominee) Director and Chairperson of the Committee, Mr. Mukesh Mehta, Non-Executive (Nominee) Director and Mr. Deo Shankar Tripathi, Executive Vice Chairman, Members of the Committee as on 31<sup>st</sup> March, 2024. During the financial year under review, various resolutions pertaining to operational and treasury matters were passed by the Management Committee and reported in the Board meetings held on quarterly basis.

### Corporate Social Responsibility (“CSR”) Committee:

As per section 135 of the Act the Company has duly constituted the CSR Committee.

During the financial year under review, 3 (three) Meetings of CSR Committee were held and the details of attendance are given below:

Name of the Members	Category	Date of CSR Meetings held & attended			No. of Meetings attended
		16-05-2023	08-08-2023	23-02-2024	
Dr. Nivedita Haran, Chairperson	Independent Director	Yes	Yes	Yes	3
Mr. Prateek Roongta	Non-Executive (Nominee) Director	Yes	Yes	Yes	3
Mr. Rishi Anand, Member	Managing Director and Chief Executive Officer	Yes	Yes	Yes	3



### 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.

The composition of the Investment Committee and the meetings held during the financial year under review are given below:

Name of the Members	Category	Date of Investment Committee Meeting held & attended				No. of Meetings attended
		16-05-2023	09-08-2023	07-11-2023	08-02-2024	
Mr. Prateek Roongta, Chairperson	Non-Executive (Nominee) Director	Yes	Yes	Yes	Yes	4
Dr. Nivedita Haran, Member	Independent Director	Yes	Yes	Yes	Yes	4
Mr. Rishi Anand, Member	Managing Director and Chief Executive Officer	Yes	Yes	Yes	Yes	4

### IPO Committee:

The Company has duly constituted IPO Committee, for the purpose of initial public offer of the equity shares. The Committee consists of Mr. Mukesh Mehta, Non-Executive (Nominee) Director, Chairperson, Mr. Prateek Roongta, Non-Executive (Nominee) Director and Mr. Deo Shankar Tripathi, Executive Vice Chairman as the Members of the Committee. During the financial year under review, there was one meeting of the IPO Committee held on 31<sup>st</sup> January, 2024.

### Particulars of senior management including the changes therein since the close of the previous financial year:

The changes in the senior management of the Company during the financial year under review are placed in the table below:

Name	Date of Change	Reason
R Anil Kumar Nair	May 17, 2023	Appointment as Chief Business Officer
Hrishikesh Jha	May 19, 2023	Resigned as the Chief People Officer
Sreekanth V.N.	September 30, 2023	Cessation of term as the Company Secretary upon appointment as Chief Compliance Officer
	October 1, 2023	Appointment as Chief Compliance Officer
Harshada Pathak	October 1, 2023	Appointment as Company Secretary and Compliance Officer
Vikas Bansal*	October 23, 2023	Appointment as Chief Human Resource Officer

\*resigned as Chief Human Resource Officer w.e.f. April 10, 2024.

### Remuneration of Directors

The Company has adopted a Nomination, 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 /- were paid to the Independent Directors of the Company for each Meeting of the Shareholders, Board and the Committees of the Board attended by them. Further, in addition to sitting fees, the Company has paid commission to the Independent Directors as approved by Shareholders at the Annual General Meeting held on 09<sup>th</sup> August, 2023.

The remuneration of the Executive Directors of your Company is as follows:

(₹ in Lakhs)						
Name	Designation	Salary and allowances	Bonus	Perquisite	Contribution to PF	Total
Mr. Deo Shankar Tripathi	Executive Vice Chairman	233.92	85.96	1.79	9.45	331.12
Mr. Rishi Anand	Managing Director and Chief Executive Officer	216.43	70.95	7.96	9.03	304.37

Further, the appointment of Mr. Deo Shankar Tripathi and Mr. Rishi Anand is subject to termination by three months' notice in writing on either side.

During the financial year under review, details of stock options granted to the Executive Directors of your Company are mentioned in details required as per Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014. None of the Directors hold any shares or convertible instruments in your Company as on the date of this Report except Mr. Deo Shankar Tripathi and Mr. Rishi Anand who hold 658 and 377 equity shares respectively.

## General Body Meetings

During the preceding three years, the Company's Annual General Meetings were held as under:

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

Year	Location	Time	Date of Meeting	Particulars of Resolutions passed under Special Business
2020-2021	Meeting conducted through VC / OAVM pursuant to the MCA Circular	11:02 am	17 <sup>th</sup> July, 2021	Refer Note 1
2021-2022	Meeting conducted through VC / OAVM pursuant to the MCA Circular	5:00 pm	18 <sup>th</sup> August, 2022	Refer Note 2
2022-2023	Meeting conducted through VC / OAVM pursuant to the MCA Circular	5.30 pm	9 <sup>th</sup> August, 2023	Refer Note 3

### Notes:

1.
  - i. Payment of Commission to Independent Directors of the Company.
  - ii. Re-appointment of Dr. Nivedita Haran (DIN: 06441500) as an Independent Director of the Company
  - iii. 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.
2.
  - i. Payment of Commission to Independent Directors of the Company
  - ii. Re-appointment of Mr. Om Prakash Bhatt (DIN:- 00548091), as an Independent Director and Non- executive Chairman of the Board of the Company for a period of 3 Years i.e. w.e.f 13<sup>th</sup> September 2022 till 12<sup>th</sup> September, 2025.
  - iii. 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.
3.
  - i. To consider & revalidate the Borrowing powers/limits for the Company and Issuance of Debentures and approval to create charge by way of mortgages and/ or hypothecation on the assets of the Company
  - ii. Payment of Commission to Independent Directors of the Company.
  - iii. To consider and approve amendment/ insertion of Article 175A in the existing Articles of Association of the Company, as per the requirement of Regulation 23(6) of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended.

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/disclosures-under-regulation-62-of-the-sebi-lodr-regulation-2015-pdf/financial-results>.

The Company being a high value debt listed entity as on 31<sup>st</sup> March 2024, the requirements of disclosure of presentations made to institutional investors or to the analysts were not applicable to the Company during the financial year under review. For FY 24-25 the Company shall comply with all disclosure requirements applicable to equity and high value debt listed entities

### 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 interest 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:

During the financial year under review, the Company has paid a fine of ₹5,000 to BSE Ltd, on account of one day delay of filing prior intimation under Regulation 50(1) of the SEBI Listing Regulations.

Apart from the above, 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 on any matter related to capital markets.



### Vigil Mechanism / Whistle Blower Policy

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 vigil mechanism / Whistle blower policy 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 16-27 of the SEBI LODR Regulations were applicable to a 'high value debt listed entity' on a 'comply or explain' basis until 31<sup>st</sup> March, 2024 and on a mandatory basis thereafter. The Company has complied with the corporate governance requirements specified in regulation 17 to 27 of the SEBI LODR Regulations. Further, your Company being a high value debt listed entity the disclosure requirements required under clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 are not applicable to the Company. However, corresponding disclosure requirements applicable to high value debt listed entity as required under Regulation 62 (1A) have been duly complied with by the Company. For FY 24-25 the Company shall comply with all disclosure requirements applicable to equity and high value debt listed entities

### Policy for determining material subsidiaries

The Company does not have any material subsidiary as per SEBI LODR Regulations. However, the policy to determine material subsidiaries has been approved by the Board- on 12<sup>th</sup> August 2022 and reviewed on timely basis and the same is available on the website of the Company at – <https://aadharhousing.com/disclosures-under-regulation-62-of-the-sebi-lodr-regulation-2015-pdf/policy-for-determining-material-subsiidiaries>

### 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/disclosures-under-regulation-62-of-the-sebi-lodr-regulation-2015-pdf/policy-on-dealing-with-related-party-transactions>

Disclosure of commodity price risks and commodity hedging activities and details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) are not applicable to the Company.

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

Total fees for all services paid/accrued by the Company, and its Subsidiary, on a consolidated basis 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. Walker Chandiook & Co LLP – ₹ 36 Lakhs
2. M/s Kirtane and Pandit LLP- ₹ 112 Lakhs

Further the Company has paid ₹ 191 Lakh (including taxes) for the year ended 31<sup>st</sup> March, 2024 towards Audit services for the proposed IPO (refer note no.12 of Standalone Financial statements). Payment made subsequent to financial year ended 31<sup>st</sup> March, 2024 towards IPO is not included in above.

### 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 and its subsidiary has not given any loans and advances in the nature of loans to firms/ companies in which the directors are interested.

### Details of material subsidiaries of the Company; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

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

### General Shareholder Information

#### Annual General Meeting

The 34<sup>th</sup> Annual General Meeting of your Company will be held through video conferencing ("VC") / other audio-visual means ("OAVM") and date, time and link to attend the meeting will be informed to the shareholders as well as Stock Exchanges.

### Financial Calendar (Tentative Dates)

Financial year of the Company :	1 <sup>st</sup> April to 31 <sup>st</sup> March
For the quarter ending 30 <sup>th</sup> June, 2024 :	On or before 14 <sup>th</sup> August, 2024
For the quarter ending 30 <sup>th</sup> September, 2024 :	On or before 14 <sup>th</sup> November, 2024
For the quarter ending 31 <sup>st</sup> December, 2024 :	On or before 14 <sup>th</sup> February, 2025
For the quarter/ year ending 31 <sup>st</sup> March, 2025 :	On or before 30 <sup>th</sup> May, 2025
35 <sup>th</sup> Annual General Meeting for the financial year ending 31 <sup>st</sup> March, 2025- On or before 30 <sup>th</sup> September, 2025	

**Dividend Payment Date :** Not applicable

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

The Non- Convertible Debentures issued by the Company by way of public issue and on private placement basis are listed on:

**BSE Limited**

P.J. Towers, Dalal Street, Fort  
Mumbai - 400001, Maharashtra.  
Ph. No.: +91 22 22721234  
Scrip Code: 951548

The equity shares of the Company are listed w.e.f. 15<sup>th</sup> May 2024 on :

**BSE Limited**

P.J. Towers, Dalal Street,  
Fort  
Mumbai - 400001,  
Maharashtra.  
Ph. No.: +91 22 22721234  
Scrip Code: 544176

**National Stock Exchange of India Limited**

Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex  
Bandra (E), Mumbai – 400 051  
Ph. No.: +91 26598100  
symbol AADHARHFC  
Scrip Code: 544176

The Annual Listing Fees for the FY 2024-25 has been duly paid to BSE Limited.

Since the listed Non- convertible debentures of the Company are thinly traded, the market price data high-low during each month in last financial year and performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc. is not provided.

Since equity shares of the Company are listed on Stock exchanges since 15<sup>th</sup> May, 2024, high-low during each month in last financial year and performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc. is not available.

Distribution of Shareholding as on 31<sup>st</sup> March, 2024

No of shares	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
1-500	5	9.80	480	0.00
501- 1000	12	23.53	11,660	0.00
1001- 2000	10	19.61	18,840	0.00
2001- 3000	3	5.88	8,330	0.00
3001-4000	-	-	-	-
4001- 5000	1	1.96	5,000	0.00
5001- 10000	9	17.65	84,350	0.02
10001& Above	11	21.57	39,46,26,310	99.97
<b>Total</b>	<b>51</b>	<b>100.00</b>	<b>39,47,54,970</b>	<b>100.00</b>

Detailed shareholding pattern of your Company is mentioned in the Board's report. There are no agreements under clause 5A of paragraph A of Part A of Schedule III of Listing Regulations binding the Company.

**Dematerialisation of Shares and Liquidity**

99.9993% of equity shares are held in dematerialised form as on 31<sup>st</sup> March, 2024. 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%

There are 6 individual shareholders holding 2,900 Equity shares (around 0.001%) holding their shares in physical

**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 No- 31  
& 32, Financial District, Nanakramguda,  
Serilingampally, Hyderabad, Rangareddi,  
Telangana, India, 500032.  
Ph. No.: +91 40 6716 2222  
Email id: einward.ris@kfintech.com  
Website: www.kfintech.com

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

**3i Infotech Ltd.**

Tower # 5, 3<sup>rd</sup> 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.

mode and the Company has sent various intimations/reminders to them for converting these shares into demat mode. However, the shareholders are yet to dematerialize the same.

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

In terms of the provisions of the Act , there were no equity shares due for transfer to Investor Education and Protection Fund ("IEPF") Account during the financial year under review. 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>.



Investors are requested to claim the unpaid dividend amount in time to avoid transfer to IEPF.

**Outstanding Global depository receipts / American depository receipts / Warrants or any Convertible instruments, Conversion date and likely impact on Equity :** Not applicable

**Disclosures with respect to demat suspense account/ unclaimed suspense account:**

After sending 3 Reminder letters to holders of physical shares to dematerialize their existing equity shares held in physical mode and to claim their bonus shares, the Company has transferred 26,100 Bonus shares which were issued on 16<sup>th</sup> January, 2021 and which were kept in abeyance, to the "Aadhar Housing Finance Limited – Unclaimed Securities – Suspense Escrow Account".

Following are the disclosures with respect to demat suspense account/ unclaimed suspense account:

(a)	aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	N.A.
(b)	number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	NIL
(c)	number of shareholders to whom shares were transferred from suspense account during the year;	NIL
(d)	aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	Total 6 shareholders for 26,100 equity shares.
(e)	the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	

**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 535 branches. The branch locations can be accessed on the Company website at: <https://aadharhousing.com/other/branch-locator>.

**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:**

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

**Corporate Office:**

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

**Debenture Trustees –**

- a) Catalyst Trusteeship Limited  
GDA House, Plot No. 85, S. No. 94 & 95,  
Bhusari Colony (Right), Kothrud,  
Pune - 411038, Maharashtra.  
Ph. No.: +91 20 25280275  
Email Id: dt@ctltrustee.com  
Website: www.catalysttrustee.com
- b) Beacon Trusteeship Limited  
5W, 5<sup>th</sup> Floor, The Metropolitan, E-Block,  
Bandra Kurla Complex, Bandra (E), Mumbai-400051  
Phone : 022-26558759  
Email : 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 and Chief Executive Officer.

**D. Reporting of internal auditor**

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

## Form No. MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31STMARCH, 2024

*[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 my 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 31<sup>st</sup> March, 2024 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 31stMarch, 2024 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 there under; (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.

*There is an instance of a one-day delay in giving prior intimation of the Board meeting for the approval of financial results for the half year ended 30<sup>th</sup> September 2023, pursuant to Regulation 50(1) of this Regulation*

- (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);
- (d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015
- (e) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, requirement of Structured Digital Database (SDD) pursuant to provisions of Regulation 3(5) and 3(6).
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) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
  - (c) 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.
  - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2018:
  - (e) 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
- v) Insurance Act, 1938 - IRDAI (Registration Corporate Agents) Regulations, 2015.

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.

All the decisions of the Board and Committees were carried through with requisite majority and 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** the Company has filed a Draft Red Herring Prospectus ("DRHP") with Securities and Exchange Board of India ("SEBI") on February 2, 2024 for the proposed Initial Public Offering and the company was expecting the SEBI observation letter 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. My responsibility is to express an opinion on these Secretarial Records based on my 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 my opinion.
3. I 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

Place: Mumbai  
Date: 29.05.2024

Sd/-  
**(Roy Jacob)**  
Proprietor  
(C.P. No.8220), (FCS No.9017)  
UDIN: F009017F000488661  
P.R. Cer. No.686/2020

## Annexure - 1

**CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
**Aadhar Housing Finance Limited,**  
2<sup>nd</sup> Floor, No. 03, JVT Towers, 8<sup>th</sup> 'A' Main Road,  
S.R. Nagar, Bengaluru - 560 027, Karnataka.

We have examined the compliance of conditions of Corporate Governance by Aadhar Housing Finance Limited ('the Company') for the year ended March 31, 2024, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations, 2015") as referred to in Regulation 15(2) of the SEBI Listing Regulations, 2015 for the period from April 1, 2023 to March 31, 2024.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management and our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable or for any other purpose.

For **Aashish K. Bhatt & Associates**

Place: Mumbai  
Date: 29.05.2024

**Aashish K. Bhatt**  
ACS No.: 19639, COP No. 7023  
UDIN: A019639F000738566  
Peer Review Certificate No.: 2959/2023



## Annexure - 2

**DECLARATION CONFIRMING COMPLIANCE TO THE CODE OF CONDUCT**

To,  
The Board of Directors  
**Aadhar Housing Finance Ltd.**

Declaration confirming compliance to the Code of Conduct for the Directors, Key Managerial Personnel and Senior Management Personnel of Aadhar Housing Finance Limited ("the Code of Conduct").

Pursuant to the Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Rishi Anand, Managing Director and Chief Executive Officer of the Company hereby declare that all the Board of Directors, Key Managerial Personnel and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the Directors, Key Managerial Personnel and Senior Management Personnel applicable to them for the year ended 31<sup>st</sup> March 2024.

For **Aadhar Housing Finance Limited**

Sd/-  
**Rishi Anand**  
Managing Director and Chief Executive Officer

Place: Mumbai  
Date: 23<sup>rd</sup> May, 2024

## 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, Key Managerial Personnel, Senior Management, other related parties etc. with the interest of the Company.

The Board of Directors ("**Board**") of the Company, has adopted the following policy and procedures with regard to Related Party Transactions ("**RPT**") as defined below, at its meeting held on 5<sup>th</sup> December 2017 and revised from time to time, 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. "**Company**" means as defined in the Preamble

6. "**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.

7. "**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 under the Companies Act or SEBI Regulations.

8. "**Material related party transactions**" means those transactions entered into with the Company by a related party, which when individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company whichever is lower.

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 of the Company.



9. **“Material Modification”** shall mean a 10% or more increase in the original value/ consideration of any Related Party Transaction which was approved by the Audit Committee/Shareholders of the Company, as the case may be.
10. **“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:
- whether the transaction is in line with the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities;
  - whether it is permitted by the Memorandum and Articles of Association of the Company; and
  - historical practice with a pattern of frequency
  - whether the transaction is such that it is required to be undertaken in order to conduct the routine or usual transactions of a company.
  - meets any other parameters / criteria as decided by the Board/Audit Committee from time to time.
11. **“Related Party”** means a person or an entity shall be considered as related to the Company if:
- such person or entity is a related party as defined under Section 2(76) of the Companies Act;
  - such person or entity is a related party under the applicable accounting standard(s); or
  - related party as defined under regulation 2(zb) of Listing Regulations of SEBI.

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

- A director or his relative;
- A key managerial personnel or his relative;
- A firm, in which a director, manager or his relative is a partner;
- A private Company in which a director or manager or his relative is a member or director;
- 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 ;
- 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;
- 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.

- Any body corporate which is:
  - a holding, subsidiary or an associate company of the Company;
  - a subsidiary of a holding Company to which it is also a subsidiary; or
  - 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.

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

**Indian Accounting Standard Ind AS 24 defines related party as :**

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the ‘reporting entity’).

- A person or a close member of that person’s family is related to a reporting entity if that person:
  - has control or joint control over the reporting entity;
  - has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- An entity is related to a reporting entity if any of the following conditions applies:
  - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - Both entities are joint ventures of the same third party.
  - One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - The entity is controlled or jointly controlled by a person identified in (a).

- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

#### **Related Parties under regulation 2(zb) of Listing Regulations**

“related party” means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards:

“Provided that:

- (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
- (b) any person or any entity, holding equity shares
  - (i) of ten per cent or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party.”

- 12. “Related Party Transactions” or “RPT”** 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.

#### **Related party transactions under regulation 2(1) (zc) of Listing Regulations**

“related party transaction” means a transaction involving a transfer of resources, services or obligations between:

- (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
- (ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023; regardless of whether

a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract:

Provided that the following shall not be a related party transaction:

- (a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) the following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
  - i. payment of dividend;
  - ii. subdivision or consolidation of securities;
  - iii. issuance of securities by way of a rights issue or a bonus issue; and
  - iv. buy-back of securities.
- (c) acceptance of fixed deposits by banks/ Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:

- 13. “Relatives”,** as stated in Section 2(77) of the Companies Act and rules prescribed there under and as per Regulation 2(1) (zd) of the Listing Regulations as amended from time to time, 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

- 14. “Office or place of profit”** means any office or place:

- a) 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

- b) 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.

15. **“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 KMP 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 or his relative 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.
  - iii. an investing company or the venturer of the Company.

## 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 and subsequent material modifications whether entered on arm's length basis or not, shall require prior approval of the Audit committee either by circulation or at a meeting. Only those members of the audit committee who are independent directors, shall approve the related party transactions.

The Audit Committee may also grant omnibus approval for Related Party Transactions proposed to be entered

into by the Company during a financial year, 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 ₹1.00 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.

With effect from April 1, 2023, a related party transaction to which the subsidiary of a Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;



## 2. 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/interested.
- 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 mandatorily review this Policy once in three years 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, as per intimation received 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 material 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 or the transaction is defined as material related party transaction by the Audit Committee.

### 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 and subsequent material modifications as defined by Audit Committee shall be recommended by the Board of Directors to the Shareholders for their prior approval by way of a resolution.

Provided further that no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Provided that the requirements of prior approval of shareholders shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

Provided further that prior approval of audit committee, Board of Directors and/or shareholders shall not be applicable in the following cases:

- (a) transactions entered into between two government companies;
- (b) transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- (c) transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

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.

Material Related Party Transactions that require prior approval of Shareholders as per Companies Act, 2013:

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.

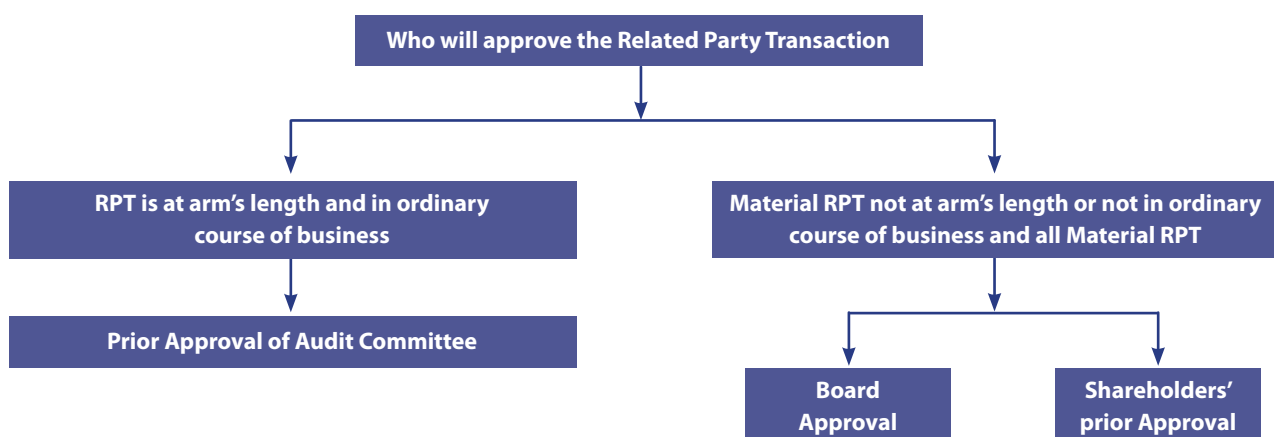
5. Transaction is for appointment of relative or himself to any office or place of profit in the Company, its subsidiary company or associate company at a remuneration exceeding ₹2,50,000 (Rupees Two Lakh Fifty Thousand) per month and
6. Remuneration for underwriting the subscription of any securities 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. 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



## 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 Board's report and a copy of the Related Party Transactions Policy may be annexed to the Board's report forming part of the Annual Report in terms of the SEBI Listing Regulations, as applicable to high value debt listed entities and Companies Act, 2013.

The Company shall disclose such details of Related Party Transaction as may be prescribed by the stock exchanges.

The Company, being high value debt listed entity, shall submit to the stock exchanges the disclosures of related party transactions in the format as specified by the Board from time to time, along with its standalone financial results for the half year.

### 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, Board of Directors or Shareholders, as per the provisions of Regulation 23(5) of Listing regulations and 5<sup>th</sup> proviso to section 188(1) and 4<sup>th</sup> proviso to section 177 (4) of Companies Act, 2013:-

- 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/employment with 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 review, 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 regulation/provisions of 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	377
6	Total assets	736
7	Total Liabilities	358
8	Investments	414
9	Turnover	6,459
10	Profit before taxation	36
11	Provision for taxation	(77)
12	Profit after taxation	113
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**  
Executive Vice-Chairman  
DIN 07153794

**Rishi Anand**  
Managing Director & CEO  
DIN 02303503

**Sharmila Abhay Karve**  
Independent Director  
DIN 05018751

**Prateek Roongta**  
Director  
DIN 00622797

Place : Mumbai  
Date : May 29, 2024

**Rajesh Viswanathan**  
Chief Financial Officer

**Harshada Pathak**  
Company Secretary

## THE ANNUAL REPORT ON CSR ACTIVITIES (FY 2023-24)

### 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 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 2023-24 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 focusing on pre-education & health of children of below 6 years, community preventive health care, vocational skills & livelihood, support for environment conservation and sports 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	Chairperson/ Independent Director	3	3
2	Mr. Prateek Roongta	Non-Executive (Nominee) Director	3	3
3	Mr. Rishi Anand	Managing Director and Chief Executive Officer	3	3

### 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/CSR>

### 4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: NA

5. (a) Average net profit of the company as per section 135(5): ₹ **56,498 Lakhs**
- (b) Two percent of average net profit of the company as per section 135(5): ₹ **1,130 Lakhs**
- (c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: **NIL**
- (d) Amount required to be set off for the financial year, if any: **NIL**
- (e) Total CSR obligation for the financial year (b+c-d): ₹ **1,130 Lakhs**
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) – ₹ **498.14 Lakhs**
- (b) Amount spent in Administrative overheads – ₹ **36.11 Lakhs**
- (c) Amount spent on Impact Assessment, if applicable. – ₹ **10.81 Lakhs**
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)] – ₹ **545.06 Lakhs**

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	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 ₹)	Date of transfer	Name of the Fund	Amount	Date of transfer
545.06 Lakhs	584.94 Lakhs	April 30, 2024	NIL	NIL	NIL

(f) Excess amount for set off, if any :

Sl. No.	Particular	Amount (₹ In Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	1130.00
(ii)	Total amount spent for the Financial Year	545.06
(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

## 7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s).	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	FY 21-22	31.92 Lakhs	0.00	2.79 Lakhs	0.00	0.00	0.00	-
2	FY 22-23	626.94 Lakhs	275.55 Lakhs	351.39 Lakhs	0.00	0.00	275.55 Lakhs	

## 8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes/No - No

If Yes, enter the number of Capital assets created/ acquired:

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
	NA	NA	NA	NA		NA	

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

## 9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5).

The long-term vision and mission of AHFL's CSR interventions is to create a sustainable qualitative impact. As a result, funds have been committed into multi-year projects. Depending on the focus area and project design, the duration has been appropriately allocated. With an aim to making a meaningful difference & contribute towards building a stronger community for better tomorrow, AHFL is focused to ensure the continuity of the impact and spread awareness amongst masses.

sd/-  
Managing Director & CEO  
Date : 29.05.2024

sd/-  
(Chairperson CSR Committee)  
Date : 29.05.2024



## Annexure - 6

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(pursuant to Regulation 34(3) and Schedule V Para C Sub clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
The Members of  
**Aadhar Housing Finance Limited,**  
511, Acme Plaza, Andheri Kurla Road,  
Andheri (East), Mumbai - 400059.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Aadhar Housing Finance Limited** having CIN U66010KA1990PLC011409 and having registered office at 2<sup>nd</sup> Floor, No. 03, JVT Towers, 8<sup>th</sup> 'A' Main Road, S.R. Nagar, Bengaluru - 560 027, Karnataka (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 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 other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. O. P. Bhatt	00548091	13 <sup>th</sup> September 2019
2.	Dr. Nivedita Haran	06441500	15 <sup>th</sup> September 2018
3.	Mr. Amit Dixit	01798942	02 <sup>nd</sup> August 2019
4.	Mr. Mukesh Mehta	08319159	02 <sup>nd</sup> August 2019
5.	Ms. Sharmila Karve	05018751	15 <sup>th</sup> December 2020
6.	Mr. Prateek Roongta	00622797	20 <sup>th</sup> January 2023
7.	Mr. Rishi Anand	02303503	03 <sup>th</sup> January 2023
8.	Mr. Deo Shankar Tripathi	07153794	03 <sup>th</sup> January 2023

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on my 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 **Aashish K. Bhatt & Associates**

Place: Mumbai  
Date: 29.05.2024

Sd/-  
**Aashish K. Bhatt**  
CS No.: 19639, COP No. 7023  
UDIN: A019639F000738601  
Peer Review Certificate No.: 2959/2023

# Independent Auditor's Report

## To the Members of Aadhar Housing Finance Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

- We have audited the accompanying standalone financial statements of **Aadhar Housing Finance Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2024**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, 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

- We conducted our audit 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 financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

- 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.
- We have determined the matter 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 2.9 and 3 for material accounting policy information and notes 6, 27, and 37 for financial disclosures in the accompanying standalone financial statements)

At 31 March 2024, the Company reported total gross loans of ₹ 17,11,115 lakh (2023: ₹ 14,03,755 lakh) and expected credit loss provisions of ₹ 20,821 lakh (2023: ₹ 18,610 lakh).

Key audit matter	How our audit addressed the key audit matter
<p>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 such financial assets, 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.</p> <p>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.</p>	<p>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:</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• determining the criteria for a significant increase in credit risk</li> <li>• factoring in future economic assumptions</li> <li>• past experience and forecast data on customer behaviour on repayments</li> <li>• techniques used to determine probability of default, loss given default and exposure at default.</li> </ul> <p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> <li>- Tested the completeness of loans and advances included in the Expected Credit Loss calculations as of 31 March 2024 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.</li> <li>- 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.</li> <li>- 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, in order to assess the reasonableness of adjustments by challenging key assumptions, adjustments by challenging key assumptions, inspecting the calculation methodology.</li> <li>- 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.</li> <li>- 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.</li> </ul>

#### Information Technology ("IT") Systems and Controls for the financial reporting process

Key Audit Matter	How our audit addressed the key audit matter
<p>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 in numerous locations on a daily basis.</p> <p>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.</p>	<p>Our key audit procedures with the involvement of our IT specialists included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the Company's IT related control environment and conducted risk assessment and identified IT applications, data bases and operating systems that are relevant to our audit.</li> <li>• Tested the design and operating effectiveness of the Company's IT controls over the IT applications as identified above;</li> <li>• On such in-scope IT systems, we have tested key IT general controls with respect to the following domains: <ul style="list-style-type: none"> <li>a. Program change management which includes controls on moving program changes to production environment as per defined procedures and relevant segregation of environments; and</li> <li>b. User access management which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties.</li> </ul> </li> </ul>



Key Audit Matter	How our audit addressed the key audit matter
<p>The accuracy and reliability of the financial reporting process depends on the IT systems and the related control environment, including:</p> <ul style="list-style-type: none"> <li>➤ IT general controls over user access management and change management across applications, networks, database, and operating systems and;</li> <li>➤ IT application controls.</li> </ul> <p>Due to the importance 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.</p>	<ul style="list-style-type: none"> <li>• We also evaluated the design and tested the operating effectiveness of key automated controls within various business processes.</li> <li>• Where deficiencies were identified, tested compensating controls or performed alternative procedures.</li> </ul>

### 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 Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and

fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, the Board of Directors is 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of Board of Directors' 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. 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.
  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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
17. 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.
  18. 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 purpose 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 except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
    - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
    - d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
    - 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 2024 from being appointed as a director in terms of section 164(2) of the Act;
    - f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 18(b) above on reporting under section 143(3) (b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
    - g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and
    - h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
      - i. the Company, as detailed in note 32 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;
      - 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 2024;
      - 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 2024;

### Other Matter

15. The standalone financial statements of the Company for the year ended 31 March 2023 were audited Walker Chandiook & Co LLP, who have expressed an unmodified opinion on those standalone financial statements vide their audit report dated 16 May 2023, whose reports has been furnished to Kirtane & Pandit LLP and which has been relied upon by them for the purpose of their audit of the standalone financial statements.

### Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit, we report that the Company has paid 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.

- iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 54 to the standalone financial statements, 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, as disclosed in note 55 to the standalone financial statements, 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 notice that has caused 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 2024.
- vi. As stated in note 57 to the accompanying standalone financial statements and based on our examination which included test checks, the Company, in respect of financial year commencing 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, the audit trail feature was not fully enabled for accounting software to log any direct data changes at database level. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

**Manish Gujral**

Partner

Membership No. 105117

**UDIN: 24105117BKDAOY3004**

Place: Mumbai

Date: 29 May 2024

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration No: 105215W/W100057

**Sandeep D Welling**

Partner

Membership No. 044576

**UDIN: 24044576BKAUDE8657**

Place: Mumbai

Date: 29 May 2024



## Annexure I referred to in paragraph 17 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 2024

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 of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment and relevant details of 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 programme 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 Note 10 to the standalone financial statements, are held in the name of the Company, except for the following properties:

Description of property	Gross carrying value (₹ Lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
<b>Land:</b> 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.
<b>Land:</b> 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.
<b>Building:</b> 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 including 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 Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) As disclosed in Note 48 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 5 crores, by bank on the basis of security of current assets during the year. The quarterly returns/statements, in respect of the working capital

limits have been filed by the Company with such banks and/or financial institutions and such returns/statements are in agreement with the books of account of the Company for the respective periods, which were subject to audit/review.

- (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) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided 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 instances as below:

Particulars – Days Past Due	Total amount (₹ in lakhs)	No. of cases
1-29 days	35,962	6,011
30-59 days	35,571	5,394
60-89 days	10,634	1,434
90 days or more	18,690	3,168
<b>Total</b>	<b>100,857</b>	<b>16,007</b>

Having regard to the nature of business of the Company and volume of the transactions, it is impractical to furnish the item-wise listing for the above-mentioned cases of delay in repayment of principal and interest.

- (d) The total amount which is overdue for more than 90 days as at 31 March 2024 in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties is as follows:

Particulars	Amount (₹ in lakhs)	No. of Cases	Remarks, if any
Principal	18,690	3,168	N.A
<b>Total</b>	<b>18,690</b>	<b>3,168</b>	

Reasonable steps have been taken by the Company for recovery of such principal amounts and interest.

- (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 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 ('the NHB'). 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/ services / business activities. 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, employees' state insurance, 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 by the Company, though there have been slight delays in a few 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 in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	12.29	4.46	AY 17-18	Commissioner of Income Tax (Appeals)	
Income Tax Act, 1961	Income Tax	126.25	42.91	AY 14-15	Commissioner of Income Tax (Appeals)	
Income Tax Act, 1961	Income Tax	82.10	-	FY 20-21	Commissioner of Income Tax (Appeals)	
Income Tax Act, 1961	Income Tax	701.61	-	AY 18-19	Commissioner of Income Tax (Appeals)	

Name of the statute	Nature of dues	Gross Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
GST Act, 2017	GST (Gujarat)	145.86	5.52	FY 19-20	First Appellate Tribunal	
GST Act, 2017	GST(Tamil Nadu)	2.59	0.12	FY 17-18	First Appellate Tribunal	
Finance Act, 1994	Service Tax	16.36	1.23	Oct 2016 to June 2017	Commissioner of Central Excise (Appeals)	

- (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 previously 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 government or any government authority.
- (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 utilization have been invested in readily realizable 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, prima facie, 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 and on the basis of our examination of the records of the Company, 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 or no material fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, 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 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 which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.
- (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 its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is 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.

- (b) 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.
  - (c) 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 losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (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 in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come

to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not 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, there are no unspent amounts towards Corporate Social Responsibility pertaining to other than ongoing projects as at end of the current financial year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.
  - (b) According to the information and explanations given to us, the Company has transferred the remaining unspent amounts towards Corporate Social Responsibility (CSR) 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 3(xxi) of the Order 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 Registration No: 001076N/N500013

**Manish Gujral**

Partner

Membership No. 105117

**UDIN: 24105117BKDAOY3004**

Place: Mumbai

Date: 29 May 2024

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration No: 105215W/W100057

**Sandeep D Welling**

Partner

Membership No. 044576

**UDIN: 24044576BKAUDE8657**

Place: Mumbai

Date: 29 May 2024

## Annexure II to 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 31st March 2024

### Independent Auditor's Report on the internal financial controls with reference to the standalone 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 2024**, we have audited the internal financial controls with reference to the standalone 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 standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the 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 standalone 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 standalone 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 standalone financial statements and their

operating effectiveness. Our audit of internal financial controls with reference to standalone 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 Standalone Financial Statements

6. A company's internal financial controls with reference to standalone 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 standalone 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 Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2024, based on the criteria for internal financial control with reference to the standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

**Manish Gujral**

Partner

Membership No. 105117

**UDIN: 24105117BKDAOY3004**

Place: Mumbai

Date: 29 May 2024

For **Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration No: 105215W/W100057

**Sandeep D Welling**

Partner

Membership No. 044576

**UDIN: 24044576BKAUDE8657**

Place: Mumbai

Date: 29 May 2024



# Standalone Balance Sheet

as at March 31, 2024

(₹ in Lakh)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
<b>Assets</b>			
<b>1. Financial assets</b>			
a) Cash and cash equivalents	4	35,421	40,331
b) Bank balances other than cash and cash equivalents	4	91,717	1,51,286
c) Receivables	5	1,953	797
d) Housing and other loans	6	16,90,294	13,85,145
e) Investments	7	45,784	45,825
f) Other financial assets	8	26,560	25,885
		<b>18,91,729</b>	<b>16,49,269</b>
<b>2. Non-financial assets</b>			
a) Current tax assets (net)	9	1,024	742
b) Property, plant and equipment	10	2,999	2,475
c) Right of use assets	34	4,856	3,828
d) Other intangible assets	11	127	29
e) Other non-financial assets	12	7,836	4,972
		<b>16,842</b>	<b>12,046</b>
<b>Total assets</b>		<b>19,08,571</b>	<b>16,61,315</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
<b>1. Financial liabilities</b>			
a) Trade payables	13		
i) Total outstanding dues to micro enterprises and small enterprises		35	36
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		10,819	8,010
b) Debt securities	14	2,73,883	2,54,213
c) Borrowings (other than debt securities)	15	11,16,002	9,54,273
d) Deposits	16	118	312
e) Subordinated liabilities	17	5,959	6,547
f) Other financial liabilities	18	52,428	63,847
		<b>14,59,244</b>	<b>12,87,238</b>
<b>2. Non-financial liabilities</b>			
a) Provisions	19	2,211	1,644
b) Deferred tax liabilities (net)	20	215	944
c) Other non-financial liabilities	21	2,300	1,932
		<b>4,726</b>	<b>4,520</b>
<b>3. Equity</b>			
a) Equity share capital	22	39,476	39,476
b) Other equity	23	4,05,125	3,30,081
		<b>4,44,601</b>	<b>3,69,557</b>
<b>Total liabilities and equity</b>		<b>19,08,571</b>	<b>16,61,315</b>

The accompanying material accounting policy information and notes form an integral part of the standalone financial statements  
In terms of our report of even date attached.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
ICAI Firm Registration No: 001076N/N500013

For **Kirtane & Pandit LLP**  
Chartered Accountants  
ICAI Firm Registration No: 105215W/W100057

For and on behalf of the Board of Directors

**Manish Gujral**  
Partner  
Membership No.: 105117

**Sandeep D Welling**  
Partner  
Membership No.: 044576

**Deo Shankar Tripathi**  
Executive Vice-Chairman  
DIN 07153794

**Rishi Anand**  
Managing Director & CEO  
DIN 02303503

**Sharmila Abhay Karve**  
Independent Director  
DIN 05018751

**Prateek Roongta**  
Director  
DIN 00622797

Place: Mumbai  
Date: May 29, 2024

Place: Mumbai  
Date: May 29, 2024

**Rajesh Viswanathan**  
Chief Financial Officer

**Harshada Pathak**  
Company Secretary

# Standalone Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in Lakh)

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>1 Income</b>			
<b>Revenue from operations</b>			
a) Interest income	24	2,26,933	1,77,628
b) Fees and commission income	24	11,116	5,559
c) Net gain on fair value changes	24	2,214	3,173
d) Net gain on derecognition of financial instruments under amortised cost category	24	12,090	13,043
<b>Total revenue from operations</b>		<b>2,52,353</b>	<b>1,99,403</b>
Other income	25	6	24
<b>Total income</b>		<b>2,52,359</b>	<b>1,99,427</b>
<b>2 Expenses</b>			
Finance costs	26	98,669	79,919
Impairment on financial instruments	27	4,123	4,921
Employees benefits expense	28	34,567	27,909
Depreciation and amortisation expense	10, 11 & 34	2,098	1,649
Other expenses	29	16,979	12,974
<b>Total expenses</b>		<b>1,56,436</b>	<b>1,27,372</b>
<b>3 Profit before tax and exceptional item (1-2)</b>		<b>95,923</b>	<b>72,055</b>
<b>4 Exceptional item</b>	59	-	2,500
<b>5 Profit before tax (3-4)</b>		<b>95,923</b>	<b>69,555</b>
<b>6 Tax expense</b>			
Current tax	30	21,798	15,683
Deferred tax charge / (credit)	30	(726)	(586)
		<b>21,072</b>	<b>15,097</b>
<b>7 Profit for the year (5-6)</b>		<b>74,851</b>	<b>54,458</b>
<b>8 Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
i Remeasurements of the defined employee benefit plans		(13)	(4)
ii Income tax relating to items that will not be reclassified to profit or loss		3	1
Total other comprehensive income for the year (i + ii)		<b>(10)</b>	<b>(3)</b>
<b>9 Total comprehensive income (7+8)</b>		<b>74,841</b>	<b>54,455</b>
<b>10 Earnings per equity share</b>			
Basic earnings per share (₹)	31	18.96	13.80
Diluted earnings per share (₹)	31	18.32	13.38

The accompanying material accounting policy information and notes form an integral part of the standalone financial statements in terms of our report of even date attached.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
ICAI Firm Registration No: 001076N/N500013

For **Kirtane & Pandit LLP**  
Chartered Accountants  
ICAI Firm Registration No: 105215W/W100057

For and on behalf of the Board of Directors

**Manish Gujral**  
Partner  
Membership No.: 105117

**Sandeep D Welling**  
Partner  
Membership No.: 044576

**Deo Shankar Tripathi**  
Executive Vice-Chairman  
DIN 07153794

**Rishi Anand**  
Managing Director & CEO  
DIN 02303503

**Sharmila Abhay Karve**  
Independent Director  
DIN 05018751

**Prateek Roongta**  
Director  
DIN 00622797

Place: Mumbai  
Date: May 29, 2024

Place: Mumbai  
Date: May 29, 2024

**Rajesh Viswanathan**  
Chief Financial Officer

**Harshada Pathak**  
Company Secretary

# Standalone Statement of Cash flow

for the year ended March 31, 2024

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A. Cash flow from operating activities</b>		
Profit before tax	95,923	69,555
Adjustments for:		
Depreciation and amortisation expense	2,098	1,649
Loss / (Profit) on sale of fixed assets (Net)	34	(29)
Interest on lease liabilities	425	350
Impairment on financial instruments	4,123	4,921
Profit on sale of investment in mutual fund and other investments	(2,214)	(3,173)
Provision for Employee share based payments	203	563
<b>Operating profit before working capital changes</b>	<b>1,00,592</b>	<b>73,836</b>
<b>Adjustments for:</b>		
(Decrease) / Increase in other financial and non-financial liabilities and provisions	(8,946)	20,939
Increase in trade receivables	(1,156)	(278)
Increase in other financial and non-financial assets	(5,605)	(3,253)
<b>Cash generated from operations during the year</b>	<b>84,885</b>	<b>91,244</b>
Tax paid (Net of refund)	(22,080)	(14,178)
<b>Net cash flow generated from operations before movement in housing and other loans</b>	<b>62,805</b>	<b>77,066</b>
Housing and other property loans disbursed	(7,07,247)	(5,90,261)
Proceeds from assignment and co-lending of portfolio	1,63,063	1,26,240
Housing and other property loans repayments	2,38,198	2,71,234
<b>Net cash used in operating activities [A]</b>	<b>(2,43,181)</b>	<b>(1,15,721)</b>
<b>B. Cash flow from investing activities</b>		
Proceeds received on sale / redemption of investments	5,31,917	8,29,324
Payment towards purchase of investments	(5,29,500)	(8,38,173)
Investment in fixed deposits (net of maturities)	59,569	(37,687)
Payment towards purchase of fixed assets	(1,544)	(1,044)
Proceeds received on sale of fixed assets	20	37
<b>Net cash generated from / (used in) investing activities [B]</b>	<b>60,462</b>	<b>(47,543)</b>
<b>C. Cash flow from financing activities</b>		
Share issue expenses / expenses towards offer for sale of shares	(1,419)	(587)
Proceeds from loans from banks/institutions	2,94,153	1,79,000
Proceeds from loans from NHB	1,40,500	1,19,500
Proceeds from Non-convertible debentures	1,32,000	91,700
Repayment of loans to banks/institutions	(1,85,514)	(1,68,540)
Repayment of loans to NHB	(87,599)	(57,831)
Repayment of Non-convertible debentures	(1,12,777)	(15,300)
Repayment of deposits	(203)	(565)
Payment of lease liabilities	(1,332)	(1,058)
<b>Net cash generated from financing activities [C]</b>	<b>1,77,809</b>	<b>1,46,319</b>
<b>Net decrease in cash and cash equivalents [A+B+C]</b>	<b>(4,910)</b>	<b>(16,945)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>40,331</b>	<b>57,276</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>35,421</b>	<b>40,331</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	246	97
Balances with banks in current accounts	5,016	6,804
Balances with banks in deposits accounts with original maturity of less than 3 months	30,159	33,430
	<b>35,421</b>	<b>40,331</b>

The accompanying material accounting policy information and notes form an integral part of the standalone financial statements  
In terms of our report of even date attached.

For **Walker Chandiok & Co LLP**

Chartered Accountants

ICAI Firm Registration No: 001076N/N500013

For **Kirtane & Pandit LLP**

Chartered Accountants

ICAI Firm Registration No: 105215W/W100057

For and on behalf of the Board of Directors

**Manish Gujral**

Partner

Membership No.: 105117

**Sandeep D Welling**

Partner

Membership No.: 044576

**Deo Shankar Tripathi**

Executive Vice-Chairman

DIN 07153794

**Rishi Anand**

Managing Director & CEO

DIN 02303503

**Sharmila Abhay Karve**

Independent Director

DIN 05018751

**Prateek Roongta**

Director

DIN 00622797

Place: Mumbai

Date: May 29, 2024

Place: Mumbai

Date: May 29, 2024

**Rajesh Viswanathan**

Chief Financial Officer

**Harshada Pathak**

Company Secretary



# Standalone Statement of Changes in Equity

for the year ended March 31, 2024

## a) Equity Share Capital

For the year ended March 31, 2024

Particulars	(₹ in Lakh)
<b>Balance as at April 01, 2023</b>	<b>39,476</b>
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2024</b>	<b>39,476</b>

For the year ended March 31, 2023

Particulars	(₹ in Lakh)
<b>Balance as at April 01, 2022</b>	<b>39,476</b>
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2023</b>	<b>39,476</b>

## b) Other Equity

For the year ended March 31, 2023

Particulars	Capital reserve on amalgamation	Securities premium	Statutory reserve	Debenture redemption reserve	General Reserve	Employee Stock Option Outstanding	Retained earnings	Total
<b>Balance as at April 1, 2022</b>	<b>6</b>	<b>1,33,700</b>	<b>34,995</b>	<b>16,910</b>	<b>13,619</b>	<b>1,487</b>	<b>74,346</b>	<b>2,75,063</b>
Profit for the year	-	-	-	-	-	-	54,458	54,458
Other comprehensive income	-	-	-	-	-	-	(3)	(3)
Transferred to statutory reserve	-	-	10,900	-	-	-	(10,900)	-
Transferred to general reserve	-	-	-	-	5,450	-	(5,450)	-
Employee Stock Option Outstanding	-	-	-	-	-	563	-	563
<b>Balance as at March 31, 2023</b>	<b>6</b>	<b>1,33,700</b>	<b>45,895</b>	<b>16,910</b>	<b>19,069</b>	<b>2,050</b>	<b>1,12,451</b>	<b>3,30,081</b>

Retained earnings includes remeasurment of defined benefit plans accumulated loss (net of tax) of ₹ 189 Lakh as at March 31, 2023.

For the year ended March 31, 2024

Particulars	Capital reserve on amalgamation	Securities premium	Statutory reserve	Debenture redemption reserve	General Reserve	Employee Stock Option Outstanding	Retained earnings	Total
<b>Balance as at April 01, 2023</b>	<b>6</b>	<b>1,33,700</b>	<b>45,895</b>	<b>16,910</b>	<b>19,069</b>	<b>2,050</b>	<b>1,12,451</b>	<b>3,30,081</b>
Profit for the year	-	-	-	-	-	-	74,851	74,851
Other comprehensive income	-	-	-	-	-	-	(10)	(10)
Transferred to general reserve	-	-	-	-	7,485	-	(7,485)	-
Transferred to statutory reserve	-	-	14,970	-	-	-	(14,970)	-
Employee Stock Option Outstanding	-	-	-	-	-	203	-	203
<b>Balance as at March 31, 2024</b>	<b>6</b>	<b>1,33,700</b>	<b>60,865</b>	<b>16,910</b>	<b>26,554</b>	<b>2,253</b>	<b>1,64,837</b>	<b>4,05,125</b>

Retained earnings includes remeasurment of defined benefit plans accumulated loss (net of tax) of ₹ 199 Lakh as at March 31, 2024.

The accompanying material accounting policy information and notes form an integral part of the standalone financial statements

In terms of our report of even date attached.

For **Walker Chandiok & Co LLP**

Chartered Accountants

ICAI Firm Registration No: 001076N/N500013

For **Kirtane & Pandit LLP**

Chartered Accountants

ICAI Firm Registration No: 105215W/W100057

For and on behalf of the Board of Directors

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DIN 02303503

**Sharmila Abhay Karve**

Independent Director

DIN 05018751

**Prateek Roongta**

Director

DIN 00622797

Place: Mumbai

Date: May 29, 2024

Place: Mumbai

Date: May 29, 2024

**Rajesh Viswanathan**

Chief Financial Officer

**Harshada Pathak**

Company Secretary

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 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").

The Company is a Public Limited Company and has listed Equity shares on May 15, 2024 on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). Company's Non-Convertible Debentures (NCDs) are listed on the Bombay Stock Exchange (BSE).

The financials were authorized for issue by the Company's Board of Directors on May 29, 2024.

### 2. Material accounting policy information

#### 2.1 Basis of preparation and presentation

The Standalone Financial Statements of the Company comprises the Standalone Balance Sheet as at March 31, 2024, and the Standalone statement of profit and loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year ended March 31, 2024 and a summary of material accounting policy information and other explanatory information (together referred to as the "Standalone Financial Statements").

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, the guidelines

and the master directions issued by the Reserve Bank of India (the "RBI") and National Housing Bank (the "NHB") from time to time to the extent applicable.

#### 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 towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.

##### 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 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.

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

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



## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

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 been 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. Compensated absences

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

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

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 except trade receivables which is recorded at transaction price. 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;

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

- 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



## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

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.

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 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

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

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



## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

- 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.

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 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.

### New and Amended Standards

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

#### Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity- specific accounting policy information that users need to understand other information in the financial statement. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is not significant to the financial statements.

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 4. Cash and bank balances

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Cash and cash equivalents</b>		
a) Cash on hand	246	97
b) Balances with banks in current accounts	5,016	6,804
c) Balances with banks in deposits accounts with original maturity of less than 3 months (refer note (i) below)	30,159	33,430
	<b>35,421</b>	<b>40,331</b>
<b>Bank balances other than cash and cash equivalents</b>		
a) In other deposit accounts		
- Original maturity of more than three months (refer note (ii) & (iii) below)	91,715	1,51,284
b) Earmarked balances with banks		
- Unclaimed dividend account	2	2
	<b>91,717</b>	<b>1,51,286</b>
<b>Total</b>	<b>1,27,138</b>	<b>1,91,617</b>

- 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) Cash and bank balances includes deposits of ₹ 17,426 Lakh for March 31, 2024 which are under lien including lien towards unutilized bank overdraft. (March 31, 2023: ₹ 28,251 Lakh).

### 5. Receivables

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Trade receivables</b>		
Unsecured, considered good	1,953	797
<b>Total</b>	<b>1,953</b>	<b>797</b>

- i) Trade receivables includes amounts due from the related parties amounting to Nil (March 31, 2023 : 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, 2024

(₹ 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	(532)	2,475	1	-	9	-	1,953
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-



## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

(₹ 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	
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

### As At March 31, 2023

(₹ 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	-	795	1	1	-	-	797
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

Note: Date of the transaction considered as due date of payment

- v) Impairment allowance for trade receivable is Nil and therefore related disclosures are not given in the financial statement.

## 6. Housing and other loans

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Secured by tangible assets</b>		
<b>Term Loans - at amortised cost</b>		
i) Housing and other property loans	16,94,425	13,90,434
ii) Interest accrued on above loans	16,690	13,321
<b>Total gross</b>	<b>17,11,115</b>	<b>14,03,755</b>
Less: Impairment loss allowance	20,821	18,610
<b>Total net</b>	<b>16,90,294</b>	<b>13,85,145</b>

- 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 ₹ 4,14,046 Lakh (March 31, 2023: ₹ 3,28,179 Lakh). The carrying value of these assets have been de-recognised in the books of the Company.

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

- 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, 2023 : Nil).
- vi) Housing loan and other property loan includes ₹ 18,888 Lakh (March 31, 2023: ₹ 12,526 Lakh) given to employees of the Company under the staff loan.
- vii) Housing loan and other property loan includes ₹ 5,806 Lakh (March 31, 2023: ₹ 3,976 Lakh) in respect of properties held for disposal under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
- viii) The Company have created an additional impairment provision of ₹ 6,993 Lakh as at March 31, 2024 (March 31, 2023 : ₹ 7,631 Lakh) on account of management overlay and One time restructuring.

### 7. Investments

Particulars	(₹ in Lakh)			
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	No's of Units / Shares		(₹ in Lakh)	
<b>At cost</b>				
<b>Investments in equity instruments (Subsidiary)</b>				
Investment in Aadhar Sales and Services Private Limited (Face Value of ₹ 10 each)	10,000	10,000	1	1
			<b>1</b>	<b>1</b>
<b>At amortised cost</b>				
<b>Investments in Government Securities</b>				
6.54% GOI Bonds 2032 (Face Value of ₹ 100 each)	1,25,00,000	1,25,00,000	11,966	11,900
6.10% GOI Bonds 2031 (Face Value of ₹ 100 each)	2,75,00,000	2,75,00,000	26,981	26,886
6.57% GOI Bonds 2033 (Face Value of ₹ 100 each)	5,00,000	5,00,000	496	495
7.26% GOI Bonds 2032 (Face Value of ₹ 100 each)	50,00,000	50,00,000	4,985	4,996
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd (Face Value of ₹ 70,000 each) (Face Value of ₹ 80,000 each for March 31, 2023) (refer note iii below)	2,000	2,000	1,355	1,544
			<b>45,783</b>	<b>45,821</b>
<b>At fair value through profit and loss</b>				
<b>Investments in quoted equity instruments (others than subsidiary)</b>				
Reliance Power Limited Equity Shares (Face value of ₹ 10 each)	-	222	-	0
IDFC First Bank Limited Equity Shares (Face value of ₹ 10 each)	-	2,390	-	1
Sharmrao Vithal Co-operative Bank Equity Shares (Face value of ₹ 10 each)	100	100	0	0
Mangalore Refinery and Petrochemical Limited Equity Shares (Face value of ₹ 10 each)	-	3,000	-	2
			<b>0</b>	<b>3</b>
<b>Total</b>			<b>45,784</b>	<b>45,825</b>

Notes :

- i) Amount "0" represent value less than ₹ 50,000.
- ii) All investments are made within India.
- iii) Investment in bonds aggregating to ₹ 1,355 Lakh (March 31, 2023: ₹ 1,544 Lakh) carry a floating charge in favour of fixed deposits holder read with note no 16.

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 8. Other financial assets

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Unsecured, Considered Good</b>		
Receivable from related parties		
Others		
Receivable from assigned portfolio	25,529	25,017
Security deposits	1,031	868
<b>Total</b>	<b>26,560</b>	<b>25,885</b>

### 9. Current tax assets (net)

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax paid in advance (net of provisions)	1,024	742
<b>Total</b>	<b>1,024</b>	<b>742</b>

### 10. Property, plant and equipment

Particulars	Freehold Land	Building - Owned	Furniture & Fixture	Office Equipments	Vehicles	Computer	Total
<b>Balance as at April 01, 2022</b>	<b>27</b>	<b>13</b>	<b>1,596</b>	<b>860</b>	<b>26</b>	<b>1,607</b>	<b>4,129</b>
Additions during the year	-	-	312	154	-	585	1,051
Deduction / adjustments	-	-	(62)	(41)	(1)	(236)	(340)
<b>Balance as at March 31, 2023</b>	<b>27</b>	<b>13</b>	<b>1,846</b>	<b>973</b>	<b>25</b>	<b>1,956</b>	<b>4,840</b>
<b>Balance as at April 01, 2023</b>	<b>27</b>	<b>13</b>	<b>1,846</b>	<b>973</b>	<b>25</b>	<b>1,957</b>	<b>4,841</b>
Additions during the year	-	-	443	188	-	793	1,424
Deduction / adjustments	-	-	(119)	(103)	-	(182)	(404)
<b>Balance as at March 31, 2024</b>	<b>27</b>	<b>13</b>	<b>2,170</b>	<b>1,058</b>	<b>25</b>	<b>2,568</b>	<b>5,861</b>
<b>Accumulated depreciation</b>							
<b>Balance as at April 01, 2022</b>	<b>-</b>	<b>5</b>	<b>548</b>	<b>417</b>	<b>10</b>	<b>1,068</b>	<b>2,048</b>
Depreciation for the year	-	2	189	98	4	336	629
Deduction / adjustments	-	(1)	(43)	(24)	-	(244)	(312)
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>6</b>	<b>694</b>	<b>491</b>	<b>14</b>	<b>1,160</b>	<b>2,365</b>
<b>Balance as at April 01, 2023</b>	<b>-</b>	<b>6</b>	<b>694</b>	<b>491</b>	<b>14</b>	<b>1,160</b>	<b>2,365</b>
Depreciation for the year	-	3	216	97	4	527	847
Deduction / adjustments	-	-	(87)	(84)	-	(179)	(350)
<b>Balance as at March 31, 2024</b>	<b>-</b>	<b>9</b>	<b>823</b>	<b>504</b>	<b>18</b>	<b>1,508</b>	<b>2,862</b>
<b>Net book value</b>							
<b>As at March 31, 2023</b>	<b>27</b>	<b>7</b>	<b>1,152</b>	<b>482</b>	<b>11</b>	<b>796</b>	<b>2,475</b>
<b>As at March 31, 2024</b>	<b>27</b>	<b>4</b>	<b>1,347</b>	<b>554</b>	<b>7</b>	<b>1,060</b>	<b>2,999</b>



## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### Title deeds of Immovable Properties not held in name of the Company:-

Particulars of the land and building	Gross block as at March 31, 2024	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	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	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	November 20, 2017 (date of Amalgamation)	

- 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
- In None of the title deed mentioned above Promoter , Director, or relative of promoter / director or employee of promoter / director is holder of title deed

## 11. Other intangible asset

Particulars	Amount
(₹ in Lakh)	
<b>Balance as at April 01, 2022</b>	<b>336</b>
Additions during the year	1
Deduction / adjustments	-
<b>Balance as at March 31, 2023</b>	<b>337</b>
<b>Balance as at April 01, 2023</b>	<b>337</b>
Additions during the year	156
Deduction / adjustments	-
<b>Balance as at March 31, 2024</b>	<b>493</b>
<b>Accumulated depreciation</b>	
<b>Balance as at April 01, 2022</b>	<b>257</b>
Depreciation for the year	51
Deduction / adjustments	-
<b>Balance as at March 31, 2023</b>	<b>308</b>
<b>Balance as at April 01, 2023</b>	<b>308</b>
Depreciation for the year	58
Deduction / adjustments	-
<b>Balance as at March 31, 2024</b>	<b>366</b>
<b>Net book value</b>	
<b>As at March 31, 2023</b>	<b>29</b>
<b>As at March 31, 2024</b>	<b>127</b>

Note: Other Intangible Assets includes Computer Software

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 12. Other non-financial assets

(₹ in Lakh)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Asset held for sale	396	396
Less : Provision for diminution in the value of asset held for sale	(185)	(185)
	211	211
Prepaid expenses	1,092	625
Capital advance	9	46
Advance for expenses and other advances	2,207	1,252
Unamortised share issue expenses [Refer Note i below]	3,978	2,559
Balance with government authorities	339	279
<b>Total</b>	<b>7,836</b>	<b>4,972</b>

#### 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	As at
	March 31, 2024	March 31, 2023
Total outstanding dues to micro enterprises and small enterprises (Refer Note a and b below)	35	36
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note b and c below)	10,819	8,010
<b>Total</b>	<b>10,854</b>	<b>8,046</b>

- 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, 2024 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

- b) Trade Payables ageing schedule

#### As at March 31, 2024

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*	-	35	-	-	-	35
Others	10,772	39	8	-	-	10,819
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>10,772</b>	<b>74</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>10,854</b>

\*GST credit disputed Cases

#### As At March 31, 2023

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	-	36	-	-	-	36
Others	7,969	36	5	-	-	8,010
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>7,969</b>	<b>72</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>8,046</b>

Note: Date of the transaction considered as due date of payment

- c) Trade Payables includes ₹ 147 Lakh (March 31, 2023: ₹ 116 Lakh) due to related parties [Refer Note 43].

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 14. Debt securities

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>At amortised cost</b>		
<b>Secured</b>		
Redeemable non convertible debentures	2,73,883	2,54,213
<b>Total</b>	<b>2,73,883</b>	<b>2,54,213</b>

- All debt securities are issued in India
- Terms of repayment and rate of interest in case of debt securities:

#### As At March 31, 2024

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
<b>Secured</b>					
Redeemable non convertible debentures	6.90% to 9.80%	1,84,684	81,324	8,775	2,74,783

#### As At March 31, 2023

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
<b>Secured</b>					
Redeemable non convertible debentures	6.90% to 9.80%	1,79,671	46,840	28,449	2,54,960

Maturity profile disclosed above excludes discount/premium and EIR adjustments amounting to ₹ 900 Lakh (March 31, 2023: ₹ 747 Lakh).

#### List of Redeemable debentures

Sr No.	ISIN	Rate of interest	Date of Redemption	As at March 31, 2024	As at March 31, 2023
1	INE538L07296	9.30%	28-Apr-2023	-	1,000
2	INE538L07296	9.30%	28-Apr-2023	-	130
3	INE883F07017	9.40%	5-May-2023	-	3,000
4	INE538L07304	9.50%	13-May-2023	-	500
5	INE883F07165	9.15%	20-Jun-2023	-	20,000
6	INE538L07502#	9.25%	29-Sep-2023	-	3,051
7	INE538L07510#	9.65%	29-Sep-2023	-	1,896
8	INE883F07124	9.36%	27-Oct-2023	-	400
9	INE883F07140	9.40%	21-Nov-2023	-	1,800
10	INE883F07140	9.40%	21-Nov-2023	-	200
11	INE883F07157	9.40%	22-Nov-2023	-	900
12	INE538L07056	9.80%	23-Mar-2025	2,500	2,500
13	INE538L07163	9.60%	6-Jan-2026	1,000	1,000
14	INE538L07163	9.60%	6-Jan-2026	1,000	1,000
15	INE538L07163	9.60%	6-Jan-2026	1,000	1,000
16	INE538L07189	9.60%	19-Jan-2026	1,000	1,000
17	INE538L07197	9.60%	19-Jan-2026	100	100
18	INE538L07197	9.60%	19-Jan-2026	170	170
19	INE538L07205	9.60%	25-Jan-2026	1,000	1,000
20	INE538L07205	9.60%	25-Jan-2026	1,000	1,000
21	INE538L07213	9.55%	29-Jan-2026	500	500



## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

Sr No.	ISIN	Rate of interest	Date of Redemption	As at March 31, 2024	As at March 31, 2023
22	INE538L07213	9.55%	29-Jan-2026	100	100
23	INE538L07213	9.55%	29-Jan-2026	500	500
24	INE538L07213	9.55%	29-Jan-2026	100	100
25	INE538L07221	9.55%	1-Mar-2026	1,000	1,000
26	INE538L07254	9.55%	22-Mar-2026	2,000	2,000
27	INE538L07270	9.55%	31-Mar-2026	1,000	1,000
28	INE538L07270	9.55%	31-Mar-2026	250	250
29	INE883F07025	9.40%	5-May-2026	2,000	2,000
30	INE883F07041	9.35%	8-Jul-2026	200	200
31	INE883F07058	9.40%	13-Jul-2026	120	120
32	INE883F07066	9.28%	18-Jul-2026	200	200
33	INE883F07074	9.15%	5-Aug-2026	120	120
34	INE538L07379	9.00%	16-Nov-2026	500	500
35	INE538L07528#	9.35%	29-Sep-2028	955	955
36	INE538L07536#	9.75%	29-Sep-2028	1,168	1,168
37	INE883F07173	8.00%	5-May-2023	-	20,000
38	INE883F07181	8.20%	17-Aug-2023	-	30,000
39	INE883F07199	8.20%	1-Sep-2023	-	16,500
40	INE883F07215	8.10%	20-Oct-2025	5,000	5,000
41	INE883F07223	7.10%	7-Oct-2024	9,900	9,900
42	INE883F07231	6.90%	29-Oct-2024	6,000	12,000
43	INE883F07249	7.15%	9-Dec-2026	10,000	10,000
44	INE883F07256	9.55%*	24-Feb-2026	5,000	7,500
45	INE883F07264	8.61%*	15-Jun-2029	35,100	35,100
46	INE883F07272	8.56%*	15-Jun-2029	35,100	35,100
47	INE883F07298	8.55%*	6-Feb-2028	8,000	10,000
48	INE883F07280	8.55%*	6-Jan-2028	9,200	11,500
49	INE883F07306	8.50%	26-May-2026	27,500	-
50	INE883F07314	8.50%	17-Aug-2026	50,000	-
51	INE883F07322	8.35%*	31-Oct-2028	10,000	-
52	INE883F07330	8.65%	21-Aug-2027	30,000	-
53	INE883F07348	8.25%*	28-Mar-2029	14,500	-
				<b>2,74,783</b>	<b>2,54,960</b>

\*Floating rate linked to RBI repo

#Publicly issued NCD

- iii) The Company has raised ₹ 1,32,000 Lakh (March 31, 2023 : ₹ 91,700 Lakh) from Secured Redeemable Non Convertible Debentures (NCDs) during the year ended March 31, 2024. 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 material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 15. Borrowings (other than debt securities)

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Secured</b>		
<b>At amortised cost</b>		
<b>Term Loans</b>		
from banks	7,62,895	6,54,067
from National Housing Bank	3,53,107	3,00,206
<b>Total</b>	<b>11,16,002</b>	<b>9,54,273</b>

- All borrowings are issued in India
- Terms of repayment and rate of interest in case of Borrowings:

#### As At March 31, 2024

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
<b>Secured</b>					
Term loan from banks	Floating*	3,63,563	2,10,418	1,90,024	7,64,005
Term Loan from National Housing Bank	2.80% to 8.40%	1,87,814	97,483	67,810	3,53,107

#### As At March 31, 2023

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
<b>Secured</b>					
Term loan from banks	Floating*	3,34,442	1,97,444	1,23,480	6,55,366
Term Loan from National Housing Bank	2.80% to 7.30%	1,51,110	90,981	58,115	3,00,206

\*(Linked with MCLR/Base Rate of respective banks)

Maturity profile disclosed above excludes EIR adjustments amounting to ₹ 1,110 Lakh (March 31, 2023 : ₹ 1,299 Lakh).

- 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 2024 and November 2038. 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.
- Secured term loan from National Housing Bank are repayable as per the contracted terms in one or more instalments between April 2024 and January 2034. 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.
- 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, 2024	As at March 31, 2023
<b>Deposit</b>		
<b>At amortised cost</b>		
Public deposits	118	312
<b>Total</b>	<b>118</b>	<b>312</b>

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 depositor 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 material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 17. Subordinated liabilities

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Unsecured at amortised cost</b>		
Redeemable non convertible debentures	5,959	6,547
<b>Total</b>	<b>5,959</b>	<b>6,547</b>

- 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, 2024

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
Redeemable non convertible debentures	9.75% to 10.00%	6,000	-	-	6,000

#### As At March 31, 2023

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
Redeemable non convertible debentures	9.75% to 10.00%	600	6,000	-	6,600

Maturity profile disclosed above excludes EIR adjustments amounting to ₹ 41 Lakh (March 31, 2023: ₹ 53 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, 2024	As at March 31, 2023
Book overdraft	22,943	35,908
Lease liabilities (refer note 34)	5,109	3,795
Accrued employee benefits	5,150	6,575
Interest accrued but not due - Deposits	4	4
Interest accrued but not due - Others	10,020	8,398
Amount payable under assignment of receivables	9,131	9,086
Unpaid dividend (refer note below)	2	3
Unpaid matured deposits and interest accrued thereon	69	78
<b>Total</b>	<b>52,428</b>	<b>63,847</b>

The Company has transferred a sum of ₹ 0.67 Lakh during the year ended March 31, 2024 (March 31, 2023 : ₹ 0.65 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, 2024	As at March 31, 2023
<b>Provision for employee benefits</b>		
Provision for compensated absences	1,101	878
Provision for gratuity (refer note 40)	1,110	766
<b>Total</b>	<b>2,211</b>	<b>1,644</b>



## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 20. Deferred tax liabilities (net)

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Deferred tax liabilities</b>		
Deferred tax liabilities	6,224	6,485
Deferred Tax Assets	6,009	5,541
<b>Total deferred tax liabilities (net)</b>	<b>215</b>	<b>944</b>

Deferred tax assets and liabilities in relation to:

(₹ in Lakh)

Particulars	As at April 1, 2023	Charged to Profit and Loss	Charged to Other Comprehensive Income	As at March 31, 2024
<b>Deferred tax liabilities</b>				
Fair value on Amalgamation	390	(390)	-	-
Net gain on derecognition of financial instruments under amortised cost category	6,095	129	-	6,224
	<b>6,485</b>	<b>(261)</b>	<b>-</b>	<b>6,224</b>
<b>Deferred tax assets</b>				
On difference between book balance and tax balance of assets	115	12	-	127
On account of impairment on financial instruments	4,280	250	-	4,530
On account of provision for employee benefits	414	139	3	556
Others	732	64	-	796
	<b>5,541</b>	<b>465</b>	<b>3</b>	<b>6,009</b>
<b>Net Deferred tax (assets)/liabilities</b>	<b>944</b>	<b>(726)</b>	<b>(3)</b>	<b>215</b>

Deferred tax assets and liabilities in relation to:

(₹ in Lakh)

Particulars	As at April 1, 2022	Charged to Profit and Loss	Charged to Other Comprehensive Income	As at March 31, 2023
<b>Deferred tax liabilities</b>				
Fair value on Amalgamation	780	(390)	-	390
Net gain on derecognition of financial instruments under amortised cost category	5,815	280	-	6,095
	<b>6,595</b>	<b>(110)</b>	<b>-</b>	<b>6,485</b>
<b>Deferred tax assets</b>				
On difference between book balance and tax balance of assets	118	(3)	-	115
On account of impairment on financial instruments	3,979	301	-	4,280
On account of provision for employee benefits	296	117	1	414
Others	671	61	-	732
	<b>5,064</b>	<b>476</b>	<b>1</b>	<b>5,541</b>
<b>Net Deferred tax (assets)/liabilities</b>	<b>1,531</b>	<b>(586)</b>	<b>(1)</b>	<b>944</b>

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 21. Other non-financial liabilities

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Advance from Customers	205	256
Statutory dues	1,012	792
Others	1,083	884
<b>Total</b>	<b>2,300</b>	<b>1,932</b>

### 22. Equity share capital

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	No's of Units / Shares		(₹ in Lakh)	
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	50,00,00,000	50,00,00,000	50,000	50,000
<b>Issued share capital</b>				
Equity shares of ₹ 10 each	39,47,54,970	39,47,54,970	39,476	39,476
<b>Subscribed and paid up capital</b>				
Equity shares of ₹ 10 each	39,47,54,970	39,47,54,970	39,476	39,476
<b>Total</b>			<b>39,476</b>	<b>39,476</b>

- a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Equity shares at the beginning of the year	39,47,54,970	39,47,54,970
Add: Shares issued during the year	-	-
<b>Equity shares at the end of the year</b>	<b>39,47,54,970</b>	<b>39,47,54,970</b>

\*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 made an Initial Public Offer (IPO) for 9,52,55,598 equity shares aggregating to ₹ 3,00,000 Lakh of which 6,34,92,063 equity share aggregating to 2,00,000 Lakh were offered by selling shareholder and 3,17,63,535 equity shares aggregating to ₹ 100,000 Lakh at the face value of ₹ 10 each at a premium of ₹ 305 per equity share (excluding discount of ₹ 23 per share on employee reservation portion of 2,39,726 equity shares) by way of fresh issue of the equity shares on May 13, 2024. The Company's equity share got listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on May 15, 2024.
- d) The shareholders vide a special resolution have approved bonus issue of 35,52,79,473 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).
- e) The Company has not bought back any class of shares.
- f) The Company has not allotted any class of shares as fully paid up pursuant to contract without payment being received in cash.
- g) The Company has not proposed any dividend during the year ended March 31, 2024.

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

h) Details of shareholders holding more than five percent equity shares in the Company are as under:

Particulars	As at March 31, 2024			As at March 31, 2023		
	% 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	-

i) Shareholding of promoters

Particulars	As at March 31, 2024			As at March 31, 2023		
	% 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, 2024	As at March 31, 2023
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)	60,865	45,895
Debenture redemption reserve (refer note (ii) below)	16,910	16,910
General reserve	26,554	19,069
Employee Stock Option Outstanding	2,253	2,050
Retained earnings	1,64,837	1,12,451
<b>Total</b>	<b>4,05,125</b>	<b>3,30,081</b>

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: 7<sup>th</sup> April, 2014 and NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017.

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Balance at the beginning of the year</b>		
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	45,187	34,287
<b>c) Total</b>	<b>45,895</b>	<b>34,995</b>
<b>Additions during the year</b>		
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	14,970	10,900
<b>c) Total</b>	<b>14,970</b>	<b>10,900</b>



## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Utilised during the year</b>		
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	-	-
<b>c) Total</b>	-	-
<b>Balance at the end of the year</b>		
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	60,157	45,187
<b>c) Total</b>	<b>60,865</b>	<b>45,895</b>

- ii) The Company has created Debenture redemption reserve as at March 31, 2024 aggregating of ₹ 16,910 Lakh (March 31, 2023 : ₹ 16,910 Lakh) required towards its public issue of Secured Redeemable Non-Convertible Debentures.

### 23(a). Nature and Purpose of Reserves:

- i. Capital reserve on Amalgamation - This reserve is created on account of merger of Aadhar Housing Finance Limited into DHFL Vysya Housing Finance Limited.
- ii. Securities Premium - Securities premium account is used to record premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.
- iii. Statutory Reserve - Section 29C (i) of the National Housing Act, 1987 defines that every housing finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. For this purpose any special reserve created by the Company under Section 36(1)(viii) of the Income Tax Act 1961, is considered to be an eligible transfer. During the year ended March 31, 2024, the Company has transferred an amount of ₹ 14,970 Lakh [P.Y. ₹ 10,900 Lakh] to special reserve in terms of Section 36(1)(viii) of the Income Tax Act 1961 and has been considered eligible for special reserve u/s 29C of the National Housing Bank Act, 1987.
- iv. Debenture Redemption reserve - This reserve is created while issuing Debentures with an objective to reduce the risk of default in repayments of debentures. The Company has created debenture redemption reserve towards its public issue of Secured Redeemable Non-convertible Debentures.
- v. Employee Stock Option Outstanding - This reserve relates to stock option granted by the Company to employees under various ESOP schemes.

### 24. Revenue from operations

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>a) Interest income</b>		
<b>On financial assets measured at amortised cost</b>		
Interest on loans	2,14,807	1,67,485
Interest on fixed deposits	8,932	7,397
Interest on bonds and debentures	3,194	2,746
	<b>2,26,933</b>	<b>1,77,628</b>
<b>b) Fees and commission Income</b>		
Loan processing fee and other charges (net of business sourcing expenses)	2,250	3,322
Intermediary services	8,866	2,237
	<b>11,116</b>	<b>5,559</b>

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>c) Net gain on fair value changes</b>		
<b>Measured at FVTPL</b>		
<b>Equity investment measured at FVTPL</b>		
Realised	5	-
Unrealised	-	1
	<b>5</b>	<b>1</b>
<b>Investment in mutual fund measured at FVTPL</b>		
Realised	2,209	3,172
Unrealised	-	-
	<b>2,209</b>	<b>3,172</b>
Net gain on fair value changes	2,214	3,173
<b>d) Net gain on derecognition of financial instruments under amortised cost category</b>		
On assignment of portfolio	12,090	13,043
<b>Total</b>	<b>2,52,353</b>	<b>1,99,403</b>

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	(₹ in Lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Life Insurance Business	4,064	848
Non - Life Insurance Business	3,270	845
<b>Total</b>	<b>7,334</b>	<b>1,693</b>

### 25. Other income

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Rent income	2	2
Profit on sale of fixed asset (net)	-	8
Miscellaneous income	4	14
<b>Total</b>	<b>6</b>	<b>24</b>

### 26. Finance costs

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Interest expenses on financial liabilities measured at amortised cost</b>		
Interest on borrowings (other than debt securities)	75,481	59,346
Interest on deposits	22	37
Interest on non convertible debentures	20,572	17,824
Interest on subordinated liabilities	613	689
Interest on others	37	110
Interest on lease liabilities (refer note 34)	425	350
Finance charges	1,519	1,563
<b>Total</b>	<b>98,669</b>	<b>79,919</b>

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 27. Impairment on financial instruments

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>On financial instruments measured at amortised cost</b>		
Impairment allowance on Loans (Refer note 27.1 & 27.2 below)	438	3,048
Bad-debts written off	3,685	1,873
<b>Total</b>	<b>4,123</b>	<b>4,921</b>

27.1 The Company has reversed impairment provision of ₹ 638 Lakh during the year ended March 31, 2024 towards management overlay and loans on which one-time restructuring was implemented (March 31, 2023 impairment reverse of ₹ 905 Lakh).

27.2 Impairment allowance on Loans (including write off) includes reversal of ₹ 627 Lakh during the year ended March 31, 2024 (March 31, 2023 : includes reversal of ₹ 754 Lakh) towards loans to developers. The net carrying value of loans to developers after impairment provision is Nil as at March 31, 2024 (Nil as at March 31, 2023). The Company has not made any fresh loan sanctions under loans to developers during the year ended March 31, 2024 (for the year ended March 31, 2023 : Nil).

### 28. Employee benefits expense

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, bonus and other allowances	30,195	24,959
Contribution to provident fund and other funds (refer note 40)	2,151	1,725
Share based payments to employees (refer note 41)	203	563
Staff welfare expenses	2,018	662
<b>Total</b>	<b>34,567</b>	<b>27,909</b>

### 29. Other expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rent (refer note 34)	885	661
Travelling expenses	2,378	1,786
Printing and stationery	327	369
Advertisement and business promotion	2,060	1,408
Insurance	1,028	904
Legal and professional charges	1,344	742
Auditors remuneration (refer note below 29.2)	148	99
Postage, telephone and other communication expenses	667	840
General repairs and maintenance	3,276	2,540
Electricity charges	428	343
Directors sitting fees and commission (refer note 43)	149	154
Corporate social responsibility expenses (refer note below 29.1)	1,130	821
Goods and service tax	2,396	1,531
Loss on sale of fixed assets (net)	34	-
Other expenses	729	776
<b>Total</b>	<b>16,979</b>	<b>12,974</b>



## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 29.1 Details of Corporate Social Responsibility

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Amount required to be spent during the year	1,130	820
b) Amount spent during the year	899	222
c) Amount provided as at year end	861	630
d) Amount of shortfall at the end of the year	861	630
e) Total amount of previous period shortfall	630	32

f) Reason for shortfall : The unspent amount has been transferred to the Unspent CSR Account and will be utilised for an identified ongoing projects in FY 24-25.

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 year and were incurred for the purpose other than construction / purchase of assets.

### 29.2 Details of auditors remuneration :

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Audit fee (including regulatory certificates)	104	80
Tax audit fee	22	15
Others	22	4
<b>Total</b>	<b>148</b>	<b>99</b>

## 30. Tax expenses

### a) Income tax expenses

The major components of income tax expenses

#### i) Profit and loss section

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax expenses	21,798	15,683
Deferred tax charge / (credit)	(726)	(586)
<b>Total</b>	<b>21,072</b>	<b>15,097</b>

#### ii) Other comprehensive income section

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax expenses	-	-
Deferred tax	(3)	(1)
<b>Total</b>	<b>(3)</b>	<b>(1)</b>

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### b) Reconciliation of tax expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(A) Profit before income taxes (including other comprehensive income)	95,910	69,551
(B) Enacted tax rate in India (including surcharge and cess)	25.168%	25.168%
(C) Expected tax expenses	24,139	17,505
(D) Other than temporary difference		
Special reserve	3,345	2,579
Difference in Tax expense of earlier years	(29)	3
Expenses disallowed / (allowed)	(246)	(173)
(E) Tax expense recognised in profit and loss	21,072	15,097
(F) Tax expense recognised in other comprehensive income	(3)	(1)

### 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, 2024	For the year ended March 31, 2023
Net profit after tax attributable to equity shareholders (₹ In Lakh)	74,851	54,458
Weighted average number of equity shares outstanding during the year (Nos)	39,47,54,970	39,47,54,970
Add: Effect of potential issue of shares / stock rights outstanding during the year*	1,38,45,940	1,21,59,478
Weighted average number of equity shares outstanding during the year including potential shares outstanding (Nos)	40,86,00,910	40,69,14,448
Face value per equity share (₹)	10	10
Basic earnings per equity share (₹)	18.96	13.80
Diluted earnings per equity share (₹)	18.32	13.38

\* not considered when anti-dilutive

### 32. Contingent liabilities

#### Claims against the Company not acknowledged as debt:

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax matters of earlier years	300	378
Indirect tax matters of earlier years	1,267	521
<b>Total</b>	<b>1,567</b>	<b>899</b>

The Company is also involved in other law suits, claims, investigations and proceedings, including collection and repossession related matters, which arise in the ordinary course of business. However, there are no significant claims on such cases. Future cash outflows in respect of the above, if any, is determinable only on receipt of judgement / decisions pending with the relevant authorities.

Part of the aforementioned contingent liabilities towards income tax and indirect tax have been paid under protest.

### 33. Commitments

- Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at March 31, 2024 ₹ 394 Lakh (March 31, 2023 ₹ 482 Lakh).
- Undisbursed amount of loans sanctioned and partly disbursed as at March 31, 2024 is ₹ 94,882 Lakh (March 31, 2023 ₹ 90,071 Lakh).
- Undisbursed amount of loans sanctioned but not disbursed as at March 31, 2024 is ₹ 1,06,702 Lakh (March 31, 2023 ₹ 78,478 Lakh).

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 34. Lease

Following are the changes in the carrying value of right of use assets:

Particulars	(₹ in Lakh)		
	Building	Intangible Asset	Total
<b>Balance as of April 1, 2023</b>	<b>3,294</b>	<b>534</b>	<b>3,828</b>
Addition during the year	2,221	-	2,221
Deletion during the year	-	-	-
Depreciation charge for the year	(1,041)	(152)	(1,193)
<b>Balance as of March 31, 2024</b>	<b>4,474</b>	<b>382</b>	<b>4,856</b>
<b>Balance as of April 1, 2022</b>	<b>2,660</b>	<b>687</b>	<b>3,347</b>
Addition during the year	1,452	-	1,452
Deletion during the year	(2)	-	(2)
Depreciation charge for the year	(816)	(153)	(969)
<b>Balance as of March 31, 2023</b>	<b>3,294</b>	<b>534</b>	<b>3,828</b>

The following is the movement in lease liabilities:

Particulars	(₹ in Lakh)		
	Building	Intangible Asset	Total
<b>Balance as of April 1, 2023</b>	<b>3,795</b>	<b>-</b>	<b>3,795</b>
Addition during the year	2,221	-	2,221
Finance cost accrued during the year	424	-	424
Deletion during the year	-	-	-
Payment made during the year	(1,331)	-	(1,331)
<b>Balance as of March 31, 2024</b>	<b>5,109</b>	<b>-</b>	<b>5,109</b>
<b>Balance as of April 1, 2022</b>	<b>3,053</b>	<b>-</b>	<b>3,053</b>
Addition during the year	1,452	-	1,452
Finance cost accrued during the year	349	-	349
Deletion during the year	(2)	-	(2)
Payment made during the year	(1,057)	-	(1,057)
<b>Balance as of March 31, 2023</b>	<b>3,795</b>	<b>-</b>	<b>3,795</b>

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis:

Particulars	₹ in Lakh
Less than one year	1,474
One to five years	3,645
More than five years	1,589
<b>Total</b>	<b>6,708</b>

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

Particulars	₹ in Lakh
Less than one year	1,132
One to five years	3,093
More than five years	633
<b>Total</b>	<b>4,858</b>

Rental expense recorded for short-term leases was ₹ 885 Lakh for the year ended March 31, 2024 (March 31, 2023 ₹ 661 Lakh).

The aggregate depreciation on Right to use assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.



## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 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 year.

The Company 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 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, 2024

(₹ in Lakh)

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets</b>							
Investments							
- Government securities	Level 2	-	-	44,183	-	-	44,428
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd Face Value of ₹ 70,000/- each	Level 1	-	-	1,424	-	-	1,355
<b>Financial liabilities</b>							
Debt securities	Level 1	-	-	2,195	-	-	2,097
Debt securities	Level 3	-	-	2,72,857	-	-	2,71,786

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

As at March 31, 2023

(₹ in Lakh)

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets</b>							
Investments							
- Equity instruments	Level 1	3	-	-	3	-	-
- Government securities	Level 2	-	-	43,381	-	-	44,277
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd Face Value of ₹ 80,000/- each	Level 1	-	-	1,642	-	-	1,544
<b>Financial liabilities</b>							
Debt securities	Level 1	-	-	7,226	-	-	7,089
Debt securities	Level 3	-	-	2,48,581	-	-	2,47,124

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, 2024			March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
Cash and cash equivalents	35,421	-	35,421	40,331	-	40,331
Other bank balances	71,419	20,298	91,717	1,22,939	28,347	1,51,286
Receivables	1,953	-	1,953	797	-	797
Housing and other loans	2,72,442	14,17,852	16,90,294	1,85,867	11,99,278	13,85,145
Investments	-	45,784	45,784	-	45,825	45,825
Other financial assets	10,592	15,968	26,560	8,248	17,637	25,885
<b>Non-financial assets</b>						
Current tax assets (Net)	1,024	-	1,024	742	-	742
Property, plant and equipment	-	2,999	2,999	-	2,475	2,475
Right of use assets	-	4,856	4,856	-	3,828	3,828
Other intangible assets	-	127	127	-	29	29
Other non-financial assets	7,824	12	7,836	4,283	689	4,972
<b>Total Assets</b>	<b>4,00,675</b>	<b>15,07,896</b>	<b>19,08,571</b>	<b>3,63,207</b>	<b>12,98,108</b>	<b>16,61,315</b>
<b>LIABILITIES</b>						
<b>Financial Liabilities</b>						
Trade Payables	10,854	-	10,854	8,046	-	8,046
Debt Securities	40,100	2,33,783	2,73,883	1,11,429	1,42,784	2,54,213
Borrowings (Other than debt securities)	1,48,084	9,67,918	11,16,002	1,17,265	8,37,008	9,54,273
Deposits	67	51	118	196	116	312
Subordinated liabilities	-	5,959	5,959	547	6,000	6,547
Other financial liabilities	48,365	4,063	52,428	60,867	2,980	63,847
<b>Non-Financial Liabilities</b>						
Current tax liabilities (Net)	-	-	-	-	-	-

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

(₹ in Lakh)

Particulars	March 31, 2024			March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Provisions	2,211	-	2,211	1,644	-	1,644
Deferred tax liabilities (Net)	-	215	215	-	944	944
Other non-financial liabilities	2,300	-	2,300	1,932	-	1,932
<b>Total liabilities</b>	<b>2,51,981</b>	<b>12,11,989</b>	<b>14,63,970</b>	<b>3,01,926</b>	<b>9,89,832</b>	<b>12,91,758</b>
<b>Net</b>	<b>1,48,694</b>	<b>2,95,907</b>	<b>4,44,601</b>	<b>61,281</b>	<b>3,08,276</b>	<b>3,69,557</b>

**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.

#### Maturity analysis of financial assets and financial liabilities

##### As at March 31, 2024

(₹ 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
<b>Financial Assets</b>					
Cash and cash equivalents	35,421	35,421	-	-	-
Other bank balances	91,717	71,419	20,008	-	290
Housing and other loans	16,90,294	2,72,442	4,46,087	3,86,288	5,85,477
Investments	45,784	-	-	-	45,784
Receivables & Other financial assets	28,513	12,545	10,604	3,242	2,122
<b>Total</b>	<b>18,91,729</b>	<b>3,91,827</b>	<b>4,76,699</b>	<b>3,89,530</b>	<b>6,33,673</b>
<b>Financial Liabilities</b>					
Trade payables	10,854	10,854	-	-	-
Debt securities	2,73,883	40,100	1,44,626	81,324	7,833
Borrowings (other than debt securities)	11,16,002	1,48,084	4,03,293	3,07,901	2,56,724
Deposits	118	67	42	9	-
Subordinated liabilities	5,959	-	5,959	-	-
Other financial liabilities	52,428	48,365	1,552	1,131	1,380
<b>Total</b>	<b>14,59,244</b>	<b>2,47,470</b>	<b>5,55,472</b>	<b>3,90,365</b>	<b>2,65,937</b>
<b>Net</b>	<b>4,32,485</b>	<b>1,44,357</b>	<b>(78,773)</b>	<b>(835)</b>	<b>3,67,736</b>
<b>Cumulative Net</b>		<b>1,44,357</b>	<b>65,584</b>	<b>64,749</b>	<b>4,32,485</b>



## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### As at March 31, 2023

(₹ 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
<b>Financial Assets</b>					
Cash and cash equivalents	40,331	40,331	-	-	-
Other bank balances	1,51,286	1,22,939	96	-	28,251
Housing and other loans	13,85,145	1,85,867	2,99,044	2,53,037	6,47,197
Investments	45,825	-	-	-	45,825
Receivables & Other financial assets	26,682	9,045	10,633	4,232	2,772
<b>Total</b>	<b>16,49,269</b>	<b>3,58,182</b>	<b>3,09,773</b>	<b>2,57,269</b>	<b>7,24,045</b>
<b>Financial Liabilities</b>					
Trade payables	8,046	8,046	-	-	-
Debt securities	2,54,213	1,11,429	67,495	46,840	28,449
Borrowings (other than debt securities)	9,54,273	1,17,265	3,66,987	2,88,426	1,81,595
Deposits	312	196	77	33	6
Subordinated liabilities	6,547	547	-	6,000	-
Other financial liabilities	63,847	60,867	1,508	664	808
<b>Total</b>	<b>12,87,238</b>	<b>2,98,350</b>	<b>4,36,067</b>	<b>3,41,963</b>	<b>2,10,858</b>
<b>Net</b>	<b>3,62,031</b>	<b>59,832</b>	<b>(1,26,294)</b>	<b>(84,694)</b>	<b>5,13,187</b>
<b>Cumulative Net</b>		<b>59,832</b>	<b>(66,462)</b>	<b>(1,51,156)</b>	<b>3,62,031</b>

**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) and equity

(₹ in Lakh)

Particulars	Basis Points	For the year ended March 31, 2024	For the year ended March 31, 2023
Increase by basis points	+50	1,449	1,523
Decrease by basis points	-50	(1,449)	(1,523)

### c. Price risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### d. 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.

Based on management overlay and one-time restructuring provision amount of ₹ 6,993 Lakh has been carried as of March 31, 2024 (March 31, 2023: ₹ 7,631 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 year-end stage classification. The amounts presented are gross of impairment allowances.

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

As at March 31, 2024

(₹ 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	16,30,537	5,384	16,25,153
Stage 2 – Assets for which there is significant increase in credit risk	Loan	61,888	7,724	54,164
Stage 3 - Credit-impaired assets	Loan	18,690	7,713	10,977

- Above includes Expected Credit Loss provision on Loan commitment amount to ₹ 195 Lakh (Stage1- included in ₹ 5,384 Lakh).
- Above includes Expected Credit Loss provision on account of additional management overlay and one-time restructuring amounting to ₹ 6,993 Lakh.
- 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	167	51	116
Stage 3b – Assets more than 90 DPD (refer note)	Loan	18,523	7,662	10,861
<b>Total Stage 3 - Credit-impaired assets</b>	<b>Loan</b>	<b>18,690</b>	<b>7,713</b>	<b>10,977</b>

As at March 31, 2023

(₹ 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	13,29,439	5,294	13,24,145
Stage 2 – Assets for which there is significant increase in credit risk	Loan	58,057	7,748	50,309
Stage 3 - Credit-impaired assets	Loan	16,259	5,568	10,691

- Above includes Expected Credit Loss provision on Loan commitment amount to ₹ 214 Lakh (Stage1- included in ₹ 5,294 Lakh).
- Above includes Expected Credit Loss provision on account of additional management overlay and one-time restructuring amounting to ₹ 7,631 Lakh.
- 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	589	142	447
Stage 3b – Assets more than 90 DPD (refer note)	Loan	15,670	5,426	10,244
<b>Total Stage 3 - Credit-impaired assets</b>	<b>Loan</b>	<b>16,259</b>	<b>5,568</b>	<b>10,691</b>



## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

Reconciliation of Loan balances is given below:

(₹ in Lakh)

Particulars	March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount opening balance</b>	<b>13,29,439</b>	<b>58,057</b>	<b>16,259</b>	<b>14,03,755</b>
New assets added during the year	7,07,247	-	-	7,07,247
Assets derecognised under direct assignment and Co-lending	(1,63,063)	-	-	(1,63,063)
Repayment of Loans (excluding write offs)	(2,22,182)	(9,683)	(2,420)	(2,34,285)
Transfers to / from Stage 1	8,549	(7,595)	(954)	-
Transfers to / from Stage 2	(24,446)	25,774	(1,328)	-
Transfers to / from Stage 3	(4,500)	(4,601)	9,101	-
Amounts written off	(507)	(64)	(1,968)	(2,539)
<b>Gross carrying amount closing balance</b>	<b>16,30,537</b>	<b>61,888</b>	<b>18,690</b>	<b>17,11,115</b>

(₹ in Lakh)

Particulars	March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount opening balance</b>	<b>11,29,730</b>	<b>65,120</b>	<b>18,255</b>	<b>12,13,105</b>
New assets added during the year	5,89,648	-	-	5,89,648
Assets derecognised under direct assignment	(1,26,240)	-	-	(1,26,240)
Repayment of Loans (excluding write offs)	(2,55,253)	(9,942)	(3,394)	(2,68,589)
Transfers to / from Stage 1	13,628	(10,065)	(3,563)	-
Transfers to / from Stage 2	(19,090)	20,777	(1,687)	-
Transfers to / from Stage 3	(2,747)	(7,359)	10,106	-
Amounts written off	(237)	(474)	(3,458)	(4,169)
<b>Gross carrying amount closing balance</b>	<b>13,29,439</b>	<b>58,057</b>	<b>16,259</b>	<b>14,03,755</b>

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount opening balance</b>	<b>5,294</b>	<b>7,748</b>	<b>5,568</b>	<b>18,610</b>
New assets added during the year	2,334	-	-	2,334
Assets derecognised under direct assignment	(538)	-	-	(538)
Repayment of Loans (excluding write offs)	(889)	(1,293)	(829)	(3,011)
Transfers to / from Stage 1	28	(25)	(3)	-
Transfers to / from Stage 2	(3,051)	3,217	(166)	-
Transfers to / from Stage 3	(1,857)	(1,899)	3,756	-
Impact on year end ECL of exposures transferred between stages during the year	4,570	40	1,355	5,965
Additional provision due to management overlay and onetime restructuring	-	-	-	-
Amounts written off	(507)	(64)	(1,968)	(2,539)
<b>Gross carrying amount closing balance</b>	<b>5,384</b>	<b>7,724</b>	<b>7,713</b>	<b>20,821</b>

Note: Above includes Expected Credit Loss provision on Loan commitment amounting to ₹ 195 Lakh.

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

(₹ in Lakh)

Particulars	March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount opening balance</b>	<b>3,547</b>	<b>8,170</b>	<b>5,353</b>	<b>17,070</b>
New assets added during the year	2,300	-	-	2,300
Assets derecognised under direct assignment	(492)	-	-	(492)
Repayment of Loans (excluding write offs)	(791)	(1,248)	(1,001)	(3,040)
Transfers to / from Stage 1	53	(39)	(14)	-
Transfers to / from Stage 2	(2,465)	2,684	(218)	1
Transfers to / from Stage 3	(872)	(2,336)	3,208	-
Impact on year end ECL of exposures transferred between stages during the year	4,161	827	1,653	6,641
Additional provision due to management overlay and onetime restructuring	90	164	45	299
Amounts written off	(237)	(474)	(3,458)	(4,169)
<b>Gross carrying amount closing balance</b>	<b>5,294</b>	<b>7,748</b>	<b>5,568</b>	<b>18,610</b>

Note: Above includes Expected Credit Loss provision on Loan commitment amounting to ₹ 214 Lakh.

### b) Loans to Developers

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

#### As at March 31, 2024

(₹ 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	-	-	-

#### As at March 31, 2023

(₹ 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	-	-	-

Reconciliation of Loan balances is given below:

(₹ in Lakh)

Particulars	March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount opening balance</b>	-	-	-	-
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	-	-	(627)	(627)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	-	-	-	-
Amounts (written off) / recovery from write offs	-	-	627	627
<b>Gross carrying amount closing balance</b>	-	-	-	-

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

(₹ in Lakh)

Particulars	March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount opening balance</b>	-	-	110	110
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	-	-	(782)	(782)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	-	-	-	-
Amounts written off	-	-	672	672
<b>Gross carrying amount closing balance</b>	-	-	-	-

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount opening balance</b>	-	-	-	-
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	-	-	(627)	(627)
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	-	-	627	627
Amounts (written off) / recovery from write offs	-	-	-	-
<b>Gross carrying amount closing balance</b>	-	-	-	-

Note: Above includes Expected Credit Loss provision on Loan commitment amounting to Nil Lakh.

(₹ in Lakh)

Particulars	March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount opening balance</b>	-	-	110	110
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	-	-	(782)	(782)
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	-	-	782	782
Amounts written off	-	-	(110)	(110)
<b>Gross carrying amount closing balance</b>	-	-	-	-

Note: Above includes Expected Credit Loss provision on Loan commitment amounting to Nil Lakh.



## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

- 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, 2024	March 31, 2023
AUM	21,12,086	17,22,283
GNPA on AUM*	22,765	19,977
GNPA on AUM (%)*	1.08%	1.16%
Retail AUM	21,12,086	17,22,283
GNPA on Retail AUM*	22,765	19,977
GNPA on Retail AUM (%)*	1.08%	1.16%
Own Book	16,98,040	13,94,104
GNPA on Own Book**	18,690	16,259
GNPA on Own Book (%)**	1.10%	1.17%
Retail Own Book	16,98,040	13,94,104
GNPA on Retail Own Book**	18,690	16,259
GNPA on Retail Own Book (%)**	1.10%	1.17%

Note: The amount mentioned above of 'Own Book' excludes EIR, Interest accrued.

\*Includes loan assets of ₹ 191 Lakhs (0.01%) not more than 90 DPD which have been classified as NPA as per the RBI circular dated 12th November 2021. [March 31, 2023: ₹ 705 Lakhs (0.04%).]

\*\* Includes loan assets of ₹ 167 Lakhs (0.01%) not more than 90 DPD which have been classified as NPA as per the RBI circular dated 12th November 2021. [March 31, 2023: ₹ 589 Lakhs (0.04%).]

### 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, 2024	March 31, 2023
Total Borrowings (₹ in Lakh)	13,95,962	12,15,345
Total Net Borrowings (₹ in Lakh)	12,68,824	10,23,730
Total Equity (₹ in Lakh)	4,44,601	3,69,557
Gross Debt Equity Ratio	3.14	3.29
Net Debt Equity Ratio	2.85	2.77

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.

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

Below are the details of CRAR and other ratios maintained by the Company.

Particulars	As at March 31, 2024	As at March 31, 2023
Risk weighted Assets (₹ in Lakh)	10,77,936	8,33,913
Net owned funds (Tier I Capital) (₹ in Lakh)	4,06,760	3,47,417
Tier II Capital (₹ in Lakh)	7,784	8,894
CRAR	38.46%	42.73%
Variance in CRAR	(4.27%)	(2.68%)
CRAR-Tier I Capital	37.74%	41.66%
Variance in CRAR-Tier I Capital	(3.92%)	(2.54%)
CRAR- Tier II Capital	0.72%	1.07%
Variance in CRAR-Tier II Capital	(0.35%)	(0.14%)
Amount of subordinated debt raised as Tier-II Capital (₹ in Lakh)	2,400	3,600
Amount raised by issue of perpetual debt instruments	Nil	Nil
Liquidity Coverage Ratio as on reporting date*	122.82%	166.42%

1. CRAR (Capital Risk Adjusted Ratio) = [Net owned fund and Tier II Capital / Risk Weighted Assets]

2. CRAR (Capital Risk Adjusted Ratio) -Tier I Capital = [Net owned fund / Risk Weighted Assets]

3. CRAR (Capital Risk Adjusted Ratio) -Tier II Capital = [Tier II Capital / Risk Weighted Assets]

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:

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Contribution to provident fund	599	464
Contribution to pension fund	535	455
Contribution to new pension scheme	54	47
Contribution to ESIC	1	4

\* Amount less than 50,000/-

#### 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.

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 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

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Liability at the beginning of the year	1,484	1,224
Current service cost	391	304
Interest cost	103	82
Plan Amendment Cost	-	-
Actuarial (gain) / loss – experience	(17)	5
Actuarial (gain) / loss - demographic assumptions	-	-
Actuarial (gain) / loss - financial assumptions	34	(28)
Benefits paid	(111)	(103)
Liability at the end of the year	1,884	1,484

#### ii. Changes in Fair Value of Plan Assets

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Plan Assets at the beginning of the year	718	695
Expected return on plan assets	52	49
Actuarial Gain/(Loss)	4	(26)
Employer Contribution	-	-
Plan Assets at the end of the year	774	718

#### iii. Reconciliation of Fair Value of Assets and Obligations

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Fair value of Plan Assets	774	718
Present Value of Obligation	1,884	1,484
Amount Recognised in Balance Sheet	(1,110)	(766)

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

iv. Expenses recognised in Statement of Profit and Loss

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Service Cost	391	304
Net interest on net defined benefit liability / (asset)	51	33
Plan Amendment cost / Direct Payment	-	-
Expenses recognised in the statement of profit and loss under employee benefits expenses	442	337

v. Expenses recognised in Statement of Other Comprehensive Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Actuarial (gain) / loss arising during year	13	4
(Income) / Expenses recognised in the other comprehensive income	13	4

vi. Expected benefit payments

(₹ in Lakh)

Particulars	As at March 31, 2024
March 31, 2025	137
March 31, 2026	137
March 31, 2027	168
March 31, 2028	228
March 31, 2029	303
March 31, 2030 to March 31, 2034	2,176

vii. Expected Employer Contributions in next 12 months is ₹ 1,110 Lakhs.

viii. Weighted average duration of defined benefit obligation is 9 years.

ix. Actuarial Assumptions

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Discount Rate	7.00%	7.20%
Salary Escalation Rate	9.50%	9.50%

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, 2024

(₹ in Lakh)

Particulars	Plan Liabilities
Discount Rate (increase by 0.5%)	(85)
Discount Rate (decrease by 0.5%)	91
Salary Escalation Rate (increase by 0.5%)	79
Salary Escalation Rate (decrease by 0.5%)	(75)

x. Amount recognised in current year and previous years



## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### Gratuity:

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Defined benefit obligation	1,884	1,484	1,224	1,046	848
Fair value of plan asset	774	718	695	663	616
(Surplus)/ Deficit in the plan	1,110	766	529	383	232
Actuarial (gain)/loss on plan obligation	17	(23)	(83)	(43)	130
Actuarial gain/(loss) on plan asset	4	(26)	(12)	6	10

### Plan Assets As at March 31, 2024

Plan asset composition	Percentage
Schemes of Insurance –conventional products	2.64%
Schemes of Insurance –ULIP Product	97.36%

## 41. Employee stock appreciation rights and Employees Stock Option

### a) Employee Stock Option Plan 2018 (ESOP 2018) [Erstwhile ‘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, 2024 (No's)	For the year ended March 31, 2023 (No's)
<b>Opening</b>	<b>19,69,286.25</b>	<b>19,69,286.25</b>
Granted during the year	-	-
Lapsed during the year	103,741.13	-
Exercised by employee	-	-
Rounding off	(0.12)	-
<b>Closing</b>	<b>18,65,545</b>	<b>19,69,286.25</b>
<b>Vested as at year end</b>	<b>18,65,545</b>	<b>19,69,286.25</b>
<b>Unvested as at year end</b>	<b>-</b>	<b>-</b>

ESAR were granted at the Price of ₹ 291.70 which was the fair value on the grant date before bonus adjustment.

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, 2023 : Nil ) for the year ended March 31, 2024.

ESAR 2018 was renamed to Employee Stock Option Plan 2018 (ESOP 2018) and the ESARs outstanding as at January 18, 2024 were converted to ESOPs, with no change in terms and conditions related to exercise price and vesting conditions. The above change was approved by the Nomination and Remuneration Committee at its meeting held on January 18, 2024, Board at its meeting held on January 21, 2024 and is approved by the shareholders' at the extra-ordinary general meeting held on January 24, 2024.

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 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 options 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%, 40% in on Eligibility date, 1 <sup>st</sup> year from eligibility date	Eligible options will vest in 60%, 40% in on Eligibility date, 1 <sup>st</sup> year from eligibility date	Eligible options will vest in 60%, 40% in on Eligibility date, 1 <sup>st</sup> year from eligibility date
Condition	<ol style="list-style-type: none"> <li>All eligible options will vest subject to BCP Topco VII Pte. Ltd. Realising minimum net consideration cumulatively from the sale of the Shares held</li> <li>Proportion of eligible option vesting to extent of sale by BCP Topco VII Pte. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>All eligible options will vest subject to BCP Topco VII Pte. Ltd. Realising minimum net consideration cumulatively from the sale of the Shares held</li> <li>Proportion of eligible option vesting to extent of sale by BCP Topco VII Pte. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>All eligible options will vest subject to BCP Topco VII Pte. Ltd. Realising minimum net consideration cumulatively from the sale of the Shares held</li> <li>Proportion of eligible option vesting to extent of sale by BCP Topco VII Pte. Ltd.</li> </ol>
Exercise period	2 years from Vesting	2 years from Vesting	2 years from Vesting
Weighted Average Share Price	908.05	90.805	90.805

Particulars	ESOP Plan 2020 – August 2023	ESOP Plan 2020 – November 2023	ESOP Plan 2020 – January 2024
Scheme Name	Employee Stock Option Plan 2020	Employee Stock Option Plan 2020	Employee Stock Option Plan 2020
No. of options approved	16,35,035	2,00,000	65,32,024
Date of Grant	August 09, 2023	November 07, 2023	January 21, 2024
No of options granted	15,57,692	2,00,000	65,32,024
Exercise Price (₹)	147.5	147.5	147.5
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%, 40% in on Eligibility date, 1 <sup>st</sup> year from eligibility date	Eligible options will vest in 60%, 40% in on Eligibility date, 1 <sup>st</sup> year from eligibility date	Eligible options will vest in 60%, 40% in on Eligibility date, 1 <sup>st</sup> year from eligibility date

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

Particulars	ESOP Plan 2020 – August 2023	ESOP Plan 2020 – November 2023	ESOP Plan 2020 – January 2024
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
Weighted Average Share Price	147.5	147.5	147.5

\*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 16<sup>th</sup> 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%

Particulars	ESOP Plan 2020 (August 09, 2023)	ESOP Plan 2020 (November 07, 2023)	ESOP Plan 2020 (January 21, 2024)
Fair value of the option (₹)	₹ 22 to ₹ 66.7	₹ 22 to ₹ 66.7	₹ 21.6 to ₹ 59.8
Fair value of share on the date of grant (₹)	147.50	147.50	147.50
Exercise Price(₹)	147.50	147.50	147.50
Expected Life	3 years to 9 years	3 years to 9 years	3 years to 9 years
Expected Volatility (%)	11.8% to 14.9%	11.8% to 14.9%	11.8% to 14.8%
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 (%)	7.1% to 7.3%	7.1% to 7.3%	7.0% to 7.1%
Expected dividend rate (%)	0.0%	0.0%	0.0%

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.

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### Movement in ESOPs

Particulars	For the year ended March 31, 2024 (No's)	For the year ended March 31, 2023 (No's)
<b>Opening</b>	<b>1,01,98,847</b>	<b>1,11,50,433</b>
Granted during the year	82,89,716	-
Lapsed during the year	9,03,905	9,51,586
<b>Closing</b>	<b>1,75,84,658</b>	<b>1,01,98,847</b>
<b>Vested as at year end</b>	<b>-</b>	<b>-</b>
<b>Unvested as at year end</b>	<b>1,75,84,658</b>	<b>1,01,98,847</b>

The expense arises from equity settled ESOPs transaction amounting to ₹ 203 Lakh (March 31, 2023: ₹ 563 Lakh)

### 42. Foreign currency transactions

The Foreign currency transactions are as follows:-

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Foreign Exchange outgo	37	263
<b>Total</b>	<b>37</b>	<b>263</b>

### 43. Related party transactions

List of related parties with whom transactions have taken place during the year are at arm's length and relationship:

S. No	Relationship	Name of Related Party
1.	Holding Company	BCP Topco VII Pte. Ltd.
2.	Wholly owned subsidiary	Aadhar Sales and Services Private Limited
3.	Key Management Personnel	Mr. Om Prakash Bhatt - Independent Director & Non-Executive Chairman of the Board
		Mr. Deo Shankar Tripathi - Managing Director and CEO (upto December 04, 2022) - Executive Vice Chairman (w.e.f. January 03, 2023)
		Mr. Rishi Anand - Managing Director and CEO (w.e.f. January 03, 2023)
		Mr. Amit Dixit – Non-Executive Director
		Mr. Mukesh G Mehta – Non-Executive Director
		Mr. Prateek Roongta – Non-Executive Director (w.e.f. January 20, 2023)
		Mrs. Sharmila Abhay Karve – Independent Director
		Mrs. Dr. Nivedita Haran – Independent Director
		Mr. Rajesh Viswanathan – Chief Financial Officer
		Mr. Sreekanth VN – Company Secretary (upto September 30, 2023)
		Mrs. Harshada Pathak – Company Secretary (w.e.f. October 01, 2023)

### Transactions with Related Parties:

Name	Particulars	(₹ in Lakh)	
		For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Income :</b>			
Aadhar Sales and Services Private Limited	Rent Income	2	2
Rishi Anand – Managing Director and CEO (From January 03, 2023)	Interest Income on Housing Loan	6	1



## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

(₹ in Lakh)

Name	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rajesh Viswanathan – CFO	Interest Income on Housing Loan	6	Not applicable
<b>Expenditure:</b>			
Aadhar Sales and Services Private Limited	Business sourcing services	6,423	5,098
Deo Shankar Tripathi - Executive Director from January 03, 2023 (Manging Director and CEO upto December 04, 2022)	Remuneration	331	250
Interest paid on Fixed Deposit held by relative of the Managing Director (Suman Deo Tripathi)	Interest Expense	-	0*
Rishi Anand – Managing Director and CEO (From January 03, 2023)	Remuneration	304	40
Rajesh Viswanathan – Chief Financial Officer	Remuneration	291	195
Sreekanth VN – Company Secretary (upto September 30, 2023)	Remuneration	57	77
Harshada Pathak – Company Secretary (w.e.f. October 01, 2023)	Remuneration	20	-
<b>Others:</b>			
Rajesh Viswanathan – Chief Financial Officer	Housing Loan given	300	-

### Compensation of key management personnel of the Company

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Short-term employee benefits	973	541
Post-employment pension (defined contribution)	30	21
Sitting fee and commission	149	154
<b>Total</b>	<b>1,152</b>	<b>716</b>

### Balances with Related Parties:

(₹ in Lakh)

Name	Particulars	As at March 31, 2024	As at March 31, 2023
Aadhar Sales and Services Private Limited	Investment	1	1
Aadhar Sales and Services Private Limited	Receivables	-	0*
Rishi Anand – Managing Director and CEO (From January 03, 2023)	Housing Loan	115	120
Rajesh Viswanathan- CFO	Housing Loan	284	-
Directors Commission & sitting fee	Payable	147	116

\*Less than ₹ 50,000

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 44. 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, 2024

(₹ 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)
<b>Performing Assets</b>						
Standard	Stage 1	16,30,537	5,189	16,25,348	6,964	(1,775)
	Stage 2 (Refer Note 3)	61,888	7,724	54,164	2,652	5,072
<b>Subtotal</b>		<b>16,92,425</b>	<b>12,913</b>	<b>16,79,512</b>	<b>9,616</b>	<b>3,297</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	9,415	3,367	6,048	1,412	1,955
Doubtful - up to 1 year	Stage 3	5,573	2,556	3,017	1,393	1,163
1 to 3 years	Stage 3	3,590	1,689	1,901	1,436	253
More than 3 years	Stage 3	112	101	11	112	(11)
<b>Subtotal for doubtful</b>		<b>9,275</b>	<b>4,346</b>	<b>4,929</b>	<b>2,941</b>	<b>1,405</b>
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	94,882	195	94,687	-	195
<b>Subtotal</b>		<b>94,882</b>	<b>195</b>	<b>94,687</b>	<b>-</b>	<b>195</b>
	<b>Stage 1</b>	<b>17,25,419</b>	<b>5,384</b>	<b>17,20,035</b>	<b>6,964</b>	<b>(1,580)</b>
	<b>Stage 2</b>	<b>61,888</b>	<b>7,724</b>	<b>54,164</b>	<b>2,652</b>	<b>5,072</b>
<b>Total</b>	<b>Stage 3</b>	<b>18,690</b>	<b>7,713</b>	<b>10,977</b>	<b>4,353</b>	<b>3,360</b>
	<b>Total</b>	<b>18,05,997</b>	<b>20,821</b>	<b>17,85,176</b>	<b>13,969</b>	<b>6,852</b>

#### Notes:

- The provision under Expected Credit Loss Model is higher than Income Recognition and Prudential Norms.
- 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 ₹ 24,692 Lakh. Impairment provision and provision required under IRACP is maintained at 10% as required by RBI circular.

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 45. 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)

(₹ in Lakh)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at September 30, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2024	Of (A) amount written off during the half-year ended March 31, 2024	Of (A) amount paid by the borrowers during the half-year ended March 31, 2024	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2024
Personal Loans (refer note below)	26,293	993	42	1,793	24,692**
Corporate persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>26,293</b>	<b>993</b>	<b>42</b>	<b>1,793</b>	<b>24,692**</b>

As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

\*\*Includes ₹ 1,228 Lakhs of NPA accounts which has become standard during the half year ended March 31, 2024.

### 46. 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, 2024

Particulars	For the year ended March 31, 2024
Entity	NBFC (Housing Finance Company)
Count of Loan Accounts Assigned	14,953
Amount of Loan Accounts Assigned (₹ in Lakh)	1,18,204
Weighted average maturity (in Months)	180
Weighted average holding period (in Months)	14
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, 2024.

c) Details of transfer through Co-lending in respect of loans not in default during the year ended March 31, 2024

Particulars	For the year ended March 31, 2024
Entity	NBFC (Housing Finance Company)
Count of Loan Accounts Assigned	4,173
Amount of Loan Accounts Assigned (₹ in Lakh)	44,859
Weighted average maturity (in Months)	209
Weighted average holding period (in Months)	3
Retention of beneficial economic interest (MRR)	20%
Coverage of tangible security coverage	100%

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 47. Changes in liabilities arising from financing activities:-

Particulars	As at March 31, 2023	Cash flows (+)	Non Cash Adjustments (-)	As at March 31, 2024
Debt securities	2,54,213	19,823	153	2,73,883
Borrowings (other than debt securities)	9,54,273	1,61,540	(189)	11,16,002
Deposits	394	(203)	-	191
Subordinated liabilities	6,547	(600)	(12)	5,959
Lease liabilities	3,795	(1,332)	(2,646)	5,109
<b>Total</b>	<b>12,19,222</b>	<b>1,79,228</b>	<b>(2,694)</b>	<b>14,01,144</b>

Particulars	As at March 31, 2022	Cash flows (+)	Non Cash Adjustments (-)	As at March 31, 2023
Debt securities	1,76,429	78,200	416	2,54,213
Borrowings (other than debt securities)	8,81,897	72,129	(247)	9,54,273
Deposits	799	(565)	(160)	394
Subordinated liabilities	8,334	(1,800)	(13)	6,547
Lease liabilities	3,053	(1,058)	(1,800)	3,795
<b>Total</b>	<b>10,70,512</b>	<b>1,46,906</b>	<b>(1,804)</b>	<b>12,19,222</b>

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:
- 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
  - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
55. 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:
- 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
56. 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.
57. In Compliance with Section 128 of the Companies Act, 2013 read with proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, the Company uses an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) which has operated throughout the year for all relevant transactions recorded in the accounting software except that, audit trail feature was not enabled with respect to detail of changes made at the database level. This audit trail feature has been enabled at a database level post year end.



## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

58. 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.

### 59. Exceptional item

During the previous year, the Company has accrued for one-time special bonus to its employees amounting to ₹ 2,500 Lakh that is debited to the Statement of Profit & Loss. Considering the nature, frequency, and materiality of the item it is treated as an exceptional item in the Statement of Profit & Loss.

60. There have been no instances of breach of covenants of loan availed or debt securities issued during the year ended March 31, 2024.

61. Disclosure of details required as per Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 - RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated 19 October 2023 - RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24:

### 61.1 Disclosure as per Annexure III of the Circular

		(₹ in Lakh)	
Particulars		March 31, 2024	
Liabilities side		Amount outstanding	Amount overdue
<b>(1) Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:</b>			
(a)	Debtures : Secured	2,81,237	-
	: Unsecured	6,243	-
	(other than falling within the meaning of public deposits)		
(b)	Deferred Credits	-	-
(c)	Term Loans	11,18,384	-
(d)	Inter-corporate loans and borrowing	-	-
(e)	Commercial Paper	-	-
(f)	Public Deposits	191	-
(g)	Other Loans (specify nature)	-	-
<b>(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued there on but not paid):</b>			
(a)	In the form of Unsecured debtures	-	-
(b)	In the form of partly secured debtures i.e. debtures where there is a shortfall in the value of security	-	-
(c)	Other public deposits	191	-

		(₹ in Lakh)	
Particulars		March 31, 2024	
Assets side		Amount outstanding	
<b>(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>			
(a)	Secured	17,11,115	
(b)	Unsecured	-	
<b>(4) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities</b>			
(i)	Lease assets including lease rentals under sundry debtors		
(a)	Financial lease	-	
(b)	Operating lease	-	

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

(₹ in Lakh)

Particulars	March 31, 2024
Assets side	Amount outstanding
(ii) Stock on hire including hire charges under sundry debtors	
(a) Assets on hire	
(b) Repossessed Assets	-
(iii) Other loans counting towards asset financing activities	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-
<b>(5) Break-up of Investments</b>	
<b>Current Investments</b>	
<b>1. Quoted</b>	
(i) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
<b>2. Unquoted</b>	
(i) Shares	-
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-
<b>Long Term investments</b>	
<b>1. Quoted</b>	
(i) Share	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	1,355
(iii) Units of mutual funds	-
(iv) Government Securities	44,428
(v) Others (please specify)	-
<b>2. Unquoted</b>	
(i) Shares	
(a) Equity	1
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others (please specify)	-

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### (6) Borrower group-wise classification of assets financed as in (3) and (4) above:

Category	Amount net of provisions		
	Secured	Unsecured	Total
<b>1. Related Parties</b>			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
<b>2. Other than related parties</b>	16,90,294	-	16,90,294
<b>Total</b>	<b>16,90,294</b>	<b>-</b>	<b>16,90,294</b>

### (7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
<b>1. Related Parties</b>		
(a) Subsidiaries	1	1
(b) Companies in the same group	-	-
(c) Other related parties	-	-
<b>2. Other than related parties</b>	45,607	45,783
<b>Total</b>	<b>45,608</b>	<b>45,784</b>

As per notified Accounting Standard

### (8) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	18,690
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	10,977
(iii) Assets acquired in satisfaction of debt	-

\* "0" represent value less than ₹ 50,000.

### 61.2 Summary of Material accounting policy information

The accounting policies are disclosed as note 2 and 3 of the Standalone Financial Statement for the year ended March 31, 2024

### 61.3 Capital to Risk Asset Ratio (CRAR)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
CRAR	38.46%	42.73%
CRAR-Tier I Capital	37.74%	41.66%
CRAR- Tier II Capital	0.72%	1.07%
Amount of subordinated debt raised as Tier-II Capital (₹ in Lakh)	2,400	3,600
Amount raised by issue of perpetual debt instruments	Nil	Nil

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 61.4 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, 2024.

### 61.5 Investment

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
<b>1. Value of Investments</b>		
(i) Gross value of investments		
(a) In India	45,784	45,825
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	45,784	45,825
(b) Outside India	-	-
<b>2. Movement of provisions held towards depreciation on investments</b>		
(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	-	-

### 61.6 Derivatives

i. Forward Rate Agreement (FRA)/ Interest Rate Swap

Nil during the year ended March 31, 2024 (March 31, 2023: Nil)

ii. Exchange Traded Interest Rate (IR) Derivative

Nil during the year ended March 31, 2024 (March 31, 2023: Nil)

iii. Disclosures on Risk Exposure in Derivatives

The Company has not entered into derivative transaction during the year ended March 31, 2024 & March 31, 2023.

### 61.7 Securitisation

i. Securitised assets as per books of the SPVs sponsored by the HFC

Nil during the year ended March 31, 2024 (March 31, 2023: Nil)

ii. Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Reconstruction - Nil during the year ended March 31, 2024 (March 31, 2023: Nil)

iii. Detail of Assignment transactions undertaken:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1 No of Pools/Accounts	12	11
2 Aggregate value (Net of Provisions) of accounts assigned	1,18,204	1,13,396
3 Aggregate consideration	1,18,204	1,13,396
4 Additional consideration realized in respect of accounts transferred in earlier years	-	-
5 Aggregate gain over net book value	12,090	13,043





## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 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.
- The above-mentioned amount of Advances excludes interest accrued on loans, fair value of loans, ECL provision on stage 3 loans and EIR.

### 61.9 Exposure to Real Estate Sector

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
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.	12,46,279	10,37,853
(ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	4,51,761	3,56,251
(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)	-	-
<b>Total Exposure to Real Estate Sector</b>	<b>16,98,040</b>	<b>13,94,104</b>

### Note:

- Amount disclosed under Commercial Real Estate includes non-housing loan which are provided against residential property.
- The amount mentioned above for Total Exposure to Real estate sector excludes EIR and interest accrued on loans.
- The amount mentioned above of Total own loan book amount excludes EIR and interest accrued on loans.

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 61.10 Exposure to Capital Market

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	3
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances'	-	-
(v) Secured and unsecured advances to 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 for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(vii) Bridge loans to companies against expected equity flows / issues	-	-
(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Alternative Investment Funds: (a) Category I (b) Category II (c) Category III	-	-
<b>Total Exposure to Capital Market</b>	<b>-</b>	<b>3</b>

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.

### 61.11 Details of financing parent company products

Nil during the year ended March 31, 2024 (March 31, 2023: Nil)

### 61.12 Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by the HFC

Nil during the year ended March 31, 2024 (March 31, 2023: Nil)

### 61.13 Unsecured Advances

Nil during the year ended March 31, 2024 (March 31, 2023: Nil)

### 61.14 Advances against Intangible Collateral

Nil during the year ended March 31, 2024 (March 31, 2023: Nil)

### 61.15 Exposure to group companies engaged in real estate business

Nil during the year ended March 31, 2024 (March 31, 2023: Nil)

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

**61.15** 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.

**61.16** There were no loans given against the collateral of gold jewellery.

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

Regulator	Registration Number
IRDA Registration as Corporate Agent(Composite)	Registration Code :- CA0012
LEI	335800JQMNJOX3W7LY96
SEBI	BSE Company Code- 10844/ 11302
RBI	RBI Registration Number : FC 11 BYR 0068
NHB	NHB Registration No.- 04.0168.18

**61.18** Disclosure of penalties imposed by RBI, NHB and other regulators  
Nil during the year ended March 31, 2024 (Nil in March 31, 2023)

**61.19** Related party Transactions

Details of all material transactions with related parties are disclosed in note 43.

**61.20** Group Structure

**Holding Company - BCP Topco VII Pte Ltd**  
(Percentage of Holding - 98.72%)

**Company - Aadhar Housing Finance Limited**  
(Percentage of Holding - 100%)

**Subsidiary Company - Aadhar Sales & Servies Pvt Limited**

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

Name of the Rating Agency	Type	Rating as at March 31, 2024	Rating as at March 31, 2023
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)
CARE	Fixed Deposits	CARE AA (Stable)	CARE AA (Stable)
BRICKWORKS	Non-Convertible Debentures	BWR AA(Stable)	BWR AA(Stable)
BRICKWORKS	Subordinated Debt	NA	BWR AA(Stable)
CRISIL	Commercial Paper	NA	CRISIL A1+
ICRA	Long Term Bank Facilities	ICRA AA (Stable)	NA
ICRA	Non-Convertible Debentures	ICRA AA (Stable)	ICRA AA (Stable)
ICRA	Subordinated Debt	ICRA AA (Stable)	ICRA AA (Stable)
ICRA	Commercial Paper	ICRA A1+	ICRA A1+
India Rating	Long Term Borrowings	IND AA (Stable)	IND AA (Stable)
India Rating	Non-Convertible Debentures	IND AA (Stable)	NA



## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 61.22 Remuneration of Non-Executive Directors for the year ended March 31, 2024.

			(In ₹)
Name of the Director	Sitting Fee	Commission	Total
Shri. O P Bhatt	10,15,000	90,20,000	1,00,35,000
Smt. Sharmila Karve	9,80,000	15,20,000	25,00,000
Dr. Nivedita Haran	10,15,000	7,60,000	17,75,000

Note: Above does not include the provision for commission amounting to ₹ 147 Lakh (excluding disallowance of GST) for the year ended March 31, 2024 which will be paid subject to approval in the ensuing Annual General Meeting. Commission paid during the year (FY 23-24) pertains to previous year (FY 22-23).

### 61.23 Net profit or Loss for the year, 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.

### 61.24 Revenue Recognition

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

### 61.25 Consolidated Financial Statements (CFS)

Refer to the Consolidated Financial Statements for the relevant disclosures.

### 61.26 Disclosure as per Loan Portfolio

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
<b>Secured</b>		
<b>Housing loans</b>		
Standard loans	12,34,681	10,26,810
Sub-Standard loans	5,984	6,940
Doubtful loans	5,614	4,103
Loss assets	-	-
<b>Total Housing Loans</b>	<b>12,46,279</b>	<b>10,37,853</b>
<b>Other property loan</b>		
Standard loans	4,44,670	3,51,035
Sub-Standard loans	3,431	3,324
Doubtful loans	3,660	1,892
Loss assets	-	-
<b>Total Other Property Loans</b>	<b>4,51,761</b>	<b>3,02,431</b>
<b>Total Own Loan Book</b>	<b>16,98,040</b>	<b>13,94,104</b>
<b>Assigned Book</b>	<b>4,14,046</b>	<b>3,28,179</b>
<b>Total Asset Under Management</b>	<b>21,12,086</b>	<b>17,22,283</b>

Note: The amount mentioned above of Total own loan book amount excludes EIR and interest accrued on loans.

### 61.27 Insurance portion of Housing Loan is excluded from Housing Loan and regrouped in Other Property Loans (Refer Note 61.9, 61.26, 61.32, 61.38). The Insurance portion amounting to ₹ 59,094 Lakh (March 31, 2023: ₹ 53,821 Lakh) helps in mitigating the risk and secures the Company's Loan portfolio against any eventuality.

### 61.28 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, 2024. 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.

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

Refer for Note 44 – (comparison between provisions required under Income Recognition, Asset classification and provision norms and impairment allowances made under Ind AS 109)

**61.29** 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.

(₹ in Lakhs)

Particular	As on March 2024
Total Assets	19,08,571
Less: Intangible assets	35,582
Net total assets	18,72,989
Housing Finance	12,57,917
Housing Finance for Individuals	12,57,917
Percentage of housing finance to total assets (netted off intangible assets)	67.16%
Percentage of individual housing finance to total assets (netted off intangible assets)	67.16%
Percentage of individual housing finance to housing finance	100%

**61.30** The Company operates in 20 States and Union Territories in India. The company does not have any branch/offices outside India.

### Additional Disclosures

**61.31** 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, 2024	For the year ended March 31, 2023
1.	Provisions for depreciation on Investment	-	-
2.	Provision made towards Income Tax	21,798	15,683
3.	Provision towards NPA	2,145	105
4.	Provision for Standard Assets	66	1,325
5.	Other Provision (Expenses) and Contingencies	-	-
5a.	(a) Provision for Expenses	10,772	7,976
5b.	(b) Provision for asset held for sale	-	-

**61.32** Break up of Loan and Advances and Provisions thereon

(₹ in Lakh)

Particulars	Housing		Non-Housing	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Standard Assets</b>				
a) Total Outstanding Amount	12,46,320	10,36,492	4,49,720	3,54,674
b) Provisions made	9,075	9,035	4,033	4,011
<b>Sub-Standard Assets</b>				
a) Total Outstanding Amount	5,984	6,940	3,431	3,324
b) Provisions made	2,298	1,972	1,069	895
<b>Doubtful Assets - Category - I</b>				
a) Total Outstanding Amount	3,428	2,828	2,145	1,451
b) Provisions made	1,672	1,240	884	620
<b>Doubtful Assets - Category - II</b>				
a) Total Outstanding Amount	2,136	1,263	1,454	441
b) Provisions made	1,035	620	654	211

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

(₹ in Lakh)

Particulars	Housing		Non-Housing	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Doubtful Assets - Category - III</b>				
a) Total Outstanding Amount	50	12	62	1
b) Provisions made	41	6	60	0
<b>Loss Assets</b>				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
<b>TOTAL</b>				
a) Total Outstanding Amount	12,57,918	10,47,535	4,56,812	3,59,891
b) Provisions made	14,121	12,873	6,700	5,737

Note: The above mentioned total outstanding amount excludes EIR.

### 61.33 Draw Down from Reserves

During FY 2023-24, there were no draw down from Reserves.

### 61.34 Concentration of Public Deposits

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Deposits of twenty largest depositors	93	144
Percentage of Deposits of twenty largest deposits to Total Deposits of the HFC	48.69%	36.55%

### 61.35 Concentration of Loans and Advances

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Loans and Advances to twenty largest borrowers	3,289	2,761
Percentage of Loans and Advances to twenty largest borrowers to Total Advances of the HFC	0.19%	0.19%

### 61.36 Concentration of all Exposure (including off-balance sheet exposure)

(₹ in Lakh)

Particulars <sup>3</sup>	As at March 31, 2024	As at March 31, 2023
Total Loans and Advances to twenty largest borrowers	3,289	2,761
Percentage of Loans and Advances to twenty largest borrowers / customers to Total exposure of the HFC on borrowers / customers.	0.18%	0.16%

### 61.37 Concentration of NPAs

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Exposure to top ten NPA accounts	333	315

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 61.38 Sector-wise NPAs

S.No.	Particulars	Percentage of NPAs to Total Advances in that Sector
<b>A.</b>	<b>Housing Loan:</b>	
1.	Individuals	0.92%
2.	Builders / Project Loans	-
3.	Corporate	-
4.	Others	-
<b>B.</b>	<b>Non Housing Loans:</b>	
1.	Individuals	1.55%
2.	Builders / Project Loans	-
3.	Corporate	-
4.	Others	-

### 61.39 Movement of NPAs

(₹ in Lakh)

S.No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
i)	Net NPAs to Net Advances (%)	0.65%	0.76%
ii)	Movement of NPAs (Gross)		
	<b>a) Opening Balance</b>	<b>16,259</b>	<b>18,257</b>
	b) Additions during the year	9,101	10,106
	c) Reductions during the year	6,670	12,104
	<b>d) Closing Balance</b>	<b>18,690</b>	<b>16,259</b>
iii)	Movement of Net NPAs		
	<b>a) Opening Balance</b>	<b>10,691</b>	<b>12,794</b>
	b) Additions during the year	3,990	7,903
	c) Reductions during the year	3,704	10,006
	<b>d) Closing Balance</b>	<b>10,977</b>	<b>10,691</b>
iv)	Movement of provisions for NPAs (excluding provision on standard assets)		
	<b>a) Opening Balance</b>	<b>5,568</b>	<b>5,463</b>
	b) Additions during the year	5,111	2,203
	c) Reductions during the year	2,966	2,098
	<b>d) Closing Balance</b>	<b>7,713</b>	<b>5,568</b>

Includes write off.

### 61.40 Overseas Assets

Nil as at March 31, 2024 (March 31, 2023: Nil)

### 61.41 Off- Balance Sheet SPVs sponsored ( which are required to be consolidated as per accounting norms)

Overseas: Nil

Domestic: Nil

### 61.42 Loan accounts which became doubtful due to fraudulent misrepresentation by the borrowers and has been written off during the year.

17 Accounts with outstanding value of ₹ 271 Lakhs (March 31, 2023: 27 Accounts with outstanding value of ₹ 366 Lakhs)



## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 61.43 Disclosure of Complaints

- i. Summary information on complaints received by the company from customers and from the Offices of Ombudsman

S.No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Complaints received by the company from its customers			
1)	No. of complaints pending at the beginning of the year	17	43
2)	No. of complaints received during the year	1,642	2,185
3)	No. of complaints redressed/disposed during the year	1,659	2,211
	Of which, No. of complaints rejected by the company	-	-
4)	No. of complaints pending at the end of the year	0	17
Maintainable complaints received by the company from Office of Ombudsman			
5)	Number of maintainable complaints received by the NBFC from Office of Ombudsman	-	-
	5.1 Of which, number of complaints resolved in favour of the company by Office of Ombudsman	-	-
	5.2 Of which, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
	5.3 Of which, number of complaints resolved after passing of Awards by Office of Ombudsman against the company	-	-
6)	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

- ii. Top five grounds of complaints received by the company from customers

Grounds of complaints, (i.e. Complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
<b>For the year ended March 31, 2024</b>					
Loan Disbursement	1	251	19% decrease	-	Nil
Foreclosure Related	1	201	10% decrease	-	Nil
Deliverables [FCL / LOD]	-	186	98% increase	-	-
Collection/Legal	2	183	53% increase	-	Nil
Loan Account Related	2	156	11% decrease	-	Nil
<b>For the year ended March 31, 2023</b>					
PMAY CLSS	9	343	42% decrease	3	Nil
Loan Disbursement	10	308	5% increase	1	Nil
Double EMI deduction due to technical error at SBI end	1	237	NA	-	Nil
Foreclosure Related	4	224	39% decrease	1	Nil
Loan Account Related	2	175	32% increase	1	Nil
Regular Emi Related	1	72	8% decrease	-	Nil

### 61.44 Intra- group Exposure

The company does not have any intra group exposure during the year ended March 31, 2024, and the year ended March 31, 2023.

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 61.45 Unhedged foreign currency exposures

The company does not have any unhedged foreign currency exposure during the year ended March 31, 2024, and the year ended March 31, 2023.

### 61.46 Sectoral Exposure

(₹ in Lakh)

Sectors	As at March 31, 2024			As at March 31, 2023		
	Total Exposure (including off balance sheet exposure)	Gross NPA	% of GNPA to Total exposure	Total Exposure (including off balance sheet exposure)	Gross NPA	% of GNPA to Total exposure
<b>1. Agriculture and Allied Activities</b>	-	-	-	-	-	-
<b>2. Industry</b>						
i. Housing and Other property related loans	18,05,997	18,690	1.03%	14,93,825	16,259	1.09%
ii. Others	-	-	-	-	-	-
<b>Total of Industry</b>	18,05,997	18,690	1.03%	14,93,825	16,259	1.09%
<b>3. Services</b>	-	-	-	-	-	-
<b>4. Personal Loans</b>	-	-	-	-	-	-
<b>5. Others, if any</b>	-	-	-	-	-	-

Above information does not include banks / other NBFC's share on loans assigned / co-lent.

### 61.47 Related party Disclosure as per the Scale Based regulation.

(₹ in Lakh)

Related Party	Parent (as per the Ownership or Control)		Subsidiaries		Key Management Personnel		Relatives of the Key Management Personnel		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Borrowings	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-
Placement of Deposits	-	-	-	-	-	-	-	-	-	-
Commission Payable	-	-	-	-	147	116	-	-	147	116
Advances	-	-	-	-	300	120	-	-	300	120
Investments	-	-	1	1	-	-	-	-	1	1
Rent Income	-	-	2	2	-	-	-	-	2	2
Business Sourcing Expenses	-	-	6,423	5,098	-	-	-	-	6,423	5,098
Remuneration	-	-	-	-	1,003	562	-	-	1,003	562
Interest Income	-	-	-	-	12	1	-	-	12	1
Interest Expense	-	-	-	-	-	-	0	0*	0	0*
Recovery of the Expense	-	-	-	1	-	-	-	-	-	-
Director Sitting fees and Commission	-	-	-	-	149	154	-	-	149	154

\*less than ₹ 50,000

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

### 62. Divergence in the asset classification and provisioning

There is no divergence in asset classification and provisioning as assessed by NHB where:

- i) The additional provisioning requirements assessed by National Housing Bank (NHB) exceeds 5% of the reported profits before tax and impairment loss on financial instruments as on 31 March 2024, or
- ii) The additional Gross NPAs identified by NHB exceeds 5% of the reported Gross NPAs as on 31 March 2024.

### 63. 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	5,54,349	290235.08%	37.87%

- ii. Top 20 large deposits

		(₹ in Lakh)
Particulars	As at March 31, 2024	
Total Deposits of twenty largest depositors	93	
Percentage of Deposits of twenty largest deposits to Total Deposits of the HFC	48.69%	

- iii. Top 10 borrowings

		(₹ in Lakh)
Particulars	As at March 31, 2024	
Top 10 Borrowings	10,17,920	
Percentage of Borrowings of Ten largest Borrowings to Total Borrowing of the HFC	72.92%	

- iv. Funding Concentration based on significant instrument/product

Name of Instrument	₹ in Lakh	% of Total Borrowing
Debt securities	2,73,883	19.62%
Term Loan	7,62,895	54.65%
NHB	3,53,107	25.29%
Deposits	191	0.01%
Subordinated liabilities	5,959	0.43%

- 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 material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

(₹ in Lakh)

Particulars	Q4 FY 2023-24		Q3 FY 2023-24		Q2 FY 2023-24		Q1 FY 2023-24	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	17,214	21,603	14,999	17,249	14,838	17,064	15,711	18,067
7 Other contingent funding obligations	82,941	95,383	77,386	88,994	75,182	86,459	74,871	86,101
8 <b>TOTAL CASH OUTFLOWS</b>		<b>1,35,696</b>		<b>1,26,615</b>		<b>1,38,080</b>		<b>1,31,340</b>
<b>Cash Inflows</b>								
9 Secured lending								
10 Inflows from fully performing exposures	23,605	17,703	22,769	17,077	21,758	16,319	20,661	15,496
11 Other cash inflows	2,64,095	1,98,071	1,79,785	1,34,838	1,77,945	1,33,458	2,47,528	1,85,646
12 <b>TOTAL CASH INFLOWS</b>		<b>2,15,774</b>		<b>1,51,915</b>		<b>1,49,777</b>		<b>2,01,142</b>
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13 TOTAL HQLA		45,644		45,978		45,528		45,887
14 TOTAL NET CASH OUTFLOWS		33,924		31,654		34,520		32,835
15 LIQUIDITY COVERAGE RATIO (%)		<b>134.55%</b>		<b>145.25%</b>		<b>131.89%</b>		<b>139.75%</b>

Total High Quality Liquid Assets (HQLA) includes Investments made in Government securities & NCD issued by State Government companies.

Note: The above unweighted average is calculated basis 90 days daily average.

## Summary of material accounting policy information and other explanatory information to the standalone financial statements as at and for the year ended March 31, 2024

65. Previous year figures have been regrouped/re-classified wherever necessary to confirm to current year's classification. The impact of such regrouping/ re-classification are not material to the Financial Statements.

For **Walker Chandiok & Co LLP**

Chartered Accountants

ICAI Firm Registration No: 001076N/N500013

For **Kirtane & Pandit LLP**

Chartered Accountants

ICAI Firm Registration No: 105215W/W100057

For and on behalf of the Board of Directors

**Manish Gujral**

Partner

Membership No.: 105117

**Sandeep D Welling**

Partner

Membership No.: 044576

**Deo Shankar Tripathi**

Executive Vice-Chairman

DIN 07153794

**Rishi Anand**

Managing Director & CEO

DIN 02303503

**Sharmila Abhay Karve**

Independent Director

DIN 05018751

**Prateek Roongta**

Director

DIN 00622797

Place: Mumbai

Date: May 29, 2024

Place: Mumbai

Date: May 29, 2024

**Rajesh Viswanathan**

Chief Financial Officer

**Harshada Pathak**

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 2024**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.
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 the report of the other auditors on separate financial statements of the subsidiary, 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, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2024, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Basis of Opinion

3. We conducted our audit 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 Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditor on separate financial statements 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 in relation to the Holding Company.

#### **Impairment of financial assets based on Expected Credit Losses (ECL) - (Refer note 2.10 and 3 for material accounting policy information and notes 6, 27, and 37 for financial disclosures in the accompanying consolidated financial statements)**

At 31 March 2024, the Holding Company reported total gross loans of ₹ 17,11,115 lakh (2023: ₹ 14,03,755 lakh) and expected credit loss provisions of ₹ 20,821 lakh (2023: ₹ 18,610 lakh).

#### 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 such financial assets, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Holding 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.

#### How our audit addressed the key audit matter

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 Holding Company in accordance with the requirements of Ind AS 109. The parameters and assumptions used and their rationale have been documented.
- 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.

Key Audit Matter	How our audit addressed the key audit matter
<p>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 Holding Company's modelling approach.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• Segmentation of loan book in buckets</li> <li>• determining the criteria for a significant increase in credit risk</li> <li>• factoring in future economic assumptions</li> <li>• past experience and forecast data on customer behaviour on repayments</li> <li>• techniques used to determine probability of default, loss given default and exposure at default.</li> </ul> <p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> <li>- Tested the completeness of loans and advances included in the Expected Credit Loss calculations as of 31 March 2024 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.</li> <li>- 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.</li> <li>- Obtained an understanding of the modelling techniques adopted by the Holding Company including the key inputs and assumptions. Test of details on post model adjustments, considering the size and complexity of management overlays, in order to assess the reasonableness of adjustments by challenging key assumptions, adjustments by challenging key assumptions, inspecting the calculation methodology.</li> <li>- 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 Holding Company has considered NPAs as credit impaired loans.</li> <li>- 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.</li> </ul>

### Information Technology ("IT") Systems and Controls for the financial reporting process

Key Audit Matter	How our audit addressed the key audit matter
<p>The Holding Company is highly dependent on its information technology (IT) systems for carrying on its operations which require large volume of transactions to be processed in numerous locations on a daily basis.</p> <p>As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Holding 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.</p> <p>The accuracy and reliability of the financial reporting process depends on the IT systems and the related control environment, including:</p> <ul style="list-style-type: none"> <li>➤ IT general controls over user access management and change management across applications, networks, database, and operating systems and;</li> <li>➤ IT application controls.</li> </ul> <p>Due to the importance of the IT systems and related control environment on the Holding 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.</p>	<p>Our key audit procedures with the involvement of our IT specialists included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the Holding Company's IT related control environment and conducted risk assessment and identified IT applications, data bases and operating systems that are relevant to our audit.</li> <li>• Tested the design and operating effectiveness of the Holding Company's IT controls over the IT applications as identified above;</li> <li>• On such in-scope IT systems, we have tested key IT general controls with respect to the following domains: <ul style="list-style-type: none"> <li>a. Program change management which includes controls on moving program changes to production environment as per defined procedures and relevant segregation of environments</li> <li>b. User access management which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties.</li> </ul> </li> <li>• We also evaluated the design and tested the operating effectiveness of key automated controls within various business processes.</li> <li>• Where deficiencies were identified, tested compensating controls or performed alternative procedures.</li> </ul>



### 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 Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we 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, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### 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 Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. 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 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 Board of 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 Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also 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 in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of Board of Directors' 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the

underlying transactions and events in a manner that achieves fair presentation; and

- Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, to express an opinion on the consolidated 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 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

15. We did not audit the financial statements of one subsidiary, whose financial reflects total assets of ₹ 736 lakhs and net assets of ₹ 378 Lakhs as at 31 March 2024, total revenues of ₹ 6,459 lakhs and net cash inflows amounting to ₹ 22 lakhs for the year ended on that date, as considered in the consolidated

financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, are based solely on the reports of the other auditors.

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.

16. The consolidated financial statements of the Group for the year ended 31 March 2023 were audited Walker Chandiook & Co LLP, who have expressed an unmodified opinion on those consolidated financial statements vide their audit report dated 16 May 2023, whose reports has been furnished to Kirtane & Pandit LLP and which has been relied upon by them for the purpose of their audit of the consolidated financial statements.

### Report on Other Legal and Regulatory Requirements

17. 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 15, on separate financial statements of the subsidiary, we report that the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act have 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.
18. 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 other auditor, of companies included in the consolidated financial statements for the year ended 31 March 2024 and covered under the Act we report that:
  - A) Following are the qualifications/adverse remarks reported by us and the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2024 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	Clause vii(a)
2	Aadhar Sales and Services Private Limited	U74999MH2017PTC297139	Subsidiary Company	Clause vii(a)

19. 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 separate financial statements and other financial information of the subsidiary incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of 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 report of the other auditor, except for the matters stated in paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
  - 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 Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
  - 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 the report of the statutory auditor of its subsidiary, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.
  - f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 19(b) above on reporting under section 143(3) (b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
  - g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I' wherein we have expressed an unmodified opinion; and
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary incorporated in India whose financial statements have been audited under the Act:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 32 to the consolidated financial statements;
    - ii. The Holding Company and its subsidiary company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company during the year ended 31 March 2024;
    - iv.
      - a. The respective managements of the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief as disclosed in note 54 to the consolidated financial statements, 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 Holding Company or its subsidiary 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 Holding Company, or any such subsidiary company, ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
      - b. The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the note 55 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary 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 by us and that performed by the auditors of the subsidiary, as considered reasonable and appropriate in the circumstances, nothing

has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

- v. The Holding Company and its subsidiary, have not declared or paid any dividend during the year ended 31 March 2024.
- vi. Based on our examination which included test checks and that performed by the auditor of the subsidiary of the Holding Company which is a company incorporated in India and audited under the Act, the Holding Company and its subsidiary,

in respect of financial year commencing on 1 April 2023, have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have operated throughout the year for all relevant transactions recorded in the software except that, the audit trail feature was not fully enabled for accounting software to log any direct data changes at database level with respect to the Holding Company. Further, during the course of our audit we and respective auditors of the above referred subsidiary did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

**Manish Gujral**

Partner

Membership No. 105117

**UDIN: 24105117BKDAOZ8853**

Place: Mumbai

Date: 29 May 2024

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm Registration No: 105215W/W100057

**Sandeep D Welling**

Partner

Membership No. 044576

**UDIN: 24044576BKAUDF6124**

Place: Mumbai

Date: 29 May 2024



## Annexure I to the Independent Auditor's Report of even date to the members of Aadhar Housing Finance Limited on the consolidated financial statements for the year ended 31 March 2024

### 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 subsidiaries together referred to as 'the Group'), as at and for the year ended **31 March 2024**, we have audited the internal financial controls with reference to the consolidated 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 consolidated financial statements criteria established by the respective companies 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 its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to the consolidated 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 the consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated 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 auditor 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 consolidated 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 report of the other auditor 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 2024, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note.

### 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 company covered under the Act, whose financial statements reflect total assets of ₹ 736 Lakhs and net assets of ₹ 378 Lakhs as at 31 March 2024, total revenues of ₹ 6,459 Lakhs and net cash inflows amounting to ₹ 22 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company have been audited by other auditor whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements for the Holding Company and its 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 Registration No: 001076N/N500013

#### Manish Gujral

Partner

Membership No. 105117

**UDIN: 24105117BKDAOZ8853**

Place: Mumbai

Date: 29 May 2024

#### For Kirtane & Pandit LLP

Chartered Accountants

Firm Registration No: 105215W/W100057

#### Sandeep D Welling

Partner

Membership No. 044576

**UDIN: 24044576BKAUDF6124**

Place: Mumbai

Date: 29 May 2024

# Consolidated Balance Sheet

as at March 31, 2024

(₹ in Lakh)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
<b>Assets</b>			
<b>1. Financial assets</b>			
a) Cash and cash equivalents	4	35,626	40,514
b) Bank balances other than cash and cash equivalents	4	91,717	1,51,286
c) Receivables	5	1,953	797
d) Housing and other loans	6	16,90,294	13,85,145
e) Investments	7	46,197	45,940
f) Other financial assets	8	26,560	25,885
		<b>18,92,347</b>	<b>16,49,567</b>
<b>2. Non-financial assets</b>			
a) Current tax assets (net)	9	1,102	882
b) Property, plant and equipment	10	2,999	2,475
c) Right of use assets	34	4,856	3,828
d) Other intangible assets	11	127	29
e) Deferred tax assets	20	39	26
f) Other non-financial assets	12	7,836	4,980
		<b>16,959</b>	<b>12,220</b>
<b>Total assets</b>		<b>19,09,306</b>	<b>16,61,787</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
<b>1. Financial liabilities</b>			
a) Trade payables	13		
i) Total outstanding dues to micro enterprises and small enterprises		35	36
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		10,829	8,014
b) Debt securities	14	2,73,883	2,54,213
c) Borrowings (other than debt securities)	15	11,16,002	9,54,273
d) Deposits	16	118	312
e) Subordinated liabilities	17	5,959	6,547
f) Other financial liabilities	18	52,435	63,847
		<b>14,59,261</b>	<b>12,87,242</b>
<b>2. Non-financial liabilities</b>			
a) Provisions	19	2,356	1,749
b) Deferred tax liabilities (net)	20	215	944
c) Other non-financial liabilities	21	2,499	2,086
		<b>5,070</b>	<b>4,779</b>
<b>3. Equity</b>			
a) Equity share capital	22	39,476	39,476
b) Other equity	23	4,05,499	3,30,290
		<b>4,44,975</b>	<b>3,69,766</b>
<b>Total liabilities and equity</b>		<b>19,09,306</b>	<b>16,61,787</b>

The accompanying material accounting policy information and notes form an integral part of the consolidated financial statements in terms of our report of even date attached.

For **Walker Chandiook & Co LLP**

Chartered Accountants

ICAI Firm Registration No: 001076N/N500013

For **Kirtane & Pandit LLP**

Chartered Accountants

ICAI Firm Registration No: 105215W/W100057

For and on behalf of the Board of Directors

**Manish Gujral**

Partner

Membership No.: 105117

**Sandeep D Welling**

Partner

Membership No.: 044576

**Deo Shankar Tripathi**

Executive Vice-Chairman

DIN 07153794

**Rishi Anand**

Managing Director & CEO

DIN 02303503

**Sharmila Abhay Karve**

Independent Director

DIN 05018751

**Prateek Roongta**

Director

DIN 00622797

Place: Mumbai

Date: May 29, 2024

Place: Mumbai

Date: May 29, 2024

**Rajesh Viswanathan**

Chief Financial Officer

**Harshada Pathak**

Company Secretary

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in Lakh)

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>1 Income</b>			
<b>Revenue from operations</b>			
a) Interest income	24	2,26,933	1,77,628
b) Fees and commission income	24	17,421	10,473
c) Net gain on fair value changes	24	2,237	3,179
d) Net gain on derecognition of financial instruments under amortised cost category	24	12,090	13,043
<b>Total revenue from operations</b>		<b>2,58,681</b>	<b>2,04,323</b>
Other income	25	17	29
<b>Total income</b>		<b>2,58,698</b>	<b>2,04,352</b>
<b>2 Expenses</b>			
Finance costs	26	98,669	79,919
Impairment on financial instruments	27	4,123	4,921
Employees benefits expense	28	40,348	32,201
Depreciation and amortisation expense	10, 11 & 34	2,098	1,649
Other expenses	29	17,501	13,580
<b>Total expenses</b>		<b>1,62,739</b>	<b>1,32,270</b>
<b>3 Profit before tax and exceptional item (1-2)</b>		<b>95,959</b>	<b>72,082</b>
<b>4 Exceptional item</b>	59	-	2,500
<b>5 Profit before tax (3-4)</b>		<b>95,959</b>	<b>69,582</b>
<b>6 Tax expense</b>			
Current tax	30	21,751	15,711
Deferred tax charge / (credit)	30	(756)	(605)
		<b>20,995</b>	<b>15,106</b>
<b>7 Profit for the year (5-6)</b>		<b>74,964</b>	<b>54,476</b>
<b>8 Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
i Remeasurements of the defined employee benefit plans		56	78
ii Income tax relating to items that will not be reclassified to profit or loss		(14)	(20)
<b>Total other comprehensive income for the year (i + ii)</b>		<b>42</b>	<b>58</b>
<b>9 Total comprehensive income (7+8)</b>		<b>75,006</b>	<b>54,534</b>
<b>10 Earnings per equity share</b>			
Basic earnings per share (₹)	31	18.99	13.80
Diluted earnings per share (₹)	31	18.35	13.39

The accompanying material accounting policy information and notes form an integral part of the consolidated financial statements  
In terms of our report of even date attached.

For **Walker Chandiook & Co LLP**

Chartered Accountants

ICAI Firm Registration No: 001076N/N500013

For **Kirtane & Pandit LLP**

Chartered Accountants

ICAI Firm Registration No: 105215W/W100057

For and on behalf of the Board of Directors

**Manish Gujral**

Partner

Membership No.: 105117

**Sandeep D Welling**

Partner

Membership No.: 044576

**Deo Shankar Tripathi**

Executive Vice-Chairman

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**Rishi Anand**

Managing Director & CEO

DIN 02303503

**Sharmila Abhay Karve**

Independent Director

DIN 05018751

**Prateek Roongta**

Director

DIN 00622797

Place: Mumbai

Date: May 29, 2024

Place: Mumbai

Date: May 29, 2024

**Rajesh Viswanathan**

Chief Financial Officer

**Harshada Pathak**

Company Secretary



# Consolidated Statement of Cash flow

for the year ended March 31, 2024

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A. Cash flow from operating activities</b>		
Profit before tax	95,959	69,582
Adjustments for:		
Depreciation and amortisation expense	2,098	1,649
Loss / (Profit) on sale of fixed assets (Net)	34	(29)
Interest on lease liabilities	425	350
Impairment on financial instruments	4,123	4,921
Profit on sale of investment in mutual fund and other investments	(2,237)	(3,179)
Provision for Employee share based payments	203	563
<b>Operating profit before working capital changes</b>	<b>1,00,605</b>	<b>73,857</b>
Adjustments for:		
(Decrease) / Increase in other financial and non-financial liabilities and provisions	(8,779)	21,068
Increase in trade receivables	(1,156)	(278)
Increase in other financial and non-financial assets	(5,597)	(3,258)
<b>Cash generated from operations during the year</b>	<b>85,073</b>	<b>91,389</b>
Tax paid (Net of refund)	(21,971)	(14,171)
<b>Net cash flow generated from operations before movement in housing and other loans</b>	<b>63,102</b>	<b>77,218</b>
Housing and other property loans disbursed	(7,07,247)	(5,90,261)
Proceeds from assignment and co-lending of portfolio	1,63,063	1,26,240
Housing and other property loans repayments	2,38,198	2,71,234
<b>Net cash used in operating activities [A]</b>	<b>(2,42,884)</b>	<b>(1,15,569)</b>
<b>B. Cash flow from investing activities</b>		
Proceeds received on sale / redemption of investments	5,33,789	8,30,799
Payment towards purchase of investments	(5,31,647)	(8,39,758)
Investment in fixed deposits (net of maturities)	59,569	(37,687)
Payment towards purchase of fixed assets	(1,544)	(1,044)
Proceeds received on sale of fixed assets	20	37
<b>Net cash generated from / (used in) investing activities [B]</b>	<b>60,187</b>	<b>(47,653)</b>
<b>C. Cash flow from financing activities</b>		
Share issue expenses / expenses towards offer for sale of shares	(1,419)	(587)
Proceeds from loans from banks/institutions	2,94,153	1,79,000
Proceeds from loans from NHB	1,40,500	1,19,500
Proceeds from Non-convertible debentures	1,32,000	91,700
Repayment of loans to banks/institutions	(1,85,514)	(1,68,540)
Repayment of loans to NHB	(87,599)	(57,831)
Repayment of Non-convertible debentures	(1,12,777)	(15,300)
Repayment of deposits	(203)	(565)
Payment of lease liabilities	(1,332)	(1,058)
<b>Net cash generated from financing activities [C]</b>	<b>1,77,809</b>	<b>1,46,319</b>
<b>Net decrease in cash and cash equivalents [A+B+C]</b>	<b>(4,888)</b>	<b>(16,903)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>40,514</b>	<b>57,417</b>
<b>Cash and cash equivalents at the end of the year (refer note 4)</b>	<b>35,626</b>	<b>40,514</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	246	97
Balances with banks in current accounts	5,221	6,987
Balances with banks in deposits accounts with original maturity of less than 3 months	30,159	33,430
	<b>35,626</b>	<b>40,514</b>

The accompanying material accounting policy information and notes form an integral part of the consolidated financial statements  
In terms of our report of even date attached.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
ICAI Firm Registration No: 001076N/N500013

For **Kirtane & Pandit LLP**  
Chartered Accountants  
ICAI Firm Registration No: 105215W/W100057

For and on behalf of the Board of Directors

**Manish Gujral**  
Partner  
Membership No.: 105117

**Sandeep D Welling**  
Partner  
Membership No.: 044576

**Deo Shankar Tripathi**  
Executive Vice-Chairman  
DIN 07153794

**Rishi Anand**  
Managing Director & CEO  
DIN 02303503

**Sharmila Abhay Karve**  
Independent Director  
DIN 05018751

**Prateek Roongta**  
Director  
DIN 00622797

Place: Mumbai  
Date: May 29, 2024

Place: Mumbai  
Date: May 29, 2024

**Rajesh Viswanathan**  
Chief Financial Officer

**Harshada Pathak**  
Company Secretary

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

## a) Equity Share Capital

For the year ended March 31, 2024

(₹ in Lakh)

Particulars	Amount
Balance as at April 01, 2023	39,476
Changes in equity share capital during the year	-
Balance as at March 31, 2024	39,476

For the year ended March 31, 2023

(₹ in Lakh)

Particulars	Amount
Balance as at April 01, 2022	39,476
Changes in equity share capital during the year	-
Balance as at March 31, 2023	39,476

## b) Other Equity

For the year ended March 31, 2023

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, 2022	6	1,33,700	34,995	16,910	13,619	1,487	74,476	2,75,193
Profit for the year	-	-	-	-	-	-	54,476	54,476
Other comprehensive income	-	-	-	-	-	-	58	58
Transferred to statutory reserve	-	-	10,900	-	-	-	(10,900)	-
Transferred to general reserve	-	-	-	-	5,450	-	(5,450)	-
Employee Stock Option Outstanding	-	-	-	-	-	563	-	563
Balance as at March 31, 2023	6	1,33,700	45,895	16,910	19,069	2,050	1,12,660	3,30,290

Retained earnings includes remeasurement of defined benefit plans accumulated loss (net of tax) of ₹ 35 Lakh as at March 31, 2023.

For the year ended March 31, 2024

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, 2023	6	1,33,700	45,895	16,910	19,069	2,050	1,12,660	3,30,290
Profit for the year	-	-	-	-	-	-	74,964	74,964
Other comprehensive income	-	-	-	-	-	-	42	42
Transferred to general reserve	-	-	-	-	7,485	-	(7,485)	-
Transferred to statutory reserve	-	-	14,970	-	-	-	(14,970)	-
Employee Stock Option Outstanding	-	-	-	-	-	203	-	203
Balance as at March 31, 2024	6	1,33,700	60,865	16,910	26,554	2,253	1,65,211	4,05,499

Retained earnings includes remeasurement of defined benefit plans accumulated profit (net of tax) of ₹ 7 Lakh as at March 31, 2024.

The accompanying material accounting policy information and notes form an integral part of the consolidated financial statements  
In terms of our report of even date attached.

For **Walker Chandiook & Co LLP**

Chartered Accountants

ICAI Firm Registration No: 001076N/N500013

For **Kirtane & Pandit LLP**

Chartered Accountants

ICAI Firm Registration No: 105215W/W100057

For and on behalf of the Board of Directors

**Manish Gujral**

Partner

Membership No.: 105117

**Sandeep D Welling**

Partner

Membership No.: 044576

**Deo Shankar Tripathi**

Executive Vice-Chairman

DIN 07153794

**Rishi Anand**

Managing Director & CEO

DIN 02303503

**Sharmila Abhay Karve**

Independent Director

DIN 05018751

**Prateek Roongta**

Director

DIN 00622797

Place: Mumbai

Date: May 29, 2024

Place: Mumbai

Date: May 29, 2024

**Rajesh Viswanathan**

Chief Financial Officer

**Harshada Pathak**

Company Secretary

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

### 1. Corporate information

Aadhar Housing Finance Limited (formerly known as DHFL Vysya Housing Finance Limited) (the "Parent Company") was incorporated in India in the name of Vysya Bank Housing Finance Limited ("VBHFL") on 26 November, 1990. The Parent Company has one subsidiary, Aadhar Sales and Services Private Limited, which is incorporated in India (the Parent Company and the subsidiary collectively referred to as "the Group" or "the Company"). 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").

The Parent Company is a Public Limited Company and has listed Equity shares on May 15, 2024 on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). Company's Non-Convertible Debentures (NCDs) are listed on the Bombay Stock Exchange (BSE).

The financials were authorized for issue by the Company's Board of Directors on May 29, 2024.

### 2. Material accounting policy information

#### 2.1 Basis of preparation and presentation

The Consolidated Financial Statements of the Company comprises the Consolidated Balance Sheet as at March 31, 2024, and 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 ended March 31, 2024 and a summary of material accounting policy information and other explanatory information (together referred to as the "Consolidated Financial Statements").

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, the guidelines and the master directions issued by the Reserve Bank of India (the "RBI") and National Housing Bank (the "NHB") from time to time to the extent applicable.

#### 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.

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

Details of Companies Consolidated in these consolidated financial statements

Name of the Company	Type	Country of Incorporation	Holding As at March 31, 2023	Holding As at March 31, 2022
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 towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.

#### 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 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".



## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

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 been 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

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

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. Compensated absences

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.

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

### 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 except trade receivables which is recorded at transaction price. 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.

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

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



## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

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 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
- 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
- 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

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

- 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

- 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.

- 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

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

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

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

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 Parent 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.

#### New and Amended Standards

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

#### Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statement. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is not significant to the financial statements.



## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

### 4. Cash and bank balances

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Cash and cash equivalents</b>		
a) Cash on hand	246	97
b) Balances with banks in current accounts	5,221	6,987
c) Balances with banks in deposits accounts with original maturity of less than 3 months (refer note (i) below)	30,159	33,430
	<b>35,626</b>	<b>40,514</b>
<b>Bank balances other than cash and cash equivalents</b>		
a) In other deposit accounts		
- Original maturity of more than three months (refer note (ii) & (iii) below)	91,715	1,51,284
b) Earmarked balances with banks		
- Unclaimed dividend account	2	2
	91,717	1,51,286
<b>Total</b>	<b>1,27,343</b>	<b>1,91,800</b>

- 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) Cash and bank balances includes deposits of ₹ 17,426 Lakh for March 31, 2024 which are under lien including lien towards unutilized bank overdraft. (March 31, 2023: ₹ 28,251 Lakh).

### 5. Receivables

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Trade receivables</b>		
Unsecured, considered good	1,953	797
<b>Total</b>	<b>1,953</b>	<b>797</b>

- i) Trade receivables includes amounts due from the related parties amounting to Nil (March 31, 2024 : 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, 2024

(₹ 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	(532)	2,475	1	-	9	-	1,953
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

(₹ 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	
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

### As At March 31, 2023

(₹ 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	-	795	1	1	-	-	797
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

Note: Date of the transaction considered as due date of payment

- v) Impairment allowance for trade receivable is Nil and therefore related disclosures are not given in the financial statement.

## 6. Housing and other loans

(₹ in Lakh)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
<b>Secured by tangible assets</b>		
<b>Term Loans - at amortised cost</b>		
i) Housing and other property loans	16,94,425	13,90,434
ii) Interest accrued on above loans	16,690	13,321
<b>Total gross</b>	<b>17,11,115</b>	<b>14,03,755</b>
Less: Impairment loss allowance	20,821	18,610
<b>Total net</b>	<b>16,90,294</b>	<b>13,85,145</b>

- 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.

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

- 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 ₹ 4,14,046 Lakh (March 31, 2023: ₹ 3,28,179 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, 2023 : Nil).
- vi) Housing loan and other property loan includes ₹ 18,888 Lakh (March 31, 2023: ₹ 12,526 Lakh) given to employees of the Company under the staff loan.
- vii) Housing loan and other property loan includes ₹ 5,806 Lakh (March 31, 2023: ₹ 3,976 Lakh) in respect of properties held for disposal under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
- viii) The Company have created an additional impairment provision of ₹ 6,993 Lakh as at March 31, 2024 (March 31, 2023 : ₹ 7,631 Lakh) on account of management overlay and One time restructuring.

### 7. Investments

Particulars	(₹ in Lakh)			
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	No's of Units / Shares		(₹ in Lakh)	
<b>At amortised cost</b>				
<b>Investments in Government Securities</b>				
6.54% GOI Bonds 2032 (Face Value of ₹ 100 each)	1,25,00,000	1,25,00,000	11,966	11,900
6.10% GOI Bonds 2031 (Face Value of ₹ 100 each)	2,75,00,000	2,75,00,000	26,981	26,886
6.57% GOI Bonds 2033 (Face Value of ₹ 100 each)	5,00,000	5,00,000	496	495
7.26% GOI Bonds 2032 (Face Value of ₹ 100 each)	50,00,000	50,00,000	4,985	4,996
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd (Face Value of ₹ 70,000 each) (Face Value of ₹ 80,000 each for March 31, 2023) (refer note iii below)	2,000	2,000	1,355	1,544
			<b>45,783</b>	<b>45,821</b>
<b>At fair value through profit and loss</b>				
<b>Investments in mutual funds</b>				
Axis Liquid Fund - Direct Growth	14,041	863	178	10
Invesco India Liquid Fund Direct Growth	-	2,236	-	25
ICICI Prudential Liquid Fund - Direct Plan - Growth	18,316	6,657	236	81
Investments in mutual funds			<b>414</b>	<b>116</b>
<b>At fair value through profit and loss</b>				
<b>Investments in quoted equity instruments (others than subsidiary)</b>				
Reliance Power Limited Equity Shares (Face value of ₹ 10 each)	-	222	-	0
IDFC First Bank Limited Equity Shares (Face value of ₹ 10 each)	-	2,390	-	1
Sharmrao Vithal Co-operative Bank Equity Shares (Face value of ₹ 10 each)	100	100	0	0
Mangalore Refinery and Petrochemical Limited Equity Shares (Face value of ₹ 10 each)	-	3,000	-	2
			<b>0</b>	<b>3</b>
<b>Total</b>			<b>46,197</b>	<b>45,940</b>

#### Notes :

- i) Amount "0" represent value less than ₹ 50,000.
- ii) All investments are made within India.
- iii) Investment in bonds aggregating to ₹ 1,355 Lakh (March 31, 2023: ₹ 1,544 Lakh) carry a floating charge in favour of fixed deposits holder read with note no 16.

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

### 8. Other financial assets

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Unsecured, Considered Good</b>		
Receivable from related parties		
<b>Others</b>		
Receivable from assigned portfolio	25,529	25,017
Security deposits	1,031	868
<b>Total</b>	<b>26,560</b>	<b>25,885</b>

### 9. Current tax assets (net)

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax paid in advance (net of provisions)	1,102	882
<b>Total</b>	<b>1,102</b>	<b>882</b>

### 10. Property, plant and equipment

Particulars	Freehold Land	Building - Owned	Furniture & Fixture	Office Equipments	Vehicles	Computer	Total
<b>Balance as at April 01, 2022</b>	27	13	1,596	860	26	1,607	4,129
Additions during the year	-	-	312	154	-	585	1,051
Deduction / adjustments	-	-	(62)	(41)	(1)	(236)	(340)
<b>Balance as at March 31, 2023</b>	27	13	1,846	973	25	1,956	4,840
<b>Balance as at April 01, 2023</b>	27	13	1,846	973	25	1,957	4,841
Additions during the year	-	-	443	188	-	793	1,424
Deduction / adjustments	-	-	(119)	(103)	-	(182)	(404)
<b>Balance as at March 31, 2024</b>	27	13	2,170	1,058	25	2,568	5,861
<b>Accumulated depreciation</b>							
<b>Balance as at April 01, 2022</b>	-	5	548	417	10	1,068	2,048
Depreciation for the year	-	2	189	98	4	336	629
Deduction / adjustments	-	(1)	(43)	(24)	-	(244)	(312)
<b>Balance as at March 31, 2023</b>	-	6	694	491	14	1,160	2,365
<b>Balance as at April 01, 2023</b>	-	6	694	491	14	1,160	2,365
Depreciation for the year	-	3	216	97	4	527	847
Deduction / adjustments	-	-	(87)	(84)	-	(179)	(350)
<b>Balance as at March 31, 2024</b>	-	9	823	504	18	1,508	2,862
<b>Net book value</b>							
<b>As at March 31, 2023</b>	27	7	1,152	482	11	796	2,475
<b>As at March 31, 2024</b>	27	4	1,347	554	7	1,060	2,999



## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

### Title deeds of Immovable Properties not held in name of the Company:-

Particulars of the land and building	Gross block as at March 31, 2024	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	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	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	November 20, 2017 (date of Amalgamation)	

- 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
- In None of the title deed mentioned above Promoter , Director, or relative of promoter / director or employee of promoter / director is holder of title deed

### 11. Other intangible asset

(₹ in Lakh)

Particulars	Amount
<b>Balance as at April 01, 2022</b>	<b>336</b>
Additions during the year	1
Deduction / adjustments	-
<b>Balance as at March 31, 2023</b>	<b>337</b>
<b>Balance as at April 01, 2023</b>	<b>337</b>
Additions during the year	156
Deduction / adjustments	-
<b>Balance as at March 31, 2024</b>	<b>493</b>
<b>Accumulated depreciation</b>	
<b>Balance as at April 01, 2022</b>	<b>257</b>
Depreciation for the year	51
Deduction / adjustments	-
<b>Balance as at March 31, 2023</b>	<b>308</b>
<b>Balance as at April 01, 2023</b>	<b>308</b>
Depreciation for the year	58
Deduction / adjustments	-
<b>Balance as at March 31, 2024</b>	<b>366</b>
<b>Net book value</b>	
<b>As at March 31, 2023</b>	<b>29</b>
<b>As at March 31, 2024</b>	<b>127</b>

Note: Other Intangible Assets includes Computer Software

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

### 12. Other non-financial assets

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Asset held for sale	396	396
Less : Provision for diminution in the value of asset held for sale	(185)	(185)
	<b>211</b>	<b>211</b>
Prepaid expenses	1,092	625
Capital advance	9	46
Advance for expenses and other advances	2,207	1,260
Unamortised share issue expenses [Refer Note i below]	3,978	2,559
Balance with government authorities	339	279
<b>Total</b>	<b>7,836</b>	<b>4,980</b>

#### 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, 2024	As at March 31, 2023
Total outstanding dues to micro enterprises and small enterprises (Refer Note a and b below)	35	36
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note b and c below)	10,829	8,014
<b>Total</b>	<b>10,864</b>	<b>8,050</b>

- 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, 2024 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

- b) Trade Payables ageing schedule

#### As At March 31, 2024

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*	-	35	-	-	-	35
Others	10,782	39	8	-	-	10,829
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>10,782</b>	<b>74</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>10,864</b>

\*GST credit disputed Cases

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

### As At March 31, 2023

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	-	36	-	-	-	36
Others	7,973	36	5	-	-	8,014
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>7,973</b>	<b>72</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>8,050</b>

Note: Date of the transaction considered as due date of payment

- c) Trade Payables includes ₹ 147 Lakh (March 31, 2023: ₹ 116 Lakh) due to related parties [Refer Note 43].

## 14. Debt securities

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>At amortised cost</b>		
<b>Secured</b>		
Redeemable non convertible debentures	2,73,883	2,54,213
<b>Total</b>	<b>2,73,883</b>	<b>2,54,213</b>

- 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, 2024

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
<b>Secured</b>					
Redeemable non convertible debentures	6.90% to 9.80%	1,84,684	81,324	8,775	2,74,783

### As At March 31, 2023

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
<b>Secured</b>					
Redeemable non convertible debentures	6.90% to 9.80%	1,79,671	46,840	28,449	2,54,960

Maturity profile disclosed above excludes discount/premium and EIR adjustments amounting to ₹ 900 Lakh (March 31, 2023: ₹ 747 Lakh).

### List of Redeemable debentures

(₹ in Lakh)

Sr No.	ISIN	Rate of interest	Date of Redemption	As at March 31, 2024	As at March 31, 2023
1	INE538L07296	9.30%	28-Apr-2023	-	1,000
2	INE538L07296	9.30%	28-Apr-2023	-	130
3	INE883F07017	9.40%	5-May-2023	-	3,000
4	INE538L07304	9.50%	13-May-2023	-	500
5	INE883F07165	9.15%	20-Jun-2023	-	20,000
6	INE538L07502 <sup>#</sup>	9.25%	29-Sep-2023	-	3,051
7	INE538L07510 <sup>#</sup>	9.65%	29-Sep-2023	-	1,896
8	INE883F07124	9.36%	27-Oct-2023	-	400

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

(₹ in Lakh)

Sr No.	ISIN	Rate of interest	Date of Redemption	As at March 31, 2024	As at March 31, 2023
9	INE883F07140	9.40%	21-Nov-2023	-	1,800
10	INE883F07140	9.40%	21-Nov-2023	-	200
11	INE883F07157	9.40%	22-Nov-2023	-	900
12	INE538L07056	9.80%	23-Mar-2025	2,500	2,500
13	INE538L07163	9.60%	6-Jan-2026	1,000	1,000
14	INE538L07163	9.60%	6-Jan-2026	1,000	1,000
15	INE538L07163	9.60%	6-Jan-2026	1,000	1,000
16	INE538L07189	9.60%	19-Jan-2026	1,000	1,000
17	INE538L07197	9.60%	19-Jan-2026	100	100
18	INE538L07197	9.60%	19-Jan-2026	170	170
19	INE538L07205	9.60%	25-Jan-2026	1,000	1,000
20	INE538L07205	9.60%	25-Jan-2026	1,000	1,000
21	INE538L07213	9.55%	29-Jan-2026	500	500
22	INE538L07213	9.55%	29-Jan-2026	100	100
23	INE538L07213	9.55%	29-Jan-2026	500	500
24	INE538L07213	9.55%	29-Jan-2026	100	100
25	INE538L07221	9.55%	1-Mar-2026	1,000	1,000
26	INE538L07254	9.55%	22-Mar-2026	2,000	2,000
27	INE538L07270	9.55%	31-Mar-2026	1,000	1,000
28	INE538L07270	9.55%	31-Mar-2026	250	250
29	INE883F07025	9.40%	5-May-2026	2,000	2,000
30	INE883F07041	9.35%	8-Jul-2026	200	200
31	INE883F07058	9.40%	13-Jul-2026	120	120
32	INE883F07066	9.28%	18-Jul-2026	200	200
33	INE883F07074	9.15%	5-Aug-2026	120	120
34	INE538L07379	9.00%	16-Nov-2026	500	500
35	INE538L07528*	9.35%	29-Sep-2028	955	955
36	INE538L07536*	9.75%	29-Sep-2028	1,168	1,168
37	INE883F07173	8.00%	5-May-2023	-	20,000
38	INE883F07181	8.20%	17-Aug-2023	-	30,000
39	INE883F07199	8.20%	1-Sep-2023	-	16,500
40	INE883F07215	8.10%	20-Oct-2025	5,000	5,000
41	INE883F07223	7.10%	7-Oct-2024	9,900	9,900
42	INE883F07231	6.90%	29-Oct-2024	6,000	12,000
43	INE883F07249	7.15%	9-Dec-2026	10,000	10,000
44	INE883F07256	9.55%*	24-Feb-2026	5,000	7,500
45	INE883F07264	8.69%*	15-Jun-2029	35,100	35,100
46	INE883F07272	8.64%*	15-Jun-2029	35,100	35,100
47	INE883F07298	8.55%*	6-Feb-2028	8,000	10,000
48	INE883F07280	8.55%*	6-Jan-2028	9,200	11,500
49	INE883F07306	8.50%	26-May-2026	27,500	-
50	INE883F07314	8.50%	17-Aug-2026	50,000	-
51	INE883F07322	8.35%*	31-Oct-2028	10,000	-
52	INE883F07330	8.65%	21-Aug-2027	30,000	-
53	INE883F07348	8.25%*	28-Mar-2029	14,500	-
				<b>2,74,783</b>	<b>2,54,960</b>

\*Floating rate linked to RBI repo

\*Publicly issued NCD



## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

- iii) The Company has raised ₹ 1,32,000 Lakh (March 31, 2023 : ₹ 91,700 Lakh) from Secured Redeemable Non Convertible Debentures (NCDs) during the year ended March 31, 2024. 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.

### 15. Borrowings (other than debt securities)

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Secured</b>		
<b>At amortised cost</b>		
<b>Term Loans</b>		
from banks	7,62,895	6,54,067
from National Housing Bank	3,53,107	3,00,206
<b>Total</b>	<b>11,16,002</b>	<b>9,54,273</b>

- i) All borrowings are issued in India
- ii) Terms of repayment and rate of interest in case of Borrowings:

#### As at March 31, 2024

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
<b>Secured</b>					
Term loan from banks	Floating*	3,63,563	2,10,418	1,90,024	7,64,005
Term Loan from National Housing Bank	2.80% to 8.40%	1,87,814	97,483	67,810	3,53,107

#### As at March 31, 2023

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
<b>Secured</b>					
Term loan from banks	Floating*	3,34,442	1,97,444	1,23,480	6,55,366
Term Loan from National Housing Bank	2.80% to 7.30%	1,51,110	90,981	58,115	3,00,206

\*(Linked with MCLR/Base Rate of respective banks)

Maturity profile disclosed above excludes EIR adjustments amounting to ₹ 1,110 Lakh (March 31, 2023 : ₹ 1,299 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 2024 and November 2038. 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 April 2024 and January 2034. 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.

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

- 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, 2024	As at March 31, 2023
<b>Deposit</b>		
<b>At amortised cost</b>		
Public deposits	118	312
<b>Total</b>	<b>118</b>	<b>312</b>

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.

### 17. Subordinated liabilities

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Unsecured at amortised cost</b>		
Redeemable non convertible debentures	5,959	6,547
<b>Total</b>	<b>5,959</b>	<b>6,547</b>

- 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, 2024

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
Redeemable non convertible debentures	9.75% to 10.00%	6,000	-	-	6,000

#### As at March 31, 2023

Particulars	Interest Rate	0-3 Years	3-5 Years	>5 Years	Total
Redeemable non convertible debentures	9.75% to 10.00%	600	6,000	-	6,600

Maturity profile disclosed above excludes EIR adjustments amounting to ₹ 41 Lakh (March 31, 2023: ₹ 53 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.

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

### 18. Other financial liabilities

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Book overdraft	22,943	35,908
Lease liabilities (refer note 34)	5,109	3,795
Accrued employee benefits	5,157	6,575
Interest accrued but not due - Deposits	4	4
Interest accrued but not due - Others	10,020	8,398
Amount payable under assignment of receivables	9,131	9,086
Unpaid dividend (refer note below)	2	3
Unpaid matured deposits and interest accrued thereon	69	78
<b>Total</b>	<b>52,435</b>	<b>63,847</b>

The Company has transferred a sum of ₹ 0.67 Lakh during the year ended March 31, 2024 (March 31, 2023 : ₹ 0.65 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, 2024	As at March 31, 2023
<b>Provision for employee benefits</b>		
Provision for compensated absences	1,101	878
Provision for gratuity (refer note 40)	1,255	871
<b>Total</b>	<b>2,356</b>	<b>1,749</b>

### 20. Deferred tax liabilities (net)

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Deferred tax liabilities</b>		
Deferred tax liabilities	6,224	6,485
Deferred Tax Assets	6,009	5,541
<b>Deferred tax liabilities (net)</b>	<b>215</b>	<b>944</b>
<b>Deferred Tax Assets</b>		
Deferred Tax Assets	39	26
<b>Total deferred tax liabilities (net)</b>	<b>176</b>	<b>918</b>

#### Deferred tax assets and liabilities in relation to:

(₹ in Lakh)

Particulars	As at April 1, 2023	Charged to Profit and Loss	Charged to Other Comprehensive Income	As at March 31, 2024
<b>Deferred tax liabilities</b>				
Fair value on Amalgamation	390	(390)	-	-
Net gain on derecognition of financial instruments under amortised cost category	6,095	129	-	6,224
	<b>6,485</b>	<b>(261)</b>	<b>-</b>	<b>6,224</b>

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

(₹ in Lakh)

Particulars	As at April 1, 2023	Charged to Profit and Loss	Charged to Other Comprehensive Income	As at March 31, 2024
<b>Deferred tax assets</b>				
On difference between book balance and tax balance of assets	115	12	-	127
On account of impairment on financial instruments	4,280	250	-	4,530
On account of provision for employee benefits	440	169	(14)	595
Others	732	64	-	796
	<b>5,567</b>	<b>495</b>	<b>(14)</b>	<b>6,048</b>
<b>Net Deferred tax (assets)/liabilities</b>	<b>918</b>	<b>(756)</b>	<b>14</b>	<b>176</b>

### Deferred tax assets and liabilities in relation to:

(₹ in Lakh)

Particulars	As at April 1, 2022	Charged to Profit and Loss	Charged to Other Comprehensive Income	As at March 31, 2023
<b>Deferred tax liabilities</b>				
Fair value on Amalgamation	780	(390)	-	390
Net gain on derecognition of financial instruments under amortised cost category	5,815	280	-	6,095
	<b>6,595</b>	<b>(110)</b>	<b>-</b>	<b>6,485</b>
<b>Deferred tax assets</b>				
On difference between book balance and tax balance of assets	118	(3)	-	115
On account of impairment on financial instruments	3,979	301	-	4,280
On account of provision for employee benefits	324	136	(20)	440
Others	671	61	-	732
	<b>5,092</b>	<b>495</b>	<b>(20)</b>	<b>5,567</b>
<b>Net Deferred tax (assets)/liabilities</b>	<b>1,503</b>	<b>(605)</b>	<b>20</b>	<b>918</b>

## 21. Other non-financial liabilities

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance from Customers	205	256
Statutory dues	1,208	943
Others	1,086	887
<b>Total</b>	<b>2,499</b>	<b>2,086</b>



## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

### 22. Equity share capital

(₹ in Lakh)

Particulars	As at	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Number of shares		(₹ in Lakh)	
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	50,00,00,000	50,00,00,000	50,000	50,000
<b>Issued share capital</b>				
Equity shares of ₹ 10 each	39,47,54,970	39,47,54,970	39,476	39,476
<b>Subscribed and paid up capital</b>				
Equity shares of ₹ 10 each	39,47,54,970	39,47,54,970	39,476	39,476
<b>Total</b>			<b>39,476</b>	<b>39,476</b>

- a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:

(₹ in Lakh)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Equity shares at the beginning of the year	39,47,54,970	39,47,54,970
Add: Shares issued during the year	-	-
<b>Equity shares at the end of the year</b>	<b>39,47,54,970</b>	<b>39,47,54,970</b>

\*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 Parent Company has made an Initial Public Offer (IPO) for 9,52,55,598 equity shares aggregating to ₹ 300,000 Lakh of which 6,34,92,063 equity share aggregating to 2,00,000 Lakh were offered by selling shareholder and 3,17,63,535 equity shares aggregating to ₹ 100,000 Lakh at the face value of ₹ 10 each at a premium of ₹ 305 per equity share (excluding discount of ₹ 23 per share on employee reservation portion of 2,39,726 equity shares) by way of fresh issue of the equity shares on May 13, 2024. The Company's equity share got listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on May 15, 2024.
- d) The shareholders vide a special resolution have approved bonus issue of 35,52,79,473 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).
- e) The Company has not bought back any class of shares.
- f) The Company has not allotted any class of shares as fully paid up pursuant to contract without payment being received in cash.
- g) The Company has not proposed any dividend during the year ended March 31, 2024.

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

h) Details of shareholders holding more than five percent equity shares in the Company are as under:

Particulars	As at March 31, 2024			As at March 31, 2023		
	% 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	-

i) Shareholding of promoters

Particulars	As at March 31, 2024			As at March 31, 2023		
	% 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, 2024	As at March 31, 2023
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)	60,865	45,895
Debenture redemption reserve (refer note (ii) below)	16,910	16,910
General reserve	26,554	19,069
Employee Stock Option Outstanding	2,253	2,050
Retained earnings	1,65,211	1,12,660
<b>Total</b>	<b>4,05,499</b>	<b>3,30,290</b>

#### 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: April 7, 2014 and NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017.

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Balance at the beginning of the year</b>		
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	45,187	34,287
<b>c) Total</b>	<b>45,895</b>	<b>34,995</b>
<b>Additions during the year</b>		
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	14,970	10,900
<b>c) Total</b>	<b>14,970</b>	<b>10,900</b>

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Utilised during the year</b>		
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	-	-
<b>c) Total</b>	-	-
<b>Balance at the end of the year</b>		
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	60,157	45,187
<b>c) Total</b>	<b>60,865</b>	<b>45,895</b>

- ii) The Company has created Debenture redemption reserve as at March 31, 2024 aggregating of ₹ 16,910 Lakh (March 31, 2023 : ₹ 16,910 Lakh) required towards its public issue of Secured Redeemable Non-Convertible Debentures.

### 23(a). Nature and Purpose of Reserves:

- i. Capital reserve on Amalgamation - This reserve is created on account of merger of Aadhar Housing Finance Limited into DHFL Vysya Housing Finance Limited.
- ii. Securities Premium - Securities premium account is used to record premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.
- iii. Statutory Reserve - Section 29C (i) of the National Housing Act, 1987 defines that every housing finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. For this purpose any special reserve created by the Company under Section 36(1)(viii) of the Income Tax Act 1961, is considered to be an eligible transfer. During the year ended March 31, 2024, the Company has transferred an amount of ₹ 14,970 Lakh [P.Y. ₹ 10,900 Lakh] to special reserve in terms of Section 36(1)(viii) of the Income Tax Act 1961 and has been considered eligible for special reserve u/s 29C of the National Housing Bank Act, 1987.
- iv. Debenture Redemption reserve - This reserve is created while issuing Debentures with an objective to reduce the risk of default in repayments of debentures. The Company has created debenture redemption reserve towards its public issue of Secured Redeemable Non-convertible Debentures.
- v. Employee Stock Option Outstanding - This reserve relates to stock option granted by the Company to employees under various ESOP schemes.

### 24. Revenue from operations

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>a) Interest income</b>		
<b>On financial assets measured at amortised cost</b>		
Interest on loans	2,14,807	1,67,485
Interest on fixed deposits	8,932	7,397
Interest on bonds and debentures	3,194	2,746
	<b>2,26,933</b>	<b>1,77,628</b>
<b>b) Fees and commission Income</b>		
Loan processing fee and other charges (net of business sourcing expenses)	8,555	8,236
Intermediary services	8,866	2,237
	<b>17,421</b>	<b>10,473</b>

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>c) Net gain on fair value changes</b>		
<b>Measured at FVTPL</b>		
<b>Equity investment measured at FVTPL</b>		
Realised	5	-
Unrealised	-	1
	<b>5</b>	<b>1</b>
<b>Investment in mutual fund measured at FVTPL</b>		
Realised	2,228	3,176
Unrealised	4	2
	<b>2,232</b>	<b>3,178</b>
<b>Net gain on fair value changes</b>	<b>2,237</b>	<b>3,179</b>
<b>d) Net gain on derecognition of financial instruments under amortised cost category</b>		
On assignment of portfolio	12,090	13,043
<b>Total</b>	<b>2,58,681</b>	<b>2,04,323</b>

- 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

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Life Insurance Business	4,064	848
Non - Life Insurance Business	3,270	845
<b>Total</b>	<b>7,334</b>	<b>1,693</b>

### 25. Other income

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit on sale of fixed asset (net)	-	8
Miscellaneous income	17	21
<b>Total</b>	<b>17</b>	<b>29</b>

### 26. Finance costs

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Interest expenses on financial liabilities measured at amortised cost</b>		
Interest on borrowings (other than debt securities)	75,481	59,346
Interest on deposits	22	37
Interest on non convertible debentures	20,572	17,824
Interest on subordinated liabilities	613	689
Interest on others	37	110
Interest on lease liabilities (refer note 34)	425	350
Finance charges	1,519	1,563
<b>Total</b>	<b>98,669</b>	<b>79,919</b>



## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

### 27. Impairment on financial instruments

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>On financial instruments measured at amortised cost</b>		
Impairment allowance on Loans (Refer note 27.1 & 27.2 below)	438	3,048
Bad-debts written off	3,685	1,873
<b>Total</b>	<b>4,123</b>	<b>4,921</b>

**27.1** The Company has reversed impairment provision of ₹ 638 Lakh during the year ended March 31, 2024 towards management overlay and loans on which one-time restructuring was implemented (March 31, 2023 impairment reverse of ₹ 905 Lakh).

**27.2** Impairment allowance on Loans (including write off) includes reversal of ₹ 627 Lakh during the year ended March 31, 2024 (March 31, 2023 : includes reversal of ₹ 754 Lakh) towards loans to developers. The net carrying value of loans to developers after impairment provision is Nil as at March 31, 2024 (Nil as at March 31, 2023). The Company has not made any fresh loan sanctions under loans to developers during the year ended March 31, 2024 (for the year ended March 31, 2023 : Nil).

### 28. Employee benefits expense

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, bonus and other allowances	35,371	28,787
Contribution to provident fund and other funds (refer note 40)	2,756	2,189
Share based payments to employees (refer note 41)	203	563
Staff welfare expenses	2,018	662
<b>Total</b>	<b>40,348</b>	<b>32,201</b>

### 29. Other expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rent (refer note 34)	885	661
Travelling expenses	2,378	1,786
Printing and stationery	327	369
Advertisement and business promotion	2,060	1,408
Insurance	1,259	1,086
Legal and professional charges	1,629	1,162
Auditors remuneration (refer note below 29.2)	153	101
Postage, telephone and other communication expenses	667	840
General repairs and maintenance	3,276	2,540
Electricity charges	428	343
Directors sitting fees and commission (refer note 43)	149	154
Corporate social responsibility expenses (refer note below 29.1)	1,130	821
Goods and service tax	2,396	1,531
Loss on sale of fixed assets (net)	34	-
Other expenses	730	778
<b>Total</b>	<b>17,501</b>	<b>13,580</b>

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

### 29.1 Details of Corporate Social Responsibility

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Amount required to be spent during the year	1,130	820
b) Amount spent during the year	899	222
c) Amount provided as at year end	861	630
d) Amount of shortfall at the end of the year	861	630
e) Total amount of previous period shortfall	630	32

f) **Reason for shortfall** : The unspent amount has been transferred to the Unspent CSR Account and will be utilised for an identified ongoing projects in FY 24-25.

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 :

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Audit fee (including regulatory certificates)	109	82
Tax audit fee	22	15
Others	22	4
<b>Total</b>	<b>153</b>	<b>101</b>

### 30. Tax expenses

#### a) Income tax expenses

The major components of income tax expenses

##### i) Profit and loss section

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax expenses	21,751	15,711
Deferred tax charge / (credit)	(756)	(605)
<b>Total</b>	<b>20,995</b>	<b>15,106</b>

##### ii) Other comprehensive income section

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax expenses	-	-
Deferred tax	14	20
<b>Total</b>	<b>14</b>	<b>20</b>

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

### b) Reconciliation of tax expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(A) Profit before income taxes (including other comprehensive income)	96,015	69,660
(B) Enacted tax rate in India (including surcharge and cess)	25.168%	25.168%
(C) Expected tax expenses	24,165	17,532
(D) Other than temporary difference		
Special reserve	3,345	2,579
Difference in Tax expense of earlier years	27	3
Expenses disallowed / (allowed)	(216)	(176)
(E) Tax expense recognised in profit and loss	20,995	15,106
(F) Tax expense recognised in other comprehensive income	14	20

### 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, 2024	For the year ended March 31, 2023
Net profit after tax attributable to equity shareholders (₹ In Lakh)	74,964	54,476
Weighted average number of equity shares outstanding during the year (Nos)	39,47,54,970	39,47,54,970
Add: Effect of potential issue of shares / stock rights outstanding during the year*	1,38,45,940	1,21,59,478
Weighted average number of equity shares outstanding during the year including potential shares outstanding (Nos)	40,86,00,910	40,69,14,448
Face value per equity share (₹)	10	10
Basic earnings per equity share (₹)	18.99	13.80
Diluted earnings per equity share (₹)	18.35	13.39

\* not considered when anti-dilutive

### 32. Contingent liabilities

#### Claims against the Company not acknowledged as debt:

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax matters of earlier years	300	378
Indirect tax matters of earlier years	1,267	521
<b>Total</b>	<b>1,567</b>	<b>899</b>

The Company is also involved in other law suits, claims, investigations and proceedings, including collection and repossession related matters, which arise in the ordinary course of business. However, there are no significant claims on such cases. Future cash outflows in respect of the above, if any, is determinable only on receipt of judgement / decisions pending with the relevant authorities.

Part of the aforementioned contingent liabilities towards income tax and indirect tax have been paid under protest.

### 33. Commitments

- Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at March 31, 2024 ₹ 394 Lakh (March 31, 2023 ₹ 482 Lakh).
- Undisbursed amount of loans sanctioned and partly disbursed as at March 31, 2024 is ₹ 94,882 Lakh (March 31, 2023 ₹ 90,071 Lakh).
- Undisbursed amount of loans sanctioned but not disbursed as at March 31, 2024 is ₹ 1,06,702 Lakh (March 31, 2023 ₹ 78,478 Lakh).

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

### 34. Lease

Following are the changes in the carrying value of right of use assets:

(₹ in Lakh)			
Particulars	Building	Intangible Asset	Total
<b>Balance as of April 1, 2023</b>	<b>3,294</b>	<b>534</b>	<b>3,828</b>
Addition during the year	2,221	-	2,221
Deletion during the year	-	-	-
Depreciation charge for the year	(1,041)	(152)	(1,193)
<b>Balance as of March 31, 2024</b>	<b>4,474</b>	<b>382</b>	<b>4,856</b>
<b>Balance as of April 1, 2022</b>	<b>2,660</b>	<b>687</b>	<b>3,347</b>
Addition during the year	1,452	-	1,452
Deletion during the year	(2)	-	(2)
Depreciation charge for the year	(816)	(153)	(969)
<b>Balance as of March 31, 2023</b>	<b>3,294</b>	<b>534</b>	<b>3,828</b>

The following is the movement in lease liabilities:

(₹ in Lakh)			
Particulars	Building	Intangible Asset	Total
<b>Balance as of April 1, 2023</b>	<b>3,795</b>	<b>-</b>	<b>3,795</b>
Addition during the year	2,221	-	2,221
Finance cost accrued during the year	424	-	424
Deletion during the year	-	-	-
Payment made during the year	(1,331)	-	(1,331)
<b>Balance as of March 31, 2024</b>	<b>5,109</b>	<b>-</b>	<b>5,109</b>
<b>Balance as of April 1, 2022</b>	<b>3,053</b>	<b>-</b>	<b>3,053</b>
Addition during the year	1,452	-	1,452
Finance cost accrued during the year	349	-	349
Deletion during the year	(2)	-	(2)
Payment made during the year	(1,057)	-	(1,057)
<b>Balance as of March 31, 2023</b>	<b>3,795</b>	<b>-</b>	<b>3,795</b>

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis:

Particulars	(₹ in Lakh)
Less than one year	1,474
One to five years	3,645
More than five years	1,589
<b>Total</b>	<b>6,708</b>

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

Particulars	(₹ in Lakh)
Less than one year	1,132
One to five years	3,093
More than five years	633
<b>Total</b>	<b>4,858</b>

Rental expense recorded for short-term leases was ₹ 885 Lakh for the year ended March 31, 2024 (March 31, 2023 ₹ 661 Lakh).

The aggregate depreciation on Right to use assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.



## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

### 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 year.

The Company 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 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, 2024

(₹ in Lakh)

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets</b>							
Investments							
- Mutual funds	Level 1	414	-	-	414	-	-
- Government securities	Level 2	-	-	44,183	-	-	44,428
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd Face Value of ₹ 70,000/- each	Level 1	-	-	1,424	-	-	1,355
<b>Financial liabilities</b>							
Debt securities	Level 1	-	-	2,195	-	-	2,097
Debt securities	Level 3	-	-	2,72,857	-	-	2,71,786

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

As at March 31, 2023

(₹ in Lakh)

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets</b>							
Investments							
- Equity instruments	Level 1	3	-	-	3	-	-
- Mutual funds	Level 1	116	-	-	116	-	-
- Government securities	Level 2	-	-	43,381	-	-	44,277
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd Face Value of ₹ 80,000/- each	Level 1	-	-	1,642	-	-	1,544
<b>Financial liabilities</b>							
Debt securities	Level 1	-	-	7,226	-	-	7,089
Debt securities	Level 3	-	-	2,48,581	-	-	2,47,124

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, 2024			March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
Cash and cash equivalents	35,626	-	35,626	40,514	-	40,514
Other bank balances	71,419	20,298	91,717	1,22,939	28,347	1,51,286
Receivables	1,953	-	1,953	797	-	797
Housing and other loans	2,72,442	14,17,852	16,90,294	1,85,867	11,99,278	13,85,145
Investments	414	45,783	46,197	116	45,824	45,940
Other financial assets	12,545	14,015	26,560	8,248	17,637	25,885
<b>Non-financial assets</b>						
Current tax assets (Net)	1,102	-	1,102	882	-	882
Property, plant and equipment	-	2,999	2,999	-	2,475	2,475
Right of use assets	-	4,856	4,856	-	3,828	3,828
Other intangible assets	-	127	127	-	29	29
Deferred tax assets (Net)	-	39	39	-	26	26
Other non-financial assets	7,824	12	7,836	4,291	689	4,980
<b>Total Assets</b>	<b>4,03,325</b>	<b>15,05,981</b>	<b>19,09,306</b>	<b>3,63,654</b>	<b>12,98,133</b>	<b>16,61,787</b>
<b>LIABILITIES</b>						
<b>Financial Liabilities</b>						
Trade Payables	10,864	-	10,864	8,050	-	8,050
Debt Securities	40,100	2,33,783	2,73,883	1,11,429	1,42,784	2,54,213
Borrowings (Other than debt securities)	1,48,084	9,67,918	11,16,002	1,17,265	8,37,008	9,54,273
Deposits	67	51	118	196	116	312
Subordinated liabilities	-	5,959	5,959	547	6,000	6,547
Other financial liabilities	48,355	4,080	52,435	60,867	2,980	63,847

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

(₹ in Lakh)

Particulars	March 31, 2024			March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Non-Financial Liabilities</b>						
Provisions	2,356	-	2,356	1,747	2	1,749
Deferred tax liabilities (Net)	-	215	215	-	944	944
Other non-financial liabilities	2,499	-	2,499	2,086	-	2,086
<b>Total liabilities</b>	<b>2,49,969</b>	<b>12,14,362</b>	<b>14,64,331</b>	<b>3,02,187</b>	<b>9,89,834</b>	<b>12,92,021</b>
<b>Net</b>	<b>1,51,000</b>	<b>2,93,975</b>	<b>4,44,975</b>	<b>61,467</b>	<b>3,08,299</b>	<b>3,69,766</b>

**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.

#### Maturity analysis of financial assets and financial liabilities

As at March 31, 2024

(₹ 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
<b>Financial Assets</b>					
Cash and cash equivalents	35,626	35,626	-	-	-
Other bank balances	91,717	71,419	20,008	-	290
Housing and other loans	16,90,294	2,72,442	4,46,087	3,86,288	5,85,477
Investments	46,197	414	-	-	45,783
Receivables & Other financial assets	28,513	12,545	10,604	3,242	2,122
<b>Total</b>	<b>18,92,347</b>	<b>3,92,446</b>	<b>4,76,699</b>	<b>3,89,530</b>	<b>6,33,672</b>
<b>Financial Liabilities</b>					
Trade payables	10,864	10,864	-	-	-
Debt securities	2,73,883	40,100	1,44,626	81,324	7,833
Borrowings (other than debt securities)	11,16,002	1,48,084	4,03,293	3,07,901	2,56,724
Deposits	118	67	42	9	-
Subordinated liabilities	5,959	-	5,959	-	-
Other financial liabilities	52,435	48,355	1,569	1,131	1,380
<b>Total</b>	<b>14,59,261</b>	<b>2,47,470</b>	<b>5,55,489</b>	<b>3,90,365</b>	<b>2,65,937</b>
<b>Net</b>	<b>4,33,086</b>	<b>1,44,976</b>	<b>(78,790)</b>	<b>(835)</b>	<b>3,67,735</b>
<b>Cumulative Net</b>		<b>1,44,976</b>	<b>66,186</b>	<b>65,351</b>	<b>4,33,086</b>

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

As at March 31, 2023

(₹ 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
<b>Financial Assets</b>					
Cash and cash equivalents	40,514	40,514	-	-	-
Other bank balances	1,51,286	1,22,939	96	-	28,251
Housing and other loans	13,85,145	1,85,867	2,99,044	2,53,013	6,47,221
Investments	45,940	116	-	-	45,824
Receivables & Other financial assets	26,682	9,045	10,633	4,232	2,772
<b>Total</b>	<b>16,49,567</b>	<b>3,58,481</b>	<b>3,09,773</b>	<b>2,57,245</b>	<b>7,24,068</b>
<b>Financial Liabilities</b>					
Trade payables	8,050	8,050	-	-	-
Debt securities	2,54,213	1,11,429	67,495	46,840	28,449
Borrowings (other than debt securities)	9,54,273	1,17,265	3,66,987	2,88,426	1,81,595
Deposits	312	196	77	33	6
Subordinated liabilities	6,547	547	-	6,000	-
Other financial liabilities	63,847	60,867	1,508	664	808
<b>Total</b>	<b>12,87,242</b>	<b>2,98,354</b>	<b>4,36,067</b>	<b>3,41,963</b>	<b>2,10,858</b>
<b>Net</b>	<b>3,62,325</b>	<b>60,127</b>	<b>(1,26,294)</b>	<b>(84,718)</b>	<b>5,13,210</b>
<b>Cumulative Net</b>		<b>60,127</b>	<b>(66,167)</b>	<b>(1,50,885)</b>	<b>3,62,325</b>

**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) and equity

(₹ in Lakh)

Particulars	Basis Points	For the year ended March 31, 2024	For the year ended March 31, 2023
Increase by basis points	+50	1,449	1,523
Decrease by basis points	-50	(1,449)	(1,523)

### c. Price risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.



## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

### d. 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.

Based on management overlay and one-time restructuring provision amount of ₹ 6,993 Lakh has been carried as of March 31, 2024 (March 31, 2023: ₹ 7,631 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 year-end stage classification. The amounts presented are gross of impairment allowances.

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

As at March 31, 2024

(₹ 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	16,30,537	5,384	16,25,153
Stage 2 – Assets for which there is significant increase in credit risk	Loan	61,888	7,724	54,164
Stage 3 - Credit-impaired assets	Loan	18,690	7,713	10,977

- Above includes Expected Credit Loss provision on Loan commitment amount to ₹ 195 Lakh (Stage1- included in ₹ 5,384 Lakh).
- Above includes Expected Credit Loss provision on account of additional management overlay and one-time restructuring amounting to ₹ 6,993 Lakh.
- 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	167	51	116
Stage 3b – Assets more than 90 DPD (refer note)	Loan	18,523	7,662	10,861
<b>Total Stage 3 - Credit-impaired assets</b>	Loan	<b>18,690</b>	<b>7,713</b>	<b>10,977</b>

As at March 31, 2023

(₹ 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	13,29,439	5,294	13,24,145
Stage 2 – Assets for which there is significant increase in credit risk	Loan	58,057	7,748	50,309
Stage 3 - Credit-impaired assets	Loan	16,259	5,568	10,691

- Above includes Expected Credit Loss provision on Loan commitment amount to ₹ 214 Lakh (Stage1- included in ₹ 5,294 Lakh).
- Above includes Expected Credit Loss provision on account of additional management overlay and one-time restructuring amounting to ₹ 7,631 Lakh.
- 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	589	142	447
Stage 3b – Assets more than 90 DPD (refer note)	Loan	15,670	5,426	10,244
<b>Total Stage 3 - Credit-impaired assets</b>	Loan	<b>16,259</b>	<b>5,568</b>	<b>10,691</b>

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

Reconciliation of Loan balances is given below:

(₹ in Lakh)

Particulars	March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount opening balance</b>	<b>13,29,439</b>	<b>58,057</b>	<b>16,259</b>	<b>14,03,755</b>
New assets added during the year	7,07,247	-	-	7,07,247
Assets derecognised under direct assignment and Co-lending	(1,63,063)	-	-	(1,63,063)
Repayment of Loans (excluding write offs)	(2,22,182)	(9,683)	(2,420)	(2,34,285)
Transfers to / from Stage 1	8,549	(7,595)	(954)	-
Transfers to / from Stage 2	(24,446)	25,774	(1,328)	-
Transfers to / from Stage 3	(4,500)	(4,601)	9,101	-
Amounts written off	(507)	(64)	(1,968)	(2,539)
<b>Gross carrying amount closing balance</b>	<b>16,30,537</b>	<b>61,888</b>	<b>18,690</b>	<b>17,11,115</b>

(₹ in Lakh)

Particulars	March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount opening balance</b>	<b>11,29,730</b>	<b>65,120</b>	<b>18,255</b>	<b>12,13,105</b>
New assets added during the year	5,89,648	-	-	5,89,648
Assets derecognised under direct assignment	(1,26,240)	-	-	(1,26,240)
Repayment of Loans (excluding write offs)	(2,55,253)	(9,942)	(3,394)	(2,68,589)
Transfers to / from Stage 1	13,628	(10,065)	(3,563)	-
Transfers to / from Stage 2	(19,090)	20,777	(1,687)	-
Transfers to / from Stage 3	(2,747)	(7,359)	10,106	-
Amounts written off	(237)	(474)	(3,458)	(4,169)
<b>Gross carrying amount closing balance</b>	<b>13,29,439</b>	<b>58,057</b>	<b>16,259</b>	<b>14,03,755</b>

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount opening balance</b>	<b>5,294</b>	<b>7,748</b>	<b>5,568</b>	<b>18,610</b>
New assets added during the year	2,334	-	-	2,334
Assets derecognised under direct assignment	(538)	-	-	(538)
Repayment of Loans (excluding write offs)	(889)	(1,293)	(829)	(3,011)
Transfers to / from Stage 1	28	(25)	(3)	-
Transfers to / from Stage 2	(3,051)	3,217	(166)	-
Transfers to / from Stage 3	(1,857)	(1,899)	3,756	-
Impact on year end ECL of exposures transferred between stages during the year	4,570	40	1,355	5,965
Additional provision due to management overlay and onetime restructuring	-	-	-	-
Amounts written off	(507)	(64)	(1,968)	(2,539)
<b>Gross carrying amount closing balance</b>	<b>5,384</b>	<b>7,724</b>	<b>7,713</b>	<b>20,821</b>

**Note:** Above includes Expected Credit Loss provision on Loan commitment amounting to ₹ 195 Lakh.

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

(₹ in Lakh)

Particulars	March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount opening balance</b>	<b>3,547</b>	<b>8,170</b>	<b>5,353</b>	<b>17,070</b>
New assets added during the year	2,300	-	-	2,300
Assets derecognised under direct assignment	(492)	-	-	(492)
Repayment of Loans (excluding write offs)	(791)	(1,248)	(1,001)	(3,040)
Transfers to / from Stage 1	53	(39)	(14)	-
Transfers to / from Stage 2	(2,465)	2,684	(218)	1
Transfers to / from Stage 3	(872)	(2,336)	3,208	-
Impact on year end ECL of exposures transferred between stages during the year	4,161	827	1,653	6,641
Additional provision due to management overlay and onetime restructuring	90	164	45	299
Amounts written off	(237)	(474)	(3,458)	(4,169)
<b>Gross carrying amount closing balance</b>	<b>5,294</b>	<b>7,748</b>	<b>5,568</b>	<b>18,610</b>

**Note:** Above includes Expected Credit Loss provision on Loan commitment amounting to ₹ 214 Lakh.

### b) Loans to Developers

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

#### As at March 31, 2024

(₹ 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	-	-	-

#### As at March 31, 2023

(₹ 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	-	-	-

Reconciliation of Loan balances is given below:

(₹ in Lakh)

Particulars	March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount opening balance</b>	-	-	-	-
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	-	-	(627)	(627)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	-	-	-	-
Amounts (written off) / recovery from write offs	-	-	627	627
<b>Gross carrying amount closing balance</b>	-	-	-	-



## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

(₹ in Lakh)

Particulars	March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount opening balance</b>	-	-	110	110
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	-	-	(782)	(782)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	-	-	-	-
Amounts written off	-	-	672	672
<b>Gross carrying amount closing balance</b>	-	-	-	-

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount opening balance</b>	-	-	-	-
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	-	-	(627)	(627)
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	-	-	627	627
Amounts (written off) / recovery from write offs	-	-	-	-
<b>Gross carrying amount closing balance</b>	-	-	-	-

**Note:** Above includes Expected Credit Loss provision on Loan commitment amounting to Nil Lakh.

(₹ in Lakh)

Particulars	March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying amount opening balance</b>	-	-	110	110
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	-	-	(782)	(782)
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	-	-	782	782
Amounts written off	-	-	(110)	(110)
<b>Gross carrying amount closing balance</b>	-	-	-	-

**Note:** Above includes Expected Credit Loss provision on Loan commitment amounting to Nil Lakh.

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

- 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, 2024	As at March 31, 2023
AUM	21,12,086	17,22,283
GNPA on AUM*	22,765	19,977
GNPA on AUM (%)*	1.08%	1.16%
Retail AUM	21,12,086	17,22,283
GNPA on Retail AUM*	22,765	19,977
GNPA on Retail AUM (%)*	1.08%	1.16%
Own Book	16,98,040	13,94,104
GNPA on Own Book**	18,690	16,259
GNPA on Own Book (%)**	1.10%	1.17%
Retail Own Book	16,98,040	13,94,104
GNPA on Retail Own Book**	18,690	16,259
GNPA on Retail Own Book (%)**	1.10%	1.17%

**Note:** The amount mentioned above of 'Own Book' excludes EIR, Interest accrued.

\*Includes loan assets of INR 191 Lakhs (0.01%) not more than 90 DPD which have been classified as NPA as per the RBI circular dated 12th November 2021. [March 31, 2023: ₹ 705 Lakhs (0.04%).]

\*\* Includes loan assets of INR 167 Lakhs (0.01%) not more than 90 DPD which have been classified as NPA as per the RBI circular dated 12th November 2021. [March 31, 2023: ₹ 589 Lakhs (0.04%).]

### 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, 2024	As at March 31, 2023
Total Borrowings (₹ in Lakh)	13,95,962	12,15,345
Total Net Borrowings (₹ in Lakh)	12,68,824	10,23,431
Total Equity (₹ in Lakh)	4,44,601	3,69,766
Gross Debt Equity Ratio	3.14	3.29
Net Debt Equity Ratio	2.85	2.77

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.

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

Below are the details of CRAR and other ratios maintained by the Company.

Particulars	As at March 31, 2024	As at March 31, 2023
Risk weighted Assets (₹ in Lakh)	10,77,936	8,33,913
Net owned funds (Tier I Capital) (₹ in Lakh)	4,06,760	3,47,417
Tier II Capital (₹ in Lakh)	7,784	8,894
CRAR	38.46%	42.73%
Variance in CRAR	(4.27%)	(2.68%)
CRAR-Tier I Capital	37.74%	41.66%
Variance in CRAR-Tier I Capital	(3.92%)	(2.54%)
CRAR- Tier II Capital	0.72%	1.07%
Variance in CRAR-Tier II Capital	(0.35%)	(0.14%)
Amount of subordinated debt raised as Tier-II Capital (₹ in Lakh)	2,400	3,600
Amount raised by issue of perpetual debt instruments	Nil	Nil
Liquidity Coverage Ratio as on reporting date*	122.82%	166.42%

1. CRAR (Capital Risk Adjusted Ratio) = [Net owned fund and Tier II Capital / Risk Weighted Assets]

2. CRAR (Capital Risk Adjusted Ratio) -Tier I Capital = [Net owned fund / Risk Weighted Assets]

3. CRAR (Capital Risk Adjusted Ratio) -Tier II Capital = [Tier II Capital / Risk Weighted Assets]

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:

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Contribution to provident fund	707	543
Contribution to pension fund	765	624
Contribution to new pension scheme	54	47
Contribution to ESIC	121	112

\* Amount less than 50,000/-

#### 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.

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

### 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, 2024	For the year ended March 31, 2023
Liability at the beginning of the year	1,589	1,327
Current service cost	502	383
Interest cost	110	89
Plan Amendment Cost	-	-
Actuarial (gain) / loss – experience	(71)	(76)
Actuarial (gain) / loss - demographic assumptions	(17)	-
Actuarial (gain) / loss - financial assumptions	36	(29)
Benefits paid	(120)	(105)
Liability at the end of the year	2,029	1,589

ii. Changes in Fair Value of Plan Assets

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Plan Assets at the beginning of the year	718	695
Expected return on plan assets	52	49
Actuarial Gain/(Loss)	4	(26)
Employer Contribution	-	-
Plan Assets at the end of the year	774	718

iii. Reconciliation of Fair Value of Assets and Obligations

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Fair value of Plan Assets	774	718
Present Value of Obligation	2,029	1,589
Amount Recognised in Balance Sheet	(1,255)	(871)



## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

iv. Expenses recognised in Statement of Profit and Loss

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Service Cost	502	383
Net interest on net defined benefit liability / (asset)	58	41
Plan Amendment cost / Direct Payment	-	-
Expenses recognised in the statement of profit and loss under employee benefits expenses	560	424

v. Expenses recognised in Statement of Other Comprehensive Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Actuarial (gain) / loss arising during year	(56)	(79)
(Income) / Expenses recognised in the other comprehensive income	(56)	(79)

vi. Expected benefit payments

(₹ in Lakh)

Particulars	As at March 31, 2024
March 31, 2025	139
March 31, 2026	141
March 31, 2027	177
March 31, 2028	247
March 31, 2029	344
March 31, 2030 to March 31, 2034	2,702

vii. Expected Employer Contributions in next 12 months is ₹ 1,255 Lakhs.

viii. Weighted average duration of defined benefit obligation is 9 years.

ix. Actuarial Assumptions

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Discount Rate	7.00%	7.20%
Salary Escalation Rate	9.50%	9.50%

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, 2024

(₹ in Lakh)

Particulars	Plan Liabilities
Discount Rate (increase by 0.5%)	(94)
Discount Rate (decrease by 0.5%)	101
Salary Escalation Rate (increase by 0.5%)	88
Salary Escalation Rate (decrease by 0.5%)	(84)

x. Amount recognised in current year and previous years

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

### Gratuity:

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Defined benefit obligation	2,029	1,589	1,327	1,156	913
Fair value of plan asset	774	718	695	663	616
(Surplus)/ Deficit in the plan	1,255	877	632	493	297
Actuarial (gain)/loss on plan obligation	(52)	(105)	(191)	(40)	118
Actuarial gain/(loss) on plan asset	4	(26)	(12)	6	10

### Plan Assets As at March 31, 2024

Plan asset composition	Percentage
Schemes of Insurance –conventional products	2.64%
Schemes of Insurance –ULIP Product	97.36%

## 41. Employee stock appreciation rights and Employees Stock Option

### a) Employee Stock Option Plan 2018 (ESOP 2018) [Erstwhile ‘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, 2024 (No's)	For the year ended March 31, 2023 (No's)
<b>Opening</b>	<b>19,69,286.25</b>	<b>19,69,286.25</b>
Granted during the year	-	-
Lapsed during the year	103,741.13	-
Exercised by employee	-	-
Rounding off	(0.12)	-
<b>Closing</b>	<b>18,65,545</b>	<b>19,69,286.25</b>
<b>Vested as at year end</b>	<b>18,65,545</b>	<b>19,69,286.25</b>
<b>Unvested as at year end</b>	<b>-</b>	<b>-</b>

ESAR were granted at the Price of ₹ 291.70 which was the fair value on the grant date before bonus adjustment.

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, 2023 : Nil ) for the year ended March 31, 2024.

ESAR 2018 was renamed to Employee Stock Option Plan 2018 (ESOP 2018) and the ESARs outstanding as at January 18, 2024 were converted to ESOPs, with no change in terms and conditions related to exercise price and vesting conditions. The above change was approved by the Nomination and Remuneration Committee at its meeting held on January 18, 2024, Board at its meeting held on January 21, 2024 and is approved by the shareholders' at the extra-ordinary general meeting held on January 24, 2024.

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

### 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 options 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%, 40% in on Eligibility date, 1 <sup>st</sup> year from eligibility date	Eligible options will vest in 60%, 40% in on Eligibility date, 1 <sup>st</sup> year from eligibility date	Eligible options will vest in 60%, 40% in on Eligibility date, 1 <sup>st</sup> year from eligibility date
Condition	<ol style="list-style-type: none"> <li>All eligible options will vest subject to BCP Topco VII Pte. Ltd. Realising minimum net consideration cumulatively from the sale of the Shares held</li> <li>Proportion of eligible option vesting to extent of sale by BCP Topco VII Pte. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>All eligible options will vest subject to BCP Topco VII Pte. Ltd. Realising minimum net consideration cumulatively from the sale of the Shares held</li> <li>Proportion of eligible option vesting to extent of sale by BCP Topco VII Pte. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>All eligible options will vest subject to BCP Topco VII Pte. Ltd. Realising minimum net consideration cumulatively from the sale of the Shares held</li> <li>Proportion of eligible option vesting to extent of sale by BCP Topco VII Pte. Ltd.</li> </ol>
Exercise period	2 years from Vesting	2 years from Vesting	2 years from Vesting
Weighted Average Share Price	908.05	90.805	90.805

Particulars	ESOP Plan 2020 – August 2023	ESOP Plan 2020 – November 2023	ESOP Plan 2020 – January 2024
Scheme Name	Employee Stock Option Plan 2020	Employee Stock Option Plan 2020	Employee Stock Option Plan 2020
No. of options approved	16,35,035	2,00,000	65,32,024
Date of Grant	August 09, 2023	November 07, 2023	January 21, 2024
No of options granted	15,57,692	2,00,000	65,32,024
Exercise Price (₹)	147.5	147.5	147.5
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%, 40% in on Eligibility date, 1 <sup>st</sup> year from eligibility date	Eligible options will vest in 60%, 40% in on Eligibility date, 1 <sup>st</sup> year from eligibility date	Eligible options will vest in 60%, 40% in on Eligibility date, 1 <sup>st</sup> year from eligibility date

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

Particulars	ESOP Plan 2020 – August 2023	ESOP Plan 2020 – November 2023	ESOP Plan 2020 – January 2024
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 3. 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
Weighted Average Share Price	147.5	147.5	147.5

\*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%

Particulars	ESOP Plan 2020 (August 09, 2023)	ESOP Plan 2020 (November 07, 2023)	ESOP Plan 2020 (January 21, 2024)
Fair value of the option (₹)	₹ 22 to ₹ 66.7	₹ 22 to ₹ 66.7	₹ 21.6 to ₹ 59.8
Fair value of share on the date of grant (₹)	147.50	147.50	147.50
Exercise Price(₹)	147.50	147.50	147.50
Expected Life	3 years to 9 years	3 years to 9 years	3 years to 9 years
Expected Volatility (%)	11.8% to 14.9%	11.8% to 14.9%	11.8% to 14.8%
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 (%)	7.1% to 7.3%	7.1% to 7.3%	7.0% to 7.1%
Expected dividend rate (%)	0.0%	0.0%	0.0%

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.



## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

### Movement in ESOPs

Particulars	For the year ended March 31, 2024 (No's)	For the year ended March 31, 2023 (No's)
<b>Opening</b>	1,01,98,847	1,11,50,433
Granted during the year	82,89,716	-
Lapsed during the year	9,03,905	9,51,586
<b>Closing</b>	<b>1,75,84,658</b>	<b>1,01,98,847</b>
<b>Vested as at year end</b>	-	-
<b>Unvested as at year end</b>	<b>1,75,84,658</b>	<b>1,01,98,847</b>

The expense arises from equity settled ESOPs transaction amounting to ₹ 203 Lakh (March 31, 2023: ₹ 563 Lakh)

### 42. Foreign currency transactions

The Foreign currency transactions are as follows:-

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Foreign Exchange outgo	37	263
<b>Total</b>	<b>37</b>	<b>263</b>

### 43. Related party transactions

List of related parties with whom transactions have taken place during the year are at arm's length and relationship:

S. No	Relationship	Name of Related Party
1.	Holding Company	BCP Topco VII Pte. Ltd.
2.	Key Management Personnel	Mr. Om Prakash Bhatt - Independent Director & Non-Executive Chairman of the Board
		Mr. Deo Shankar Tripathi - Managing Director and CEO (upto December 04, 2022) - Executive Vice Chairman (w.e.f. January 03, 2023)
		Mr. Rishi Anand - Managing Director and CEO (w.e.f. January 03, 2023)
		Mr. Amit Dixit – Non-Executive Director
		Mr. Mukesh G Mehta – Non-Executive Director
		Mr. Prateek Roongta – Non-Executive Director (w.e.f. January 20, 2023)
		Mrs. Sharmila Abhay Karve – Independent Director
		Mrs. Dr. Nivedita Haran – Independent Director
		Mr. Rajesh Viswanathan – Chief Financial Officer
		Mr. Sreekanth VN – Company Secretary (upto September 30, 2023)
		Mrs. Harshada Pathak – Company Secretary (w.e.f. October 01, 2023)

### Transactions with Related Parties:

Name	Particulars	(₹ in Lakh)	
		For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Income :</b>			
Rishi Anand – Managing Director and CEO (From January 03, 2023)	Interest Income on Housing Loan	6	1
Rajesh Viswanathan - CFO	Interest Income on Housing Loan	6	Not applicable

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

(₹ in Lakh)

Name	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Expenditure:</b>			
Deo Shankar Tripathi - Executive Director from January 03, 2023 (Managing Director and CEO upto December 04, 2022)	Remuneration	331	250
Interest paid on Fixed Deposit held by relative of the Managing Director (Suman Deo Tripathi)	Interest Expense	-	0*
Rishi Anand – Managing Director and CEO (From January 03, 2023)	Remuneration	304	40
Rajesh Viswanathan – Chief Financial Officer	Remuneration	291	195
Sreekanth VN – Company Secretary (upto September 30, 2023)	Remuneration	57	77
Harshada Pathak – Company Secretary (w.e.f. October 01, 2023)	Remuneration	20	-
<b>Others:</b>			
Rajesh Viswanathan – Chief Financial Officer	Housing Loan given	300	-

### Compensation of key management personnel of the Company

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Short-term employee benefits	973	541
Post-employment pension (defined contribution)	30	21
Sitting fee and commission	149	154
<b>Total</b>	<b>1,152</b>	<b>716</b>

### Balances with Related Parties:

(₹ in Lakh)

Name	Particulars	As at March 31, 2024	As at March 31, 2023
Rishi Anand – Managing Director and CEO (From January 3, 2023)	Housing Loan	115	120
Rajesh Viswanathan- CFO	Housing Loan	284	-
Directors Commission & sitting fee	Payable	147	116

\*Less than ₹ 50,000

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

### 44. 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, 2024

(₹ 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)
<b>Performing Assets</b>						
Standard	Stage 1	16,30,537	5,189	16,25,348	6,964	(1,775)
	Stage 2 (Refer Note 3)	61,888	7,724	54,164	2,652	5,072
<b>Subtotal</b>		<b>16,92,425</b>	<b>12,913</b>	<b>16,79,512</b>	<b>9,616</b>	<b>3,297</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	9,385	3,362	6,023	1,414	1,948
Doubtful - up to 1 year	Stage 3	5,603	2,561	3,042	1,391	1,170
1 to 3 years	Stage 3	3,590	1,689	1,901	1,436	253
More than 3 years	Stage 3	112	101	11	112	(11)
<b>Subtotal for doubtful</b>		<b>9,305</b>	<b>4,351</b>	<b>4,954</b>	<b>2,939</b>	<b>1,412</b>
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	94,882	195	94,687	-	195
<b>Subtotal</b>		<b>94,882</b>	<b>195</b>	<b>94,687</b>	<b>-</b>	<b>195</b>
	<b>Stage 1</b>	<b>17,25,419</b>	<b>5,384</b>	<b>17,20,035</b>	<b>6,964</b>	<b>(1,580)</b>
	<b>Stage 2</b>	<b>61,888</b>	<b>7,724</b>	<b>54,164</b>	<b>2,652</b>	<b>5,072</b>
<b>Total</b>	<b>Stage 3</b>	<b>18,690</b>	<b>7,713</b>	<b>10,977</b>	<b>4,353</b>	<b>3,360</b>
	<b>Total</b>	<b>18,05,997</b>	<b>20,821</b>	<b>17,85,176</b>	<b>13,969</b>	<b>6,852</b>

#### Notes:

- The provision under Expected Credit Loss Model is higher than Income Recognition and Prudential Norms.
- 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 ₹ 24,692 Lakh. Impairment provision and provision required under IRACP is maintained at 10% as required by RBI circular.

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

### 45. 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)

(₹ in Lakh)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at September 30, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2024	Of (A) amount written off during the half-year ended March 31, 2024	Of (A) amount paid by the borrowers during the half-year ended March 31, 2024	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2024
Personal Loans (refer note below)	26,293	993	42	1,793	24,692**
Corporate persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>26,293</b>	<b>993</b>	<b>42</b>	<b>1,793</b>	<b>24,692**</b>

As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

\*\*Includes ₹ 1,228 Lakhs of NPA accounts which has become standard during the half year ended March 31, 2024.

### 46. 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, 2024

Particulars	For the year ended March 31, 2024
Entity	NBFC (Housing Finance Company)
Count of Loan Accounts Assigned	14,953
Amount of Loan Accounts Assigned (₹ in Lakh)	1,18,204
Weighted average maturity (in Months)	180
Weighted average holding period (in Months)	14
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, 2024.  
c) Details of transfer through Co-lending in respect of loans not in default during the year ended March 31, 2024

Particulars	For the year ended March 31, 2024
Entity	NBFC (Housing Finance Company)
Count of Loan Accounts Assigned	4,173
Amount of Loan Accounts Assigned (₹ in Lakh)	44,859
Weighted average maturity (in Months)	209
Weighted average holding period (in Months)	3
Retention of beneficial economic interest (MRR)	20%
Coverage of tangible security coverage	100%



## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

### 47. Changes in liabilities arising from financing activities:-

Particulars	As at March 31, 2023	Cash flows (+)	Non Cash Adjustments (-)	As at March 31, 2024
Debt securities	2,54,213	19,823	153	2,73,883
Borrowings (other than debt securities)	9,54,273	1,61,540	(189)	11,16,002
Deposits	394	(203)	-	191
Subordinated liabilities	6,547	(600)	(12)	5,959
Lease liabilities	3,795	(1,332)	(2,646)	5,109
<b>Total</b>	<b>12,19,222</b>	<b>1,79,228</b>	<b>(2,694)</b>	<b>14,01,144</b>

Particulars	As at March 31, 2022	Cash flows (+)	Non Cash Adjustments (-)	As at March 31, 2023
Debt securities	1,76,429	78,200	416	2,54,213
Borrowings (other than debt securities)	8,81,897	72,129	(247)	9,54,273
Deposits	799	(565)	(160)	394
Subordinated liabilities	8,334	(1,800)	(13)	6,547
Lease liabilities	3,053	(1,058)	(1,800)	3,795
<b>Total</b>	<b>10,70,512</b>	<b>1,46,906</b>	<b>(1,804)</b>	<b>12,19,222</b>

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:
- 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
  - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
55. 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:
- 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
56. 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.
57. In Compliance with Section 128 of the Companies Act, 2013 read with proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, the Company uses an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) which has operated throughout the year for all relevant transactions recorded in the accounting software except that, audit trail feature was not enabled with respect to detail of changes made at the database level. This audit trail feature has been enabled at a database level post year end.

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

58. 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.

### 59. Exceptional item

During the previous year, the Company has accrued for one-time special bonus to its employees amounting to ₹ 2,500 Lakh that is debited to the Statement of Profit & Loss. Considering the nature, frequency, and materiality of the item it is treated as an exceptional item in the Statement of Profit & Loss.

60. There have been no instances of breach of covenants of loan availed or debt securities issued during the year ended March 31, 2024.

### 61. Divergence in the asset classification and provisioning

There is no divergence in asset classification and provisioning as assessed by NHB where:

- i) The additional provisioning requirements assessed by National Housing Bank (NHB) exceeds 5% of the reported profits before tax and impairment loss on financial instruments as on March 31, 2024, or
- ii) The additional Gross NPAs identified by NHB exceeds 5% of the reported Gross NPAs as on March 31, 2024.

62. 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, 2024	As % of consolidated net assets	Amount (₹ in Lakh) As at March 31, 2023
<b>Parent</b>				
Aadhar Housing Finance Limited	99.92%	4,44,601	99.94%	3,69,557
<b>Direct Subsidiary</b>				
Aadhar Sales and Services Private Limited	0.08%	377	0.06%	213

Name of the entity in the Group	Profit after tax			
	As % of consolidated net profit after tax	Amount (₹ in Lakh) As at March 31, 2024	As % of consolidated net profit after tax	Amount (₹ in Lakh) As at March 31, 2023
<b>Parent</b>				
Aadhar Housing Finance Limited	99.85%	74,851	99.97%	54,458
<b>Direct Subsidiary</b>				
Aadhar Sales and Services Private Limited	0.15%	113	0.03%	18

Name of the entity in the Group	Other Comprehensive Income			
	As % of consolidated Other Comprehensive Income	Amount (₹ in Lakh) As at March 31, 2024	As % of consolidated net assets	Amount (₹ in Lakh) As at March 31, 2023
<b>Parent</b>				
Aadhar Housing Finance Limited	(23.81%)	(10)	(5.17%)	(3)
<b>Direct Subsidiary</b>				
Aadhar Sales and Services Private Limited	123.81%	52	105.17%	61

## Summary of material accounting policy information and other explanatory information to the consolidated financial statements as at and for the year ended March 31, 2024

Name of the entity in the Group	Total Comprehensive Income			
	As % of consolidated Total Comprehensive Income	Amount (₹ in Lakh) As at March 31, 2024	As % of consolidated Total Comprehensive Income	Amount (₹ in Lakh) As at March 31, 2023
<b>Parent</b>				
Aadhar Housing Finance Limited	99.78%	74,841	99.86%	54,455
<b>Direct Subsidiary</b>				
Aadhar Sales and Services Private Limited	0.22%	165	0.14%	79

**63.** Previous year figures have been regrouped/re-classified wherever necessary to confirm to current year classification. The impact of such regrouping/ re-classification are not material to the Financial Statements.

For **Walker Chandiok & Co LLP**

Chartered Accountants

ICAI Firm Registration No: 001076N/N500013

For **Kirtane & Pandit LLP**

Chartered Accountants

ICAI Firm Registration No: 105215W/W100057

For and on behalf of the Board of Directors

**Manish Gujral**

Partner

Membership No.: 105117

**Sandeep D Welling**

Partner

Membership No.: 044576

**Deo Shankar Tripathi**

Executive Vice-Chairman

DIN 07153794

**Rishi Anand**

Managing Director & CEO

DIN 02303503

**Sharmila Abhay Karve**

Independent Director

DIN 05018751

**Prateek Roongta**

Director

DIN 00622797

Place: Mumbai

Date: May 29, 2024

Place: Mumbai

Date: May 29, 2024

**Rajesh Viswanathan**

Chief Financial Officer

**Harshada Pathak**

Company Secretary



GHAR BANEGA, TOH DESH BANEGA.

[www.aadharhousing.com](http://www.aadharhousing.com)

**Registered Office**

Aadhar Housing Finance Ltd.

CIN No. L66010KA1990PLC011409  
2<sup>nd</sup> Floor, No. 03, JVT Towers, 8<sup>th</sup> 'A' Main Road,  
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