HINDUJA
HOUSING FINANCE

We trust your potential

ANNUAL REPORT
2021-2022

HINDUJA HOUSING FINANCE

CORPORATE INFORMATION

CORPORATE IDENTITY NUMBER

U65922TN2015PLC100093

BOARD OF DIRECTORS

Mr. S Nagarajan, *Chairman*

Mr. Sachin Pillai, *Managing Director*

Mr. Gopal Mahadevan, *Director*

Ms. Bhumika Batra, *Director*

Mr. G S Sundararajan, *Director*

Mr. Srinivas Acharya, *Director*

AUDIT COMMITTEE

Mr. G S Sundararajan, *Chairman*

Ms. Bhumika Batra, *Member*

Mr. Gopal Mahadevan, *Member*

Mr. Srinivas Acharya, *Member*

RISK MANAGEMENT COMMITTEE

Mr. Gopal Mahadevan, *Chairman*

Mr. S Nagarajan, *Member*

Mr. G S Sundararajan, *Member*

Mr. Srinivas Acharya, *Member*

IT STRATEGY COMMITTEE

Mr. G S Sundararajan, *Chairman*

Mr. Sachin Pillai, *Member*

Mr. Venkatesan J *(Head IT), Member*

CREDIT COMMITTEE

Mr. G S Sundararajan, *Chairman*

Ms. Bhumika Batra, *Member*

Mr. Srinivas Acharya, *Member*

Mr. Sachin Pillai, *Member*

NOMINATION AND REMUNERATION COMMITTEE

Ms. Bhumika Batra, *Chairperson*

Mr. G S Sundararajan, *Member*

Mr. Gopal Mahadevan, *Member*

Mr. Sachin Pillai, *Member*

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. S Nagarajan, *Chairman*

Ms. Bhumika Batra, *Member*

Mr. Sachin Pillai, *Member*

ASSET LIABILITY MANAGEMENT COMMITTEE

Mr. Sachin Pillai, *Chairman*

Mr. S Nagarajan, *Member*

Mr. Vivek Kannan *(COO), Member*

Mr. Prateek Parekh *(CFO), Member*

Mr. Kishore Lodha *(CFO HLF Limited), Member*

WILFUL DEFAULTER REVIEW COMMITTEE

Mr. S Nagarajan, *Chairman*

Mr. G S Sundararajan, *Member*

Ms. Bhumika Batra, *Member*

Mr. Sachin Pillai, *Member*

SENIOR MANAGEMENT

Mr. Prateek Parekh,
Chief Financial Officer (KMP)

Mr. Srinivas Rangarajan,
Company Secretary & Compliance Officer (KMP)

REGISTERED OFFICE

No.27-A, Developed Industrial Estate,
Guindy, Chennai – 600032.

Email - compliance@hindujahousingfinance.com

Website - www.hindujahousingfinance.com

STATUTORY AUDITORS

M/s. Sharp & Tannan Associates
87 Nariman Bhavan, 227 Nariman Point,
Mumbai - 400 021.

BANKERS

Axis Bank	HDFC Bank
Bank of India	ICICI Bank
Bank of Baroda	IDBI Bank
Bank of Maharashtra	Indian Bank
Canara Bank	Punjab National Bank
Central Bank of India	State Bank of India
CSB Bank	South Indian Bank
DCB Bank	UCO Bank
Federal Bank	Union Bank of India

CONTENTS

HINDUJA HOUSING FINANCE

DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting the 7th Annual Report of the Company, together with the audited financial statements, for the financial year ended 31st March, 2022.

Financial Results

The summarised financial results of the Company are given hereunder:

(Rs. Lakh)

Particulars	Year ended 31st March, 2022 IND AS	Year ended 31st March, 2021 IND AS
Revenue from Operations	43,750.13	27,847.27
Less: Total Expenditure	30,270.48	19,776.46
Profit Before Tax Exceptional Items and Tax	13,479.65	8,070.81
Exceptional Items	-	-
Profit Before Tax	13,479.65	8,070.81
Profit After Tax	10,756.66	6,236.94
Surplus / (Shortfall) brought forward	11,061.18	6,071.63
Amount available for appropriation	21,817.84	12,308.57
Appropriations have been made as under:		
Transfers to: - Statutory Reserve	2,151.33	1,247.39
Surplus / (Shortfall) carried forward after appropriation	19,666.51	11,061.18

Operating and Financial Performance

During the year under review, your Company registered a total disbursement of Rs. 2,090 crores as against Rs. 1,193 crores during the previous year. We are pleased to inform that the Assets under management have grown to Rs. 4,048 crores from Rs. 2,585 crores, an increase of 57% over previous year. Your Company's net profit was Rs. 108 crores and net worth of the Company is Rs. 538 crores as at 31st March, 2022.

Share Capital

During the year under review, as per the terms of letter of offer issued to the existing shareholders, your Company had allotted 8,600,000 equity shares at an issue price of Rs. 89 per share on 21st March 2022.

Bank Borrowings

During the year, the Company has availed loans aggregating to Rs. 1,525 crore and received sanctions for term loans and cash credit facilities from banks amounting to Rs. 1,865 crores during the financial year ended 31st March, 2022.

Dividend

In order to augment capital required for supporting growth of your Company, through retention of internal accruals, your Board of Directors have not recommended any dividend for the year.

Transfer to Reserves

During the year under review, Rs. 21.51 crores was transferred to the Statutory Reserve created under Section 29C of the National Housing Bank Act, 1987 read with section 36(1)(viii) of Income Tax Act, 1961.

Deposits

During the year under review, your Company has not accepted any public deposits within the meaning of the Companies Act, 2013 and the Rules made thereunder including NHB Directions 2010, as the Company is registered as Housing Finance Institution without accepting public deposits.

Credit Rating

The credit ratings for the Company's borrowings are provided below:

Nature of borrowings	Rating / Outlook	
	CARE	CRISIL
Long-term Bank Facilities	AA-; Stable	-
Short-term Bank Facilities	A1+	-
Commercial papers	A1+	A1+
NCDs	-	AA-; Stable
Subordinated Debt	-	AA-; Stable

Capital Adequacy

As required under Housing Finance Companies (NHB) Directions, 2010 ('NHB Directions'), your Company is presently required to maintain a minimum capital adequacy of 15% on a standalone basis. The Capital Adequacy Ratio (CRAR) of the Company as on 31st March, 2022, was 18.73% (19.88 % as on 31st March, 2021)

In addition, the NHB Directions, 2010 also requires that your Company transfers minimum 20% of its annual profits to a reserve fund, which the Company has duly complied with.

Compliance with Directions/Guidelines of National Housing Bank (NHB)/Reserve Bank of India and other statutes

The Company has complied with the provisions of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as prescribed by RBI and has been in compliance with the various Circulars, Notifications and Guidelines issued by National Housing Bank (NHB)/Reserve Bank of India from time to time. The Circulars and the Notifications issued by NHB/RBI are also placed before the Board of Directors at regular intervals to update the Board members on the compliance of the same.

Corporate Governance

In accordance with the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, issued by the Reserve Bank of India vide notification no. DOR.FIN.HFC.CC.No.120/03.10.136/ 2020-21 dated 17th February, 2021, your Company has framed internal Corporate Governance guidelines, in order to enable adoption of best practices and great transparency in the business operations.

A report on corporate governance forms part of this report (Annexure - A).

The said Report covers, in detail, the Corporate Governance Philosophy of the Company, Board Diversity, Directors appointment and remuneration, declaration by Independent Directors, Board evaluation, familiarisation programme, vigil mechanism, etc.

Code of Conduct

The Company has a duly approved Code of Conduct for the Board of Directors and Senior Management Personnel ["Code"] of the Company in place in terms of the internal Corporate Governance guidelines. The subject Code identifies and lists out various elements of commitment, duties and responsibilities that serves as a basis for taking ethical decision-making in the conduct of day-to-day professional work. The Code requires the Directors and employees to act honestly, ethically and with integrity and in a professional and respectful manner. The Board of Directors and Senior management personnel have provided their affirmation to the compliance with this code.

Directors & Key Managerial Personnel:

The Board of Directors made the following appointments/ re-appointments based on the recommendations of the Nomination and Remuneration Committee:

Appointment

Mr. Srinivas Acharya (DIN: 00017412) was appointed as the Additional Director (Non-Executive Independent) with elect from 4th February, 2022. Further, shareholders' approval was obtained at the Extra-Ordinary General Meeting held on 28th February, 2022 for his appointment as an Independent Director of the Company for a period of five years.

Reappointment of Directors

In terms of Section 152 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the Act and the Articles of Association of the Company, Mr. Gopal Mahadevan (DIN 01746102) retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. Your directors, recommend the re-appointment of Mr. Gopal Mahadevan, as a director. The agenda relating to re-appointment of Mr. Gopal Mahadevan, Director forms part of the notice convening the ensuing Annual General Meeting.

Further, the term of appointment of Ms. Bhumika Batra (DIN: 03502004), Independent Director got completed on 17th July, 2021. Your Board of Directors has recommended re-appointment of Ms. Bhumika Batra (DIN: 03502004) for a further term of five years at their Meeting held on 24th May,

2021. Subsequently, the Shareholders have approved reappointment of Ms. Bhumika Batra as Independent Director of the Company in the Extra-Ordinary General Meeting held on 15th July, 2021 for a further term of five years with effect from 18th July, 2021.

Further, the term of appointment of Mr. G S Sundararajan (DIN: 00361030), Independent Director got completed on 30th March, 2022. Your Board of Directors has recommended re-appointment of Mr. G S Sundararajan (DIN: 00361030) for a further term of five years at their Meeting held on 3rd November, 2021. Subsequently, the Shareholders have approved reappointment of Mr. G S Sundararajan as Independent Director of the Company in the Extra- Ordinary General Meeting held on 26th November, 2021 for a further term of five years with effect from 30th March, 2027.

Independent Directors

The Independent Directors have given declarations to the Company in terms of Section 149(7) and 149(8) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Key Management Personnel

Pursuant to the provisions of Section 203 of the Act read with the Rules made thereunder, the whole-time key managerial personnel of the Company are Mr. Sachin Pillai, Managing Director, Mr. Prateek Parekh, Chief Financial Officer and Mr. Srinivas Rangarajan, Company Secretary.

Mr. Prateek Parekh, was appointed as the Chief Financial Officer of the Company vide Board resolution dated 24th May, 2021. Ms. Roopa Sampath Kumar had held the office of the Chief Financial Officer of the Company till 14th May, 2021.

Statutory Auditors

As per the provisions of Section 139 of the Act and Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued by Reserve Bank of India dated 27th April, 2021, M/s. Sharp & Tannan Associates, Chartered Accountants, ICAI (Firm Registration Number 109983W) were appointed as the Statutory Auditors of the Company, for a period of three years at the Annual General Meeting of the Company held on 7th September, 2021.

The Auditors' Report of M/s. Sharp & Tannan Associates, Chartered Accountant for FY 2021-22 does not contain any qualification, reservation or adverse remarks. The Auditors' Report is enclosed with the financial statements in this Annual Report.

Secretarial Audit

As required under section 204 of the Companies Act, 2013 and Rules thereof, the Board had appointed
M/s. G Ramachandran & Associates, Company Secretaries, to undertake the secretarial audit of the Company for the financial year 2021-22. Their Secretarial audit report forms part of this annual report (Annexure – B) and does not contain any qualification.

Compliance under Companies Act, 2013

Your Company has complied with the requirements of the applicable provisions of the Companies Act, 2013 and related Rules during the financial year 2021-22. In terms of Section 134 of the Act read with the Companies (Accounts) Rules, 2014, the compliance requirements and the detail of compliances under Companies Act, 2013 are enumerated below:

Directors' Responsibility Statement

To the best of our knowledge and belief and on the basis of the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3) (c) of the Act:

a) in the preparation of the annual financial statements for the year ended 31st March, 2022, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.

b) for the financial year ended 31st March, 2022, such accounting policies as mentioned in the Notes to the financial statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the Profit of the Company for the year ended 31st March, 2022.

c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) the annual financial statements have been prepared on a going concern basis.

e) that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively.

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

Extract of Annual Return

Pursuant to the provisions of Section 134(3) (a) and Section 92 (3) read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT- 9 is annexed to this Report. (Annexure – C)

Related Party Transactions

All transactions entered by the Company with Related parties were in the ordinary course of business and at Arm's Length pricing basis. There were no materially significant related parties' transactions, pecuniary transactions or relationships between the Company and its Directors during the financial year 2021-22 that may have potential conflict with the interest of the Company. Suitable disclosures as required under INDAS-24 have been made in Note 28 of the Notes to the financial statements.

All the transactions entered into by the Company with any of the related parties during the year were in the ordinary course of business and on an arm's length basis. Form AOC-2, as required under Section 134(3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules 2014, forms part of this Board's Report (Annexure - D).

Pursuant to Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, the Related Party Transaction Policy of the Company forms part of this Board's report as "Annexure - E". The said policy is available on the website of the Company at URL www.hindujahousingfinance.com

Material changes and commitments affecting the financial position of the Company which have occurred between 31st March, 2022 and 13th May, 2022 (date of the Report)

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (31st March, 2022) and the date of the Report (13th May, 2022).

Risk Management Policy

The company's business activities expose it to a variety of risks including credit risk, operational risk and interest rate risk. Risk management forms an integral part of company's business. The objective of the Company's risk management system is to measure and monitor various risks and to implement policies and procedures to mitigate such risks.

The Company manages credit risk through stringent credit norms aided by a robust in-house developed IT infrastructure. Liquidity risk and interest rate risk arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of the maturity profiles. Operational risks arising from inadequate or failed internal processes, people and systems or from external events are adequately addressed by the internal control systems and are continuously reviewed and monitored. Standard Operating Procedures are well documented to ensure enhanced control over processes and regulatory compliance.

Internal Control Systems and their Adequacy

The Company has well defined and adequate internal financial controls and procedures, commensurate with the size and nature of its operations. These internal control and systems are devised as part of the principles of good governance; and are accordingly implemented within the framework of proper check and balances. Your Company ensures that a reasonably effective internal control framework operates throughout the organisation, which provides assurance about safeguarding the assets, reliability of financial and operational information, compliance with applicable statues, execution of transactions as per the authorisation and compliance with the internal policies of the Company.

Internal Audit

At the beginning of each financial year, an annual Internal audit plan is rolled out after receiving approval from the Audit Committee. The audit plan is aimed at evaluation of the efficacy and adequacy of internal control systems and compliance thereof, robustness of internal processes, policies and compliance with laws and regulations.

Based on the reports of internal audit, functional process owners undertake corrective action in their respective areas. Significant audit observations and corrective actions thereon are presented to the Audit Committee of Board. The Audit Committee regularly reviews the annual audit plan status, audit findings as well as the adequacy and effectiveness of the internal control measures.

Corporate Social Responsibility Committee

The Company has in place a Corporate Social Responsibility policy (CSR Policy), as per the provisions of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended and the policy is hosted on the website of the Company. We have, so far, put in place necessary measures and processes of identifying worthy causes as well as to monitor their progress with a view to ensuring that they are consistent with our policy, serving large public good and are sustainable over an extended period. Particulars of CSR activities and details of amount spent during the financial year and the details relating to composition of CSR Committee form part of corporate governance report, enclosed as an Annexure F to this report.

Remuneration Policy of the Company

The Company has in place a remuneration policy which is guided by the principles and objectives as enumerated in section 178 of the Act. The policy is made available on the website of the Company at URL www.hindujahousingfinance.com

Meetings of the Board

During the Financial year 2021-22, 5 (five) meetings of the Board of Directors were held and the related details, including that of various committees constituted by the Board, are made available in the Report of Directors on Corporate Governance forming part of the annual report placed before the members. Your Company has complied with all the requirements as applicable under Companies Act, 2013 and related rules thereon and Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, in relation to the Board of Directors and the Committees of the Board.

Committees of the Board

Currently the Board has eight Committees viz. the Audit Committee, the Nomination & Remuneration Committee, the Risk Management Committee, the Asset Liability Management Committee, the Corporate Social Responsibility Committee, the IT Strategy Committee, the Credit Committee and the Wilful defaulter review committee.

A detailed note on the composition of the Board and its Committees and other related particulars are provided in the Report of Directors on Corporate Governance forming part of this Annual Report.

Secretarial Standards

During the financial year 2021-22, the company has complied with the applicable Secretarial Standards.

Board Evaluation

Pursuant to the provisions of Section 134(3) (p) of the Act read with Rule 8 (4) of Companies (Accounts) Rules, 2014, the Board, its Committees and the Directors have carried out annual evaluation / annual performance evaluation, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Independent Directors was carried out by the entire Board. This has resulted in assessment of Board effectiveness, performance of Committees and Directors' feedback.

Significant and material orders

There has been no penalty imposed by NHB, RBI or other Regulators during the year ended 31st March 2022.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

Since your Company is a housing finance Company and does not own any manufacturing facility, the requirement relating to providing the particulars relating to conservation of energy and technology absorption as per Sec 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014, are not applicable. However, your Company has been increasingly using information technology in its operations and promotes conservation of resources. During the year, your Company did not earn any income or incur any expenditure in foreign currency /exchange.

Management Discussion and Analysis

Indian Economy Overview:

The Indian economy has delivered an improvement in its growth trajectory during fiscal year 2022 amidst resurgence from the initial setback from COVID Wave-2. The first half of fiscal year 2022 saw subdued activity in all parts of the economy due to the rise in COVID infections which resulted in more severe casualties than the first wave. The Government's diligence in driving widespread vaccination campaigns helped in the drastic ebbing of COVID cases during Q2. This, along with the arrival of a normal monsoon, resulted in recovery of business confidence and trade activities, alleviating the GDP growth. Strong private consumption and government expenditures were the key drivers for growth in domestic demand during the period. The economic recovery went hand in hand with improvement in employment conditions. The domestic supply chain pressures which had prevailed during fiscal year 2021 had eased out. The fiscal year 2022 ended with a drastic change in global economic environment due to escalating geopolitical stress, disrupting global supply chains as well as energy and financial markets. During the year, India's GDP grew at 8.9% which was an improvement of 180 basis points over the pre-pandemic (2019-20) level.

Financial Sector:

The financial markets remained stable amidst surplus liquidity conditions during the fiscal year 2022, witnessing intermittent volatility due to outbreak of Omicron variant followed by a swift decline in its spread, growing concerns about inflation, global geopolitical turmoil and the resultant spike in commodity prices. The recent geopolitical concerns triggered some flight of capital from foreign portfolios during Q4 which was partly offset by increased government expenditure.

The fresh issuances in corporate bonds declined in the fiscal year 2022, a six year low as corporate resource requirements tapered down with moderated capex spend and with banks competing with low lending rates coupled with buoyancy in equity markets. Foreign investment in corporate bonds further reduced towards the end of the fiscal year as overseas rates started rising globally.

Domestic credit offtake picked up in the second half of the fiscal year 2022 with the gradual return to normalcy post COVID wave 2, driven primarily by a 12.3% (year-on-year) growth in personal loans followed by 10.4% growth in agricultural and allied activities. The growth in personal loans was driven primarily by housing loans, followed by vehicle loans and loan against gold. Credit to industry also increased by 6.5% which was driven by increased requirement from MSMEs. The government promoted credit offtake with the help of interest subvention schemes, schemes on priority sector lending and extension of the ECLGS scheme. Banks remained the key contributors in financing the credit growth across most sectors. Credit expansion in services sector was supported by NBFCs and trade finance.

The housing finance segment saw increasing competitive interest from banks and HFCs with residential mortgage being the most stable asset class. Low interest rate offerings on home loans from banks has increased margin pressures for housing finance companies. Banks continued to hold the majority of the housing loan portfolio with 65% share during the fiscal year 2022.

Real Estate Industry & Affordable Housing

The Indian real estate sector has emerged stronger from a period of systematic structural reforms and policy changes in the previous few years which led to the elimination of weaker players, large-scale consolidation. The sector stands today as more transparent to consumers, better organized and accountable to what it was during the last decade.

The residential real estate demand took off strongly after lifting of pandemic induced prohibitions, driven by the low interest rates and relaxation of stamp duties by states. Strong household savings among families sustained the need for home ownership with a strong recovery of demand especially in tier-2 and tier-3 cities. Parallelly, construction activity returned to normalcy with return of construction workers to urban areas.

The government in its budget of 2022 continued to provided impetus to affordable housing for middle income families and economically weaker section through the Pradhan Mantri Awas Yojana (PMAY) programme with an allocation of Rs. 48,000 crores towards construction of 80 lakh homes in urban areas. The government has also stated that it will encourage states to adopt unique land parcel identification number to facilitate digitised management of records and meet the objective of "anywhere registration" of deeds and other transfer documents. It has proposed one-nation-one-registration structural reform for the real estate sector that will facilitate land transactions and sale deed registration from anywhere in the country, paving the way for faster and smoother digital transactions in real estate.

Demand for housing finance during fiscal 2022 was driven by increased affordability on account of stable property prices coupled with improved incomes of individual borrowers over the past 4-5 years and historically low interest rates. Despite the disruption in business activities during the first quarter due to the pandemic, the income levels remained largely intact across the industry, and with lending rates remaining low, the home loan disbursements rebounded during the second half of the fiscal year.

Regulatory changes

During the year, RBI introduced framework for Scale Based Regulations (SBR) for classification of NBFCs, including HFCs, with its circular dated 22nd October, 2021. These revised regulations would be effective from 1st October, 2022. As per the revised framework, NBFCs will be classified into four layers based on their size, activity and perceived riskiness. Housing Finance Companies shall be classified under NBFC - Middle Layer (NBFC-ML). The Upper Layer (NBFC-UL) shall comprise of NBFCs specifically identified by RBI warranting enhanced regulatory requirements and top 10 NBFCs shall always remain in the NBFC-UL irrespective of other factors. The Top Layer (NBFC-TL) shall be populated only if in opinion of RBI there is a substantial increase in the potential systemic risk from specific NBFCs in the Upper Layer. Such NBFCs shall be moved to Top layer from the Upper layer.

RBI also released a circular dated 12th November, 2021 issuing clarifications regarding Prudential Norms with a view to harmonize implementation of IRACP norms across lending institutions. The instructions issued under this circular included methodology for calculation of Days past due, classification as Special Mention Accounts (SMA) and Non Performing Accounts (NPA) and upgradation of accounts previously classified as NPAs. In a further clarification issued by RBI on 15th February, 2022 on the subject, the RBI extended the timeline for implementation of the recommended method of upgradation of account previously classified as NPAs till 30th September, 2022.

Outlook for FY 2022-23

The Indian economy stands facing the new fiscal year 2023 with a tailwind in the form of a buoyant domestic demand including for contact-intensive services. The country has also witnessed resilience shown by corporate balance sheets during the pandemic period, although capital investments are yet to revive across the sectors. Government's thrusts to promote investment by both domestic and foreign entities have been widely acclaimed. This goes hand in hand with RBI's measure to release systemic liquidity which has created a conducive environment to foster wide-spread economic growth in the country. The emergence of the recent geopolitical turmoil, however, poses uncertainties regarding investment flows, supply chain disruptions on a wide array of commodities, oil price hikes and inflation induced by it.

The housing sector continues to remain one of the most secure asset classes getting abundant funding from lenders and investors. With economic recovery visible across all sectors, growth is expected to continue in the coming fiscal year, supported by pend-up demand for housing mainly in the affordable and low income segment, as individuals hasten their decision to purchase a home while affordability remains favourable. Estimates from CRISIL Research forecast a growth of 13% in housing credit from HFCs/NBFCs during fiscal year 2023, on top of a 13% growth during fiscal year 2022. However, new waves of COVID-19 and regulatory changes pose downside risks.

Within the housing finance industry, the affordable housing segment has grown at a faster pace on a bedrock of a large unmet demand for home ownership in the middle income and low income segments, which was added by continued support from the Government and central bank and increasing penetration of affordable-segment HFCs in tier-II and tier-III cities. CRISIL Research estimates affordable HFCs to continue growing at 15-17% during fiscal year 2023.

Acknowledgement

Your directors would like to thank Hinduja Leyland Finance Limited, the promoter, for their continuous support. Your Directors acknowledge and appreciate the guidance and support extended by all the Regulatory authorities including National Housing Bank (NHB), Reserve Bank of India (RBI), Ministry of Corporate Affairs (MCA), Registrar of Companies - Chennai.

Your Directors wish to place on record their gratitude to the Company's customers, Bankers, Financial Institutions and vendors for their continued support and faith reposed in the Company. The Board also places on record its deep appreciation for the dedication and commitment of the employees at all levels.

On behalf of the Board of Directors

Place: Chennai
Date: 13th May, 2022

S Nagarajan
Chairman

Annexure A

REPORT ON CORPORATE GOVERNANCE

Reserve Bank Of India Directions On Corporate Governance

In view of public interest and for the purpose of enabling better regulation over the housing finance Companies, the Reserve Bank of India has issued Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. RBI has stipulated all NBFCs to frame an internal guideline on Corporate Governance. In pursuance of the aforesaid guidelines, the Company has framed an internal guideline on Corporate Governance.

Company's Philosophy On Corporate Governance

The Company recognises its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices. Being a part of Hinduja Group and a subsidiary of Hinduja Leyland Finance Limited, the Company's philosophy on Corporate Governance and the Company's corporate governance standards demonstrate strong commitment to values, ethics and business conduct.

Board Of Directors

As at 31st March, 2022, the Board consists of 6 (Six) members with an optimum combination of executive, non-executive directors and independent directors including 1 woman director. The composition of the Board is in conformity with the provisions of Companies Act, 2013 and corporate governance directions issued by National Housing Bank.

Composition and category of Directors

Name of the Director	Category	DIN	No. of shares held by the Directors as at 31st March, 2022
Mr. S Nagarajan	Chairman, Non-Executive	00009236	1#
Mr. Sachin Pillai	Managing Director, Executive	06400793	1#
Mr. Gopal Mahadevan	Non-Executive / Non-Independent	01746102	1#
Ms. Bhumika Batra	Non-Executive / Independent	03502004	Nil
Mr. G S Sundararajan	Non-Executive / Independent	00361030	Nil
Mr. Srinivas Acharya	Non-Executive / Independent	00017412	Nil

Shares held as nominee of the Hinduja Leyland Finance Limited

Meetings of the Board

The meetings of the Board of Directors shall be held at least four times a year, with a maximum time-gap of four months between any two consecutive meetings. During the year, the Board duly met 5 (Five) times on the following dates:

FY 2021-22	Meeting Dates
April'21 – June'21(Q1)	24th May, 2021
July'21 – September'21 (Q2)	6th August, 2021
October'21 – December'21 (Q3)	3rd November, 2021
January'22 – March'22 (Q4)	4th February, 2022, 16th March, 2022

The necessary quorum was present at all the meetings. Each Director informs the Company on an annual basis about the Board and Board Committee positions he occupies in other companies including Chairmanships and notifies changes during the term of their directorship in the Company.

Attendance during the financial year 2021-22 of each Director at the Board Meetings and last Annual General Meeting

Name	No. of meetings attended / held during the year	
	Board	AGM
Mr. S Nagarajan	5/5	1/1
Mr. Sachin Pillai	5/5	1/1
Mr. Gopal Mahadevan	2/5	1/1
Ms. Bhumika Batra	5/5	0/1
Mr. G S Sundararajan	5/5	0/1
Mr. Srinivas Acharya*	2/2	0/0

* Mr. Srinivas Acharya was appointed as Non-executive Independent Director on 4th February, 2022

Meeting(s) of the Independent Directors

During the year under review, in line with the requirement under Section 149(8) and Schedule IV of the Companies Act, 2013, the Independent Directors had a separate meeting on 19th May, 2021, without the presence of Non-Independent Directors and members of management, to review the performance of Non-Independent Directors and the Board as a whole, to review the performance of the Chairperson of the Company and to assess the quality, quantity and timeliness of flow of information between the Company Management and the Board. All the Independent Directors were present at the Meeting and no adverse feedback emanated from the meeting.

Code of conduct

For the year under review, all the Directors and Senior Management Personnel have affirmed compliance with the provisions of their Code of Conduct. In terms of the Code of Conduct of Independent Directors as per Schedule IV of the Companies Act, 2013, the Board has adopted the said Code and all the Independent Directors have affirmed that they shall abide by the said Code. In terms of the HFCs Corporate Governance (NHB) Directions, 2016, all the Directors have executed the Declaration-cum undertaking as well as the Deed of Covenants with the Company.

Committees of the Board

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted the following set of Committees with specific terms of reference / scope. The Committees are operating as empowered agents of the Board as per their Charter / terms of reference.

Audit Committee

The Board of Directors of the Company, vide their resolution dated 31st March, 2017, had constituted and entrusted the Audit Committee with the responsibility to supervise internal controls and financial reporting processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting. Further the audit committee was reconstituted by the Board of Directors vide resolution dated 16th March, 2022. Composition of Audit Committee of the Board is as follows:

Members	No. of meetings attended / held during the year	Meeting Dates
Mr. G S Sundararajan Chairman, Independent / Non-executive	4/4	24th May, 2021 6th August, 2021 3rd November, 2021 4th February, 2022
Ms. Bhumika Batra Independent / Non-executive	4/4	
Mr. Gopal Mahadevan Non-independent / Non-executive	1/4	
Mr. Srinivas Acharya Independent / Non-executive	0/0	

Nomination and Remuneration Committee

The Board of Directors of the Company, vide their resolution dated 31st March, 2017, had constituted the Nomination and Remuneration Committee in pursuant to the provisions of the Companies Act, 2013. The terms of reference of the Committee inter alia cover evaluation of performance and compensation and benefits for Executive Director(s), Non-Executive Director(s), KMPs and their reportees. The Committee also recommends candidates for appointment to the Board and is responsible for framing of policies.

Composition of the Nomination and Remuneration Committee is as follows:

Members	No. of meetings attended / held during the year	Meeting Dates
Ms. Bhumika Batra Chairperson, Independent / Non-executive	3/3	24th May, 2021 3rd November, 2021 4th February, 2022
Mr. G S Sundararajan Independent / Non-executive	3/3	
Mr. Gopal Mahadevan Non-independent / Non-executive	1/3	
Mr. Sachin Pillai Non-independent / Executive	3/3	

Risk Management Committee and Asset Liability Management Committee

The Risk Management Committee (RMC) and the Asset Liability Management Committee (ALCO), are formed in accordance with Directions issued by the National Housing Bank.

Composition of Risk Management Committee and Asset Liability Management Committees are as follows:

Risk Management Committee

Members	No. of meetings attended / held during the year	Meeting Dates
Mr. Gopal Mahadevan Non-independent / Non-executive	0/2	24th May, 2021 3rd November, 2021
Mr. G S Sundararajan Independent / Non-executive	2/2	
Mr. S Nagarajan Non-independent / Non-executive	2/2	
Mr. Srinivas Acharya Independent / Non-executive	0/0	

*Risk Management Committee was reconstituted on 16th March, 2022

Asset Liability Management Committee Composition		
Members	**No. of meetings attended / held during the year**	**Meeting Dates**
Mr. Sachin Pillai Managing Director, Chairman	4/4	22nd May, 2021 5th August, 2021 30th October. 2021 1st February, 2022
Mr. S. Nagarajan Director, Member	4/4	
Mr. Kishore Kumar Lodha CFO, Hinduja Leyland Finance Limited (parent company), Member	4/4	
Mr. Prateek Parekh CFO, Member	2/2	
Mr. Vivek Kannan COO, Member	2/2	

*Asset Liability Management Committee was reconstituted on 6th August, 2021.

IT Strategy Committee

The Board of Directors of the Company, vide their resolution dated 11th February, 2019, had constituted the IT Strategy Committee in pursuant to National Housing Bank (NHB) Circular "NHB/ND/DR5/Policy Circular No.90/2017-18" dated 15th June, 2018. Composition of IT strategy Committee is as follows;

IT Strategy Committee Composition		
Name & Designation	**No. of meetings attended / held during the year**	**Meeting Dates**
Mr. G S Sundararajan Chairman, Independent / Non-executive	2/2	24th May, 2021 3rd November, 2021
Mr. Sachin Pillai Non-independent / Executive	2/2	
Mr. Venkatesan J Head IT	2/2	
Stalin Irudhaya Raj Head IT	0/0	

*IT Strategy Committee was reconstituted on 16th March, 2022

Corporate Social Responsibility Committee

The Board of Directors of the Company, vide their resolution dated 11th February, 2019, had constituted the Corporate Social Responsibility Committee in pursuant to the requirements of Section 135 of the Companies Act.

Composition of CSR strategy Committee is as follows;

CSR Committee Composition		
Name & Designation	**No. of meetings attended / held during the year**	**Meeting Dates**
Mr. S Nagarajan Chairman, Non-executive	2/2	24th May, 2021 3rd November, 2021
Mr. Sachin Pillai Non-independent / Executive	2/2	
Ms. Bhumika Batra Independent / Non-executive	2/2	

The Independent Directors are not paid any fee/ remuneration apart from the sitting fee for attending the meetings.

Credit Committee

During the financial year 2021-22, the Credit Committee was constituted by the Board in its meeting held on 16th March, 2022. No meetings were held during FY 2021-22. The composition of the Credit Committee are as follows:

Members	Designation
Mr. G S Sundararajan	Chairman, Independent / Non-executive
Ms. Bhumika Batra	Independent / Non-executive
Mr. Srinivas Acharya	Independent / Non-executive
Mr. Sachin Pillai	Non - Independent / Executive

Wilful Defaulter Review Committee

Pursuant to Paragraph 111 and Annexure XVII of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by RBI on 17th February, 2021, Housing Finance Companies are required to constitute Wilful defaulters Review Committee. In this regard, the Board of Directors in it is meeting held on 6th August, 2021 constituted Wilful defaulters Review Committee. No meetings were held during FY 2021-22.

The composition of the Wilful Defaulter Review Committee are as follows:

Members	Designation
Mr. S Nagarajan	Chairman, Non - Independent / Non-executive
Mr. Sachin Pillai	Non - Independent / Executive
Mr. G S Sundararajan	Independent / Non-executive
Ms. Bhumika Batra	Independent / Non-executive

Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors of the Company had approved the

Policy on Vigil Mechanism/Whistle Blower for the Directors, employees and other stakeholders to enable them to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Company affirms that the mechanism provides adequate safeguards against victimisation of Director(s)/employee(s) who use the mechanism, provides for direct access to the Chairman of the Audit Committee and also affirms that no complaints were received during the year.

Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Work place

Your 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 requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. In terms of the policy, an Internal committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. During financial year 2021-22 there were no referrals received by the Internal Committee.

On behalf of the Board of Directors

Place: Chennai
Date: 13th May, 2022

S Nagarajan
Chairman

Annexure B

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

To,
The Members,
M/s. Hinduja Housing Finance Limited
CIN# U65922TN2015PLC100093
No. 27A, Developed Industrial Estate
Guindy, Chennai - 600 032

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Hinduja Housing Finance Limited (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information, explanations and clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and considering the relaxations granted by the Ministry of Corporate Affairs warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the company has, during the audit period covering the financial ended 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance -mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Hinduja Housing Finance Limited for the financial year ended on 31st March, 2022 according to the provisions of:

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

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(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) The Reserve Bank of India Act, 1934 read with applicable Rules and Regulations relating to Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021

(vi) National Housing Bank Master Circular – Returns to be submitted by Housing Finance Companies (HFCs) dated 31st December, 2021

We have also examined compliance with the applicable clauses of the 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.

We report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, 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 decisions in the Board meetings are approved by Directors unanimously and recorded as part of the minutes.

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

We further report that during the audit period under review;

1) The Company has issued 86,00,000 equity shares

of Rs.10/- each at a premium of Rs. 79/- each aggregating Rs. 76,54,00,000/- on 21st March, 2022 to its Equity Shareholders on right basis during the year under review.

2) The Company has transferred an amount Rs. 1,04,36,000/- remaining unspent pursuant to ongoing projects to a separate bank account on 30th April, 2022 as required under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

3) The Company has increased its Authorized Share Capital from Rs. 300,00,00,000/- consisting of 30,00,00,000 Equity Shares of Rs. 10/- each to Rs. 400,00,00,000/- consisting of 40,00,00,000 Equity Shares of Rs. 10/- each as approved by the Shareholders at their Extra-ordinary General Meeting held on 26th November, 2021.

4) The Board of Directors at their meeting held on 4th February, 2022 re-appointed Mr. Sachin Pillai (DIN 06400793) as its Managing Director without any Remuneration for a period of two years with effect from 1st April, 2022. The said reappointment was approved by the Shareholders at their Extra-ordinary General meeting held on 28th February, 2022.

5) The Board of Directors at their meeting held on 4th February, 2022 appointed Mr. Srinivas Acharya (DIN 00017412) as an Independent Director of the Company for a period of 5 years with effect from 4th February, 2022. The said appointment was approved by the Shareholders at their Extra-ordinary General meeting held on 28th February, 2022.

6) Ms. Roopa Sampath Kumar resigned as Chief Financial Officer of the Company on 14th May, 2021 and Mr. Prateek Parekh was appointed as Chief Financial Officer of the Company with effect from 24th of May, 2021.

For **M/s. G Ramachandran & Associates**
Company Secretaries

Place: Chennai
Date: 13th May, 2022
UDIN: F009687D000319018

G. RAMACHANDRAN
Proprietor
FCS No.9687 CoP. No.3056

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE-A SECRETARIAL AUDIT REPORT OF EVEN DATE

To,
The Members,
M/s. Hinduja Housing Finance Limited
CIN# U65922TN2015PLC100093
No. 27A, Developed Industrial Estate
Guindy, Chennai - 600 032

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **M/s. G Ramachandran & Associates**
Company Secretaries

Place: Chennai
Date: 13th May, 2022
UDIN: F009687D000319018

G. RAMACHANDRAN
Proprietor
FCS No.9687 CoP. No.3056

Annexue C

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended 31st March, 2022

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

S. No.	Particulars	Details
1	CIN	U65922TN2015PLC100093
2	Registration Date	15.04.2015
3	Name of the Company	HINDUJA HOUSING FINANCE LIMITED
4	Category/Sub-category of the Company	Company Limited by Shares Indian Non-Government Company
5	Address of the Registered office & contact details	No. 27A, Developed Industrial Estate Guindy, Chennai, TN - 600 032 Ph : 044 22427555
6	Whether listed company	Unlisted
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Housing Finance Activities	65922	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Hinduja Leyland Finance Limited	U65993TN2008PLC069837	Holding	100.00	2(46)

IV. SHAREHOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the end of the year [As on 31-March-2021]				No. of Shares held at the end of the year [As on 31-March-2022]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual*/HUF	-	6	6	0.00%	-	6	6	0.00%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.*	21,49,99,994	-	21,49,99,994	100.00%	22,35,99,994	-	22,35,99,994	100.00%	0.00%
e) Banks/FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	**21,49,99,994**	**6**	**21,50,00,000**	**100.00%**	**22,35,99,994**	**6**	**22,36,00,000**	**100.00%**	**0.00%**
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**	**0.00%**	**0.00%**
TOTAL (A)	**21,49,99,994**	**6**	**21,50,00,000**	**100.00%**	**22,35,99,994**	**6**	**22,36,00,000**	**100.00%**	**0.00%**

Category of Shareholders	No. of Shares held at the end of the year [As on 31-March-2021]				No. of Shares held at the end of the year [As on 31-March-2022]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1)	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**	**0.00%**	**0.00%**

Category of Shareholders	No. of Shares held at the end of the year [As on 31-March-2021]				No. of Shares held at the end of the year [As on 31-March-2022]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Non Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
Trusts -	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2)	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**	**0.00%**	**0.00%**
Total Public (B)	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**	**0.00%**	**0.00%**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	**21,49,99,994**	**6**	**21,50,00,000**	**100.00%**	**22,35,99,994**	**6**	**22,36,00,000**	**100.00%**	

* 6 individual shareholders with beneficiary interest being held by Hinduja Leyland Finance Limited

(ii) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Hinduja Leyland Finance Limited	21,49,99,994	100.00%	0%	22,35,99,994	100.00%	0%	0.00%
2	Nagarajan Srinivasan *	1	0.00%	0%	1	0.00%	0%	0.00%
3	Sachin Pillai *	1	0.00%	0%	1	0.00%	0%	0.00%
4	Gopal Mahadevan *	1	0.00%	0%	1	0.00%	0%	0.00%
5	Vamsi Kumar *	1	0.00%	0%	1	0.00%	0%	0.00%
6	Kishore Kumar Lodha *	1	0.00%	0%	1	0.00%	0%	0.00%
7	B Shanmugasundaram *	1	0.00%	0%	1	0.00%	0%	0.00%
		21,50,00,000	**100.00%**	**0%**	**22,36,00,000**	**100.00%**	**0%**	

*Beneficiary interest in 6 equity shares are held by M/s. Hinduja Leyland Finance Limited

(iii) Change in Promoters' Shareholding

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	**Hinduja Leyland Finance Limited**						
	At the beginning of the year			21,49,99,994	100.00%	21,49,99,994	100.00%
	Changes during the year	21-Mar-22	Rights issue	86,00,000	100.00%	22,35,99,994	100.00%
	At the end of the year					22,35,99,994	100.00%
2	**Nagarajan Srinivasan ***						
	At the beginning of the year			1	0.00%	1	0.00%
	Changes during the year			-	0.00%	1	0.00%
	At the end of the year					1	0.00%
3	**Sachin Pillai ***						
	At the beginning of the year			1	0.00%	1	0.00%
	Changes during the year			-	0.00%	1	0.00%
	At the end of the year					1	0.00%
4	**Gopal Mahadevan ***						
	At the beginning of the year			1	0.00%	1	0.00%
	Changes during the year			-	0.00%	1	0.00%
	At the end of the year					1	0.00%
5	**Vamsi Kumar ***						
	At the beginning of the year			1	0.00%	1	0.00%
	Changes during the year			-	0.00%	1	0.00%
	At the end of the year					1	0.00%
6	**Kishore Kumar Lodha ***						
	At the beginning of the year			1	0.00%	1	0.00%
	Changes during the year			-	0.00%	1	0.00%
	At the end of the year					1	0.00%
7	**B Shanmugasundaram ***						
	At the beginning of the year			1	0.00%	1	0.00%
	Changes during the year			-	0.00%	1	0.00%
	At the end of the year					1	0.00%

*Beneficiary interest in 6 equity shares are held by M/s. Hinduja Leyland Finance Limited

(iv) Shareholding Pattern of top ten Shareholders
(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For each of the Top 10 shareholders	Reason	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year Changes during the year At the end of the year			Not Applicable		Not Applicable	

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and KMP	Reason	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Directors						
1	**Mr. S.Nagarajan, Director***						
	At the beginning of the year			1	0.00%	1	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1	0.00%	1	0.00%
2	**Mr. Sachin Pillai, Managing Director***						
	At the beginning of the year			1	0.00%	1	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1	0.00%	1	0.00%
3	**Mr. Gopal Mahadevan, Director***						
	At the beginning of the year			1	0.00%	1	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			1	0.00%	1	0.00%

S. No.	For Each of the Directors and KMP	Reason	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Other KMPs						
1	**Ms. Roopa Sampathkumar, Chief Financial Officer***						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
2	**Mr. Prateek Parekh, Chief Financial Officer****						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
3	**Mr. Srinivas Rangarajan, Company Secretary**						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%

*Beneficiary interest in 6 equity shares are held by M/s. Hinduja Leyland Finance Limited

*Ceased to be the Chief Financial Officer w.e.f 14th May, 2021

**Appointed as Chief Financial Officer w.e.f 24th May, 2021

V. INDEBTEDNESS

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

Rs. in Lakh

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,16,719.25	-	-	2,16,719.25
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due	307.93	-	-	307.93
Total (i+ii+iii)	**2,17,027.18**	**-**	**-**	**2,17,027.18**
Change in Indebtedness during the financial year				
* Addition	1,52,500.00	-	-	1,52,500.00
* Reduction	43,620.13	-	-	43,620.13
Net Change	**1,08,879.87**	**-**	**-**	**1,08,879.87**
Indebtedness at the end of the financial year				
i) Principal Amount	3,25,386.14	-	-	3,25,386.14
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due	520.91	-	-	520.91
Total (i+ii+iii)	**3,25,907.05**	**-**	**-**	**3,25,907.05**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Rs. in Lakh

S. No.	Particulars of Remuneration		Total Amount
	Name	**Sachin Pillai**	**-**
	Designation	**Managing Director**	**Nil**

Note: All the KMPs except Mr. Srinivas Rangarajan, Company Secretary and Mr. Prateek Parekh, Chief Financial Officer appointed w.e.f 24th May, 2021 have been nominated by Hinduja Leyland Finance Limited, the Holding Company and no remuneration is borne by this Company

HINDUJA HOUSING FINANCE

B. Remuneration to other directors:

Rs. in Lakh

S. No.	Particulars of Remuneration	Name of Directors			Total Amount
	Independent Directors	Mr. Bhumika Batra	Mr. G S Sundararajan	Mr. Srinivas Acharya	
	- Fee for attending board / committee meetings	4,50,000	5,70,000	1,50,000	11,70,000
	- Commission	-	-	-	-
	- Others, please pecify	-	-	-	-
	Total	**4,50,000**	**5,70,000**	**1,50,000**	**11,70,000**

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

Rs. in Lakh

S. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name	Ms. Roopa Sampathkumar*	Mr. Prateek Parekh**	Mr. Srinivas Rangarajan	
	Designation	CFO	CFO	CS	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961		64,07,551	11,37,448	75,44,999
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-	-	-
	(c) Profits in lieu of salary u/s 17(3) Income- tax Act, 1961		-	-	-
2	Stock Option	NIL	-	-	-
3	Sweat Equity		-	-	-
4	Commission		-	-	-
	- as % of profit		-	-	-
	- others, specify		-	-	-
5	Others, please specify		-	-	-
	Total		**64,07,551**	**11,37,448**	**75,44,999**

*Ceased to be the Chief Financial Officer w.e.f 14th May, 2021

**Appointed as Chief Financial Officer w.e.f 24th May, 2021

Note: Ms. Roopa Sampath Kumar, Chief Financial Officer has been nominated by Hinduja Leyland Finance Limited, the Holding Company and no remuneration is borne by this Company

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Rs. in Lakh

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY Penalty Punishment Compounding			**Nil**		
B. DIRECTORS Penalty Punishment Compounding			**Nil**		
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding			**Nil**		

HINDUJA HOUSING FINANCE

Annexure - D

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

   All transactions entered into by the Company during the year with related parties were on an arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

   The transactions entered into by the Company during the year with related parties on an arm's length basis were not material in nature.

On behalf of the Board of Directors

Place: Chennai
Date: 13th May, 2022

S Nagarajan
Chairman

Annexure - E

Related Party Transaction Policy

1. Introduction

Hinduja Housing Finance Limited (the "Company") is committed to upholding the highest standards of professional and ethical conduct in fulfilling its responsibilities and recognizes that related party transactions can present potential or actual conflicts of interest of Directors, Key Managerial Personnel, Senior Management, etc. with the interest of the Company.

In order to ensure that the transactions entered into with related parties (as defined below) are in the best interests of the Company and the shareholders, the Board of Directors of the Company adopts this policy regarding review and approval of Related Party Transactions and to set forth the procedures under which certain transactions must be reviewed and approved or ratified.

2. Policy Objectives

This policy is framed pursuant to the provisions of the Companies Act, 2013 including any statutory modifications or re-enactment thereof.

Provisions of this policy are designed to ensure transparency in the approval process and reporting and disclosure requirements, in terms of the applicable laws.

3. Definitions

3.1 Applicable Law

Applicable law means the Companies Act, 2013, and such other secretarial and accounting standards as may be applicable including any statutory modifications or re-enactment thereof.

3.2 Arms' length basis

Arm's length basis means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest. For determining Arm's Length Basis, guidance may be taken from the transfer pricing provisions under the Income Tax Act, 1961.

3.3. Employees

Employees mean the employees and office-bearers of the Company, including but not limited to Whole-Time Directors.

3.4 Material Related Party Transaction

Material Related Party Transaction means a transaction with a Related Party as defined in the Companies Act, 2013, the rules made thereunder including any statutory modifications or re-enactment thereof.

3.5 Ordinary Course of business (existing definition removed and new definition inserted with more clarity)

Ordinary Course of Business means: -

a) all such acts and transactions undertaken by the Company in the normal routine to conduct its business operations and activities and includes all such activities which the Company can undertake as per the Objects clause of the Memorandum of Association of the Company. The Company should take into account the frequency of the activity and its continuity carried out in a normal organized manner for determining what is in the Ordinary Course Business.

b) On occasions, the nature of the business carried out and industry practice in accordance with well settled customs and usages would help determining whether an activity is in the 'ordinary course of business' or not.

c) Activities in the ordinary course of business are likely to have a well-established precedence in the company history. If an activity is being conducted for the first time, it is likely not part of the ordinary course of business.

d) Regular and frequently occurring activities will typically be considered to be unremarkable and in the ordinary course of business. Transactions which are infrequent and occur only once in a while are not to be classified as 'ordinary'. We are assuming periodicity to be once every 18 months.

e) Activities where the quantum of transactions are consistent with past history

f) the following activities will generally not be considered as part of the ordinary course of business:

(i) Corporate Restructurings and Schemes of Arrangement between related entities

(ii) Slump Sales or Hive-Offs to related entities

(iii) Purchase of securities of related entities (other than for pure investment companies)

(iv) Royalty fees paid or received from related entities

(v) Providing capital support to group entities (other than wholly-owned subsidiaries)

Point (b) to (f) are based on the guidance provided in the report titled "A Framework to define Ordinary course of business" by Institutional Investor Advisory Services – A Proxy Advisory Firm

3.6 Related Party Transactions

Related Party Transactions means as defined in the Companies Act, 2013, including any statutory modifications or re-enactment thereof.

All other words and expressions used but not defined in this Policy, but defined in the Companies Act, 2013 shall have the same meaning as respectively assigned to them in such Acts, Rules or Regulations or any statutory modification or re-enactment thereto, as the case may be and as the context may require.

4. Related Party Transactions

All related party transactions and material related party transactions of the Company shall be carried out in accordance with the norms specified under the Companies Act, 2013, including any statutory modifications or re-enactment thereof.

5. Related Party Transactions, which shall not require the approval

The following transactions shall not require separate approval under this Policy:

(i) Any transaction that involves the providing of compensation to a Director or Key Managerial Personnel, in accordance with the provisions of the statutory laws stated herein this policy in connection with his or her duties to the Company or any of its Subsidiaries or Associates, including the reimbursement of reasonable business and travel expenses incurred in the Ordinary Course of Business;

(ii) Indemnification and advancement of expenses made pursuant to any agreement or by-laws of the Company;

(iii) Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party;

(iv) Any transaction which is in the Ordinary Course of Business and on an Arm's Length Basis as determined in terms of this Policy;

(v) Any transaction 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;

(vi) Transactions that have been approved by the Board under the specific provisions of the Act, e.g. inter-corporate deposits, borrowings, investments with or in wholly owned subsidiaries or other Related Parties;

(vii) Payment of Dividend;

(viii) Transactions involving corporate restructuring, such as buy-back of shares, capital reduction, merger, demerger, approved by the Board and carried out in accordance with the specific provisions of the Act or the Listing Agreement;

(ix) Contribution to Corporate Social Responsibility, subject to approval of Corporate Social Responsibility Committee and within the overall limits approved by the Board of the Company;

(x) Any other exception which is consistent with the Applicable Law, including any Rules or Regulations made thereunder, and must be approved in advance by the Audit Committee.

6. Related Party Transactions not previously approved

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy and shall take any such action it deems appropriate.

Further, if the Related Party Transaction is not ratified within three months from the date on which such contract or arrangement is entered into, 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.

7. Disclosures:

All related party transactions during the quarter shall be reported to the Audit Committee during its quarterly / annual meetings considering unaudited / audited financial statements of the Company.

Such other disclosures as may be required under the statutory laws referred in this policy.

8. Power to amend the policy

The Board of Directors reserves the power to review and amend this policy from time to time as and when necessary.

Annexure - F

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2021-22

(i) CSR Policy of the Company

CSR Policy of the Company specifies the activities to be undertaken by the Company as recommended by the CSR Committee and approved by the Board of Directors in such projects or programs relating to activities specified in Schedule VII of the Act.

The Company's CSR Policy has been uploaded on the website of the Company under the web-link: www.hindujahousingfinance.com.

(ii) Composition of CSR Committee

S. No.	Name of the 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	Mr. S. Nagarajan – Chairman	Chairman	2	2
2	Mr. Sachin Pillai – Member	Managing Director	2	2
3	Ms. Bhumika Batra – Member	Independent Director	2	2

(iii) The Web-link: **http://www.hindujahousingfinance.com/documents/governance**

(iv) Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules 2014, if applicable: **Not Applicable**

(v) Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules 2014 and amount required to set off for the financial year, if any: **NIL**

(vi) Average Net Profit of the Company as per Section 135 (5): **Rs. 5,217.92 Lakhs**

(vii) (a) Two percent of average net profit of the Company as per Section 135 (5): **Rs. 104.36 Lakhs**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year **- Nil**

(c) Amount required to be set off for the financial year, if any **– Nil**

(d) Total CSR obligation for the financial year (7a+7b-7c): **Rs. 104.36 Lakhs**

(viii) (a) CSR amount spent or unspent for the Financial Year (Rs. In Lakhs):

Total Amount Spent for the Financial Year	Amount unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second provison to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
Nil	104.36	30.04.2022	Nil	Nil	Nil

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

Rs. in Lakh

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
S.No.	**Name of the Project**	**Item from the list of Schedule VII to the Act.**	**Local area (Yes/No)**	**Location of the Project**	**Project duration**	**Amount allocated for the project**	**Amount spent in the current Financial Year**	**Amount transferred to Unspent CSR Account as per Section 135(6)**	**Mode of Implementation – Direct (Yes/No)**	**Mode of Implementation - Through Implementing Agency**
1	Lake Restoration	Conservation of natural resources	Yes	Vallakottai Village, Kanchipuram District, TN	6 months	35.11	-	35.11	No	Environmentalist Foundation of India
2	Road to School	Children Education	Yes	Pudhuchatiram, Tiruvallur Districts, TN	15 months	69.25	-	69.25	No	Learning Links Foundation
	Total					**104.36**	**-**	**104.36**		

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year):

Rs. in Lakh

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
S.No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act.**	**Local area (Yes/No)**	**Location of the Project**	**Amount spent for the Project**	**Mode of Implementation – Direct (Yes/No)**	**Mode of Implementation - Through Implementing Agency**	
							Name	**CSR Regn No.**
NIL								

(d) Amount spent in Administrative Overheads **NIL**

(e) Amount spent on Impact Assessment, if applicable: **Not Applicable**

(f) Total Amount spent for the Financial Year (8b + 8c+8d +8e) **NIL**

(g) Excess amount for set off, if any: **NIL**

Rs. in Lakh

S.No.	Particulars	Amount
(i)	Two percent of average net profit of the Company as per Section 135(5)	
(ii)	Total Amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year [(ii) – (i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial year if any.	
(v)	Amount available for set off in succeeding years [(iii) – (iv)]	

(ix) (a) Details of Unspent CSR amount for the preceding three financial years:

Rs. in Lakh

S.No.	Preceding Financial Year	Amount transferred to unspent CSR Account under Section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial year
				Name of the Fund	Amount	Date of transfer	
1	2020-21	65.14	-	NIL			65.14

(b) Detail of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s)

Rs. in Lakh

S.No.	Project ID	Name of the Project	FY in which the project commenced	Project Duration	Total Amount allocated for the Project	Total Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the Project – Completed / Ongoing
NIL								

(x) In case of creation of acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year
NOT APPLICABLE

(Asset wise details)

(a) Details of creation or acquisition of the capital asset: **Not Applicable**

(b) Amount of CSR spent for creation or acquisition of capital asset: **Not Applicable**

(c) Details of the entity or public authority or beneficiary under whose name such capital Asset is registered, their address if any: **Not Applicable**

(d) Provide details of the capital assets created or acquired (including complete address and location of the capital asset): **Not Applicable**

(xi) Specify the reasons, if the company has failed to spend two per cent of the average net profit as per Section 135(5): The Company has identified CSR projects and allocated the CSR budget. As the project is ongoing, the unspent amount has been transferred to unspent CSR account and will be spent towards the projects.

Place: Chennai Date: 13^{th} May, 2022	**S Nagarajan** *Chairman*	**Sachin Pillai** *Managing Director*

INDEPENDENT AUDITOR'S REPORT

To the members of Hinduja Housing Finance Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **Hinduja Housing Finance Limited** (the 'Company'), which comprise the balance sheet as at 31 March 2022, the statement of profit and loss (including other comprehensive income), the statement of cash flows, and the statement of changes in equity for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 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, of the state of affairs of the Company as at 31 March 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ('SA's or 'Standards') specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's responsibilities for the audit of the 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 Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of matter

We draw attention to Note 41 to the financial statements which describe the extent to which the Covid-19 pandemic will impact the Company's financial statements is dependent on the future developments, which are uncertain. Our opinion is not modified in respect of this matter.

Other matters

The comparative financial statements pertaining to the financial year ended 31 March 2021 was audited by the predecessor auditor who had issued an unmodified audit opinion on such financial statements vide their audit report dated 24 May 2021. Our opinion is not modified in respect of this matter.

Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Director's report but does not include the financial statements and our report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with Ind AS and the other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation, and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company is also responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

1) 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 Annexure 'A' to this Report, a statement on the matters specified in para 3 and 4 of the said Order, to the extent applicable.

2) As required by Section 143 (3) of the Act, we report - that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

(c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

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

(e) on the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B';

(g) with respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid or provided for, any managerial remuneration to the directors during the year and accordingly reporting on compliance with section 197 is not applicable; and

(h) with respect to the other matters to be included inthe 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 did not have any pending litigation which would impact its financial position;

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

iii. there were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. (a) the management has represented that, to the best of its knowledge and belief (which are material either aggregate or individually), as disclosed in Note 42 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to 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 on behalf of the Ultimate Beneficiaries;

(b) the management has represented, that, to the best of its knowledge and belief, (which are material either aggregate or individually), as disclosed in Note 42 to the financial statements, no funds have been received by the company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend to 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 our audit procedures, nothing has come to our notice that has caused us to believe that the representations provided by the management under sub-clause (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid dividend during the year.

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration No. 109983W

Tirtharaj Khot
Partner
Membership No. 037457
UDIN: 22037457AIXFLV7655

Place: Chennai
Date: 13th May 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Hinduja Housing Finance Limited of even date)

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and the situation of its property, plant, and equipment. Further, the Company does not carry any right-of-use assets in the books of account.

B. The Company has maintained proper records showing full particulars of its intangible assets.

(b) According to the information and explanations given to us and the records of the Company examined by us, property, plant, and equipment have been verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties in books of account. Hence, reporting under paragraph 3 (i)(c) of the Order does not arise.

(d) The Company has not revalued any of its property, plant, and equipment or intangible assets during the year. Further, the Company does not carry any right-of-use assets in the books of account. Hence, reporting under paragraph 3 (i)(d) of the Order does not arise.

(e) According to the information and explanations given to us, no proceeding has been initiated or is pending against the Company for holding any benami property, if any, under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988), as amended and Rules made thereunder. Hence, reporting under paragraph 3 (i)(e) of the Order does not arise.

(ii) (a) The Company is a housing finance company and does not carry any inventory in the books of account. Hence reporting under paragraph 3(ii)(a) of the Order does not arise.

(b) According to the information and explanations given to us, and the records examined by us, the Company has been sanctioned working capital limits in excess of five crores, in aggregate, from banks during the year on the basis of security of current assets, and as disclosed in Note 14.1 to the financial statements, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company. Further, the Company has not been sanctioned working capital limits from financial institutions during the year on the basis of security of current assets.

(iii) According to the information and explanations given to us,

i. the Company has not made investments in, stood any guarantee or provided any security or granted any loans or advances in the nature of loans, secured or unsecured, to firms and Limited Liability Partnerships.

ii. the Company has not made investments in, stood any guarantee or provided any security or granted any advances in the nature of loans, secured or unsecured, to companies and other parties.

According to the information and the explanation given to us, and the records of the Company examined by us, the company has granted secured loans to its customers during the year, in respect of which:

(a) Reporting under paragraph 3(iii)(a) of the Order does not arise as it is not applicable to housing finance companies.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, in our opinion, the terms and conditions of all loans granted by the company during the year are, prima facie, not prejudicial to the company's interest.

(c) the schedule of repayment of principal and payment of interest has been stipulated. Considering that the Company is engaged in the business of granting loans and the volume of transactions involved, the summary of loans where repayments or receipts are not regular is as disclosed in Note 40(i)(A) to the financial statements.

(d) the total amount overdue for more than ninety days as at the balance sheet date is disclosed in Note 40(i)(A) to the financial statements. Based on our audit procedures and the information and explanations given to us, in our opinion, reasonable steps have been taken by the company for recovery of the principal and interest.

(e) Reporting under paragraph 3(iii)(e) of the Order does not arise as it is not applicable to housing finance companies.

(f) The company has not granted any loans or advances in the nature of loans during the year, either repayable on demand or without specifying any terms or period of repayment to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013. Hence reporting under paragraph 3(iii)(f) of the Order does not arise.

(iv) According to the information and explanations given to us, the Company has not advanced any loan, given any guarantee, or provided any security to the parties covered under Section 185 of the Companies Act, 2013 and the Company has not given any loan or made investment covered under section 186 of the Companies Act, 2013. Hence, reporting under paragraph 3 (iv) of the Order does not arise.

(v) The provisions of sections 73 to 76 of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014 made thereunder are not applicable to housing finance companies. Further, according to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard. Hence, reporting under paragraph 3 (v) of the Order does not arise.

(vi) The Central Government has not specified maintenance of cost records under section 148(1) of the Companies Act, 2013 read together with Companies (Cost Records and Audit) Rules, 2014 (as amended) for the operations of the Company. Hence, reporting under paragraph 3 (vi) of the Order does not arise.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income tax, professional tax, cess and other material statutory dues applicable to the Company, if any, with appropriate authorities. According to the information and explanations given to us, and the records of the Company examined by us, there were no undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income tax, professional tax, cess and other material statutory dues, if any, outstanding as at 31 March 2022 for a period of more than six months from the date they became payable. Sales-tax, service tax, duty of customs, duty of excise, value added tax are not applicable to the Company.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues in respect of goods and services tax, provident fund, employees' state insurance, income-tax, professional tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, if any, as at 31 March 2022 which have not been deposited on account of any dispute. Hence, reporting under paragraph 3 (vii)(b) of the Order does not arise.

(viii) According to the information and explanations given to us, and on the basis of our audit procedures, the Company has not surrendered or disclosed any transaction not recorded in the books of account, if any, as income in the tax assessments under Income Tax Act, 1961 (43 of 1961) during the year. Hence, reporting under paragraph 3 (viii) of the Order does not arise.

(ix) (a) According to the information and explanations given to us, and on the basis of our audit procedures, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lenders during the year. Hence, reporting under paragraph 3 (ix)(a) of the Order does not arise.

(b) According to the information and explanations given to us, and on the basis of our audit procedures, the Company has not been declared willful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us, on an overall basis, the company has applied the term loans for the purposes for which they were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, the funds raised on ashort-term basis have not been used for long-term purposes by the company.

(e) The Company does not have any subsidiary or associate or joint venture. Hence, reporting under paragraph 3 (ix)(e) of the Order does not arise.

(f) The Company does not have any subsidiary or associate or joint venture. Hence, reporting under paragraph 3 (ix)(f) of the Order does not arise.

(x) (a) The Company has not raised any money by way of an initial public offer or further public offer (including debt instruments) during the year. Hence, reporting under paragraph 3(x)(a) of the Order does not arise.

(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year. Hence, reporting under paragraph 3 (x)(b) of the Order does not arise.

(xi) (a) To the best of our knowledge and during the course of our examination of the books and records of the Company and according to the information and explanations given to us, no material fraud by the Company, and no material fraud on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, and based on our audit procedures, no report under section 143(12) of the Companies Act, 2013 has been filed during the year in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company. Hence, reporting under paragraph 3(xii) of the Order does not arise.

(xiii) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

(xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the year under audit.

(xv) According to the information and explanations given to us, and the records of the Company examined by us, in our opinion, the company has not entered into any non-cash transactions with its directors or persons connected with its directors during the year, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company. Hence, reporting under paragraph 3(xv) of the Order does not arise.

(xvi) (a) The Company is a housing finance company and is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under paragraph 3(xvi)(a) of the Order does not arise.

(b) According to the information and explanations given to us, the Company has not conducted any housing finance activities during the year without a valid Certificate of Registration (COR) from the National Housing Bank / Reserve Bank of India, as applicable.

(c) According to the information and explanations given to us, and the records of the Company examined by us, in our opinion, the Company is not a Core Investment Company as defined in the Regulations made by the Reserve Bank of India. Hence, reporting under paragraph 3(xvi)(c) of the Order does not arise.

(d) The Company is a subsidiary of M/s Hinduja Leyland Finance Limited (Group) and as represented to us by the management, this Group does not have any Core Investment Companies.

(xvii) The Company has not incurred cash losses in the current financial year and the immediately preceding financial year.

(xviii) There has been resignation of the statutory auditors during the year and there were no issues, objections or concerns raised by the outgoing auditors.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and related parties are in compliance with Section 177 and 188 of Companies Act, expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans 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 that company is not capable of meeting its liabilities existing at the date of the 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 as the information provided being futuristic in nature has been verified only to the extent of information and explanations given to us. We further state that our reporting is based on the facts up to the date of the audit report and we neither provide 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. We are not responsible for any reporting changes in current situation.

(xx) (a) According to the information and explanations given to us, and based on our audit procedures, in respect of other than ongoing projects, the Company is not required to transfer any amount to a Fund specified in Schedule VII of the Companies Act, 2013. Hence, reporting under paragraph 3(xx)(a) of the Order does not arise.

(b) According to the information and explanations given to us, and based on our audit procedures, the Company has transferred the amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, to special account in compliance with the provision of sub-section (6) of section 135 of the said Act

(xxi) The Company is not required to prepare the consolidated financial statements and hence reporting under paragraph 3(xxi) of the Order is not applicable to the Company.

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration No. 109983W

Tirtharaj Khot
Partner
Membership No. 037457
UDIN: 22037457AIXFLV7655

Place: Chennai
Date: 13th May 2022

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Hinduja Housing Finance Limited of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of Hinduja Housing Finance Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 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 Companies Act, 2013 ("the Act").

Auditors' responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. Our audit is conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of internal financial controls over financial reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Sharp & Tannan Associates**
Chartered Accountants
Firm's Registration No. 109983W

Tirtharaj Khot
Partner
Membership No. 037457
UDIN: 22037457AIXFLV7655

Place: Chennai
Date: 13th May 2022

Balance sheet as at 31st March, 2022

(INR in Lakh)

Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
ASSETS			
Financial assets			
Cash and cash equivalents	5	1,275.46	1,032.80
Receivables			
- Other Receivables	6	-	550.71
Loans	7	3,70,438.01	2,44,842.43
Investments	8	2,618.99	4,388.17
Other financial assets	9	5,172.66	1,823.96
		3,79,505.12	**2,52,638.07**
Non-financial assets			
Current tax assets (net)	10	244.12	341.40
Deferred tax assets (net)	10	507.54	274.78
Property, plant and equipment	11	249.63	136.41
Other Intangible assets	11A	0.89	2.09
Other non-financial assets	12	288.28	43.65
		1,290.46	**798.33**
TOTAL ASSETS		**3,80,795.58**	**2,53,436.40**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade Payables			
(i) total outstanding dues of micro and small enterprises	13	-	-
(ii) total outstanding dues of creditors other than micro and small enterprises	13	276.81	264.61
Borrowings	14	3,24,890.03	2,16,415.22
Other financial liabilities	15	1,582.66	1,011.69
		3,26,749.50	**2,17,691.52**
Non-financial liabilities			
Current tax liabilities (Net)	16	-	28.36
Provisions	17	113.11	153.59
Other non-financial liabilities	18	155.99	223.37
		269.10	**405.32**
EQUITY			
Equity share capital	19	22,360.00	21,500.00
Other equity	20	31,416.98	13,839.56
		53,776.98	**35,339.56**
TOTAL LIABILITIES AND EQUITY		**3,80,795.58**	**2,53,436.40**

Significant accounting policies 1-4

The notes referred to above form an integral part of these financial statements.

As per our report of even date

for **Sharp & Tannan Associates**
Chartered Accountants
Firm's registration number: 109983W

Tirtharaj Khot
Partner
Membership No: 037457

Place : Chennai
Date : 13th May, 2022

For and on behalf of the Board of Directors of
Hinduja Housing Finance Limited
CIN No: U65922TN2015PLC100093

S Nagarajan
Chairman
DIN No. 00009236

Sachin Pillai
Managing Director
DIN No. 06400793

Prateek Parekh
Chief Financial Officer

Srinivas Rangarajan
Company Secretary

Place : Chennai
Date : 13th May, 2022

Statement of Profit and Loss for the year ended 31st March, 2022

(INR in Lakh)

Particulars	Note No.	Year ended 31st March 2022	Year ended 31st March 2021
Revenue from operations			
Interest income	21	38,429.41	24,553.44
Fees and commission income	21	278.46	78.78
Net Gain on Derecognition of Financial Instruments	21	3,998.51	1,365.05
Total Revenue from operations		**42,706.38**	**25,997.27**
Other Income	22	**1,043.75**	**1,850.00**
Total Income		**43,750.13**	**27,847.27**
Expenses			
Finance costs	23	19,711.46	13,857.88
Impairment on financial assets	24	4,317.43	1,678.05
Employee benefits expenses	25	4,201.94	2,781.86
Depreciation and amortization	26	119.65	105.27
Other expenses	27	1,920.00	1,353.40
Total Expenses		**30,270.48**	**19,776.46**
Profit before tax		**13,479.65**	**8,070.81**
Tax expense:	28		
Current tax		2,894.15	1,749.30
Deferred tax		(241.75)	84.57
Tax pertaining for earlier years		70.59	-
		2,722.99	**1,833.87**
Profit for the year		**10,756.66**	**6,236.94**
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		35.76	15.67
(ii) Income tax relating to items that will not be reclassified to profit or loss		(9.00)	(3.94)
Total other comprehensive income		**26.76**	**11.73**
Total comprehensive Income		**10,783.42**	**6,248.67**
Earnings per equity share (face value Rs.10 each)	29		
- Basic (in Rs.)		5.00	3.23
- Diluted (in Rs.)		5.00	3.23

Significant accounting policies 1-4

The notes referred to above form an integral part of these financial statements.

As per our report of even date

for **Sharp & Tannan Associates**
Chartered Accountants
Firm's registration number: 109983W

Tirtharaj Khot
Partner
Membership No: 037457

Place : Chennai
Date : 13th May, 2022

For and on behalf of the Board of Directors of
Hinduja Housing Finance Limited
CIN No: U65922TN2015PLC100093

S Nagarajan
Chairman
DIN No. 00009236

Sachin Pillai
Managing Director
DIN No. 06400793

Prateek Parekh
Chief Financial Officer

Srinivas Rangarajan
Company Secretary

Place : Chennai
Date : 13th May, 2022

HINDUJA HOUSING FINANCE

Statement Cash Flows for the year ended 31st March, 2022

(INR in Lakh)

Particulars	Note No.	Year ended 31st March 2022	Year ended 31st March 2021
A. Cash flow from operating activities			
Net profit before tax		**13,479.65**	**8,070.81**
Adjustments:			
Depreciation and amortization		119.65	105.27
Impairment on financial assets		4,317.43	1,678.05
Finance costs		19,711.46	13,857.88
Interest on security deposit		(14.85)	(13.37)
Rent expense		14.52	14.52
Gratuity and Compensated Absences		93.03	42.94
Operating cash flow before working capital changes		**37,720.89**	**23,756.10**
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Loans		(1,29,913.01)	(84,346.42)
Other financial assets		(2,783.14)	(1,724.30)
Other non- financial assets		(259.15)	(17.55)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		12.20	82.22
Other financial liabilities		570.97	557.44
Provisions		(57.29)	(42.93)
Other non financial liabilities		(136.20)	186.29
Net cash (used in) operations		**(94,844.73)**	**(61,549.15)**
Finance costs paid		(19,274.83)	(13,836.55)
Taxes paid (net)		(2,867.46)	(1,595.24)
Net cash (used in) operating activities (A)		**(1,16,987.02)**	**(76,980.94)**
B. Cash flow from investing activities			
Investment in securities (net)		1,769.18	4.14
Purchase of property, plant and equipment		(231.67)	(52.60)
Net cash generated (used in) investing activities (B)		**1,537.51**	**(48.46)**
C. Cash flow from financing activities			
Proceeds from issue of equity shares including securities premium (net)		7,654.00	2,500.00
Proceeds from borrowings (net)		1,08,038.18	74,172.18
Net cash generated (used in) financing activities (C)		**1,15,692.18**	**76,672.18**
Net increase in cash and cash equivalents (A+B+C)		242.67	(357.22)
Cash and cash equivalents at the beginning of the year		**1,032.80**	**1,390.02**
Cash and cash equivalents at the end of the year		**1,275.46**	**1,032.80**

(INR in Lakh)

Particulars	Note No.	Year ended 31st March 2022	Year ended 31st March 2021
Components of cash and cash equivalents			
Cash and cheques on hand	5	70.28	46.45
Balances with banks			
- In current / cash credit accounts*	5	1,205.18	986.35
		1,275.46	**1,032.80**

Significant accounting policies 1-4

The notes referred to above form an integral part of these financial statements.

As per our report of even date

for **Sharp & Tannan Associates**
Chartered Accountants
Firm's registration number: 109983W

Tirtharaj Khot
Partner
Membership No: 037457

Place : Chennai
Date : 13th May, 2022

For and on behalf of the Board of Directors of
Hinduja Housing Finance Limited
CIN No: U65922TN2015PLC100093

S Nagarajan
Chairman
DIN No. 00009236

Sachin Pillai
Managing Director
DIN No. 06400793

Prateek Parekh
Chief Financial Officer

Srinivas Rangarajan
Company Secretary

Place : Chennai
Date : 13th May, 2022

Statement of Changes in Equity for the year ended 13th May 2022

(INR in Lakh)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
A Equity Share Capital		
Balance at the beginning of the current reporting period	**21,500.00**	**19,000.00**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	21,500.00	19,000.00
Changes in equity share capital during the current year		
- Shares Issued during the year	860.00	2,500.00
Balance at the end of the current reporting period	**22,360.00**	**21,500.00**

Particulars	Reserves and Surplus				Remeasurement of defined benefit plans	Total
	Securities Premium	Special Reserve*	Statutory Reserve**	Retained Earnings		
B Other Equity						
Balance as at 1st April, 2020	**-**	**1,524.32**	**-**	**6,071.63**	**(5.06)**	**7,590.89**
Other comprehensive income (net of tax)	-		-		11.73	11.73
Profit for the year	-	-	-	6,236.94	-	6,236.94
Premium on issue of share capital	-	-	-	-	-	-
Appropriation to Reserves	-	810.46	436.93	(1,247.39)	-	-
Balance as at 31st March, 2021	**-**	**2,334.78**	**436.93**	**11,061.18**	**6.67**	**13,839.56**
Balance as at 1st April, 2021	**-**	**2,334.78**	**436.93**	**11,061.18**	**6.67**	**13,839.56**
Other comprehensive income (net of tax)	-	-		-	26.76	26.76
Profit for the year				10,756.66	-	10,756.66
Premium on issue of share capital	6,794.00	-		-	-	6,794.00
Appropriation to Reserves	-	1,637.82	513.51	(2,151.33)	-	-
Balance as at 31st March, 2022	**6,794.00**	**3,972.60**	**950.44**	**19,666.51**	**33.43**	**31,416.98**

* As per section 36(1)(viii) of Income Tax Act, 1961

** As per Section 29C of The National Housing Bank Act,1987 to be read with 36(1)(viii) of Income Tax Act, 1961

Significant accounting policies 1-4

The notes referred to above form an integral part of these financial statements.

As per our report of even date

for **Sharp & Tannan Associates**
Chartered Accountants
Firm's registration number: 109983W

Tirtharaj Khot
Partner
Membership No: 037457

Place : Chennai
Date : 13th May, 2022

For and on behalf of the Board of Directors of
Hinduja Housing Finance Limited
CIN No: U65922TN2015PLC100093

S Nagarajan
Chairman
DIN No. 00009236

Sachin Pillai
Managing Director
DIN No. 06400793

Prateek Parekh
Chief Financial Officer

Srinivas Rangarajan
Company Secretary

Place : Chennai
Date : 13th May, 2022

Notes to financial statements for the year ended 31st March, 2022

1 Reporting entity

Hinduja Housing Finance Limited (the Company), incorporated on 15th April, 2015 and headquartered in Chennai, India. The Company is registered with National Housing Bank (NHB) under section 29A of the National Housing Bank Act, 1987 with effect from 30th September, 2015. The Company is primarily engaged in the business of providing loans for the purchase or construction of residential houses.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter ("Ind AS").

These financial statements were authorised for issue by the Company's Board of Directors on 12th May, 2022.

2.2 Presentation of financial statements

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented separately.

Financial assets and financial liability are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

(i) The normal course of business

(ii) The event of default

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs and at two decimal places, unless otherwise indicated.

2.4 Basis of measurement

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

A historical cost is a measure of value used in accounting in which the price of an asset on the balance sheet is based on its nominal or original cost when acquired by the Company.

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. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

Fair value measurements under Ind AS are categorised into fair value hierarchy based on the degree to which the inputs to the fair value.

2.5 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Revisions to accounting estimates are recognized prospectively. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

i) Business model assessment

Classification and measurement of financial assets depends on the results of business model and the solely payments of principal and interest ("SPPI") test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost which are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

ii) Impairment of financial asset

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

a) The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life time expected credit loss ("LTECL") basis.

b) Development of ECL models, including the various formulas and the choice of inputs.

c) Determination of associations between macroeconomic scenarios and economic inputs, such as gross domestic products, lending interest rates and collateral values, and the effect on probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

d) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

iii) Defined Benefit Plan

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

3 Significant accounting policies

3.1 Recognition of Interest Income

Revenue is recognized 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.

i) Interest income

Interest income on financial instruments is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate applicable.

Effective Interest Rate ("EIR")

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

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts.

Interest income/expenses is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets/liabilities (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets, interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses). If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

ii) Fee and Commission Income

The Company recognises revenue from contract with customers based on five step model as set out in Ind AS 115, Revenue from Contracts with Customers to determine when to recognise revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customers. Revenue from contracts with customers is recognized when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. The amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

iii) Income from transfer and servicing of Assets

The Company transfers loans through direct assignment transactions. The transferred loans are de-recognized and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contract. In accordance with the Ind AS 109, on de-recognition of a financial asset under assigned transactions, the difference between the carrying amount and the consideration received are recognized in the Statement of Profit and Loss.

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

iv) Other Income

Other Income represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

3.2 Financial instrument - Initial recognition

i) Date of recognition

Debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

ii) Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model (refer note 3.3A) for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at fair value through other comprehensive income (FVTPL), transaction costs are added to, or subtracted from this amount.

iii) Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at amortised cost.

3.3 Financial assets and liabilities

A) Financial assets

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

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

a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.

b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

d) The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

Solely payments of principal and interest (SPPI) test

As a second step of its classification process, the Company assesses the contractual terms of financial asset to identify whether they meet SPPI test.

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

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

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Accordingly, financial assets are measured as follows;

i) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Since, the loans and advances are held to sale and collect contractual cash flows, they are measured at FVTOCI.

iii) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Financial assets: Subsequent measurement and gains and losses

i) Financial assets at fair value through profit or loss (FVTPL)

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

ii) Financial assets carried at amortized cost (AC)

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment lossed. Interest income, foreign exchange gains and losses and impairment are recognized in statement of profit and loss. Any gains and losses on derecognition is recognized in statement of profit and loss.

B) Financial liability

i) Initial recognition and measurement

All financial liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

ii) Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method.

3.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended 31st March, 2022 and 31st March, 2021.

3.5 Derecognition of financial assets and liabilities

Derecognition of financial assets other than due to substantial modification

i) Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognized in the statement of profit and loss.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Companyrecognizes servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset.

ii) Financial Liability

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in the statement of profit and loss.

3.6 Impairment of financial assets

A) Overview of ECL principles

In accordance with Ind AS 109, the Company uses ECL model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

i) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

ii) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

Both Life Time ECLs and 12 months ECLs are calculated on collective basis.

Based on the above, the Company categorizes its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1:

When loans are first recognized, the Company recognizes an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2 or stage 3.

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECL. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3:

Loan commitments:

When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down

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

PD:

Probability of Default ("PD") 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 derecognized and is still in the portfolio.

EAD:

Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest

LGD:

Loss Given Default ("LGD") 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 Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward looking estimates are analyzed.

The mechanics of the ECL method are summarized below:

Stage 1:

The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-months default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2:

When a loan has shown a significant increase in credit risk since origination (if financial asset is more than 30 days but upto 90 days past due), the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3:

For loans considered credit-impaired (if financial asset is more than 90 days past due), the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

B) Loans and advances measured at FVOCI

The ECLs for loans and advances measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognized in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognized in OCI is recycled to the profit and loss upon derecognition of the assets.

3.7 Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

3.8 Write-offs

Financial assets 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 possibility of recovery of debt from all sources is remote because 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 could result in impairment gains.

3.9 Determination of fair value

i) Fair Value Hierarchy

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. In estimating the fair value of an asset or a liability, the Company has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date;

Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads; and

Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

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.

3.10 Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency of the Company, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in profit or loss.

3.11 Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciatio and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method, and is generally recognized in the statement of profit and loss.

The Company follows estimated useful lives which are given under Part C of the Schedule II of the Companies Act, 2013. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset category	Estimated Useful life
Furniture and fittings	8 years
Office equipment	5 years
Computers	3 years
Vehicles	5 years

3.12 Intangible assets

i) Intangible assets

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Asset category	Estimated Useful life
Computer software's	6 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

3.13 Impairment of non-financial assets

The Company determines periodically whether there is any indication of impairment of the carrying amount of its non-financial assets. The recoverable amount (higher of net selling price and value in use) is determined for an individual asset, unless the asset does not generate cash inflow that are largely independent of those from other assets or group of assets. The recoverable amounts of such asset are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3.14 Employee benefits

i) Post-employment benefits

Defined contribution plan

The Company's contribution to provident fund are considered as defined contribution plan and are charged as an expense as they fall due based on the amount of contribution required to be made and when the services are rendered by the employees.

Defined benefit plans

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan 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 Company's gratuity plan is funded. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized 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 ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognized in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in Statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in Statement of profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

ii) Other long-term employee benefits

Compensated absences

The employees can carry forward a portion of the unutilized accrued compensated absences and utilize it in future service periods. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

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 recognized during the year when the employees render the service. These benefits include performance incentive which are expected to occur within twelve months after the end of the year in which the employee renders the related service.

3.15 Provisions, contingent liabilities and contingent assets

i) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

ii) Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for.

iii) Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized in the financial statements.

iv) Commitments

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

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

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

c) Funding related commitment to associate; and

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

3.16 Income tax

Income tax comprises current and deferred tax. It is recognized in Statement of profit or loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in other comprehensive income.

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.17 Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowings of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of the asset. Other borrowings costs are recognized as an expense in the statement of profit and loss account on an accrual basis using the effective interest method.

Interest expenses are calculated using the EIR and all other Borrowing costs are recognized in the Statement of profit and loss in the period in which they are incurred.

3.18 Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, cheques on hand and balances with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.19 Segment reporting- Identification of segments:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker (CODM) to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

3.20 Earnings per share

The Company reports basic and diluted earnings per equity share in accordance with Ind AS 33, Earnings Per Share. Basic earnings per equity share is computed by dividing the net profit / loss (before other comprehensive income) attributable to the equity share holders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed and disclosed by dividing the net profit / loss (before other comprehensive income) attributable to the equity share holders for the year after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

3.21 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non–cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated. 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.

3.22 Goods and Services Input Tax Credit

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

3.23 Segment Reporting

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

4 No new standards as notified by Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules are effective for the current year.

(INR in Lakh)

	Particulars	As at 31st March 2022	As at 31st March 2021
5	**Cash and cash equivalents**		
	Cash on hand	70.28	46.45
	Balances with Banks		
	- In current / cash credit accounts*	1,205.18	986.35
	Total	**1,275.46**	**1,032.80**

*includes earmarked unspent balances for CSR in special bank account of INR 65.15 lakh as on 31st March, 2022 (Nil as on 31st March, 2021)

	Particulars	As at 31st March 2022	As at 31st March 2021
6	**Other Receivables**		
	Receivables from others	-	550.71
	Total	**-**	**550.71**

	Particulars	As at 31st March 2022	As at 31st March 2021
7	**Loans**		
	At amortised cost		
	A. Based on nature		
	Retail Loans	3,49,532.79	2,23,040.15
	Term Loans	27,350.54	24,674.05
	Total gross	**3,76,883.33**	**2,47,714.20**
	Less : Impairment loss allowance	(6,445.32)	(2,871.77)
	Total net	**3,70,438.01**	**2,44,842.43**
	B. Based on security		
	(i) Secured by tangible assets	3,76,883.33	2,47,714.20
	(ii) Unsecured	-	-
	Total gross	**3,76,883.33**	**2,47,714.20**
	Less : Impairment loss allowance	(6,445.32)	(2,871.77)
	Total net	**3,70,438.01**	**2,44,842.43**
	C. Based on region		
	(I) Loans in India		
	(i) Public Sector	-	-
	(ii) Others	3,76,883.33	2,47,714.20
	Total gross	**3,76,883.33**	**2,47,714.20**
	Less : Impairment loss allowance	(6,445.32)	(2,871.77)
	Total net (I)	**3,70,438.01**	**2,44,842.43**
	(II) Loans outside India		
	Loans outside India	-	-
	Total net (II)	**-**	**-**
	Total (I)+(II)	**3,70,438.01**	**2,44,842.43**

Notes :

1. Retail loans are secured exposures that are secured by assets mortgaged to the company.
2. Term loans are secured exposures that are secured by assets/ underlying portfolio hypothecated to the company by the borrower.

(INR in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
8 Investments		
At amortised cost		
Investment in Non-convertible debentures (unquoted)		
Muthoot Housing Finance Company Limited	251.01	501.87
Investment in Alternative Investment Fund		
Vivriti Samarath Bond Fund	1,033.75	1,000.66
Investment in pass-through certificates (unquoted)		
Aptus Value Housing Finance India Limited	496.04	1,435.77
India Shelters Finance Corporation Limited	844.40	1,466.11
Gross Investments	**2,625.20**	**4,404.41**
(i) Investments outside India	-	-
(ii) Investments in India	2,625.20	4,404.41
Gross Investments	**2,625.20**	**4,404.41**
Less: Allowance for impairment loss	(6.21)	(16.24)
Net Investments	**2,618.99**	**4,388.17**

9 Other financial assets

Employee advances	4.62	-
Security deposits (Refer Note 30)	160.05	145.21
Receivable from assignment of portfolio	4,852.30	1,356.44
Receivables towards insurance refund	155.69	322.31
Total	**5,172.66**	**1,823.96**

10 Tax assets (net)

Current tax assets (net)		
Advance income tax (net of provision)	244.12	341.40
Deferred tax assets (net)		
Deferred tax assets / (liability) (Refer Note 28)	507.54	274.78

11 Property, plant and equipment

(INR in Lakh)

Particulars	Vehicle	Furniture and fixtures	Office equipment	Computers	Total
Cost (gross carrying amount)					
Balance as at 1st April, 2020	**2.64**	**20.20**	**31.30**	**341.85**	**395.99**
Additions	-	-	-	52.60	52.60
Disposals	-	-	-	-	-
Balance as at 31st March, 2021	**2.64**	**20.20**	**31.30**	**394.45**	**448.59**
Balance as at 1st April, 2021	**2.64**	**20.20**	**31.30**	**394.45**	**448.59**
Additions	-	5.02	3.13	223.53	231.67
Disposals	-	-	-	-	-
Balance as at 31st March, 2022	**2.64**	**25.22**	**34.43**	**617.98**	**680.26**
Accumulated depreciation					
Balance as at 1st April, 2020	**0.30**	**6.34**	**16.64**	**184.83**	**208.11**
Depreciation for the year	0.53	2.52	5.69	95.33	104.07
Disposals	-	-	-	-	-
Balance as at 31st March, 2021	**0.83**	**8.86**	**22.33**	**280.16**	**312.18**
Balance as at 1st April, 2021	**0.83**	**8.86**	**22.33**	**280.16**	**312.18**
Depreciation for the year	0.53	2.67	5.87	109.39	118.45
Disposals	-	-	-	-	-
Balance as at 31st March, 2022	**1.36**	**11.53**	**28.20**	**389.55**	**430.63**
Carrying amount (net)					
As at 31st March, 2021	1.81	11.34	8.97	114.29	136.41
As at 31st March, 2022	1.28	13.69	6.23	228.43	249.63

11A Other Intangible assets

(INR in Lakh)

Particulars	Computer Software	Total
Cost (gross carrying amount)		
Balance as at 1st April, 2020	**6.82**	**6.82**
Additions	-	-
Disposals	-	-
Balance as at 31st March, 2021	**6.82**	**6.82**
Balance as at 1st April, 2021	**6.82**	**6.82**
Additions	-	-
Disposals	-	-
Balance as at 31st March, 2022	**6.82**	**6.82**
Accumulated Amortisation		
Balance as at 1st April, 2020	**3.53**	**3.53**
Amortisation for the year	1.20	1.20
Disposals	-	-
Balance as at 31st March, 2021	**4.73**	**4.73**
Balance as at 1st April, 2021	**4.73**	**4.73**
Amortisation for the year	1.20	1.20
Disposals		
Balance as at 31st March, 2022	**5.93**	**5.93**
Carrying amount (net)		
As at 31st March, 2021	2.09	2.09
As at 31st March, 2022	0.89	0.89

(INR in Lakh)

	Particulars	As at 31st March 2022	As at 31st March 2021
12	**Other non-financial assets**		
	Prepaid rent	28.80	24.90
	GST Input Tax Credit	258.35	10.28
	Trade Advances	1.13	8.47
	Total	**288.28**	**43.65**
13	**Trade payable**		
	(i) Total outstanding dues of micro and small enterprises (Refer Note 35 & 36)	-	-
	(ii) Total outstanding dues of creditors other than micro and small enterprises	276.81	264.61
	Total	**276.81**	**264.61**
14	**Borrowings**		
	At amortised cost		
	Secured borrowings		
	Term Loan from banks (Refer Note 14.3)	3,07,090.40	1,95,768.55
	Cash credit and working capital demand loans from banks*	17,799.63	20,646.67
	Total	**3,24,890.03**	**2,16,415.22**
	Borrowings in India	3,24,890.03	2,16,415.22
	Borrowings outside India	-	-
	Total	**3,24,890.03**	**2,16,415.22**
	Total	**3,24,890.03**	**2,16,415.22**

Secured borrowing

14.1 Cash credit and working capital demand loans from banks carry interest rates ranging from "MCLR of the respective bank + 0.10% per annum" to "MCLR of the respective bank + 2.10% per annum". These loans are secured by hypothecation of designated assets on finance / loan and future receivables therefrom, and investments in pass through certificates and non-convertible debentures and the quarterly returns or statements filed by the company with banks are in agreement with the books of account.

14.2 The Company has not defaulted in repayment of borrowings and interest.

14.3 Details of terms of redemption/ repayment and security provided in respect of term loans:

(INR in Lakh)

Particulars	Amount	Terms of redemption/repayment	Security
Term loans from banks			
Term loan - 1	11,839.42 (14,355.03)	Repayable in 96 Equal Monthly installments Remaining no. of installments: 57	Exclusive charge on Specific receivables
Term loan - 2	2,631.57 (3,684.21)	Repayable in 57 Equal Monthly installments Remaining no. of installments: 30	Exclusive hypothecation of standard receivables
Term loan - 3	9,672.00 (11,288.00)	Repayable in 31 Equal Quarterly installments Remaining no. of installments: 24	Exclusive charge on the company's receivables
Term loan - 4	5,806.00 (6,774.00)	Repayable in 31 Equal Quarterly installments Remaining no. of installments: 24	Exclusive charge on the priority sector receivables (housing) (created out of loan proceeds)
Term loan - 5	7,842.60 (9,283.87)	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 22	Exclusive charge on the receivables
Term loan - 6	7,485.28 (8,925.39)	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 21	Exclusive floating charge on specific book debts and future receivables
Term loan - 7	6,781.74 (8,212.02)	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 19	Exclusive charge on receivables of the company
Term loan - 8	3,376.43 (4,099.33)	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 19	Exclusive Floating charge on specific book debts and future receivables
Term loan - 9	4,976.79 (6,409.24)	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 14	Exclusive charge on receivables of the company
Term loan - 10	629.16 (822.68)	Repayable in 31 Equal Quarterly installments Remaining no. of installments: 13	Exclusive charge on specific receivables / book debts other than those specifically charged to other lenders
Term loan - 11	5,000.28 (6,668.87)	Repayable in 24 Equal Quarterly installments Remaining no. of installments: 12	Exclusive charge on specific receivables
Term loan - 12	4,500.00 (5,000.00)	Repayable in 20 Equal Quarterly installments Remaining no. of installments: 18	Exclusive charge on the unencumbered identified set of receivables from standard assets portfolio of receivables.
Term loan - 13	961.00 (1,285.00)	Repayable in 31 Equal Quarterly installments Remaining no. of installments: 12	Exclusive charge on specific receivables / book debts other than those specifically charged to other lenders
Term loan - 14	3,119.92 (4,372.36)	Repayable in 24 Equal Quarterly installments Remaining no. of installments: 10	First charge by way of hypothecation of the specific future receivables from the performing loan portfolio, which are identified by the company from time to time

(INR in Lakh)

Particulars	Amount	Terms of redemption/repayment	Security
Term loan - 15	1,125.00 (1,625.00)	Repayable in 24 Equal Quarterly installments Remaining no. of installments: 9	Exclusive charge on specific loan receivables
Term loan - 16	8,400.00 (13,200.00)	Repayable in 20 Equal Quarterly installments Remaining no. of installments: 7	Exclusive Charge on Book debts
Term loan - 17	900.00 (1,500.00)	Repayable in 20 Equal Quarterly installments Remaining no. of installments: 6	Exclusive charge on Specific receivables
Term loan - 18	3,125.00 (5,625.00)	Repayable in 16 Equal Quarterly installments Remaining no. of installments: 5	Exclusive charge on the unencumbered identified set of receivables from standard assets portfolio of receivables.
Term loan - 19	416.66 (2,083.33)	Repayable in 12 Equal Quarterly installments Remaining no. of installments: 1	Hypothecation of exclusive charge on specific receivables
Term loan - 20	- (1,249.91)	Repayable in 12 Equal Quarterly installments Remaining no. of installments: Nil	Hypothecation of exclusive charge on specific receivables
Term loan - 21	- (1,250.00)	Repayable in 8 Equal Half-yearly installments Remaining no. of installments: Nil	Exclusive charge on specific loan receivables
Term loan - 22	7,199.43 (8,886.85)	Repayable in 72 Equal Monthly installments Remaining no. of installments: 52	Exclusive charge on specific receivables
Term loan - 23	18,556.04 (19,986.82)	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 26	Exclusive charge on the receivables
Term loan - 24	6,250.00 (7,500.00)	Repayable in 18 Equal Quarterly installments Remaining no. of installments: 15	Exclusive charge on the unencumbered identified set of receivables from standard assets portfolio of receivables.
Term loan - 25	10,644.97 (12,498.84)	Repayable in 81 Equal Monthly installments Remaining no. of installments: 69	Exclusive charge on specific receivables
Term loan - 26	6,467.24 (7,487.76)	Repayable in 81 Equal Monthly installments Remaining no. of installments: 70	Exclusive charge on the priority sector receivables (housing)
Term loan - 27	9,994.45 (1,999.43)	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 28	First charge by way of hypothecation of the specific future receivables from the performing loan portfolio, which are identified by the company from time to time
Term loan - 28	9,227.79 (9,999.64)	Repayable in 26 Equal Quarterly installments Remaining no. of installments: 24	Exclusive charge on the receivables
Term loan - 29	7,999.94 (10,000.00)	Repayable in 60 Equal Monthly installments Remaining no. of installments: 48	Exclusive charge on the priority sector receivables (housing)

(INR in Lakh)

Particulars	Amount	Terms of redemption/repayment	Security
Term loan - 30	3,000.00 -	Repayable in 3 Equal Annual installments Remaining no. of installments: 3	Exclusive charge on the unencumbered identified set of receivables from standard assets portfolio of receivables.
Term loan - 31	9,272.35 -	Repayable in 84 Equal Monthly installments Remaining no. of installments: 78	Exclusive charge of specific receivables from the performing loan portfolio
Term loan - 32	11,999.95 -	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 28	Exclusive charge on the receivables
Term loan - 33	7,999.40 -	Repayable in 20 Equal Quarterly installments Remaining no. of installments: 20	Exclusive charge on specific housing loan receivables
Term loan - 34	7,499.99 -	Repayable in 81 Equal Monthly installments Remaining no. of installments: 81	Exclusive hypothecation of PSL receivables
Term loan - 35	3,000.00 -	Repayable in 60 Equal Monthly installments Remaining no. of installments: 60	Exclusive charge on specific loan receivables
Term loan - 36	7,999.46 -	Repayable in 28 Equal Quarterly installments Remaining no. of installments: 28	Exclusive charge on the standard receivables
Term loan - 37	19,998.27 -	Repayable in 24 Equal Quarterly installments Remaining no. of installments: 24	Exclusive charge on standard loan receivables
Term loan - 38	9,857.42 -	Repayable in 96 Equal Monthly installments Remaining no. of installments: 95	Exclusive charge on priority sector house mortgage loans/ assets
Term loan - 39	9,999.59 -	Repayable in 96 Equal Monthly installments Remaining no. of installments: 96	Exclusive charge on priority sector house mortgage loans/ assets
Term loan - 40	14,032.00 -	Repayable in 31 Equal Quarterly installments Remaining no. of installments: 29	Exclusive charge on the company's receivables
Term loan - 41	5,000.00 -	Repayable in 31 Equal Monthly installments Remaining no. of installments: 31	Exclusive charge on the company's receivables
Term loan - 42	5,000.00 -	Repayable in 16 Equal Quarterly installments Remaining no. of installments: 16	Exclusive charge of specific standard receivables
Term loan - 43	20,000.00 -	Repayable in 26 Equal Quarterly installments Remaining no. of installments: 26	Exclusive charge on the receivables
Term loan - 44	7,999.37 -	Repayable in 84 Equal Monthly installments Remaining no. of installments: 84	Exclusive hypothecation of book debts
Total term loans from banks	**3,07,586.52** **(1,96,072.58)**		

Note:

(i) Figures in bracket represents the figures for FY 2020-21

(ii) Maturity profile above is disclosed at face value which excludes the impact of effective rate of interest and interest accrued amounting to INR 520.91 Lakh (31st March, 2021 - INR 304.04 Lakh)

(INR in Lakh)

	Particulars	As at 31st March 2022	As at 31st March 2021
15	**Other financial liabilities**		
	Accrued employee benefits expenses	338.90	255.84
	Payable to customers	285.60	669.08
	Payable towards assignment of portfolio	958.16	86.77
	Total	**1,582.66**	**1,011.69**
16	**Current tax liabilities (Net)**		
	Provision for current taxes (Net)	-	28.36
	Total	**-**	**28.36**
17	**Provisions**		
	Provision for Employee Benefits		
	- Gratuity (Refer Note 34)	9.26	97.75
	- Compensated Absences (Refer Note 34)	103.85	55.84
	Total	**113.11**	**153.59**
18	**Other non-financial liabilities**		
	Statutory dues	155.99	223.37
	Total	**155.99**	**223.37**
19	**Equity Share Capital**		
	Authorised		
	400,000,000 (31st March, 2021: 300,000,000) equity shares of Rs.10/- each	40,000.00	30,000.00
		40,000.00	**30,000.00**
	Issued, Subscribed and fully paid up		
	223,600,000 (31st March 2021: 215,000,000) equity shares of Rs.10/- each	22,360.00	21,500.00
		22,360.00	**21,500.00**

Notes:

a) Reconciliation of the number of equity shares and amount outstanding as at beginning and as at end of the year:

(INR in Lakh)

Particulars	Year ended 31st March 2022		Year ended 31st March 2021	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the beginning of the year	21,50,00,000	21,500.00	19,00,00,000	19,000.00
Add: Shares issued during the year	86,00,000	860.00	2,50,00,000	2,500.00
At the end of the year	**22,36,00,000**	**22,360.00**	**21,50,00,000**	**21,500.00**

b) Terms/ rights attached to equity shares

The Company has a single class of equity shares having face value of Rs. 10/- each. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. On winding up, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates

Particulars	As at 31st March 2022		As at 31st March 2021	
	No. of shares	% held	No. of shares	% held
Equity shares				
Hinduja Leyland Finance Limited, holding company and it's nominees	22,36,00,000	100.00%	21,50,00,000	100.00%

d) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31st March 2022		As at 31st March 2021	
	No. of shares	% held	No. of shares	% held
Equity shares				
Hinduja Leyland Finance Limited, holding company and it's nominees	22,36,00,000	100.00%	21,50,00,000	100.00%

e) Shareholding of Promoters

Shares held by promoters at the end of the year	As at 31st March 2022			As at 31st March 2021		
Promoter name	No. of Shares	% of total shares	% Change During the year	No. of Shares	% of total shares	% Change During the year
Hinduja Leyland Finance Limited	22,35,99,994	100%	-	21,49,99,994	100%	-
Nagarajan Srinivasan*	1	-	-	1	-	-
Sachin Pillai*	1	-	-	1	-	-
Gopal Mahadevan*	1	-	-	1	-	-
Kishore Kumar Lodha*	1	-	-	1	-	-
Vamsi Kumar*	1	-	-	1	-	-
B Shanmugasundaram*	1	-	-	1	-	-

* Beneficiary interest in 6 equity shares are held by Hinduja Leyland Finance Limited

20 Other Equity

(INR in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
a) Special Reserve		
(As per section 36(1)(viii) of Income Tax Act, 1961)		
Balance at the beginning of the year	2,334.78	1,524.32
Add: Amount transferred from surplus in statement of profit and loss	1,637.82	810.46
Balance at the end of the year	**3,972.60**	**2,334.78**
b) Statutory Reserve		
(As per section 29C of The National Housing Bank Act,1987)		
Balance at the beginning of the year	436.93	-
Add: Amount transferred from surplus in statement of profit and loss	513.51	436.93
Balance at the end of the year	**950.44**	**436.93**
c) Retained Earnings (Surplus in Statement of Profit and Loss)		
Balance at the beginning of the year	11,061.18	6,071.63
Add: Profit for the year	10,756.66	6,236.94
Less : Transferred to Special Reserve	(1,637.82)	(810.46)
Less : Transferred to Statutory Reserve	(513.51)	(436.93)
Balance at the end of the year	**19,666.51**	**11,061.18**
d) Other comprehensive income		
Balance at the beginning of the year	6.67	(5.06)
Add: Comprehensive Income for the year	26.76	11.73
Balance at the end of the year	**33.43**	**6.67**

(INR in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
e) Securities Premium		
Balance at the beginning of the year	-	-
Add: Premium on issue of share capital	6,794.00	-
Balance at the end of the year	**6,794.00**	**-**
Total	**31,416.98**	**13,839.56**

Nature and purpose of reserve

20.1 Statutory Reserve

Section 29C (i) of The National Housing Bank (NHB), 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.

20.2 Surplus in the statement of profit and loss

Surplus in the statement of profit and loss is the accumulated profit of the Company carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required.

20.3 Remeasurement of the defined benefit liabilities

Remeasurement of the net defined benefit liabilities comprise actuarial gain or loss, return on plan assets excluding interest and the effect of asset ceiling, if any.

21 Revenue from operations

(INR in Lakh)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Interest income on financial assets measured at amortised cost		
- Interest income on loans to customers	38,016.83	23,716.92
- Interest income from investments		
- on pass through certificates	223.68	344.19
- on debentures	41.71	67.88
- on alternative investment funds	132.34	0.66
- on certificate of deposit	-	410.42
- Interest on security deposit	14.85	13.37
Total (A)	**38,429.41**	**24,553.44**
Fees and commission income		
- Service charges	278.46	78.78
Total (B)	**278.46**	**78.78**
Net Gain on Derecognition of Financial Instruments		
- Income on assignment of loans	3,998.51	1,365.05
Total (C)	**3,998.51**	**1,365.05**
Total	**42,706.38**	**25,997.27**

22 Other Income

- Income from interest on Income Tax refund	43.75	-
- Income from marketing/display services	1,000.00	1,850.00
Total	**1,043.75**	**1,850.00**

23 Finance costs

Finance costs on financial liabilities measured at amortised cost		
Interest on borrowings		
- on term loans	18,969.22	13,114.09
- on cash credits and working capital demand loans	742.24	743.79
Total	**19,711.46**	**13,857.88**

24 Impairment on financial assets

(INR in Lakh)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
On financial assets measured at amortised cost		
Provision for expected credit loss		
- on loans	3,573.55	1,299.37
- on investments	(10.03)	11.20
Others - Waiver	753.91	367.48
Total	**4,317.43**	**1,678.05**

25 Employee benefits expenses

Salaries, wages and bonus	3,867.39	2,610.10
Contribution to provident and other funds	188.86	127.37
Staff welfare expenses	52.66	1.45
Gratuity and Compensated Absenses (Refer Note 34)	93.03	42.94
Total	**4,201.94**	**2,781.86**

26 Depreciation and amortization

Depreciation of property, plant and equipment (Refer Note 11)	118.45	104.07
Amortisation of intangible assets (Refer Note 11A)	1.20	1.20
Total	**119.65**	**105.27**

27 Other expenses

Rent	60.32	70.31
Insurance	127.00	62.47
Electricity charges	10.30	4.71
Communication expenses	112.52	50.73
Legal and professional charges	759.81	666.12
Payment to Auditors	35.62	32.00
Rates and taxes	95.78	27.90
Bank charges	53.81	60.25
Printing and stationery	66.32	52.50
Travelling and conveyance	264.74	139.13
Subscription and licensing charges	0.25	10.00
Sitting fees to directors	11.70	7.80
Advertisement and sale promotion	20.61	13.18
Expenditure incurred on Corporate Social Responsibility	104.36	66.13
Manpower Cost	145.63	79.47
Miscellaneous expenses	51.23	10.70
Total	**1,920.00**	**1,353.40**

Note: Payment to auditors (excluding goods and service tax)		
Statutory audit	19.00	23.00
Tax audit	1.50	1.50
Certification*	5.50	4.50
Limited Review*	6.00	3.00
Reimbursement of expenses	0.43	-
	32.43	**32.00**

*includes payment to predecessor auditors for limited review and certification

28 Income Tax

The components of income tax expense for the years ended 31st March, 2022 and 31st March, 2021 are:

Current tax	2,894.15	1,749.30
Deferred tax	(241.75)	84.57
Tax pertaining for earlier years	70.59	-
Total tax charge	**2,722.99**	**1,833.87**

28.1 Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31st March, 2022 and 31st March, 2021 is, as follows:-

(INR in Lakh)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Accounting profit before tax	13,479.65	8,070.81
Applicable tax rate	25.17%	25.17%
Computed tax expense	**3,392.56**	**2,031.26**
Tax effect of :		
Deduction under section 36(1) of Income Tax Act, 1961	(564.57)	(203.97)
Effect of current tax related to earlier years	61.94	-
Non deductible items	74.77	6.58
Adjustments relating to temporary difference	(241.71)	-
Tax expenses	**2,722.99**	**1,833.87**
Effective tax rate	20.20%	22.72%
Tax expenses recognised in the statement of profit and loss	**2,722.99**	**1,833.87**

28.2 Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense

INR in Lakh

	As at 31st March, 2021	Statement of profit and loss	Other comprehensive income	As at 31st March, 2022
Component of Deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between WDV of property, plant and equipment as per books of accounts and income tax records	1.60	(1.89)	-	(0.29)
Impairment on financial assets	578.08	744.54	-	1,322.62
Provision for employee benefits	38.66	32.43	(9.00)	62.09
Excess Interest Spread upfronting	(343.56)	(533.31)	-	(876.87)
Total	**274.78**	**241.77**	**(9.00)**	**507.54**

(INR in Lakh)

	As at 31st March, 2020	Statement of profit and loss	Other comprehensive income	As at 31st March, 2021
Component of Deferred tax asset / (liability)				
Deferred tax asset / (liability) in relation to:				
Difference between WDV of property, plant and equipment as per books of accounts and income tax records	(5.52)	7.12	-	1.60
Impairment on financial assets	340.30	237.78	-	578.08
Provision for employee benefits	27.85	14.75	(3.94)	38.66
Others	0.66	(0.66)	-	0.00
Excess Interest Spread upfronting	-	(343.56)	-	(343.56)
Total	**363.29**	**(84.57)**	**(3.94)**	**274.78**

HINDUJA HOUSING FINANCE

29 Earnings per share ("EPS")

(INR in Lakh)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Net profit after tax attributable to equity shareholders	10,756.66	6,236.94
Weighted average number of equity shares outstanding during the year for calculation of basic and diluted EPS	21,52,59,178	19,28,76,712
Face value per share	10.00	10.00
Earnings per share		
- Basic	5.00	3.23
- Diluted	5.00	3.23

30 Related party disclosure

Name of the related parties and nature of relationship

Holding company / Ultimate holding company	Hinduja Leyland Finance Limited ("HLF") - Holding company of Hinduja Housing Finance Limited
	Ashok Leyland Limited ("ALL") – Holding Company of HLF
	Hinduja Automotive Limited ("HAL") – Holding Company of ALL
	Machen Holdings S.A ("Machen") – Holding Company of HAL
	Machen Development Corporation ("MDC") – Holding Company of Machen
	Amas Holdings S.A. – Holding Company of MDC
Associate of the holding company	HLF Services Limited ("HSL")
Key management personnel ("KMP")	Mr. S Nagarajan, Chairman
	Mr. Sachin Pillai, Managing Director
	Mr. Gopal Mahadevan, Director
	Mr. G S Sundararajan, Independent Director
	Ms. Bhumika Batra, Independent Director
	Mr. Srinivas Acharya, Independent Director

Related party transactions

(INR in Lakh)

	Holding company (HLF)	Associate of the holding company (HSL)	KMP
Allotment of equity shares	860.00	-	-
	(2,500.00)	-	-
Reimbursement of expenses incurred on behalf of HHF	369.64	-	-
	(125.10)	-	-
Service provider fees	-	2,919.95	-
	-	(1,378.61)	-
Rental expense	14.52	-	-
	(14.52)	-	-
Interest on security deposit	14.85	-	-
	(13.37)	-	-
Directors sitting fee			
- Mr. G S Sundararajan	-	-	5.70
	-	-	(4.50)
- Ms. Bhumika Batra	-	-	4.50
	-	-	(3.30)
- Mr. Srinivas Acharya	-	-	1.50
	-	-	-

Note: Figures in bracket represents the figures for FY 2020-21

Related party balances

(INR in Lakh)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Hinduja Leyland Finance Limited		
Security deposit (recoverable)	149.80	137.11
Prepaid rent	10.38	24.90

30.1 There are no provisions for doubtful debts / advances or amounts written off or written back for debts due from/ due to related parties.

30.2 The transactions disclosed above are exclusive of GST.

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

30.4 There are no loans or advances in the nature of loans, that are granted to promoters, directors, KMPs and the related parties, either severally or jointly with any other person.

31 Segment reporting

The Company is primarily engaged into business of providing housing & term loans. The company has its operations within India and all revenues are generated within India. As such, there are no separate reportable segments as per the provisions of IND AS 108 on 'Operating Segments'.

32 Contingent liabilities and commitments

a) Contingent liabilities	- There are no contingent liabilities as at 31st March, 2022. (31st March, 2021: Nil)
b) Commitments	- Sanctioned and undisbursed amounts of loans as at 31st March, 2022 : INR 12,354.95 lakh (31st March, 2021 : INR 8,960.25 lakh)

33 Corporate Social Responsibility (CSR) expenses

(INR in Lakh)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
(a) Amount required to be spent by the company during the year	104.36	66.13
(b) Amount of expenditure incurred	-	0.98
(c) Shortfall at the end of the year	104.36	65.15
(d) Total of previous years shortfall	169.51	65.15
(e) Reason for shortfall	The Company has identified CSR projects and allocated the CSR budget. As the project is ongoing, the unspent amount has been transferred to unspent CSR account and will be spent towards the projects.	
(f) Nature of CSR activities	1. Water Conservation 2. Road to School (Education)	
(g) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Nil	Nil
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	Nil	Nil

The Company has unspent CSR provision of INR 169.51 lakh as on 31st March 2022 and is in process of utilizing against approved projects.

34 Retirement benefits

(a) Defined contribution plans:

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to provident fund for the year aggregated to INR 188.86 lakhs (31st March, 2021 : INR 127.37 lakhs)

(b) Defined benefit plan:

Gratuity plan

Financial assets not measured at fair value

The Company operates a defined benefit plan (the gratuity plan) covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, investment risk, liquidity risk, market risk, legislative risk etc. These are discussed as follows:

Interest Rate Risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If the bond yields fall, the defined benefit obligation will tend to increase.

Investment Risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Salary Inflation Risk: The benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the company, which results in a higher liability for the company and is therefore a plan risk for the company.

Market Risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits and vice versa. This assumption depends on the yields on the government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Legislative Risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The following table sets out the status of the gratuity plan as required under IND AS 19. Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

(INR in Lakh)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Present value of obligations	107.70	97.75
Fair value of plan assets	98.45	-
Asset / (Liability) recognised in the Balance Sheet	**(9.25)**	**(97.75)**

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Movement in present values of defined benefit obligations		
Defined benefit obligation at the beginning of the year	97.75	64.12
Current service cost	41.54	44.74
Interest cost	6.93	4.56
Actuarial (gains) / losses	(38.01)	(15.67)
Benefits paid by the plan	(0.51)	-
Defined benefit obligation at the end of the year	107.70	97.75

(INR in Lakh)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Movement in fair value of plan assets		
Fair value of plan assets at the beginning of the year	-	-
Contributions paid into the plan	97.75	-
Benefits paid by the plan	(0.51)	-
Expected Interest income of assets	3.46	-
Actuarial (losses) / gains	(2.25)	-
Fair value of plan assets at the end of the year	**98.45**	**-**

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Expense recognised in the statement of profit or loss		
Current service cost	41.54	44.74
Interest on obligation	6.93	4.56
Expected return on plan assets	(3.46)	-
Net actuarial (gain)/ loss recognised in the year	(35.76)	(15.67)
Total	**9.25**	**33.63**
Remeasurements on the net defined benefit liability :		
- Actuarial (gain)/loss from change in demographic assumptions	(45.75)	-
- Actuarial (gain)/loss from change in financial assumptions	19.90	(2.99)
- Actuarial (gain)/loss from change in experience DBO	(12.16)	(12.68)
- Return on plan assets more/less than expected based on discount rate	2.25	-
Total amount recognised in other comprehensive income	**(35.76)**	**(15.67)**
Actuarial assumptions		
Discount rate	7.10%	7.11%
Estimated rate of return on plan assets	7.11%	0.50%
Attrition rate	28.00%	18.00%
Future salary increases	15.00%	12.00%
Retirement age	58 years	58 years
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Assumptions regarding future mortality are based on published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions.

Five year information

(INR in Lakh)

Gratuity	Year ended 31st March 2022	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2019	Year ended 31st March 2018
Defined benefit obligation	107.70	97.75	64.12	20.29	3.93
Fair value of plan assets	98.45	-	-	-	-
Deficit in plan	9.25	97.75	64.12	20.29	3.93
Experience adjustments on plan liabilities	(35.76)	(15.67)	8.64	2.34	(4.30)
Experience adjustments on plan assets	-	-	-	-	-

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(INR in Lakh)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Defined benefit obligation (Base)	107.70	97.75

(INR in Lakh)

Particulars	Year ended 31st March 2022		Year ended 31st March 2021	
100 base points increase/decrease	Increase	Decrease	Increase	Decrease
Discount rate (- / + 1%)	99.59	116.94	86.53	111.10
(% change compared to base due to sensitivity)	-7.53%	8.58%	-11.48%	13.66%
Future salary growth (- / + 1%)	114.30	101.59	109.39	87.45
(% change compared to base due to sensitivity)	6.13%	-5.67%	11.91%	-10.54%
Attrition rate (- / + 1%)	103.12	112.69	92.03	104.18
(% change compared to base due to sensitivity)	-4.25%	4.64%	-5.85%	6.58%

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown

(c) Other long term employee benefits

The liability for compensated absences as at 31st March, 2022 is INR 103.85 lakh (31st March, 2021 - INR 55.84 lakh).

(d) Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity.

The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13th November, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

35 Micro and small enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2nd October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The disclosure as required by section 22 of MSMED Act has been given below:

(INR in Lakh)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

36 Trade Payable ageing schedule

Year ended 31st March, 2022

(INR in Lakh)

Particulars	Outstanding for following periods from due date of payment#						
	Unbilled Dues	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-	-
(ii) Others	276.81	-	-	-	-	-	276.81
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

Year ended 31st March, 2021

(INR in Lakh)

Particulars	Outstanding for following periods from due date of payment#						
	Unbilled Dues	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-	-
(ii) Others	264.61	-	-	-	-	-	264.61
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

37 Maturity Analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed 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 behavior as used for estimating the EIR.

(INR in Lakh)

Particulars	As at 31st March 2022			As at 31st March 2021		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	1,275.46	-	1,275.46	1,032.80	-	1,032.80
Receivable	-	-	-	550.71	-	550.71
Loans	23,995.19	3,46,442.82	3,70,438.01	19,805.41	2,25,037.03	2,44,842.43
Investments	1,288.75	1,330.24	2,618.99	1,366.83	3,021.34	4,388.17
Other financial assets	1,726.82	3,445.84	5,172.66	737.45	1,086.50	1,823.96
Non-financial assets						
Current tax assets (net)	244.12	-	244.12	341.40	-	341.40
Deferred tax assets (net)	-	507.54	507.54	-	274.78	274.78
Property, plant and equipment		249.63	249.63	-	136.41	136.41
Intangible assets		0.89	0.89	-	2.09	2.09
Other non-financial assets	288.28	-	288.28	33.27	10.38	43.65
TOTAL ASSETS	**28,818.62**	**3,51,976.96**	**3,80,795.58**	**23,867.87**	**2,29,568.53**	**2,53,436.40**
LIABILITIES						
Financial Liabilities						
Trade payables						
(i) Total outstanding dues of micro and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises	276.81	-	276.81	264.61	-	264.61
Borrowings	73,072.11	2,51,817.92	3,24,890.03	58,882.89	1,57,532.33	2,16,415.22
Other financial liabilities	1,582.66	-	1,582.66	1,011.69	-	1,011.69
Non-financial liabilities						
Provision for current taxes (Net)	-	-	-	28.36	-	28.36
Provisions	47.96	65.15	113.11	-	153.59	153.59
Deferred tax liabilities (net)	-	-	-	-	-	-
Other non-financial liabilities	155.99	-	155.99	223.37	-	223.37
TOTAL LIABILITIES	**75,135.53**	**2,51,883.07**	**3,27,018.60**	**60,410.92**	**1,57,685.92**	**2,18,096.84**
NET	**(46,316.91)**	**1,00,093.89**	**53,776.98**	**(36,543.04)**	**71,882.60**	**35,339.56**

38 Financial instrument fair value measurement

a. Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31st March, 2022 were as follows:

(INR in Lakh)

Particulars	Carrying amount	Fair value			
	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value*					
Receivables	-	-	-	-	-
Loans	3,70,438.01	-	-	3,70,438.01	3,70,438.01
Investments	2,618.99	-	-	2,618.99	2,618.99
Other financial assets	5,172.66	-	-	-	-
Total	**3,78,229.66**				
Financial liabilities not measured at fair value*					
Trade payables	276.81	-	-	276.81	276.81
Borrowings	3,24,890.03	-	-	3,24,890.03	3,24,890.03
Other financial liabilities	1,582.66	-	-	-	-
Total	**3,26,749.50**				

The carrying value and fair value of financial instruments by categories as at 31st March, 2021 were as follows:

(INR in Lakh)

Particulars	Carrying amount	Fair value			
	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value*					
Receivables	550.71	-	-	550.71	550.71
Loans	2,44,842.43	-	-	2,44,842.43	2,44,842.43
Investments	4,388.17	-	-	4,388.17	4,388.17
Other financial assets	1,823.96	-	-	-	-
Total	**2,51,605.27**				
Financial liabilities not measured at fair value*					
Trade payables	264.61	-	-	264.61	264.61
Borrowings	2,16,415.22	-	-	2,16,415.22	2,16,415.22
Other financial liabilities	1,011.69	-	-	-	-
Total	**2,17,691.52**				

* The Company has not disclosed the fair values for financial instruments which are short term in nature because their carrying amounts are a reasonable approximation of fair value.

Sensitivity analysis

(INR in Lakh)

	Increase	Decrease
For the year ended 31st March, 2022		
Loans		
Interest rates (1% movement)	2,862.71	(2,862.71)
For the year ended 31st March, 2021		
Loans		
Interest rates (1% movement)	1,908.87	(1,908.87)

b. Measurement of fair values

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the financial statements. These fair values were calculated for disclosure purposes only.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalent, other financial assets (excluding security deposit), trade payables and other financial liability.

Loans and advances to customers

In case of retail loans and term loans with floating rates, the interest rate represents the market rate. Consequently the carrying amount represents the fair value.

Term loans with fixed rate:- The fair values are estimated by discounted cash flow model that incorporates assumptions for credit risk, probability of default and loss give default estimates.

Investments

The fair values are estimated by discounted cash flow model that incorporates assumptions for credit risk, probability of default and loss give default estimates.

Borrowings

In case of borrowings with floating rates, the interest rate represents the market rate. Consequently the carrying amount represents the fair value.

c. Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The company monitors capital using adjusted net debt (total borrowings net of cash and cash equivalents) to equity ratio.

(INR in Lakh)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Gross Debt	**3,24,890.03**	**2,16,415.22**
Less:		
Cash and Cash equivalent	1,275.46	1,032.80
Other bank deposits	-	-
Adjusted Net Debt	3,23,614.57	2,15,382.43
Total Equity	53,776.98	35,339.56
Adjusted Net Debt to Equity Ratio	**6.02**	**6.09**

The Company is subject to capital adequacy ratio ("CAR") requirements which are prescribed by the NHB. Refer Note 54

39 Disclosure on Liquidity Risk Management

(a) Funding concentration based on significant counterparty* (both deposits and borrowings):

(INR in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
Number of Significant Counterparties	16	12
Balance as at year-end	3,24,316.89	2,15,027.75
% of Total Deposits	Not applicable	Not applicable
% of Total Liabilities	85.17%	84.84%

*Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4th November, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

(b) Top 20 large deposits:

Not applicable. The Company does not accept public deposits.

(c) Top 10 Borrowings

(INR in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
Balance as at year-end for Top 10 Borrowings	2,75,005.44	2,06,971.18
% of Total Borrowings	84.65%	95.64%

(d) Funding Concentration based on significant instrument / product@:

(INR in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
(i) Term Loans	3,07,090.40	1,95,768.55
% of Total Liabilities	80.64%	77.25%
(ii) Working Capital Loans	17,799.63	20,646.67
% of Total Liabilities	4.67%	8.15%

@Significant instrument/productise as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4th November, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

(e) Stock Ratios:

(INR in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
(i) Commercial papers	Not Applicable	Not Applicable
(ii) Non-convertible debentures (original maturity of less than one year)	Not Applicable	Not Applicable
(iii) Other short-term liabilities, if any as a % of total assets	Not Applicable	Not Applicable

(f) Institutional set-up for liquidity risk management

The Board of Directors of the Company have adopted the ALM policy, which contains the guidelines and framework for Liquidity Risk management, among other things. The changes brought in the Liquidity Risk Management Framework vide its Circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 4th November, 2019 are also being covered as part of the ALM Policy which will be reviewed by the Board periodically for compliance and implementation.

The Board shall have the overall responsibility for management of liquidity risk by reviewing the implementation of the ALM Policy. The Asset-Liability Management Committee constituted by the Board carries out the functions as listed out in the circular.

(g) Liquidity Coverage Ratio

(INR in Lakh)

Particulars	For the quarter ended 31st March 2022	For the quarter ended 31st March 2021
Liquidity Coverage Ratio	47.52%	85.92%

40 Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loans, cash and cash equivalents, investments and other financial assets that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises primarily from the Company's loans and investments.

The carrying amounts of financial assets represent the maximum credit risk exposure.

A. Loans and advances

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information etc.

The Company's gross exposure to credit risk for loans and investments by type of counterparty is as follows:

(INR in Lakh)

Particulars	Carrying amount	
	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Retail loans	3,49,532.79	2,23,040.15
Term loans	27,350.54	24,674.05
Investments	2,625.20	4,404.41
	3,79,508.53	**2,52,118.61**

The above exposure is entirely concentrated in India. There are no overseas exposure.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into groups based on days past due. Each group is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of Ind AS 109 - financial instruments.

Staging:

As per the provision of Ind AS 109 general approach all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments

For financial assets in stage 1, the impairment calculated based on defaults that are possible in next twelve months, whereas for financial instrument in stage 2 and stage 3 the ECL calculation considers default event for the lifespan of the instrument.

As per Ind AS 109, Company assesses whether there is a significant increase in credit risk at the reporting date from the initial recognisation. Company has staged the assets based on the day past dues criteria and other market factors which significantly impacts the portfolio.

Days past dues status	Stage	Provisions
Current - 31 Days*	Stage 1	12 Months Provision
32 - 90 Days	Stage 2	Lifetime Provision
90+ Days	Stage 3	Lifetime Provision

* All financial assets with current / zero days past due upto one month past due (30 / 31 days past due depending on the number of days in the month of reporting) shall be classified as Stage 1 assets.

Grouping

As per Ind AS 109, Company is required to group the portfolio based on the shared risk characteristics. Company has assessed the risk and its impact on the various portfolios and has divided the portfolio into following groups:

- Housing Loans
- Loan against property
- Investments

Expected credit loss ("ECL"):

ECL on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low. ECL is calculated based on the following components:

a. Marginal probability of default ("MPD")

b. Loss given default ("LGD")

c. Exposure at default ("EAD")

d. Discount factor ("D")

Marginal probability of default:

PD is defined as the probability of whether borrowers will default on their obligations in an ensuing period of 12 months. Historical PD is derived from the HFC's internal data calibrated with forward looking macroeconomic factors. Macroeconomic factors having a high correlation with the HFC's internal data are selected as references for estimating future probabilities of default, which are:

1. GDP
2. Domestic Demand

Forecasts of these macro economic factors considered in the ECL model also take into account the estimated effect of the COVID-19 pandemic and based on this, the Company has estimated the future probabilities of default for the HFC's portfolio of assets.

Loss given default ("LGD"):

LGD is an estimate of the loss from a transaction given that a default occurs. Under Ind AS 109, lifetime LGD's are defined as a collection of LGD's estimates applicable to different future periods.

Various approaches are available to compute the LGD. Company has considered workout LGD approach. The following steps are performed to calculate the LGD:

1) Haircut was applied on the value of the collateral (asset cost) as of reporting date.

2) The outstanding amount was adjusted with the haircut adjusted collateral value.

3) LGD has been computed using the outstanding amount in step (2).

Exposure at default ("EAD"):

As per Ind AS 109, EAD is estimation of the extent to which the financial entity may be exposed to counterparty in the event of default and at the time of counterparty's default. Company has modelled EAD based on the contractual and behavioral cash flows till the lifetime of the loans considering the expected prepayments.

Company has considered expected cash flows for all the loans at DPD bucket level for each of the segments, which was used for computation of ECL. Moreover, the EAD comprised of principal component, accrued interest and also the interest on the outstanding exposure for the ensuing 12 months. So discounting was done for computation of expected credit loss.

Discounting:

As per Ind AS 109, ECL is computed by estimating the timing of the expected credit shortfalls associated with the defaults and discounting them using effective interest rate.

ECL computation:

Conditional ECL at DPD pool level was computed with the following method:

Conditional ECL for year (yt) = EAD (yt) * conditional PD (yt) * LGD (yt) * discount factor (yt)

The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities. Proportion of expected credit loss provided for across the stage is summarized below:

(INR in Lakh)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Stage 1	289.23	805.59
Stage 2	717.18	853.53
Stage 3	5,445.12	1,228.89
Amount of expected credit loss provided for	**6,451.53**	**2,888.01**

The loss rates are based on actual credit loss experience over past years. These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the loan receivables. Movement in provision of expected credit loss has been provided in below note.

Movement of ECL:

(INR in Lakh)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Opening provision of ECL	2,888.01	1,577.44
Addition during the year	4,723.56	1,528.77
Utilization / reversal during the year	(1,160.05)	(218.20)
Closing provision of ECL	**6,451.52**	**2,888.01**

Reconciliation of ECL balance is given below:

(INR in Lakh)

Particulars	31st March 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**805.59**	**853.53**	**1,228.88**	**2,888.01**
Assets repaid (excluding write offs)*	(93.20)	(77.92)	(41.23)	(212.36)
Transfers from Stage 1 **	(919.29)	65.02	4.55	(849.72)
Transfers from Stage 2 **	334.39	(208.85)	80.16	205.70
Transfers from Stage 3 **	8.96	5.83	4,164.10	4,178.89
Amounts written off	-	-	-	-
New assets originated	152.77	79.58	8.64	240.99
Gross carrying amount closing balance	**289.23**	**717.17**	**5,445.12**	**6,451.53**

Reconciliation of ECL balance is given below:

(INR in Lakh)

Particulars	31st March 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**417.40**	**664.23**	**495.81**	**1,577.44**
Assets repaid (excluding write offs)*	(38.56)	(44.66)	(30.51)	(113.72)
Transfers from Stage 1 **	(104.48)	64.18	2.45	(37.85)
Transfers from Stage 2 **	106.95	131.31	63.50	301.76
Transfers from Stage 3 **	3.72	4.52	696.60	704.84
Amounts written off	-	-	-	-
New assets originated	420.57	33.94	1.03	455.55
Gross carrying amount closing balance	**805.59**	**853.53**	**1,228.88**	**2,888.01**

An analysis of changes in the gross carrying amount :

(INR in Lakh)

Particulars	31st March 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**2,08,326.08**	**35,582.95**	**6,367.93**	**2,50,276.96**
Assets repaid (excluding write offs)*	(23,996.40)	(3,248.70)	(348.26)	(27,593.36)
Transfers from Stage 1 **	(52,656.86)	16,695.80	1,165.28	(34,795.78)
Transfers from Stage 2 **	13,940.40	(18,162.51)	3,341.34	(880.77)
Transfers from Stage 3 **	75.70	49.20	646.00	770.90
Amounts written off	-	-	-	-
New assets originated	1,84,172.33	4,275.47	75.13	1,88,522.93
Gross carrying amount closing balance	**3,29,861.24**	**35,192.21**	**11,247.42**	**3,76,300.87**

(INR in Lakh)

Particulars	31st March 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**1,43,409.15**	**19,714.30**	**3,681.78**	**1,66,805.23**
Assets repaid (excluding write offs)*	(11,599.43)	(1,325.39)	(342.65)	(13,267.47)
Transfers from Stage 1 **	(35,311.91)	19,307.29	736.42	(15,268.19)
Transfers from Stage 2 **	3,174.29	(3,579.42)	1,884.62	1,479.49
Transfers from Stage 3 **	41.75	50.76	399.01	491.53
Amounts written off	-	-	-	
New assets originated	1,08,612.22	1,415.41	8.74	1,10,036.37
Gross carrying amount closing balance	**2,08,326.08**	**35,582.95**	**6,367.93**	**2,50,276.96**

Note: The gross carrying value includes retail loans, term loans and investments.

* Excludes the unamortized component of sourcing cost/ income which is adjusted as part of loan balances.

** Represents the balance outstanding as at beginning of the year, net of repayments made during the year, if any. The repayments are forming part of "Assets repaid (excluding write offs)".

In respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated. In accordance with Company's accounting policy relating to impairment of financial assets, which include loans assets, with balances as at 31st March, 2022, aggregating INR 11,247.42 lakh were categorised as credit impaired ("Stage 3") and INR 35,192.21 lakh were categorised as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Total amount overdue for more than ninety days is INR 2,385.54 lakh as on 31st March, 2022.

B. Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are mortgaged properties based on the nature of loans. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement. The Company advances loan to maximum extent of 80% of the value of the mortgaged properties.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due. The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by unutilized cash credit facility, term loans and direct assignment.

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix. The total cash credit and working capital limit available to the Company is INR 27,500 lakhs spread across 7 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand. Majority of the Company's portfolio is individual housing loans. The company does not have any off book assets under management.

The table below summarizes the maturity profile of the Company's financial assets and financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

(INR in Lakh)

Particulars	As at 31st March 2022			As at 31st March 2021		
	Loans & Investments	Cash and cash equivalent	Other Financial Assets	Loans & Investments	Cash and cash equivalent	Other Financial Assets
1 day to 30/31 days (one month)	9,992.13	1,275.46	466.47	7,104.94	1,032.80	737.45
Over one month to 2 months	4,952.99	-	130.91	3,610.27	-	-
Over 2 months up to 3 months	4,996.42	-	122.25	3,664.25	-	-
Over 3 months to 6 months	14,566.29	-	355.28	10,737.44	-	-
Over 6 months to 1 year	27,875.85	-	651.91	20,601.40	-	-
Over 1 year to 3 years	93,299.88	-	1,794.17	70,546.74	-	1,086.50
Over 3 year to 5 years	69,483.79	-	935.61	51,597.51	-	-
Over 5 years	1,47,889.66	-	716.07	81,286.93	-	-
Total	**3,73,057.00**	**1,275.46**	**5,172.66**	**2,49,149.48**	**1,032.80**	**1,823.95**

(INR in Lakh)

Particulars	As at 31st March 2022			As at 31st March 2021		
	Borrowings	Trade payable	Other Financial Liabilities	Borrowings	Trade payable	Other Financial Liabilities
1 day to 30/31 days (one month)	2,540.83	276.81	1,252.66	2,951.59	264.61	930.56
Over one month to 2 months	2,853.87	-	-	2,104.76	-	-
Over 2 months up to 3 months	9,450.85	-	330.00	5,453.84	-	-
Over 3 months to 6 months	13,827.91	-	-	9,467.64	-	-
Over 6 months to 1 year	29,785.90	-	-	22,106.18	-	-
Over 1 year to 3 years	1,15,716.39	-	-	78,841.39	-	-
Over 3 year to 5 years	89,719.34	-	-	58,062.31	-	-
Over 5 years	60,994.94	-	-	37,427.52	-	-
Total	**3,24,890.03**	**276.81**	**1,582.66**	**2,16,415.22**	**264.61**	**930.56**

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment in bank deposits and variable interest rate borrowings and lending. Whenever there is a change in borrowing interest rate for the Company, necessary change is reflected in the lending interest rates over the timeline in order to mitigate the risk of change in interest rates of borrowings.

The sensitivity analysis have been carried out based on the exposure to interest rates lending and borrowings carried at variable rate.

(INR in Lakh)

Particulars	Year ended 31st March 2022		Year ended 31st March 2021	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Change in interest rates				
Variable rate borrowings	-	-	-	-
Impact on profit for the year	(2,569.94)	2,569.94	(1,781.22)	1,781.22

41 Note on Covid 19 Pandemic

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant volatility in the financial markets and slowdown in the economic activities. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional restrictions continued to be implemented in areas as India witnessed two more waves of the COVID-19 pandemic during the year ended 31st March, 2022. Currently, the number of new COVID-19 cases have reduced significantly, and the Government of India has withdrawn most of the COVID-19 related restrictions.

The Company has considered internal and external sources of information for assessing the credit risk and impact on the Company's financial assets, for the purpose of determination of the provision for impairment of financial assets. The extent to which the Covid-19 pandemic will continue to impact the Company's results will depend on ongoing as well as future developments, including, among other things, any new information concerning the severity of the Covid-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

42 Reporting under rule 11(e) and 11(f) of Companies (Audit and Auditors) Rules, 2014

As a part of normal lending business, the Company grants loans and advances on the basis of security / guarantee provided by the borrower/ co-borrower. These transactions are conducted after exercising proper due diligence.

a. No funds have been advanced or loaned or invested by the Company to or in any other person(s) or entity(is) including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in a party identified by or on behalf of the Company (Ultimate Beneficiaries);

b. No funds have been received by the Company from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly, lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

43 RBI Vide circular dated 12th November, 2021 "Prudential norms on Income Recognition, Asset classification and Provisioning (IRACP) pertaining to Advances- Clarifications" has classified / harmonized certain aspects of extant regulatory guidelines with a view to ensuring uniformity in the implementation of IRACP norms across all lending institutions. The company is taking necessary steps to comply with the norms/changes for regulatory reporting with effect from 1st October, 2022 as clarified vide circular dated 15th February, 2022. Such clarifications/ harmonization has no impact on the results for the quarter and year ended 31st March, 2022.

44 The Company does not hold any immovable property as on 31st March, 2022 and 31st March, 2021. All the lease agreements are duly executed in favour of the company for properties where the company is the leassee.

45 No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (prohibition) Act 1988 and rules made thereunder, as at 31st March, 2022 and 31st March, 2021.

46 The company is not a declared wilful defaulter by any bank or financial institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31st March, 2022 and 31st March, 2021.

47 There are no pending charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period as on 31st March, 2022 and 31st March, 2021.

48 The company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31st March, 2022 and 31st March, 2021.

49 The company has taken borrowings from banks and utilised them for the specific purpose for which they were taken as at the Balance sheet date.

50 There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31st March, 2022 and 31st March, 2021, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31st March, 2022 and 31st March, 2021.

51 The company has not traded or investment in Crypto currency or Virtual Currency during the year ended 31st March, 2022 and 31st March, 2021.

52 There are no significant subsequent events that have occurred after the reporting period till the date of these financial statements.

53 Disclosure required as per Annexure III of the Notification No - RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136./2020-21 issued by RBI

Schedule to Balance sheet

Liabilities Side

(INR in Lakh)

Particulars	As at 31st March, 2022	
	Amount Outstanding	Amount Overdue
1 Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:		
(a) Debentures		
- Secured	-	-
- Unsecured	-	-
(b) Deferred Credits	-	-
(c) Term Loans	3,07,090.40	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial Paper	-	-
(f) Public Deposits	-	-
(g) Other Loans		
- Cash credit and Working capital demand loans from bank	17,799.63	-
2 Break up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :		
(a) In form of Unsecured debentures	-	-
(b) In form of partly secured debentures	-	-
(c) Other public deposits	-	-

Asset Side

(INR in Lakh)

Particulars	As at 31st March, 2022
	Amount Outstanding
3 Break up of Loans and Advances including bills receivables (other than those included in (4) below):	
(a) Secured	3,73,675.68
(b) Unsecured	-

4 Break up of Leased Assets and stocks on hire and other assets counting towards asset financing activities	
(i) Lease assets including lease rentals under sundry debtors	
(a) Financial lease	-
(b) Operating lease	-
(ii) Stocks 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	-

5 Break-up of Investments	
Current Investments	
(i) Quoted	
(a) Shares	
- Equity	-
- Preference	-
(b) Debentures and Bond	-
(c) Units of mutual fund	-
(d) Government securities	-
(e) Others	-
(ii) Unquoted	
(a) Shares	
- Equity	-
- Preference	-
(b) Debentures and Bond	-
(c) Units of mutual fund	-
(d) Government securities	-
(e) Others	-

(INR in Lakh)

Particulars	As at 31st March, 2022
	Amount Outstanding
Asset	
Long Term Investments	
(i) Quoted	
(a) Shares	
- Equity	-
- Preference	-
(b) Debentures and Bond	-
(c) Units of mutual fund	-
(d) Government securities	-
(e) Others	-
(ii) Unquoted	
(a) Shares	
- Equity	-
- Preference	-
(b) Debentures and Bond	251.01
(c) Units of mutual fund	-
(d) Government securities	-
(e) Others	
- Investment in Alternative Investment Fund	1,033.75
- Investment in pass-through certificates	1,340.44

6 Borrower group-wise classification of assets financed as in (3) and (4) above :

(INR in Lakh)

Category	Amount net of provision		
	Secured	Unsecured	Total
(i) Related Party			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related party	-	-	-
(ii) Other than related party	3,73,675.68	-	3,73,675.68

7 Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

(INR in Lakh)

Category	Market value/Break up or fair value/NAV	Book Value (net of provision)
(i) Related Party		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related party	-	-
(ii) Other than related party	-	2,625.19

8 Other Information

(INR in Lakh)

Particulars	As at 31st March 2022
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	11,247.42
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	5,802.29
(iii) Assets acquired in satisfaction of debt	**-**

54 Disclosure required as per Annexure IV of the Notification No - RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136./2020-21 issued by RBI

(i) Capital

(INR in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
CRAR %	18.78%	19.88%
CRAR - Tier I Capital %	18.67%	19.43%
CRAR - Tier II Capital %	0.11%	0.45%
Amount of subordinated debt raised as Tier II Capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

(ii) Reserve fund u/s 29C of NHB Act, 1987

(INR in Lakh)

Statutory reserve	As at 31st March 2022	As at 31st March 2021
Balance at the beginning		
a) Statutory reserve as per section 29C of the National Housing Bank Act, 1987	436.93	-
b) Amount of special reserve u/s 36(1)(viii) of Income tax Act, 1961 taken in to account for the purpose of statutory reserve u/s 29C of the National Housing Bank Act, 1987	2,334.78	1,524.32
c) Total	**2,771.71**	**1,524.32**
Addition/Appropriation/withdrawals during the year		
Add:		
a) Amount transferred as per section 29C of the National Housing Bank Act, 1987	513.51	436.93
b) Amount of special reserve u/s 36(1)(viii) of Income tax Act, 1961 taken in to account for the purpose of statutory reserve u/s 29C of the National Housing Bank Act, 1987	1,637.82	810.46
Less:		
a) Amount appropriated as per section 29C of the National Housing Bank Act, 1987	-	-
b) Amount withdrawn from special reserve u/s 36(1)(viii) of Income tax Act, 1961 taken in to account for the purpose of statutory reserve u/s 29C of the National Housing Bank Act, 1987	-	-
Balance as at end of the year		
a) Statutory reserve as per section 29C of the National Housing Bank Act, 1987	950.44	436.93
b) Amount of special reserve u/s 36(1)(viii) of Income tax Act, 1961 taken in to account for the purpose of statutory reserve u/s 29C of the National Housing Bank Act, 1987	3,972.60	2,334.78
c) Total	**4,923.04**	**2,771.71**

(iii) Investments

(INR in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
1 Value of investment		
(i) Gross value of investment		
(a) In India	2,618.99	4,388.17
(b) Outside India	Nil	Nil
(ii) Provision for depreciation		
(a) In India	Nil	Nil
(b) Outside India	Nil	Nil
(iii) Net Value of Investment		
(a) In India	2,618.99	4,388.17
(b) Outside India	Nil	Nil
2 Movement of provisions held towards depreciation on investments		
(i) Opening balance (ii) Add : Provisions made during the year (iii) Less: Write off/ write back of excess provisions during the year (iv) Closing balance	Nil	Nil

(iv) Derivatives

There have been no forward rate contracts / interest rate swaps or any other derivative transactions carried out by the Company during the year ended 31st March, 2022 and 31st March, 2021.

(v) Disclosures relating to securitisation

(i) There have been no securitisation transactions carried out by the Company - Nil

(ii) Details of Financials Assets sold to Securitisation/ Reconstruction company for Asset Reconstruction - Nil

(iii) Details of Assignment transactions undertaken

(INR in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
Number of accounts	1,906	905
Aggregate value (net of provision) of accounts assigned	22,657.60	8,333.39
Aggregate consideration	22,657.60	8,333.39
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain/loss over net book value	-	-

(iv) Details of non-performing financial assets purchased/sold - Nil

(vi) Asset Liability Management (ALM)

Maturity pattern of certain items assets and liabilities - As at 31st March, 2022

(INR in Lakh)

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities											
Borrowings from banks *	902.70	190.43	1,447.70	2,853.87	9,450.85	13,827.91	29,785.90	1,15,716.39	89,719.34	60,994.94	3,24,890.03
Market borrowings	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	6,716.56	909.44	2,233.21	4,858.24	4,839.29	14,219.25	27,318.93	92,967.24	69,483.79	1,46,892.06	3,70,438.01
Investments	33.57	-	99.36	94.75	157.13	347.04	556.92	332.64	-	997.60	2,618.99
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of certain items assets and liabilities - As at 31st March, 2021

INR in Lakh

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities											
Borrowings from banks *	1,519.55	198.48	1,233.56	2,104.76	5,453.84	9,467.64	22,106.18	78,841.39	58,062.31	37,427.52	2,16,415.22
Market borrowings	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	4,703.15	580.51	1,723.44	3,523.22	3,513.72	10,401.95	19,905.47	68,521.71	51,597.51	80,290.62	2,44,761.31
Investments	0.66	-	97.18	87.05	150.53	335.48	695.93	2,025.03	-	996.31	4,388.17
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

*Cash credit borrowings and working capital demand loan from banks are usually for a period of 1 year. As per the prevalent practice, these facilities are renewed on a year to year basis. Accordingly, repayments of cash credit borrowings and working capital demand loans from banks aggregating INR 17,799.62 Lakh (31st March, 2021 - INR 20,646.67 Lakh) has been distributed over the same period as the maturity pattern of assets on finance.

55 Disclosure required as per Notification No - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22

(INR in Lakh)

Particulars	For the quarter ended 31st March, 2022	
	Transferred	Acquired
Aggregate amount of loans transferred / acquired (INR in lakh)	22,657.60	2,075.66
Weighted average maturity (in years)	14.26	7.43
Weighted average holding period (in years)	1.79	1.53
Retention of beneficial economic interest by the Originator	10%	10%
Tangible security coverage	220%	455%
Rating-wise distribution of rated loans	-	-

56 Disclosure required as per Annexure IV of the Notification No - RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136./2020-21 issued by RBI

A. Exposure to Real Estate Sector

(INR in Lakh)

Category	As at 31st March 2022	As at 31st March 2021
(a) Direct exposure		
(i) Residential Mortgage Lending fully secured by mortgage on residential property that is or will be occupied by borrower or that is rented	3,46,225.28	2,21,130.91
(ii) Commercial real estate Lending fully secured by mortgage on commercial real estate (Office building or retail space, multi-purpose commercial premises, multi-family residential building, multi-tenanted commercial building, industrial or warehouse space, hotels, land acquisitions, developments and constructions, etc.). Exposure would also include Non-Fund Based (NFB) limits.	-	-
(iii) Investment in mortgage back securities (MBS) and Other securitized exposures		
(a) Residential	1,340.44	2,901.88
(b) Commercial Real Estate	-	-
(b) Indirect Exposure		
Fund based and non fund based exposure on National Housing Bank (NHB) and Housing Finance Corporations (HFCs)	28,735.15	26,244.18

* Includes exposures to Non-Housing loans secured by residential mortgages

B. Exposure to capital market

There is no exposure to capital market during the year ended 31st March, 2022 and 31st March, 2021.

C. Details of financing of parent company products

There is no exposure to financing of parent company products during the year ended 31st March, 2022 and 31st March, 2021

D. Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL)

During the year, the company had not exceeded the single borrower limit and group borrower limit as stipulated by the NHB Prudential Norms in respect of loans and advances.

E. Unsecured loans

There is no exposure to unsecured loans during the year ended 31st March, 2022 and 31st March, 2021.

F. Exposure to group companies engaged in real estate business

There is no exposure to group companies engaged in real estate business during the year ended 31st March, 2022 and 31st March, 2021.

57 Disclosure required as per Annexure IV of the Notification No - RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136./2020-21 issued by RBI

(i) Registration/ license/ authorization obtained from other financial sector regulators

Registration/ License	Authority issuing the registration/ license	Registration/ License reference
Certificate of registration	National Housing Bank	09.0129.15

(ii) Disclosure of Penalties imposed by NHB

(INR in Lakh)

Items	As at 31st March 2022	As at 31st March 2021
a) Penalty Penalty if any levied by National Housing Bank	-	-
b) Adverse remarks	-	-
c) Percentage of outstanding loans granted against collateral gold jewellery to their outstanding assets	-	-

(iii) Ratings assigned by credit rating agency and migration of ratings during the year

Facility	Rating agency	As at 31st March 2022	Date of rating
Long-term : Bank borrowings	CARE	AA-/Stable	28-Sep-21
Short-term : Bank borrowings	CARE	A1+	28-Sep-21
Short-term : Commercial paper	CARE	A1+	28-Sep-21
Long-term: Non-convertible debentures	CRISIL	AA-/Stable	25-Mar-22
Long-term: Subordinated debt	CRISIL	AA-/Stable	25-Mar-22
Short-term : Commercial paper	CRISIL	A1+	25-Mar-22

(iv) Accounting Standard 21 - Consolidated Financial Statements, is not applicable

(v) Related Party Transactions - Refer note no 30 for disclosure relating to related party transactions

(vi) Group Structure - Refer note no 30 for disclosure relating to group structure

(vii) Remuneration to Director

There are no pecuniary relationship or transaction with non-executive directors of the company during the year ended 31st March, 2022 and 31st March, 2021. For Remuneration paid to independent directors as sitting fee refer no 30.

(viii) Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items that have an impact on current year's profit or loss.

(ix) Management - Refer Director's Report for relevant disclosures

(x) Revenue Recognition

There has been no instance in which revenue recognition has been postponed pending the resolution of significant uncertainty.

58 Disclosure required as per Annexure IV of the Notification No - RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136./2020-21 issued by RBI

(i) Provisions and Contingencies

(INR in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
Provisions for depreciation on investment	-	-
Provisions made towards income tax	2,894.15	1,749.30
Provisions towards non-performing assets	5,445.12	1,228.89
Provision for Standard Assets	1,006.40	1,659.12
Other provision and contingencies		
- Provision for Expenses	276.81	264.61
- Provision for Employee Benefits	443.11	408.60

(ii) break up of loans and advances and provisions thereon

(INR in Lakh)

Particulars	Housing loan as at		Non-housing loan as at	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Standard assets				
Total outstanding	2,27,808.26	1,47,877.03	1,37,245.19	96,031.99
Provisions	(574.67)	(1,114.85)	(431.73)	(544.28)
Sub-standard assets				
Total outstanding	3,450.17	2,467.75	1,273.56	493.07
Provisions	(396.79)	(292.15)	(146.47)	(58.38)
Doubtful assets 1				
Total outstanding	1,144.91	1,285.74	479.00	56.70
Provisions	(723.08)	(152.19)	(302.52)	(6.71)
Doubtful assets 2				
Total outstanding	2,214.43	1,487.18	563.54	30.61
Provisions	(1,398.55)	(176.04)	(355.91)	(3.62)
Doubtful assets 3				
Total outstanding	-	8.04	-	-
Provisions	-	(0.95)	-	-
Loss assets				
Total outstanding	1,922.39	504.44	199.42	34.40
Provisions	(1,922.39)	(504.44)	(199.42)	(34.40)
Total				
Total outstanding	**2,36,540.17**	**1,53,630.19**	**1,39,760.71**	**96,646.77**
Provisions	**(5,015.48)**	**(2,240.62)**	**(1,436.04)**	**(647.39)**

Note: The total outstanding amount mean principal + accrued interest + other charges pertaining to loans without netting off.

(iii) Draw Down from Reserves

There has not been any draw down from the reserves during the year ended 31st March, 2022 and 31st March, 2021.

(iv) Concentration of public deposits, Advances*, exposure# and NPAs

(INR in Lakh)

S. No.	Particulars	Year ended 31st March 2022	Year ended 31st March 2021
1	**Concentration of Public Deposits (for Public Deposit taking/holding HFCs)**	**NA**	**NA**
2	**Concentration of loans & advances**		
	Total advances to twenty largest borrowers	27,378.84	19,452.49
	Percentage of Advances to twenty largest borrowers to Total Advances of the HFC	7.28%	7.77%
3	**Concentration of all Exposures (including off-balance sheet exposures)**		
	Total Exposure to twenty largest borrowers / customers	28,401.09	20,205.07
	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	7.55%	8.07%
4	**Concentration of NPAs**		
	Total exposure to top ten NPA accounts	874.95	633.19

* Advances represents the outstanding balances as at the respective year end

Exposure represents the total amount financed as at the respective year end

(v) Sector wise NPA

(INR in Lakh)

Particulars	% of NPAs to total advances in that sector	
	As at 31st March 2022	As at 31st March 2021
A. Housing Loans		
Individuals	3.69%	3.74%
Builders/Project Loans	0.00%	0.00%
Corporates	0.00%	0.00%
Others (specify)	0.00%	0.00%
B. Non-Housing Loans:		
Individuals	1.80%	0.64%
Builders/Project Loans	0.00%	0.00%
Corporates	0.00%	0.00%
Others (specify)	0.00%	0.00%

(vi) Movement of NPAs

(INR in Lakh)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
(i) Net NPAs to Net Advances (%)	1.56%	2.06%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	6,367.93	3,681.79
(b) Additions during the year	5,388.49	3,138.31
(c) Reductions during the year	(509.00)	(452.16)
(d) Closing balance	11,247.42	6,367.93
(iii) Movement of Net NPAs		
(e) Opening balance	5,139.04	3,184.54
(f) Additions during the year	3,994.89	2,652.50
(g) Reductions during the year	(3,331.64)	(698.00)
(h) Closing balance	5,802.29	5,139.04
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	1,228.89	497.25
(b) Provisions made during the year	4,273.17	771.69
(c) Write-off / write-back of excess provisions	(56.93)	(40.04)
(d) Closing balance	5,445.12	1,228.89

(vii) Overseas assets

The Company does not have any joint ventures and subsidiaries abroad during the year ended 31st March, 2022 and 31st March, 2021 and hence this disclosure is not applicable.

(viii) Off-balance sheet SPVs sponsored

There were no off-balance sheet SPVs sponsored by the Company during the year ended 31st March, 2022 and 31st March, 2021.

(ix) Customer Complaints*

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	484	322
(c) No. of complaints redressed during the year	483	322
(d) No. of complaints pending at the end of the year	1	-

* As per the records of the Company

59 Principal Business Criteria - as per para 4.1.17 of Non-Banking Finance Company - Housing Finance Company (Reserve Bank) Direction, 2021

Housing Finance Company" shall mean a company incorporated under the Companies Act, 2013 that fulfills the following conditions;

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

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

The company meets the aforesaid principal business criteria ;

(INR in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
Total Assets	3,80,795.58	2,53,355.27
Less: Intangible assets	508.43	276.87
Net total assets	3,80,287.15	2,53,078.40
Housing Finance	2,33,666.19	1,52,627.09
Individual Housing Finance	2,33,666.19	1,52,627.09
Percentage of housing finance to total assets (net of intangible assets)	61.44%	60.31%
Percentage of individual housing finance to total assets (net of intangible assets)	61.44%	60.31%

60 Comparison of Provision under IRACP Norms and Impairment Allowance under IND AS 109 as per RBI Guidelines.

For year ending 31st March, 2022

Asset Classification as per RBI Norms	Asset Classification as per INDAS	Gross Carrying amount as per INDAS	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
Performing assets						
Standard	Stage 1	3,29,861.24	289.23	3,29,572.02	1,048.52	(759.30)
	Stage 2	35,192.21	717.18	34,475.04	115.64	601.54
Subtotal - Standard		**3,65,053.46**	**1,006.40**	**3,64,047.05**	**1,164.16**	**(157.76)**
Non performing assets						
Substandard	Stage 3	4,723.73	543.25	4,180.48	708.56	(165.31)
Doubtful - upto 1 year	Stage 3	1,623.91	1,025.60	598.31	405.98	619.62
1 to 3 years	Stage 3	2,777.97	1,754.46	1,023.51	1,111.19	643.27
More than 3 years	Stage 3	-	-	-	-	-
Subtotal - Doubtful		**4,401.88**	**2,780.06**	**1,621.82**	**1,517.16**	**1,262.89**
Loss assets	Stage 3	2,121.81	2,121.81	-	2,121.81	-
Subtotal - NPA		**11,247.42**	**5,445.12**	**5,802.29**	**4,347.53**	**1,097.59**
Total	**Stage 1**	**3,29,861.24**	**289.23**	**3,29,572.02**	**1,048.52**	**(759.30)**
	Stage 2	**35,192.21**	**717.18**	**34,475.04**	**115.64**	**601.54**
	Stage 3	**11,247.42**	**5,445.12**	**5,802.29**	**4,347.53**	**1,097.59**
	Total	**3,76,300.87**	**6,451.52**	**3,69,849.34**	**5,511.70**	**939.83**

For year ending 31st March, 2021

Asset Classification as per RBI Norms	Asset Classification as per INDAS	Gross Carrying amount as per INDAS	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
Performing assets						
Standard	Stage 1	2,08,326.08	805.59	2,07,520.49	680.69	124.90
	Stage 2	35,582.95	853.53	34,729.42	115.78	737.75
Subtotal - Standard		**2,43,909.03**	**1,659.12**	**2,42,249.90**	**796.48**	**862.65**
Non performing assets						
Substandard	Stage 3	2,960.82	350.53	2,610.29	444.12	(93.60)
Doubtful - upto 1 year	Stage 3	1,342.43	158.91	1,183.53	335.61	(176.70)
1 to 3 years	Stage 3	1,517.79	179.66	1,338.13	607.12	(427.45)
More than 3 years	Stage 3	8.04	0.95	7.09	8.04	(7.09)
Subtotal - Doubtful		**2,868.27**	**339.52**	**2,528.75**	**950.77**	**(611.25)**
Loss assets	Stage 3	538.84	538.84	-	538.84	-
Subtotal - NPA		**6,367.93**	**1,228.89**	**5,139.04**	**1,933.73**	**(704.84)**
Total	**Stage 1**	**2,08,326.08**	**805.59**	**2,07,520.49**	**680.69**	**124.90**
	Stage 2	**35,582.95**	**853.53**	**34,729.42**	**115.78**	**737.75**
	Stage 3	**6,367.93**	**1,228.89**	**5,139.04**	**1,933.73**	**(704.84)**
	Total	**2,50,276.96**	**2,888.01**	**2,47,388.94**	**2,730.21**	**157.80**

61 Previous year figures have been regrouped / reclassified wherever necessary to conform to current year's classification.

As per our report of even date

for **Sharp & Tannan Associates**
Chartered Accountants
Firm's registration number: 109983W

Tirtharaj Khot
Partner
Membership No: 037457

Place : Chennai
Date : 13th May, 2022

For and on behalf of the Board of Directors of
Hinduja Housing Finance Limited
CIN No: U65922TN2015PLC100093

S Nagarajan
Chairman
DIN No. 00009236

Sachin Pillai
Managing Director
DIN No. 06400793

Prateek Parekh
Chief Financial Officer

Srinivas Rangarajan
Company Secretary

Place : Chennai
Date : 13th May, 2022

Hinduja Housing Finance Limited

REGISTERED OFFICE

27-A, Developed Industrial Estate, Guindy, Chennai - 600 032.
Tel: 044-2242 7555 | Email: compliance@hindujahousingfinance.com
www.hindujahousingfinance.com

CORPORATE OFFICE:

No. 167-169, 2nd Floor, Anna Salai, Saidapet, Chennai - 600 015. | Ph: 044-3008 1662