Independent Auditor's Report

To the Members of Aadhar Housing Finance Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Aadhar Housing Finance Limited** ('the Holding Company') and its subsidiary Aadhar Sales and Services Private Limited (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at **31 March 2024**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2024, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis of Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditor on separate financial statements of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report in relation to the Holding Company.

Impairment of financial assets based on Expected Credit Losses (ECL) - (Refer note 2.10 and 3 for material accounting policy information and notes 6, 27, and 37 for financial disclosures in the accompanying consolidated financial statements)

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

Key Audit Matter	How our audit addressed the key audit matter
Ind AS 109, Financial Instruments (Ind AS 109) requires the Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach involving an estimation of probability of loss on such financial assets, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Holding Company's financial assets. Expected credit loss cannot be measured precisely but can only be estimated through use of statistics. The estimation of impairment loss allowance on financial instruments involves significant judgement and estimates and applying appropriate measurement principles, including additional considerations on account of Reserve Bank of India guidelines in relation to COVID-19 regulatory package and restructuring.	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the expected credit losses through the following procedures, but were not limited to, the following procedures: - Examined the Board Policy approving methodologies for computation of ECL that addresses policies and procedures for assessing and measuring credit risk on the lending exposures of the Holding Company in accordance with the requirements of Ind AS 109. The parameters and assumptions used and their rationale have been documented. - Evaluated the design and operating effectiveness of controls across the processes relevant to ECL, including the judgements and estimates. These controls, among others, included controls over the allocation of assets into stages including management's monitoring of stage effectiveness, model monitoring including the need for post model adjustments, and completeness of the underlying data used in the models, credit monitoring, passing of journal entries and preparing disclosures.

Key Audit Matter	How our audit addressed the key audit matter
The expected credit loss is calculated using the percentage of probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each of the stages of loan portfolio. Additional management overlay is estimated considering non-prediction and long-term future impact. The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Holding Company's modelling approach. The Expected Credit Loss ("ECL") is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgment and assumptions involved in measuring ECL is required with respect to: • Segmentation of loan book in buckets • determining the criteria for a significant increase in credit risk • factoring in future economic assumptions • past experience and forecast data on customer behaviour on repayments • techniques used to determine probability of default, loss given default and exposure at default. Adjustments to the model-driven ECL results as overlays are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. Considering the significance of the above matter to the financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit.	- Tested the completeness of loans and advances included in the Expected Credit Loss calculations as of 31 March 2024 by reconciling it with the balances as per loan balance register. We tested the data used in the PD and LGD model for ECL calculation by reconciling it to the source system. We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage. - Tested the appropriateness of determining Exposure at Default (EAD), PD and LGD, on sample basis. For exposure determined to be individually impaired, we tested samples of loans and advances and examined management's estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations. - Obtained an understanding of the modelling techniques adopted by the Holding Company including the key inputs and assumptions. Test of details on post model adjustments, considering the size and complexity of management overlays, in order to assess the reasonableness of adjustments by challenging key assumptions, adjustments by challenging key assumptions, inspecting the calculation methodology. - On a test check basis, ensured compliance with RBI Master Circular on 'Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to advances' ('IRACP') read with RBI circular on 'Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications' dated 12 November 2021, in relation to identification, upgradation and provisioning of non-performing assets (NPAs) and ensured that the Holding Company has considered NPAs as credit impaired loans. - Assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars and Resolution Framework.

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

Key Audit Matter	How our audit addressed the key audit matter
The Holding Company is highly dependent on its information technology (IT) systems for carrying on its operations which require large volume of transactions to be processed in numerous locations on a daily basis. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Holding Company. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. The accuracy and reliability of the financial reporting process depends on the IT systems and the related control environment, including: ➢ IT general controls over user access management and change management across applications, networks, database, and operating systems and; ➢ IT application controls. Due to the importance of the IT systems and related control environment on the Holding Company's financial reporting process, we have identified testing of such IT systems and related control environment as a key audit matter for the current year audit.	Our key audit procedures with the involvement of our IT specialists included, but were not limited to, the following: • Obtained an understanding of the Holding Company's IT related control environment and conducted risk assessment and identified IT applications, data bases and operating systems that are relevant to our audit. • Tested the design and operating effectiveness of the Holding Company's IT controls over the IT applications as identified above; • On such in-scope IT systems, we have tested key IT general controls with respect to the following domains: a. Program change management which includes controls on moving program changes to production environment as per defined procedures and relevant segregation of environments b. User access management which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties. • We also evaluated the design and tested the operating effectiveness of key automated controls within various business processes. • Where deficiencies were identified, tested compensating controls or performed alternative procedures.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of one subsidiary, whose financial reflects total assets of ₹ 736 lakhs and net assets of ₹ 378 Lakhs as at 31 March 2024, total revenues of ₹ 6,459 lakhs and net cash inflows amounting to ₹ 22 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, are based solely on the reports of the other auditors.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 15, on separate financial statements of the subsidiary, we report that the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the other auditor, of companies included in the consolidated financial statements for the year ended 31 March 2024 and covered under the Act we report that:

    A) Following are the qualifications/adverse remarks reported by us and the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2024 for which such Order reports have been issued till date and made available to us:

S No	Name	CIN	Holding Company / subsidiary / Associate / Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Aadhar Housing Finance Limited	U66010KA1990PLC011409	Holding Company	Clause vii(a)
2	Aadhar Sales and Services Private Limited	U74999MH2017PTC297139	Subsidiary Company	Clause vii(a)

19. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

 a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

 b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor, except for the matters stated in paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

 c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

 d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

 e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the report of the statutory auditor of its subsidiary, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.

 f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 19(b) above on reporting under section 143(3)(b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

 g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I' wherein we have expressed an unmodified opinion; and

 h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary incorporated in India whose financial statements have been audited under the Act:

 i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 32 to the consolidated financial statements;

 ii. The Holding Company and its subsidiary company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;

 iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company during the year ended 31 March 2024;

 iv. a. The respective managements of the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief as disclosed in note 54 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary company, ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

 b. The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the note 55 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

 c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiary, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Holding Company and its subsidiary, have not declared or paid any dividend during the year ended 31 March 2024.

vi. Based on our examination which included test checks and that performed by the auditor of the subsidiary of the Holding Company which is a company incorporated in India and audited under the Act, the Holding Company and its subsidiary, in respect of financial year commencing on 1 April 2023, have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have operated throughout the year for all relevant transactions recorded in the software except that, the audit trail feature was not fully enabled for accounting software to log any direct data changes at database level with respect to the Holding Company. Further, during the course of our audit we and respective auditors of the above referred subsidiary did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled.

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

Manish Gujral
Partner
Membership No. 105117

UDIN: 24105117BKDAOZ8853

Place: Mumbai
Date: 29 May 2024

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

Sandeep D Welling
Partner
Membership No. 044576

UDIN: 24044576BKAUDF6124

Place: Mumbai
Date: 29 May 2024

Annexure I to the Independent Auditor's Report of even date to the members of Aadhar Housing Finance Limited on the consolidated financial statements for the year ended 31 March 2024

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of **Aadhar Housing Finance Limited** ('the Holding Company') and its subsidiary (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended **31 March 2024**, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to the consolidated financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the consolidated financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion and based on the consideration of the report of the other auditor on internal financial controls with reference to financial statements of the subsidiary company, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is a company covered under the Act, whose financial statements reflect total assets of ₹ 736 Lakhs and net assets of ₹ 378 Lakhs as at 31 March 2024, total revenues of ₹ 6,459 Lakhs and net cash inflows amounting to ₹ 22 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company have been audited by other auditor whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements for the Holding Company and its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the reports of the auditors of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

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

Manish Gujral
Partner
Membership No. 105117

UDIN: 24105117BKDAOZ8853

Place: Mumbai
Date: 29 May 2024

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

Sandeep D Welling
Partner
Membership No. 044576

UDIN: 24044576BKAUDF6124

Place: Mumbai
Date: 29 May 2024

Consolidated Balance Sheet

as at March 31, 2024

(₹ in Lakh)

	Particulars	Note	As at March 31, 2024	As at March 31, 2023
	Assets			
1.	**Financial assets**			
a)	Cash and cash equivalents	4	35,626	40,514
b)	Bank balances other than cash and cash equivalents	4	91,717	1,51,286
c)	Receivables	5	1,953	797
d)	Housing and other loans	6	16,90,294	13,85,145
e)	Investments	7	46,197	45,940
f)	Other financial assets	8	26,560	25,885
			18,92,347	**16,49,567**
2.	**Non-financial assets**			
a)	Current tax assets (net)	9	1,102	882
b)	Property, plant and equipment	10	2,999	2,475
c)	Right of use assets	34	4,856	3,828
d)	Other intangible assets	11	127	29
e)	Deferred tax assets	20	39	26
f)	Other non-financial assets	12	7,836	4,980
			16,959	**12,220**
	Total assets		**19,09,306**	**16,61,787**
	Liabilities and equity			
	Liabilities			
1.	**Financial liabilities**			
a)	Trade payables	13		
i)	Total outstanding dues to micro enterprises and small enterprises		35	36
ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises		10,829	8,014
b)	Debt securities	14	2,73,883	2,54,213
c)	Borrowings (other than debt securities)	15	11,16,002	9,54,273
d)	Deposits	16	118	312
e)	Subordinated liabilities	17	5,959	6,547
f)	Other financial liabilities	18	52,435	63,847
			14,59,261	**12,87,242**
2.	**Non-financial liabilities**			
a)	Provisions	19	2,356	1,749
b)	Deferred tax liabilities (net)	20	215	944
c)	Other non-financial liabilities	21	2,499	2,086
			5,070	**4,779**
3.	**Equity**			
a)	Equity share capital	22	39,476	39,476
b)	Other equity	23	4,05,499	3,30,290
			4,44,975	**3,69,766**
	Total liabilities and equity		**19,09,306**	**16,61,787**

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

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

Manish Gujral
Partner
Membership No.: 105117

Place: Mumbai
Date: May 29, 2024

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

Sandeep D Welling
Partner
Membership No.: 044576

Place: Mumbai
Date: May 29, 2024

For and on behalf of the Board of Directors

Deo Shankar Tripathi
Executive Vice-Chairman
DIN 07153794

Rishi Anand
Managing Director & CEO
DIN 02303503

Sharmila Abhay Karve
Independent Director
DIN 05018751

Prateek Roongta
Director
DIN 00622797

Rajesh Viswanathan
Chief Financial Officer

Harshada Pathak
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in Lakh)

	Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Income**			
	Revenue from operations			
	a) Interest income	24	2,26,933	1,77,628
	b) Fees and commission income	24	17,421	10,473
	c) Net gain on fair value changes	24	2,237	3,179
	d) Net gain on derecognition of financial instruments under amortised cost category	24	12,090	13,043
	Total revenue from operations		**2,58,681**	**2,04,323**
	Other income	25	17	29
	Total income		**2,58,698**	**2,04,352**
2	**Expenses**			
	Finance costs	26	98,669	79,919
	Impairment on financial instruments	27	4,123	4,921
	Employees benefits expense	28	40,348	32,201
	Depreciation and amortisation expense	10, 11 & 34	2,098	1,649
	Other expenses	29	17,501	13,580
	Total expenses		**1,62,739**	**1,32,270**
3	**Profit before tax and exceptional item (1-2)**		**95,959**	**72,082**
4	**Exceptional item**	59	-	2,500
5	**Profit before tax (3-4)**		**95,959**	**69,582**
6	**Tax expense**			
	Current tax	30	21,751	15,711
	Deferred tax charge / (credit)	30	(756)	(605)
			20,995	**15,106**
7	**Profit for the year (5-6)**		**74,964**	**54,476**
8	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	i Remeasurements of the defined employee benefit plans		56	78
	ii Income tax relating to items that will not be reclassified to profit or loss		(14)	(20)
	Total other comprehensive income for the year (i + ii)		**42**	**58**
9	**Total comprehensive income (7+8)**		**75,006**	**54,534**
10	**Earnings per equity share**			
	Basic earnings per share (₹)	31	18.99	13.80
	Diluted earnings per share (₹)	31	18.35	13.39

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

For **Walker Chandiok & Co LLP**
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Manish Gujral
Partner
Membership No.: 105117

Place: Mumbai
Date: May 29, 2024

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Sandeep D Welling
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Independent Director
DIN 05018751

Prateek Roongta
Director
DIN 00622797

Rajesh Viswanathan
Chief Financial Officer

Harshada Pathak
Company Secretary

Consolidated Statement of Cash flow

for the year ended March 31, 2024

(₹ in Lakh)

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A.	**Cash flow from operating activities**		
	Profit before tax	95,959	69,582
	Adjustments for:		
	Depreciation and amortisation expense	2,098	1,649
	Loss / (Profit) on sale of fixed assets (Net)	34	(29)
	Interest on lease liabilities	425	350
	Impairment on financial instruments	4,123	4,921
	Profit on sale of investment in mutual fund and other investments	(2,237)	(3,179)
	Provision for Employee share based payments	203	563
	Operating profit before working capital changes	**1,00,605**	**73,857**
	Adjustments for:		
	(Decrease) / Increase in other financial and non-financial liabilities and provisions	(8,779)	21,068
	Increase in trade receivables	(1,156)	(278)
	Increase in other financial and non-financial assets	(5,597)	(3,258)
	Cash generated from operations during the year	**85,073**	**91,389**
	Tax paid (Net of refund)	(21,971)	(14,171)
	Net cash flow generated from operations before movement in housing and other loans	**63,102**	**77,218**
	Housing and other property loans disbursed	(7,07,247)	(5,90,261)
	Proceeds from assignment and co-lending of portfolio	1,63,063	1,26,240
	Housing and other property loans repayments	2,38,198	2,71,234
	Net cash used in operating activities [A]	**(2,42,884)**	**(1,15,569)**
B.	**Cash flow from investing activities**		
	Proceeds received on sale / redemption of investments	5,33,789	8,30,799
	Payment towards purchase of investments	(5,31,647)	(8,39,758)
	Investment in fixed deposits (net of maturities)	59,569	(37,687)
	Payment towards purchase of fixed assets	(1,544)	(1,044)
	Proceeds received on sale of fixed assets	20	37
	Net cash generated from / (used in) investing activities [B]	**60,187**	**(47,653)**
C.	**Cash flow from financing activities**		
	Share issue expenses / expenses towards offer for sale of shares	(1,419)	(587)
	Proceeds from loans from banks/institutions	2,94,153	1,79,000
	Proceeds from loans from NHB	1,40,500	1,19,500
	Proceeds from Non-convertible debentures	1,32,000	91,700
	Repayment of loans to banks/institutions	(1,85,514)	(1,68,540)
	Repayment of loans to NHB	(87,599)	(57,831)
	Repayment of Non-convertible debentures	(1,12,777)	(15,300)
	Repayment of deposits	(203)	(565)
	Payment of lease liabilities	(1,332)	(1,058)
	Net cash generated from financing activities [C]	**1,77,809**	**1,46,319**
	Net decrease in cash and cash equivalents [A+B+C]	**(4,888)**	**(16,903)**
	Cash and cash equivalents at the beginning of the year	**40,514**	**57,417**
	Cash and cash equivalents at the end of the year (refer note 4)	**35,626**	**40,514**
	Components of cash and cash equivalents		
	Cash on hand	246	97
	Balances with banks in current accounts	5,221	6,987
	Balances with banks in deposits accounts with original maturity of less than 3 months	30,159	33,430
		35,626	**40,514**

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

In terms of our report of even date attached.

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

Manish Gujral
Partner
Membership No.: 105117

Place: Mumbai
Date: May 29, 2024

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

Sandeep D Welling
Partner
Membership No.: 044576

Place: Mumbai
Date: May 29, 2024

For and on behalf of the Board of Directors

Deo Shankar Tripathi
Executive Vice-Chairman
DIN 07153794

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Managing Director & CEO
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Independent Director
DIN 05018751

Prateek Roongta
Director
DIN 00622797

Rajesh Viswanathan
Chief Financial Officer

Harshada Pathak
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

a) Equity Share Capital

For the year ended March 31, 2024

(₹ in Lakh)

Particulars	Amount
Balance as at April 01, 2023	**39,476**
Changes in equity share capital during the year	-
Balance as at March 31, 2024	**39,476**

For the year ended March 31, 2023

(₹ in Lakh)

Particulars	Amount
Balance as at April 01, 2022	**39,476**
Changes in equity share capital during the year	-
Balance as at March 31, 2023	**39,476**

b) Other Equity

For the year ended March 31, 2023

Particulars	Capital reserve on amalgamation	Securities premium	Statutory reserve	Debenture redemption reserve	General Reserve	Employee Stock Option Outstanding	Retained earnings	Total
Balance as at April 1, 2022	**6**	**1,33,700**	**34,995**	**16,910**	**13,619**	**1,487**	**74,476**	**2,75,193**
Profit for the year	-	-	-	-	-	-	54,476	54,476
Other comprehensive income	-	-	-	-	-	-	58	58
Transferred to statutory reserve	-	-	10,900	-	-	-	(10,900)	-
Transferred to general reserve	-	-	-	-	5,450	-	(5,450)	-
Employee Stock Option Outstanding	-	-	-	-	-	563	-	563
Balance as at March 31, 2023	**6**	**1,33,700**	**45,895**	**16,910**	**19,069**	**2,050**	**1,12,660**	**3,30,290**

Retained earnings includes remeasurment of defined benefit plans accumulated loss (net of tax) of ₹ 35 Lakh as at March 31, 2023.

For the year ended March 31, 2024

Particulars	Capital reserve on amalgamation	Securities premium	Statutory reserve	Debenture redemption reserve	General Reserve	Employee Stock Option Outstanding	Retained earnings	Total
Balance as at April 01, 2023	**6**	**1,33,700**	**45,895**	**16,910**	**19,069**	**2,050**	**1,12,660**	**3,30,290**
Profit for the year	-	-	-	-	-	-	74,964	74,964
Other comprehensive income	-	-	-	-	-	-	42	42
Transferred to general reserve	-	-	-	-	7,485	-	(7,485)	-
Transferred to statutory reserve	-	-	14,970	-	-	-	(14,970)	-
Employee Stock Option Outstanding	-	-	-	-	-	203	-	203
Balance as at March 31, 2024	**6**	**1,33,700**	**60,865**	**16,910**	**26,554**	**2,253**	**1,65,211**	**4,05,499**

Retained earnings includes remeasurment of defined benefit plans accumulated profit (net of tax) of ₹ 7 Lakh as at March 31, 2024.

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

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

Manish Gujral
Partner
Membership No.: 105117

Place: Mumbai
Date: May 29, 2024

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Chartered Accountants
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Rajesh Viswanathan
Chief Financial Officer

Harshada Pathak
Company Secretary

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

1. Corporate information

Aadhar Housing Finance Limited (formerly known as DHFL Vysya Housing Finance Limited) (the "Parent Company") was incorporated in India in the name of Vysya Bank Housing Finance Limited ("VBHFL") on 26 November, 1990. The Parent Company has one subsidiary, Aadhar Sales and Services Private Limited, which is incorporated in India (the Parent Company and the subsidiary collectively referred to as "the Group" or "the "Company"). VBHFL was taken over by Dewan Housing Finance Corporation Limited in 2003 and renamed as DHFL Vysya Housing Finance Ltd ("DVHFL"). The erstwhile Aadhar Housing Finance Ltd which was established in 2010 and commenced operation in February, 2011 was merged into DVHFL on 20 November, 2017 and renamed as Aadhar Housing Finance Limited on 4 December 2017 with permission of National Housing Bank ("NHB") and Registrar of Companies ("ROC"). The Company is carrying business of providing loans to customers including individuals, companies, corporations, societies or association of persons for purchase / construction / repair and renovation of residential property, loans against property and provide other property related services. The Parent Company is registered with National Housing Bank under section 29A of the National Housing Bank Act, 1987. The Parent Company is a subsidiary of BCP Topco VII Pte. Ltd. ("Holding Company").

During the financial year 2019-20, the Wadhawan Global Capital Ltd. and Dewan Housing Finance Corporation Limited, along with promoter shareholders and International Finance Corporation (collectively "sellers") transferred their entire shareholding to BCP Topco VII Pte. Ltd., which is held through intermediary companies by private equity funds managed by wholly owned subsidiaries of The Blackstone Group L.P. (collectively "Blackstone").

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

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

2. Material accounting policy information

2.1 Basis of preparation and presentation

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

The Consolidated Financial Statements have been prepared in accordance with the recognition and measurement principle of Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India, requirements prescribed under the Schedule III - Division III of the Act, as amended, the circulars, the guidelines and the master directions issued by the Reserve Bank of India (the "RBI") and National Housing Bank (the "NHB") from time to time to the extent applicable.

2.2 Going concern

These financial statements have been prepared on a going concern basis.

2.3 Historical cost convention

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The measurement and/ or disclosure in these financial statements has been accordingly determined except for share based payment transactions, leasing transactions and certain other transactions that are required to be valued in accordance with Ind AS 102, Ind AS 116 and Ind AS 36, respectively.

2.4 Basis of Consolidation

The Group consolidates all entities which are controlled by it.

The Group establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity.

Entities controlled by the Group are consolidated from the date control commences until the date control ceases.

All inter-company transactions, balances and income and expenses are eliminated in full on consolidation.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Parent Company.

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

Details of Companies Consolidated in these consolidated financial statements

Name of the Company	Type	Country of Incorporation	Holding As at March 31, 2023	Holding As at March 31, 2022
Aadhar Housing Finance Limited	Parent Company	India	Parent Company	Parent Company
Aadhar Sales and Services Private Limited	Subsidiary Company	India	100%	100%

2.5 Presentation of financial statements

Amounts in the financial statements are presented in Indian Rupees in Lakh. Per share data is presented in Indian Rupee.

2.6 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.

a. Interest income

The main source of revenue for the Group is Income from Housing and Other property loans. Repayment of housing and property loan is by way of Equated Monthly Instalments (EMIs) comprising of principal and interest. EMIs generally commence once the loan is disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month on the loan that has been disbursed. Interest is calculated either on annual rest or on monthly rest basis in terms of the financing scheme opted by the borrower.

Interest income on housing and property loans and other financial instruments carried at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable.

The EIR considers all fees, charges, transaction costs, and other premiums or discounts that are incremental and directly attributable to the specific financial instrument at the time of its origination. The financial assets that are classified at fair value through statement of profit and loss ("FVTPL"), transaction costs are recognised in statement of profit and loss at initial recognition.

The interest income on non-credit impaired financial assets is calculated by applying the EIR to the gross carrying amount (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). Interest income on credit-impaired financial assets is calculated on net carrying value (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)).

b. Fee and commission income:

Fee and commission, other than the fee that forms an integral part of EIR, are accounted on accrual basis.

c. Dividend income

Dividend income is recognised when the Group's right to receive dividend is established by the reporting date.

d. Investment income

The gains/losses on sale of investments are recognised in the statement of profit and loss on trade date. Gain or loss on sale of investments is determined on the basis of weighted average cost.

e. Other operating revenue:

Prepayment charges, delayed payment interest and other such incomes where recovery is uncertain are recognised on receipt basis.

2.7 Property, plant and equipment and Intangible Assets

Property, plant and equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at cost less accumulated depreciation/ amortization and impairment losses, if any. The cost of PPE is its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the PPE ready for its intended use, other incidental expenses and interest on borrowing attributable to acquisition of qualifying PPE upto the date the asset is ready for its intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

PPEs not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

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

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land which is not depreciated) less their residual values over their useful lives specified in Schedule II to the Act, or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Estimated useful life considered by the Group are:

Asset	Estimated Useful Life
Office equipment & computer	5 – 10 Years
Furniture and fixtures	10 Years
Vehicles	8 Years
Leasehold improvements	Lease Period
Buildings	60 Years

Intangible assets

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

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

Intangible assets are amortised on straight line basis over the estimated useful life of 3 years. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

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

Impairment of assets

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

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the statement of profit and loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss was recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

2.8 Employee benefits

i. Defined contribution plan

The contribution to provident fund, pension fund, National Pension Scheme and employee state insurance scheme are considered as defined contribution plans and are charged as an expense in the statement of profit and loss based on the amount of contribution required to be made as and when services are rendered by the employees.

ii. Defined benefits plan

The Group's gratuity liability under the Payment of Gratuity Act, 1972 is determined on the basis of actuarial valuation made at the end of each year using the projected unit credit method.

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed periodically by a qualified actuary using the projected unit credit method. When the

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

calculation results in a potential asset for the Group, the recognition of the asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

iii. Short-term employee benefits

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

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

iv. Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

v. Share-based payment arrangements

The share appreciation rights / stock options granted to employees pursuant to the Group's Stock appreciation rights scheme / stock options policy are measured at the fair value of the rights at the grant date. The fair value of the rights / options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each year is based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within other equity.

2.9 Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate.

The right-of-use assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

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

2.10 Financial instruments

Recognition of financial instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets primarily comprise of loans and advances, deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of deposits, borrowings (other than debt securities), debt securities, subordinate liabilities and trade payables.

Initial measurement of financial instruments

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

If the transaction price differs from fair value at initial recognition, the Group will account for such difference as follows:

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

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

Financial assets

Classification of financial assets

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Group may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 – Business Combination applies, in OCI; and
- the Group may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

Investment in equity instruments at FVOCI

The Group subsequently measures all equity investments at fair value through profit or loss, unless the Group's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI.

The Group has not elected to classify any equity investment at FVOCI.

Debt instruments at amortised cost or at FVTOCI

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset individually and the Group's business model for managing the asset.

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

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

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Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how financial assets are managed individually and together to achieve a particular business objective.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

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

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of profit or loss.

Subsequent measurement of financial assets

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group's business model objective is to hold financial assets in order to collect contractual cash flows. The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets. During the current financial year and previous financial year there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made.

Impairment

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

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

The Group measures ECL based on category of loans at a collective level. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

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

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

- Stage 1 - Performing assets with zero to thirty days past due (DPD). Stage 1 loans also include facilities

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where the credit risk has improved and the loan has been reclassified from Stage 2 and Stage 3.

- Stage 2 - Under-performing assets having 31 to 90 DPD. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3 - Non-performing assets with overdue more than 90 DPD

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

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

Derecognition of financial assets

A financial asset is derecognised only when:

- The Group has transferred the rights to receive cash flows from the financial assets or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial assets. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

The Group transfers loans through assignment transactions. In accordance with the Ind AS 109, on derecognition of a financial asset under assignment transactions, the difference between the carrying amount and the consideration received shall be recognised in statement of profit and loss.

Write-off

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities shall be recognised in statement of profit and loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

A financial liability is

a) a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group or

b) a contract that will or may be settled in the Group's own equity instruments and is a non-derivative contract for which the Group is or may be obliged to deliver a variable number of its own equity instruments, or

c) a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group's own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or

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

- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' in the statement of profit and loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

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

2.11 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, balance in current account and Balances with banks in deposits accounts with original maturity of less than 3 months. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

2.12 Borrowing costs

Interest expenses are calculated using EIR and all other borrowing costs are recognised in the statement of profit and loss when they are incurred.

2.13 Foreign currencies

a. The functional currency and presentation currency of the Group is Indian Rupee. Functional currency of the Group has been determined based on the primary economic environment in which the Group operates considering the currency in which funds are generated, spent and retained.

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

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the statement of profit and loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

2.14 Segments

Based on "Management Approach" as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs.

2.15 Earnings per share

Basic earnings per share has been computed by dividing net income by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

2.16 Taxes on income

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

Current tax

The tax currently payable is based on the estimated taxable profit for the year for each entity of the Group and is calculated using applicable tax rates and tax

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

laws that have been enacted or substantively enacted. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

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

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

2.17 Special reserve

The Parent Company creates statutory reserve every year out of its profits in terms of section 36(1)(viii) of the Income Tax Act, 1961 read with section 29C of the National Housing Bank Act, 1987.

2.18 Impairment reserve

As per the RBI Circular RBI/2019-20/170 DOR (NBFC). CC.PD.No.109/22.10.106/2019-20 dated 13 March, 2020, in the event of the aggregate impairment provision under Ind AS 109 is lower than that required under the Income Recognition, Asset Classification and Provisioning Norms , then the difference shall be appropriated from the Net Profit or loss after tax to a separate "Impairment Reserve".

2.19 Provisions, contingent liabilities and contingent assets

- Provisions are recognised only when an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

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

Contingent assets:

Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

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

2.20 Commitments

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

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.21 Non-current assets held for sale

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

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

2.22 Exceptional items

An item of income or expense which its size, type or incidence requires disclosure in order to improve an

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

understanding of the performance of the Group is treated as an exceptional item and the same is disclosed in the notes to accounts.

2.23 Statement of cash flows

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method.

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

3. Critical accounting judgements and key sources of estimation uncertainties

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

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

Expected credit loss

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and credit assessment and including forward-looking information. In certain cases, the assessment based on past experience is required for future estimation of cash flows which requires significant judgment.

The inputs used and process followed by the Group in determining the increase in credit risk have been detailed in note 37.

EIR

The Group's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as other fee income/expense that are integral parts of the instrument.

Share-based payments

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

Inputs into the valuation model, includes assumption such as the expected life of the share option, volatility and dividend yield.

Further details used for estimating fair value for share-based payment transactions are disclosed in note 41.

Following abbreviation to be read as :

"ESOP" - Employee Stock Option Plan

"ESAR" - Employee Stock Appreciation Rights

Business model assessment

The Parent Company's business model objective is to hold financial assets in order to collect contractual cash flows. The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates, accordingly entire Loan Portfolio is classified at amortised cost.

New and Amended Standards

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

Ind AS 1 - Presentation of Financial Statements

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

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

4. Cash and bank balances

(₹ in Lakh)

Particulars		As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents			
a)	Cash on hand	246	97
b)	Balances with banks in current accounts	5,221	6,987
c)	Balances with banks in deposits accounts with original maturity of less than 3 months (refer note (i) below)	30,159	33,430
		35,626	**40,514**
Bank balances other than cash and cash equivalents			
a)	In other deposit accounts		
	- Original maturity of more than three months (refer note (ii) & (iii) below)	91,715	1,51,284
b)	Earmarked balances with banks		
	- Unclaimed dividend account	2	2
		91,717	1,51,286
	Total	**1,27,343**	**1,91,800**

i) Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

ii) Fixed deposit and other balances with banks earns interest at fixed rate.

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

5. Receivables

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables		
Unsecured, considered good	1,953	797
Total	**1,953**	**797**

i) Trade receivables includes amounts due from the related parties amounting to Nil (March 31, 2024 : Nil) [Refer Note 43].

ii) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

iii) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

iv) Trade Receivables ageing schedule

As At March 31, 2024

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Revenue	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	(532)	2,475	1	-	9	-	1,953
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

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

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Revenue	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

As At March 31, 2023

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Revenue	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	795	1	1	-	-	797
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-						
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

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

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

6. Housing and other loans

(₹ in Lakh)

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

i) All Housing and other loans are originated in India.

ii) Loans granted by the Company are secured by equitable mortgage/ registered mortgage of the property and assets financed and/or undertaking to create a security and/or assignment of Life Insurance Policies and/or personal guarantees and/or hypothecation of assets and are considered appropriate and good.

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

iii) The Company has assigned pool of certain housing and property loans and managed servicing of such loan accounts. The balance outstanding in the pool, as at the reporting date aggregates ₹ 4,14,046 Lakh (March 31, 2023: ₹ 3,28,179 Lakh). The carrying value of these assets have been de-recognised in the books of the Company.

iv) There is no outstanding loan to Public institution.

v) There were no loans given against the collateral of gold jewellery and hence the percentage of such loans to the total outstanding asset is Nil (March 31, 2023 : Nil).

vi) Housing loan and other property loan includes ₹ 18,888 Lakh (March 31, 2023: ₹ 12,526 Lakh) given to employees of the Company under the staff loan.

vii) Housing loan and other property loan includes ₹ 5,806 Lakh (March 31, 2023: ₹ 3,976 Lakh) in respect of properties held for disposal under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

viii) The Company have created an additonal impairment provision of ₹ 6,993 Lakh as at March 31, 2024 (March 31, 2023 : ₹ 7,631 Lakh) on account of management overlay and One time restructuring.

7. Investments

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	No's of Units / Shares		(₹ in Lakh)	
At amortised cost				
Investments in Government Securities				
6.54% GOI Bonds 2032 (Face Value of ₹ 100 each)	1,25,00,000	1,25,00,000	11,966	11,900
6.10% GOI Bonds 2031 (Face Value of ₹ 100 each)	2,75,00,000	2,75,00,000	26,981	26,886
6.57% GOI Bonds 2033 (Face Value of ₹ 100 each)	5,00,000	5,00,000	496	495
7.26%% GOI Bonds 2032 (Face Value of ₹ 100 each)	50,00,000	50,00,000	4,985	4,996
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd (Face Value of ₹ 70,000 each) (Face Value of ₹ 80,000 each for March 31, 2023) (refer note iii below)	2,000	2,000	1,355	1,544
			45,783	**45,821**
At fair value through profit and loss				
Investments in mutual funds				
Axis Liquid Fund - Direct Growth	14,041	863	178	10
Invesco India Liquid Fund Direct Growth	-	2,236	-	25
ICICI Prudential Liquid Fund - Direct Plan - Growth	18,316	6,657	236	81
Investments in mutual funds			**414**	**116**
At fair value through profit and loss				
Investments in quoted equity instruments (others than subsidiary)				
Reliance Power Limited Equity Shares (Face value of ₹ 10 each)	-	222	-	0
IDFC First Bank Limited Equity Shares (Face value of ₹ 10 each)	-	2,390	-	1
Sharmrao Vithal Co-operative Bank Equity Shares (Face value of ₹ 10 each)	100	100	0	0
Mangalore Refinery and Petrochemical Limited Equity Shares (Face value of ₹ 10 each)	-	3,000	-	2
			0	**3**
Total			**46,197**	**45,940**

Notes :

i) Amount "0" represent value less than ₹ 50,000.

ii) All investments are made within India.

iii) Investment in bonds aggregating to ₹ 1,355 Lakh (March 31, 2023: ₹ 1,544 Lakh) carry a floating charge in favour of fixed deposits holder read with note no 16.

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

8. Other financial assets

(₹ in Lakh)

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

9. Current tax assets (net)

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax paid in advance (net of provisions)	1,102	882
Total	**1,102**	**882**

10. Property, plant and equipment

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

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

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

Particulars of the land and building	Gross block as at March 31, 2024	Property Held since which date	Reason for not being held in the name of Company
Plot no.11, Mangala Nagar alias Sri Arunachala Nagar situated in No. 68, Athur Village, Chengalpet Taluk, Kanchipuram District, Tamil Nadu	20	November 20, 2017 (date of Amalgamation)	The title deeds are in the name of DHFL Vysya Housing Finance Limited, currently known as Aadhar Housing Finance Limited. The Company was merged under Section 230 to 232 of the Companies Act, 2013.
Plot no 14, Mangala Nagar alias Sri Arunachala Nagar situated in No. 68, Athur Village, Chengalpet Taluk, Kanchipuram District, Tamil Nadu	7	November 20, 2017 (date of Amalgamation)	The title deeds are in the name of erstwhile Aadhar Housing Finance Limited that was merged with the Company under Section 230 to 232 of the Companies Act 2013.
Unit No. 5, Row 07, Block B, Garden City, Coimbatore	13	November 20, 2017 (date of Amalgamation)	

1. In respect of immovable properties of land and buildings that have been taken on lease, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement
2. In None of the title deed mentioned above Promoter , Director, or relative of promoter / director or employee of promoter / director is holder of title deed

11. Other intangible asset

(₹ in Lakh)

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

Note: Other Intangible Assets includes Computer Software

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

12. Other non-financial assets

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Asset held for sale	396	396
Less : Provision for diminution in the value of asset held for sale	(185)	(185)
	211	**211**
Prepaid expenses	1,092	625
Capital advance	9	46
Advance for expenses and other advances	2,207	1,260
Unamortised share issue expenses [Refer Note i below]	3,978	2,559
Balance with government authorities	339	279
Total	**7,836**	**4,980**

Notes :

i) The Company has incurred certain expenses towards proposed Initial public offering of its equity shares. The company expects to recover certain amounts from the selling shareholders and the balance amount would be charged-off to securities premium account in accordance with Section 52 of the Companies Act, 2013 upon share being issued.

13. Trade payables

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues to micro enterprises and small enterprises (Refer Note a and b below)	35	36
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note b and c below)	10,829	8,014
Total	**10,864**	**8,050**

a) Based on and to the extent of information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors.

There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2024 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

b) Trade Payables ageing schedule

As At March 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME*	-	35	-	-	-	35
Others	10,782	39	8	-	-	10,829
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**10,782**	**74**	**8**	**-**	**-**	**10,864**

*GST credit disputed Cases

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

As At March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	36	-	-	-	36
Others	7,973	36	5	-	-	8,014
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**7,973**	**72**	**5**	**-**	**-**	**8,050**

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

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

14. Debt securities

(₹ in Lakh)

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

i) All debt securities are issued in India

ii) Terms of repayment and rate of interest in case of debt securities:

As At March 31, 2024

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

As At March 31, 2023

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

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

List of Redeemable debentures

(₹ in Lakh)

Sr No.	ISIN	Rate of interest	Date of Redemption	As at March 31, 2024	As at March 31, 2023
1	INE538L07296	9.30%	28-Apr-2023	-	1,000
2	INE538L07296	9.30%	28-Apr-2023	-	130
3	INE883F07017	9.40%	5-May-2023	-	3,000
4	INE538L07304	9.50%	13-May-2023	-	500
5	INE883F07165	9.15%	20-Jun-2023	-	20,000
6	INE538L07502#	9.25%	29-Sep-2023	-	3,051
7	INE538L07510#	9.65%	29-Sep-2023	-	1,896
8	INE883F07124	9.36%	27-Oct-2023	-	400

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

(₹ in Lakh)

Sr No.	ISIN	Rate of interest	Date of Redemption	As at March 31, 2024	As at March 31, 2023
9	INE883F07140	9.40%	21-Nov-2023	-	1,800
10	INE883F07140	9.40%	21-Nov-2023	-	200
11	INE883F07157	9.40%	22-Nov-2023	-	900
12	INE538L07056	9.80%	23-Mar-2025	2,500	2,500
13	INE538L07163	9.60%	6-Jan-2026	1,000	1,000
14	INE538L07163	9.60%	6-Jan-2026	1,000	1,000
15	INE538L07163	9.60%	6-Jan-2026	1,000	1,000
16	INE538L07189	9.60%	19-Jan-2026	1,000	1,000
17	INE538L07197	9.60%	19-Jan-2026	100	100
18	INE538L07197	9.60%	19-Jan-2026	170	170
19	INE538L07205	9.60%	25-Jan-2026	1,000	1,000
20	INE538L07205	9.60%	25-Jan-2026	1,000	1,000
21	INE538L07213	9.55%	29-Jan-2026	500	500
22	INE538L07213	9.55%	29-Jan-2026	100	100
23	INE538L07213	9.55%	29-Jan-2026	500	500
24	INE538L07213	9.55%	29-Jan-2026	100	100
25	INE538L07221	9.55%	1-Mar-2026	1,000	1,000
26	INE538L07254	9.55%	22-Mar-2026	2,000	2,000
27	INE538L07270	9.55%	31-Mar-2026	1,000	1,000
28	INE538L07270	9.55%	31-Mar-2026	250	250
29	INE883F07025	9.40%	5-May-2026	2,000	2,000
30	INE883F07041	9.35%	8-Jul-2026	200	200
31	INE883F07058	9.40%	13-Jul-2026	120	120
32	INE883F07066	9.28%	18-Jul-2026	200	200
33	INE883F07074	9.15%	5-Aug-2026	120	120
34	INE538L07379	9.00%	16-Nov-2026	500	500
35	INE538L07528#	9.35%	29-Sep-2028	955	955
36	INE538L07536#	9.75%	29-Sep-2028	1,168	1,168
37	INE883F07173	8.00%	5-May-2023	-	20,000
38	INE883F07181	8.20%	17-Aug-2023	-	30,000
39	INE883F07199	8.20%	1-Sep-2023	-	16,500
40	INE883F07215	8.10%	20-Oct-2025	5,000	5,000
41	INE883F07223	7.10%	7-Oct-2024	9,900	9,900
42	INE883F07231	6.90%	29-Oct-2024	6,000	12,000
43	INE883F07249	7.15%	9-Dec-2026	10,000	10,000
44	INE883F07256	9.55%*	24-Feb-2026	5,000	7,500
45	INE883F07264	8.69%*	15-Jun-2029	35,100	35,100
46	INE883F07272	8.64%*	15-Jun-2029	35,100	35,100
47	INE883F07298	8.55%*	6-Feb-2028	8,000	10,000
48	INE883F07280	8.55%*	6-Jan-2028	9,200	11,500
49	INE883F07306	8.50%	26-May-2026	27,500	-
50	INE883F07314	8.50%	17-Aug-2026	50,000	-
51	INE883F07322	8.35%*	31-Oct-2028	10,000	-
52	INE883F07330	8.65%	21-Aug-2027	30,000	-
53	INE883F07348	8.25%*	28-Mar-2029	14,500	-
				2,74,783	**2,54,960**

*Floating rate linked to RBI repo

#Publicly issued NCD

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

iii) The Company has raised ₹ 1,32,000 Lakh (March 31, 2023 : ₹ 91,700 Lakh) from Secured Redeemable Non Convertible Debentures (NCDs) during the year ended March 31, 2024. NCDs are long term and are secured by way of pari passu first charge by way of (present & future obligations) hypothecation on standard book debts / receivables/ outstanding moneys, current assets, Cash & Bank balances & Investments as per contracted terms except for those book debts/ receivables charged or to be charged in favour of NHB for refinance availed or to be availed from them and the Company has provided Security on specific immovable property on certain series of NCDs private placement (excluding IPO Series). NCDs including current maturities are redeemable at par in various periods.

iv) There has been no deviation in the utilisation of issue proceeds of publically issued secured redeemable NCD, from the Objects as stated in the Shelf prospectus document dated September 03, 2018.

15. Borrowings (other than debt securities)

(₹ in Lakh)

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

i) All borrowings are issued in India

ii) Terms of repayment and rate of interest in case of Borrowings:

As at March 31, 2024

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

As at March 31, 2023

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

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

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

iii) The secured term loans from banks are availed from various scheduled banks. These loans are repayable as per the individual contracted terms in one or more instalments between April 2024 and November 2038. These loans are secured / to be secured by way of jointly ranking pari passu inter-se charge, along with NHB and NCD holders, on the Company's book debts, housing loans and the whole of the present and future movable assets of the Company as applicable.

iv) Secured term loan from National Housing Bank are repayable as per the contracted terms in one or more instalments between April 2024 and January 2034. These loans from National Housing Bank are secured / to be secured by way of first charge to and in favour of NHB, other banks and NCD holders and jointly ranking pari passu inter-se, on the Company's book debts, housing loans and the whole of the present and future movable and immovable assets wherever situated excluding SLR assets.

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

v) Cash credit facilities from banks are secured by way of jointly ranking pari passu inter-se charge, along with NHB and NCD holders, on the Company's book debts, housing loans and the whole of the present and future movable assets of the Company as applicable. All cash credit facilities are repayable as per the contracted / rollover term.

16. Deposits

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Deposit		
At amortised cost		
Public deposits	118	312
Total	**118**	**312**

The National Housing Bank Directives requires all HFCs, accepting public deposits, to create a floating charge on the statutory liquid assets maintained in favour of the depositors through the mechanism of a Trust Deed. The Company has accordingly appointed SEBI approved Trustee Company as a Trustee for the above by executing a trust deed.

The public deposits of the Company as defined in paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge on the Statutory Liquid Assets maintained in terms of sub-sections (1) and (2) of Section 29B of the National Housing Bank Act, 1987.

17. Subordinated liabilities

(₹ in Lakh)

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

i) All subordinated liabilities are issued in India

ii) Terms of repayment and rate of interest in case of Subordinated Liabilities:

As at March 31, 2024

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

As at March 31, 2023

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

Maturity profile disclosed above excludes EIR adjustments amounting to ₹ 41 Lakh (March 31, 2023: ₹ 53 Lakh).

iii) Unsecured Redeemable Non-Convertible Debentures are subordinated to present and future senior indebtedness of the Company. These Unsecured Redeemable Non-Convertible Debentures qualifies as Tier II capital in accordance with National Housing Bank (NHB) guidelines for assessing capital adequacy based on balance term to maturity. These debentures are redeemable at par on maturity at the end of various periods.

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

18. Other financial liabilities

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Book overdraft	22,943	35,908
Lease liabilities (refer note 34)	5,109	3,795
Accrued employee benefits	5,157	6,575
Interest accrued but not due - Deposits	4	4
Interest accrued but not due - Others	10,020	8,398
Amount payable under assignment of receivables	9,131	9,086
Unpaid dividend (refer note below)	2	3
Unpaid matured deposits and interest accrued thereon	69	78
Total	**52,435**	**63,847**

The Company has transferred a sum of ₹ 0.67 Lakh during the year ended March 31, 2024 (March 31, 2023 : ₹ 0.65 Lakh) being Unclaimed Dividend to Investor Education and Protection Fund under section 124 of the Companies Act, 2013.

19. Provisions

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Provision for compensated absences	1,101	878
Provision for gratuity (refer note 40)	1,255	871
Total	**2,356**	**1,749**

20. Deferred tax liabilities (net)

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities		
Deferred tax liabilities	6,224	6,485
Deferred Tax Assets	6,009	5,541
Deferred tax liabilities (net)	**215**	**944**
Deferred Tax Assets		
Deferred Tax Assets	39	26
Total deferred tax liabilities (net)	**176**	**918**

Deferred tax assets and liabilities in relation to:

(₹ in Lakh)

Particulars	As at April 1, 2023	Charged to Profit and Loss	Charged to Other Comprehensive Income	As at March 31, 2024
Deferred tax liabilities				
Fair value on Amalgamation	390	(390)	-	-
Net gain on derecognition of financial instruments under amortised cost category	6,095	129	-	6,224
	6,485	**(261)**	**-**	**6,224**

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

(₹ in Lakh)

Particulars	As at April 1, 2023	Charged to Profit and Loss	Charged to Other Comprehensive Income	As at March 31, 2024
Deferred tax assets				
On difference between book balance and tax balance of assets	115	12	-	127
On account of impairment on financial instruments	4,280	250	-	4,530
On account of provision for employee benefits	440	169	(14)	595
Others	732	64	-	796
	5,567	**495**	**(14)**	**6,048**
Net Deferred tax (assets)/liabilities	**918**	**(756)**	**14**	**176**

Deferred tax assets and liabilities in relation to:

(₹ in Lakh)

Particulars	As at April 1, 2022	Charged to Profit and Loss	Charged to Other Comprehensive Income	As at March 31, 2023
Deferred tax liabilities				
Fair value on Amalgamation	780	(390)	-	390
Net gain on derecognition of financial instruments under amortised cost category	5,815	280	-	6,095
	6,595	**(110)**	**-**	**6,485**
Deferred tax assets				
On difference between book balance and tax balance of assets	118	(3)	-	115
On account of impairment on financial instruments	3,979	301	-	4,280
On account of provision for employee benefits	324	136	(20)	440
Others	671	61	-	732
	5,092	**495**	**(20)**	**5,567**
Net Deferred tax (assets)/liabilities	**1,503**	**(605)**	**20**	**918**

21. Other non-financial liabilities

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance from Customers	205	256
Statutory dues	1,208	943
Others	1,086	887
Total	**2,499**	**2,086**

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

22. Equity share capital

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
	Number of shares		(₹ in Lakh)	
Authorised share capital				
Equity shares of ₹ 10 each	50,00,00,000	50,00,00,000	50,000	50,000
Issued share capital				
Equity shares of ₹ 10 each	39,47,54,970	39,47,54,970	39,476	39,476
Subscribed and paid up capital				
Equity shares of ₹ 10 each	39,47,54,970	39,47,54,970	39,476	39,476
Total			**39,476**	**39,476**

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Equity shares at the beginning of the year	39,47,54,970	39,47,54,970
Add: Shares issued during the year	-	-
Equity shares at the end of the year	**39,47,54,970**	**39,47,54,970**

*Includes allotment of 26,100 bonus shares pertaining to existing share holder holding shares in physical mode, allotment of same is pending on account of conversion of physical shares into demat mode.

b) Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders. Dividend declared towards equity shares will be subject to the approval of shareholder in the ensuing Annual General Meeting.

c) The Parent Company has made an Initial Public Offer (IPO) for 9,52,55,598 equity shares aggregating to ₹ 300,000 Lakh of which 6,34,92,063 equity share aggregating to 2,00,000 Lakh were offered by selling shareholder and 3,17,63,535 equity shares aggregating to ₹ 100,000 Lakh at the face value of ₹ 10 each at a premium of ₹ 305 per equity share (excluding discount of ₹ 23 per share on employee reservation portion of 2,39,726 equity shares) by way of fresh issue of the equity shares on May 13, 2024. The Company's equity share got listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on May 15, 2024.

d) The shareholders vide a special resolution have approved bonus issue of 35,52,79,473 equity shares of the Company in the ratio of nine shares of face value of ₹ 10 each for each existing equity share of the face value of ₹ 10 each on January 16, 2021 in extraordinary general meeting (EGM).

e) The Company has not bought back any class of shares.

f) The Company has not allotted any class of shares as fully paid up pursuant to contract without payment being received in cash.

g) The Company has not proposed any dividend during the year ended March 31, 2024.

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

h) Details of shareholders holding more than five percent equity shares in the Company are as under:

Particulars	As at March 31, 2024			As at March 31, 2023		
	% of Total Shares	Number of shares	% of Change during the year ended	% of Total Shares	Number of shares	% of Change during the year ended
BCP Topco VII Pte. Ltd (Holding Company)	98.72%	38,96,83,420	-	98.72%	38,96,83,420	-

i) Shareholding of promoters

Particulars	As at March 31, 2024			As at March 31, 2023		
	% of Total Shares	Number of shares	% of Change during the year ended	% of Total Shares	Number of shares	% of Change during the year ended
BCP Topco VII Pte. Ltd (Holding Company)	98.72%	38,96,83,420	-	98.72%	38,96,83,420	-

23. Other equity

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital reserve on amalgamation	6	6
Securities premium	1,33,700	1,33,700
Statutory reserve (Special reserve as per Section 29C of National Housing Bank Act, 1987 and Special reserve as per Section 36(1)(viii) of the Income Tax Act, 1961) (refer note (i) below)	60,865	45,895
Debenture redemption reserve (refer note (ii) below)	16,910	16,910
General reserve	26,554	19,069
Employee Stock Option Outstanding	2,253	2,050
Retained earnings	1,65,211	1,12,660
Total	**4,05,499**	**3,30,290**

Notes :

i) Statement for Disclosure on Statutory / Special Reserves, as prescribed by NHB vide its circular no NHB(ND)/DRS/Pol. Circular.61/2013-14, dated: April 7, 2014 and NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017.

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	708	708
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	45,187	34,287
c) Total	**45,895**	**34,995**
Additions during the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	14,970	10,900
c) Total	**14,970**	**10,900**

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

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Utilised during the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
c) Total	**-**	**-**
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	708	708
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	60,157	45,187
c) Total	**60,865**	**45,895**

ii) The Company has created Debenture redemption reserve as at March 31, 2024 aggregating of ₹ 16,910 Lakh (March 31, 2023 : ₹ 16,910 Lakh) required towards its public issue of Secured Redeemable Non-Convertible Debentures.

23(a). Nature and Purpose of Reserves:

i. Capital reserve on Amalgamation - This reserve is created on account of merger of Aadhar Housing Finance Limited into DHFL Vysya Housing Finance Limited.

ii. Securities Premium - Securities premium account is used to record premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.

iii. Statutory Reserve - Section 29C (i) of the National Housing Act, 1987 defines that every housing finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. For this purpose any special reserve created by the Company under Section 36(1)(viii) of the Income Tax Act 1961, is considered to be an eligible transfer. During the year ended March 31, 2024, the Company has transferred an amount of ₹ 14,970 Lakh [P.Y. ₹ 10,900 Lakh] to special reserve in terms of Section 36(1)(viii) of the Income Tax Act 1961 and has been considered eligible for special reserve u/s 29C of the National Housing Bank Act, 1987.

iv. Debenture Redemption reserve - This reserve is created while issuing Debentures with an objective to reduce the risk of default in repayments of debentures. The Company has created debenture redemption reserve towards its public issue of Secured Redeemable Non-convertible Debentures.

v. Employee Stock Option Outstanding - This reserve relates to stock option granted by the Company to employees under various ESOP schemes.

24. Revenue from operations

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Interest income		
On financial assets measured at amortised cost		
Interest on loans	2,14,807	1,67,485
Interest on fixed deposits	8,932	7,397
Interest on bonds and debentures	3,194	2,746
	2,26,933	**1,77,628**
b) Fees and commission Income		
Loan processing fee and other charges (net of business sourcing expenses)	8,555	8,236
Intermediary services	8,866	2,237
	17,421	**10,473**

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

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
c) Net gain on fair value changes		
Measured at FVTPL		
Equity investment measured at FVTPL		
Realised	5	-
Unrealised	-	1
	5	**1**
Investment in mutual fund measured at FVTPL		
Realised	2,228	3,176
Unrealised	4	2
	2,232	**3,178**
Net gain on fair value changes	**2,237**	**3,179**
d) Net gain on derecognition of financial instruments under amortised cost category		
On assignment of portfolio	12,090	13,043
Total	**2,58,681**	**2,04,323**

i) Amount "0" represent value less than ₹ 50,000.

ii) Disclosure in respect of fees and commission income on insurance business undertaken by the company

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Life Insurance Business	4,064	848
Non - Life Insurance Business	3,270	845
Total	**7,334**	**1,693**

25. Other income

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit on sale of fixed asset (net)	-	8
Miscellaneous income	17	21
Total	**17**	**29**

26. Finance costs

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expenses on financial liabilities measured at amortised cost		
Interest on borrowings (other than debt securities)	75,481	59,346
Interest on deposits	22	37
Interest on non convertible debentures	20,572	17,824
Interest on subordinated liabilities	613	689
Interest on others	37	110
Interest on lease liabilities (refer note 34)	425	350
Finance charges	1,519	1,563
Total	**98,669**	**79,919**

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

27. Impairment on financial instruments

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
On financial instruments measured at amortised cost		
Impairment allowance on Loans (Refer note 27.1 & 27.2 below)	438	3,048
Bad-debts written off	3,685	1,873
Total	**4,123**	**4,921**

27.1 The Company has reversed impairment provision of ₹ 638 Lakh during the year ended March 31, 2024 towards management overlay and loans on which one-time restructuring was implemented (March 31, 2023 impairment reverse of ₹ 905 Lakh).

27.2 Impairment allowance on Loans (including write off) includes reversal of ₹ 627 Lakh during the year ended March 31, 2024 (March 31, 2023 : includes reversal of ₹ 754 Lakh) towards loans to developers. The net carrying value of loans to developers after impairment provision is Nil as at March 31, 2024 (Nil as at March 31, 2023). The Company has not made any fresh loan sanctions under loans to developers during the year ended March 31, 2024 (for the year ended March 31, 2023 : Nil).

28. Employee benefits expense

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, bonus and other allowances	35,371	28,787
Contribution to provident fund and other funds (refer note 40)	2,756	2,189
Share based payments to employees (refer note 41)	203	563
Staff welfare expenses	2,018	662
Total	**40,348**	**32,201**

29. Other expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rent (refer note 34)	885	661
Travelling expenses	2,378	1,786
Printing and stationery	327	369
Advertisement and business promotion	2,060	1,408
Insurance	1,259	1,086
Legal and professional charges	1,629	1,162
Auditors remuneration (refer note below 29.2)	153	101
Postage, telephone and other communication expenses	667	840
General repairs and maintenance	3,276	2,540
Electricity charges	428	343
Directors sitting fees and commission (refer note 43)	149	154
Corporate social responsibility expenses (refer note below 29.1)	1,130	821
Goods and service tax	2,396	1,531
Loss on sale of fixed assets (net)	34	-
Other expenses	730	778
Total	**17,501**	**13,580**

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

29.1 Details of Corporate Social Responsibility

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Amount required to be spent during the year	1,130	820
b) Amount spent during the year	899	222
c) Amount provided as at year end	861	630
d) Amount of shortfall at the end of the year	861	630
e) Total amount of previous period shortfall	630	32

f) **Reason for shortfall :** The unspent amount has been transferred to the Unspent CSR Account and will be utilised for an identified ongoing projects in FY 24-25.

g) **Nature CSR activities :-** Donation of ambulances & support equipment, early child care & education, skill development & livelihood enhancement, skilling for specially challenged, skilling for kids of destitute homes, computer lab set up for government schools, skilling of women, health camps, donation of oxygen concentrators, donation of ration kits.

Amount mentioned above were paid in cash during the respective financial period and were incurred for the purpose other than construction / purchase of assets.

29.2 Details of auditors remuneration :

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Audit fee (including regulatory certificates)	109	82
Tax audit fee	22	15
Others	22	4
Total	**153**	**101**

30. Tax expenses

a) Income tax expenses

The major components of income tax expenses

i) Profit and loss section

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax expenses	21,751	15,711
Deferred tax charge / (credit)	(756)	(605)
Total	**20,995**	**15,106**

ii) Other comprehensive income section

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax expenses	-	-
Deferred tax	14	20
Total	**14**	**20**

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

b) Reconciliation of tax expenses

(₹ in Lakh)

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
(A)	Profit before income taxes (including other comprehensive income)	96,015	69,660
(B)	Enacted tax rate in India (including surcharge and cess)	25.168%	25.168%
(C)	Expected tax expenses	24,165	17,532
(D)	Other than temporary difference		
	Special reserve	3,345	2,579
	Difference in Tax expense of earlier years	27	3
	Expenses disallowed / (allowed)	(216)	(176)
(E)	Tax expense recognised in profit and loss	20,995	15,106
(F)	Tax expense recognised in other comprehensive income	14	20

31. Earnings per equity share

The following is the computation of earnings per equity share on basic and diluted earnings per equity share:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net profit after tax attributable to equity shareholders (₹ In Lakh)	74,964	54,476
Weighted average number of equity shares outstanding during the year (Nos)	39,47,54,970	39,47,54,970
Add: Effect of potential issue of shares / stock rights outstanding during the year*	1,38,45,940	1,21,59,478
Weighted average number of equity shares outstanding during the year including potential shares outstanding (Nos)	40,86,00,910	40,69,14,448
Face value per equity share (₹)	10	10
Basic earnings per equity share (₹)	18.99	13.80
Diluted earnings per equity share (₹)	18.35	13.39

* not considered when anti-dilutive

32. Contingent liabilities

Claims against the Company not acknowledged as debt:

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax matters of earlier years	300	378
Indirect tax matters of earlier years	1,267	521
Total	**1,567**	**899**

The Company is also involved in other law suits, claims, investigations and proceedings, including collection and repossession related matters, which arise in the ordinary course of business. However, there are no significant claims on such cases. Future cash outflows in respect of the above, if any, is determinable only on receipt of judgement / decisions pending with the relevant authorities.

Part of the aforementioned contingent liabilities towards income tax and indirect tax have been paid under protest.

33. Commitments

i. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at March 31, 2024 ₹ 394 Lakh (March 31, 2023 ₹ 482 Lakh).

ii. Undisbursed amount of loans sanctioned and partly disbursed as at March 31, 2024 is ₹ 94,882 Lakh (March 31, 2023 ₹ 90,071 Lakh).

iii. Undisbursed amount of loans sanctioned but not disbursed as at March 31, 2024 is ₹ 1,06,702 Lakh (March 31, 2023 ₹ 78,478 Lakh).

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

34. Lease

Following are the changes in the carrying value of right of use assets:

(₹ in Lakh)

Particulars	Building	Intangible Asset	Total
Balance as of April 1, 2023	**3,294**	**534**	**3,828**
Addition during the year	2,221	-	2,221
Deletion during the year	-	-	-
Depreciation charge for the year	(1,041)	(152)	(1,193)
Balance as of March 31, 2024	**4,474**	**382**	**4,856**
Balance as of April 1, 2022	**2,660**	**687**	**3,347**
Addition during the year	1,452	-	1,452
Deletion during the year	(2)	-	(2)
Depreciation charge for the year	(816)	(153)	(969)
Balance as of March 31, 2023	**3,294**	**534**	**3,828**

The following is the movement in lease liabilities:

(₹ in Lakh)

Particulars	Building	Intangible Asset	Total
Balance as of April 1, 2023	**3,795**	**-**	**3,795**
Addition during the year	2,221	-	2,221
Finance cost accrued during the year	424	-	424
Deletion during the year	-	-	-
Payment made during the year	(1,331)	-	(1,331)
Balance as of March 31, 2024	**5,109**	**-**	**5,109**
Balance as of April 1, 2022	**3,053**	**-**	**3,053**
Addition during the year	1,452	-	1,452
Finance cost accrued during the year	349	-	349
Deletion during the year	(2)	-	(2)
Payment made during the year	(1,057)	-	(1,057)
Balance as of March 31, 2023	**3,795**	**-**	**3,795**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis:

Particulars	(₹ in Lakh)
Less than one year	1,474
One to five years	3,645
More than five years	1,589
Total	**6,708**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

Particulars	(₹ in Lakh)
Less than one year	1,132
One to five years	3,093
More than five years	633
Total	**4,858**

Rental expense recorded for short-term leases was ₹ 885 Lakh for the year ended March 31, 2024 (March 31, 2023 ₹ 661 Lakh).

The aggregate depreciation on Right to use assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

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

35. Financial instruments

(i) Fair value hierarchy

The Company uses the following hierarchy to determine the fair values of its financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There were no transfers between levels 1, 2 and 3 during the year.

The Company recognises transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation process

The management of the Company performs the valuations of financial assets and liabilities required for financial reporting purposes.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Valuation processes and Technique

Type of Instrument	Reference Price
Investment in Mutual Funds	NAV as on the reporting date.
Investment in Equity Shares	Quoted price on exchange as on the reporting date.

As at March 31, 2024

(₹ in Lakh)

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets							
Investments							
- Mutual funds	Level 1	414	-	-	414	-	-
- Government securities	Level 2	-	-	44,183	-	-	44,428
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd Face Value of ₹ 70,000/- each	Level 1	-	-	1,424	-	-	1,355
Financial liabilities							
Debt securities	Level 1	-	-	2,195	-	-	2,097
Debt securities	Level 3	-	-	2,72,857	-	-	2,71,786

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

As at March 31, 2023

(₹ in Lakh)

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets							
Investments							
- Equity instruments	Level 1	3	-	-	3	-	-
- Mutual funds	Level 1	116	-	-	116	-	-
- Government securities	Level 2	-	-	43,381	-	-	44,277
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd Face Value of ₹ 80,000/- each	Level 1	-	-	1,642	-	-	1,544
Financial liabilities							
Debt securities	Level 1	-	-	7,226	-	-	7,089
Debt securities	Level 3	-	-	2,48,581	-	-	2,47,124

The Company considers that the carrying amounts recognised in the financial statements for housing and other loans, debt securities (other than disclosed above), deposits, subordinated liabilities, borrowings (other than debt securities), trade receivables, payables and other financial assets and liabilities whose fair value is not disclosed approximate their fair values. The Company is carrying the investment in subsidiary at Cost.

36. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR.

(₹ in Lakh)

Particulars	March 31, 2024			March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Cash and cash equivalents	35,626	-	35,626	40,514	-	40,514
Other bank balances	71,419	20,298	91,717	1,22,939	28,347	1,51,286
Receivables	1,953	-	1,953	797	-	797
Housing and other loans	2,72,442	14,17,852	16,90,294	1,85,867	11,99,278	13,85,145
Investments	414	45,783	46,197	116	45,824	45,940
Other financial assets	12,545	14,015	26,560	8,248	17,637	25,885
Non-financial assets						
Current tax assets (Net)	1,102	-	1,102	882	-	882
Property, plant and equipment	-	2,999	2,999	-	2,475	2,475
Right of use assets	-	4,856	4,856	-	3,828	3,828
Other intangible assets	-	127	127	-	29	29
Deferred tax assets (Net)	-	39	39	-	26	26
Other non-financial assets	7,824	12	7,836	4,291	689	4,980
Total Assets	**4,03,325**	**15,05,981**	**19,09,306**	**3,63,654**	**12,98,133**	**16,61,787**
LIABILITIES						
Financial Liabilities						
Trade Payables	10,864	-	10,864	8,050	-	8,050
Debt Securities	40,100	2,33,783	2,73,883	1,11,429	1,42,784	2,54,213
Borrowings (Other than debt securities)	1,48,084	9,67,918	11,16,002	1,17,265	8,37,008	9,54,273
Deposits	67	51	118	196	116	312
Subordinated liabilities	-	5,959	5,959	547	6,000	6,547
Other financial liabilities	48,355	4,080	52,435	60,867	2,980	63,847

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

(₹ in Lakh)

Particulars	March 31, 2024			March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Non-Financial Liabilities						
Provisions	2,356	-	2,356	1,747	2	1,749
Deferred tax liabilities (Net)	-	215	215	-	944	944
Other non-financial liabilities	2,499	-	2,499	2,086	-	2,086
Total liabilities	**2,49,969**	**12,14,362**	**14,64,331**	**3,02,187**	**9,89,834**	**12,92,021**
Net	**1,51,000**	**2,93,975**	**4,44,975**	**61,467**	**3,08,299**	**3,69,766**

Note: The maturity analysis is prepared considering the prepayments on housing and other loans in line with historical trend. Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Company for compiling the return submitted to the RBI/NHB, which has been relied upon by the auditors.

37. Financial risk management

a. Liquidity Risk

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund diverse products, the Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

Liquidity risk is managed in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Company formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

Maturity analysis of financial assets and financial liabilities

As at March 31, 2024

(₹ in Lakh)

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Assets					
Cash and cash equivalents	35,626	35,626	-	-	-
Other bank balances	91,717	71,419	20,008	-	290
Housing and other loans	16,90,294	2,72,442	4,46,087	3,86,288	5,85,477
Investments	46,197	414	-	-	45,783
Receivables & Other financial assets	28,513	12,545	10,604	3,242	2,122
Total	**18,92,347**	**3,92,446**	**4,76,699**	**3,89,530**	**6,33,672**
Financial Liabilities					
Trade payables	10,864	10,864	-	-	-
Debt securities	2,73,883	40,100	1,44,626	81,324	7,833
Borrowings (other than debt securities)	11,16,002	1,48,084	4,03,293	3,07,901	2,56,724
Deposits	118	67	42	9	-
Subordinated liabilities	5,959	-	5,959	-	-
Other financial liabilities	52,435	48,355	1,569	1,131	1,380
Total	**14,59,261**	**2,47,470**	**5,55,489**	**3,90,365**	**2,65,937**
Net	**4,33,086**	**1,44,976**	**(78,790)**	**(835)**	**3,67,735**
Cumulative Net		**1,44,976**	**66,186**	**65,351**	**4,33,086**

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

As at March 31, 2023

(₹ in Lakh)

Particulars	Carr ying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Assets					
Cash and cash equivalents	40,514	40,514	-	-	-
Other bank balances	1,51,286	1,22,939	96	-	28,251
Housing and other loans	13,85,145	1,85,867	2,99,044	2,53,013	6,47,221
Investments	45,940	116	-	-	45,824
Receivables & Other financial assets	26,682	9,045	10,633	4,232	2,772
Total	**16,49,567**	**3,58,481**	**3,09,773**	**2,57,245**	**7,24,068**
Financial Liabilities					
Trade payables	8,050	8,050	-	-	-
Debt securities	2,54,213	1,11,429	67,495	46,840	28,449
Borrowings (other than debt securities)	9,54,273	1,17,265	3,66,987	2,88,426	1,81,595
Deposits	312	196	77	33	6
Subordinated liabilities	6,547	547	-	6,000	-
Other financial liabilities	63,847	60,867	1,508	664	808
Total	**12,87,242**	**2,98,354**	**4,36,067**	**3,41,963**	**2,10,858**
Net	**3,62,325**	**60,127**	**(1,26,294)**	**(84,718)**	**5,13,210**
Cumulative Net		**60,127**	**(66,167)**	**(1,50,885)**	**3,62,325**

Note: The maturity analysis is prepared considering the prepayments on housing and other loans in line with historical trend.

Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the company for compiling the return submitted to the NHB, which has been relied upon by the auditors.

b. Interest Risk

The core business of the company is providing housing and other mortgage loans. The company borrows through various financial instruments to finance its core lending activity. These activities expose the company to interest rate risk.

Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of Balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. The interest rate risk is monitored through above measures on a quarterly basis.

Interest Rate Sensitivity

The following table demonstrates the net sensitivity to a reasonably possible change in interest rate (all other variables being constant) of the Company's statement of profit and loss (before taxes) and equity

(₹ in Lakh)

Particulars	Basis Points	For the year ended March 31, 2024	For the year ended March 31, 2023
Increase by basis points	+50	1,449	1,523
Decrease by basis points	-50	(1,449)	(1,523)

c. Price risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surplus in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

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

d. Credit risk

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

The credit risk is governed by the Credit Policy approved by the Board of Directors. The Credit Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

The Company measures, monitors and manages credit risk at an individual borrower level and at the group exposure level for corporate borrowers. The credit risk for retail borrowers is being managed at portfolio level for both Home loans and other property loans. The Company has a structured and standardized credit approval process, which includes a well-established procedure of comprehensive credit appraisal. The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk.

Credit Risk Assessment Methodology

Company's customers for retail loans are primarily lower and middle income, salaried and self-employed individuals. The loans are secured by the mortgage of the borrowers' property.

The Company's credit officers evaluate credit proposals on the basis of operating policies approved by the Board of Directors. The criteria typically include factors such as the borrower's income, the loan-to-value ratio and demographic parameters. Any deviations need to be approved at the designated levels.

External agencies such as field investigation agencies facilitate a comprehensive due diligence process including visits to offices and homes in the case of loans made to retail borrowers.

Company monitor's borrower account behaviour as well as static data regularly to monitor the portfolio performance of each product segment regularly, and use these as inputs in revising its product programs, target market definitions and credit assessment criteria to meet the twin objectives of combining volume growth and maintenance of asset quality.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Stage 1	High quality assets	12-month ECL
Stage 2	Assets for which there is significant increase in credit risk	Lifetime ECL
Stage 3	Credit-impaired assets	Lifetime ECL – credit-impaired

The key elements in calculation of ECL are as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD has been determined based on seasoned historical portfolio data using the survival analysis methodology.

EAD - The Exposure at Default includes repayments scheduled by contract or otherwise, expected drawdowns on committed facilities, accrued interest from missed payments and loan commitments.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on seasoned historical portfolio data.

Based on management overlay and one-time restructuring provision amount of ₹ 6,993 Lakh has been carried as of March 31, 2024 (March 31, 2023: ₹ 7,631 Lakh).

The customers who have availed the benefit of one-time restructuring have been disclosed in stage 2 assets.

An analysis of changes in the gross carrying amount (excluding adjustment to carrying value on account of application of effective interest rate) and the corresponding ECL allowances in relation to lending is, as follows:

a) **Housing and Other Property Loan**

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

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

As at March 31, 2024

(₹ in Lakh)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss (refer note 1 and 2 below)	Net Carrying Amount
Stage 1 – High quality assets	Loan	16,30,537	5,384	16,25,153
Stage 2 – Assets for which there is significant increase in credit risk	Loan	61,888	7,724	54,164
Stage 3 - Credit-impaired assets	Loan	18,690	7,713	10,977

1. Above includes Expected Credit Loss provision on Loan commitment amount to ₹ 195 Lakh (Stage1- included in ₹ 5,384 Lakh).
2. Above includes Expected Credit Loss provision on account of additional management overlay and one-time restructuring amounting to ₹ 6,993 Lakh.
3. Stage 3 assets includes loan assets more than 90 DPD and less than equal to 90 DPD, the breakup is as under:-

(₹ in Lakh)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 3a – Assets Less than equal to 90 DPD	Loan	167	51	116
Stage 3b – Assets more than 90 DPD (refer note)	Loan	18,523	7,662	10,861
Total Stage 3 - Credit-impaired assets	Loan	**18,690**	**7,713**	**10,977**

As at March 31, 2023

(₹ in Lakh)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss (refer note 1 and 2 below)	Net Carrying Amount
Stage 1 – High quality assets	Loan	13,29,439	5,294	13,24,145
Stage 2 – Assets for which there is significant increase in credit risk	Loan	58,057	7,748	50,309
Stage 3 - Credit-impaired assets	Loan	16,259	5,568	10,691

1. Above includes Expected Credit Loss provision on Loan commitment amount to ₹ 214 Lakh (Stage1- included in ₹ 5,294 Lakh).
2. Above includes Expected Credit Loss provision on account of additional management overlay and one-time restructuring amounting to ₹ 7,631 Lakh.
3. Stage 3 assets includes loan assets more than 90 DPD and less than equal to 90 DPD, the breakup is as under :-

(₹ in Lakh)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 3a – Assets Less than equal to 90 DPD	Loan	589	142	447
Stage 3b – Assets more than 90 DPD (refer note)	Loan	15,670	5,426	10,244
Total Stage 3 - Credit-impaired assets	Loan	**16,259**	**5,568**	**10,691**

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

Reconciliation of Loan balances is given below:

(₹ in Lakh)

Particulars	March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**13,29,439**	**58,057**	**16,259**	**14,03,755**
New assets added during the year	7,07,247	-	-	7,07,247
Assets derecognised under direct assignment and Co-lending	(1,63,063)	-	-	(1,63,063)
Repayment of Loans (excluding write offs)	(2,22,182)	(9,683)	(2,420)	(2,34,285)
Transfers to / from Stage 1	8,549	(7,595)	(954)	-
Transfers to / from Stage 2	(24,446)	25,774	(1,328)	-
Transfers to / from Stage 3	(4,500)	(4,601)	9,101	-
Amounts written off	(507)	(64)	(1,968)	(2,539)
Gross carrying amount closing balance	**16,30,537**	**61,888**	**18,690**	**17,11,115**

(₹ in Lakh)

Particulars	March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**11,29,730**	**65,120**	**18,255**	**12,13,105**
New assets added during the year	5,89,648	-	-	5,89,648
Assets derecognised under direct assignment	(1,26,240)	-	-	(1,26,240)
Repayment of Loans (excluding write offs)	(2,55,253)	(9,942)	(3,394)	(2,68,589)
Transfers to / from Stage 1	13,628	(10,065)	(3,563)	-
Transfers to / from Stage 2	(19,090)	20,777	(1,687)	-
Transfers to / from Stage 3	(2,747)	(7,359)	10,106	-
Amounts written off	(237)	(474)	(3,458)	(4,169)
Gross carrying amount closing balance	**13,29,439**	**58,057**	**16,259**	**14,03,755**

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**5,294**	**7,748**	**5,568**	**18,610**
New assets added during the year	2,334	-	-	2,334
Assets derecognised under direct assignment	(538)	-	-	(538)
Repayment of Loans (excluding write offs)	(889)	(1,293)	(829)	(3,011)
Transfers to / from Stage 1	28	(25)	(3)	-
Transfers to / from Stage 2	(3,051)	3,217	(166)	-
Transfers to / from Stage 3	(1,857)	(1,899)	3,756	-
Impact on year end ECL of exposures transferred between stages during the year	4,570	40	1,355	5,965
Additional provision due to management overlay and onetime restructuring	-	-	-	-
Amounts written off	(507)	(64)	(1,968)	(2,539)
Gross carrying amount closing balance	**5,384**	**7,724**	**7,713**	**20,821**

Note: Above includes Expected Credit Loss provision on Loan commitment amounting to ₹ 195 Lakh.

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

(₹ in Lakh)

Particulars	March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**3,547**	**8,170**	**5,353**	**17,070**
New assets added during the year	2,300	-	-	2,300
Assets derecognised under direct assignment	(492)	-	-	(492)
Repayment of Loans (excluding write offs)	(791)	(1,248)	(1,001)	(3,040)
Transfers to / from Stage 1	53	(39)	(14)	-
Transfers to / from Stage 2	(2,465)	2,684	(218)	1
Transfers to / from Stage 3	(872)	(2,336)	3,208	-
Impact on year end ECL of exposures transferred between stages during the year	4,161	827	1,653	6,641
Additional provision due to management overlay and onetime restructuring	90	164	45	299
Amounts written off	(237)	(474)	(3,458)	(4,169)
Gross carrying amount closing balance	**5,294**	**7,748**	**5,568**	**18,610**

Note: Above includes Expected Credit Loss provision on Loan commitment amounting to ₹ 214 Lakh.

b) **Loans to Developers**

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

As at March 31, 2024

(₹ in Lakh)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 1 – High quality assets	Loan	-	-	-
Stage 2 – Assets for which there is significant increase in credit risk	Loan	-	-	-
Stage 3 - Credit-impaired assets	Loan	-	-	-

As at March 31, 2023

(₹ in Lakh)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 1 – High quality assets	Loan	-	-	-
Stage 2 – Assets for which there is significant increase in credit risk	Loan	-	-	-
Stage 3 - Credit-impaired assets	Loan	-	-	-

Reconciliation of Loan balances is given below:

(₹ in Lakh)

Particulars	March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**-**	**-**	**-**	**-**
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	-	-	(627)	(627)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	-	-	-	-
Amounts (written off) / recovery from write offs	-	-	627	627
Gross carrying amount closing balance	**-**	**-**	**-**	**-**

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

(₹ in Lakh)

Particulars	March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**-**	**-**	**110**	**110**
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	-	-	(782)	(782)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	-	-	-	-
Amounts written off	-	-	672	672
Gross carrying amount closing balance	**-**	**-**	**-**	**-**

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**-**	**-**	**-**	**-**
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	-	-	(627)	(627)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	627	627
Amounts (written off) / recovery from write offs	-	-	-	-
Gross carrying amount closing balance	**-**	**-**	**-**	**-**

Note: Above includes Expected Credit Loss provision on Loan commitment amounting to Nil Lakh.

(₹ in Lakh)

Particulars	March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**-**	**-**	**110**	**110**
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	-	-	(782)	(782)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	782	782
Amounts written off	-	-	(110)	(110)
Gross carrying amount closing balance	**-**	**-**	**-**	**-**

Note: Above includes Expected Credit Loss provision on Loan commitment amounting to Nil Lakh.

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

c) **Company monitors Gross NPAs on Assets under Company's management ("AUM") and Own Book at retail and overall basis.**

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
AUM	21,12,086	17,22,283
GNPA on AUM*	22,765	19,977
GNPA on AUM (%)*	1.08%	1.16%
Retail AUM	21,12,086	17,22,283
GNPA on Retail AUM*	22,765	19,977
GNPA on Retail AUM (%)*	1.08%	1.16%
Own Book	16,98,040	13,94,104
GNPA on Own Book**	18,690	16,259
GNPA on Own Book (%)**	1.10%	1.17%
Retail Own Book	16,98,040	13,94,104
GNPA on Retail Own Book**	18,690	16,259
GNPA on Retail Own Book (%)**	1.10%	1.17%

Note: The amount mentioned above of 'Own Book' excludes EIR, Interest accrued.

*Includes loan assets of INR 191 Lakhs (0.01%) not more than 90 DPD which have been classified as NPA as per the RBI circular dated 12th November 2021. [March 31, 2023: ₹ 705 Lakhs (0.04%)].

** Includes loan assets of INR 167 Lakhs (0.01%) not more than 90 DPD which have been classified as NPA as per the RBI circular dated 12th November 2021. [March 31, 2023: ₹ 589 Lakhs (0.04%)]

38. Capital Management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents and Liquid investments) divided by Total 'equity' (as shown in the balance sheet) and Capital adequacy ratio.

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Borrowings (₹ in Lakh)	13,95,962	12,15,345
Total Net Borrowings (₹ in Lakh)	12,68,824	10,23,431
Total Equity (₹ in Lakh)	4,44,601	3,69,766
Gross Debt Equity Ratio	3.14	3.29
Net Debt Equity Ratio	2.85	2.77

Total net borrowing = Total borrowings – Cash and bank balances – Investment in Liquid Mutual fund – Receivable from Mutual Fund

The Company is required to maintain the CRAR of 15% as required by RBI and NHB. Further company is required to maintain borrowing not exceeding 12 times of Net Owned Fund.

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

Below are the details of CRAR and other ratios maintained by the Company.

Particulars	As at March 31, 2024	As at March 31, 2023
Risk weighted Assets (₹ in Lakh)	10,77,936	8,33,913
Net owned funds (Tier I Capital) (₹ in Lakh)	4,06,760	3,47,417
Tier II Capital (₹ in Lakh)	7,784	8,894
CRAR	38.46%	42.73%
Variance in CRAR	(4.27%)	(2.68%)
CRAR-Tier I Capital	37.74%	41.66%
Variance in CRAR-Tier I Capital	(3.92%)	(2.54%)
CRAR- Tier II Capital	0.72%	1.07%
Variance in CRAR-Tier II Capital	(0.35%)	(0.14%)
Amount of subordinated debt raised as Tier-II Capital (₹ in Lakh)	2,400	3,600
Amount raised by issue of perpetual debt instruments	Nil	Nil
Liquidity Coverage Ratio as on reporting date*	122.82%	166.42%

1. CRAR (Capital Risk Adjusted Ratio) = [Net owned fund and Tier II Capital / Risk Weighted Assets]
2. CRAR (Capital Risk Adjusted Ratio) -Tier I Capital = [Net owned fund / Risk Weighted Assets]
3. CRAR (Capital Risk Adjusted Ratio) -Tier II Capital = [Tier II Capital / Risk Weighted Assets]
4. Liquidity Coverage Ratio = [Stock of High Quality Liquid Assets / Total net cash outflow required in next 30 calendar days]

Liquidity Coverage Ratio requirement applicable from December 1, 2021 to the Company as per Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 circular no RBI/2020-21/73 DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated February 17, 2021.

39. Segment reporting

The Company operates only in one Operating Segment i.e Housing Finance business - Financial Services and all other activities are incidental to the main business activity, hence have only one reportable Segment as per Indian Accounting Standard 108 "Operating Segments". The reportable business segments are in line with the segment wise information which is being presented to the CODM. The Company has identified Managing Director and CEO as CODM.

The Company has its operations within India and all revenue is generated within India.

40. Employee benefits

40.1 Defined contribution plan

The Company makes contributions to provident fund for qualifying employees to Regional Provident Fund Commissioner under defined contribution plan under the Provident Fund Act.

Amount recognised as an expense and included under the head "Contribution to Provident and Other Funds" of Statement of Profit and Loss are as follows:

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contribution to provident fund	707	543
Contribution to pension fund	765	624
Contribution to new pension scheme	54	47
Contribution to ESIC	121	112

* Amount less than 50,000/-

40.2 Defined obligation benefit

The Company provides gratuity to its employees which are defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The gratuity plan typically exposes the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

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

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yield at the end of reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table sets out the funded status of the Gratuity and the amount recognised in the Financial Statements:

i. Changes in Defined Benefit Obligation

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Liability at the beginning of the year	1,589	1,327
Current service cost	502	383
Interest cost	110	89
Plan Amendment Cost	-	-
Actuarial (gain) / loss – experience	(71)	(76)
Actuarial (gain) / loss - demographic assumptions	(17)	-
Actuarial (gain) / loss - financial assumptions	36	(29)
Benefits paid	(120)	(105)
Liability at the end of the year	2,029	1,589

ii. Changes in Fair Value of Plan Assets

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Plan Assets at the beginning of the year	718	695
Expected return on plan assets	52	49
Actuarial Gain/(Loss)	4	(26)
Employer Contribution	-	-
Plan Assets at the end of the year	774	718

iii. Reconciliation of Fair Value of Assets and Obligations

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Fair value of Plan Assets	774	718
Present Value of Obligation	2,029	1,589
Amount Recognised in Balance Sheet	(1,255)	(871)

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

iv. Expenses recognised in Statement of Profit and Loss

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Service Cost	502	383
Net interest on net defined benefit liability / (asset)	58	41
Plan Amendment cost / Direct Payment	-	-
Expenses recognised in the statement of profit and loss under employee benefits expenses	560	424

v. Expenses recognised in Statement of Other Comprehensive Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Actuarial (gain) / loss arising during year	(56)	(79)
(Income) / Expenses recognised in the other comprehensive income	(56)	(79)

vi. Expected benefit payments

(₹ in Lakh)

Particulars	As at March 31, 2024
March 31, 2025	139
March 31, 2026	141
March 31, 2027	177
March 31, 2028	247
March 31, 2029	344
March 31, 2030 to March 31, 2034	2,702

vii. Expected Employer Contributions in next 12 months is ₹ 1,255 Lakhs.

viii. Weighted average duration of defined benefit obligation is 9 years.

ix. Actuarial Assumptions

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Discount Rate	7.00%	7.20%
Salary Escalation Rate	9.50%	9.50%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factor including supply and demand in the employment market. The above information is certified by actuary and this has been relied upon by the auditors.

The expected rate of return on plan asset is determined considering several applicable factors, mainly the composition of plan asset held, assessed risks, historical result of return on plan assets and the Company's policy for plan assets management.

Effect of change in assumptions As at March 31, 2024

(₹ in Lakh)

Particulars	Plan Liabilities
Discount Rate (increase by 0.5%)	(94)
Discount Rate (decrease by 0.5%)	101
Salary Escalation Rate (increase by 0.5%)	88
Salary Escalation Rate (decrease by 0.5%)	(84)

x. Amount recognised in current year and previous years

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

Gratuity:

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Defined benefit obligation	2,029	1,589	1,327	1,156	913
Fair value of plan asset	774	718	695	663	616
(Surplus)/ Deficit in the plan	1,255	877	632	493	297
Actuarial (gain)/loss on plan obligation	(52)	(105)	(191)	(40)	118
Actuarial gain/(loss) on plan asset	4	(26)	(12)	6	10

Plan Assets As at March 31, 2024

Plan asset composition	Percentage
Schemes of Insurance –conventional products	2.64%
Schemes of Insurance –ULIP Product	97.36%

41. Employee stock appreciation rights and Employees Stock Option

a) Employee Stock Option Plan 2018 (ESOP 2018) [Erstwhile 'Employee Stock Appreciation Rights Plan 2018 ("ESAR 2018" / "Plan")]

ESAR 2018 was approved by the shareholders of the company and subsequently the Grant was approved by the Board and the Nomination and Remuneration Committee at its meeting held on March 26, 2018.

Movement in ESARs

Particulars	For the year ended March 31, 2024 (No's)	For the year ended March 31, 2023 (No's)
Opening	**19,69,286.25**	**19,69,286.25**
Granted during the year	-	-
Lapsed during the year	103,741.13	-
Exercised by employee	-	-
Rounding off	(0.12)	-
Closing	**18,65,545**	**19,69,286.25**
Vested as at year end	**18,65,545**	**19,69,286.25**
Unvested as at year end	**-**	**-**

ESAR were granted at the Price of ₹ 291.70 which was the fair value on the grant date before bonus adjustment.

The key assumptions used to estimate the fair value of ESARs are:

Particulars	ESAR 2018
Dividend yield	2.40%
Expected Life	3 years
Risk free interest rate	7.45%
Volatility	0.01%
Model Used	Black & Scholes

The expense arises from equity settled ESARs amounting to ₹ Nil (March 31, 2023 : Nil) for the year ended March 31, 2024.

ESAR 2018 was renamed to Employee Stock Option Plan 2018 (ESOP 2018) and the ESARs outstanding as at January 18, 2024 were converted to ESOPs, with no change in terms and conditions related to exercise price and vesting conditions. The above change was approved by the Nomination and Remuneration Committee at its meeting held on January 18, 2024, Board at its meeting held on January 21, 2024 and is approved by the shareholders' at the extra-ordinary general meeting held on January 24, 2024.

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

b) Employee stock option plans (ESOPS)

Employee Stock Option Plan 2020 ("ESOP Plan 2020")

ESOP Plan 2020 was approved by the shareholders of the company and subsequently the Grant was approved by the Board and the Nomination and Remuneration Committee at its meeting held on May 05, 2020 with the grant date of December 31, 2020 and meeting held on January 16,, 2021 with the grant date of January 16, 2021. Details of ESOP Plan 2020 granted are as follows:

Particulars	**ESOP Plan 2020 – March 2020**	**ESOP Plan 2020 – January 2021**	**ESOP Plan 2020 – September 2021**
Scheme Name	Employee Stock Option Plan 2020	Employee Stock Option Plan 2020	Employee Stock Option Plan 2020
No. of options approved	12,00,000	6,15,460	18,79,549
Date of Grant	March 31, 2020	January 16, 2021	September 22, 2021
No of options granted	10,44,395	6,15,460	18,79,549
Exercise Price (₹)	908.05	90.805	90.805
Method of Settlement	Equity	Equity	Equity
Time Based Eligibility	20% each year in next Five years.	20% each year in next Five years.	20% each year in next Five years.
Vesting Schedule	Eligible options will vest in 60%, 40% in on Eligibility date, 1st year from eligibility date	Eligible options will vest in 60%, 40% in on Eligibility date, 1st year from eligibility date	Eligible options will vest in 60%, 40% in on Eligibility date, 1st year from eligibility date
Condition	1. All eligible options will vest subject to BCP Topco VII Pte. Ltd. Realising minimum net consideration cumulatively from the sale of the Shares held 2. Proportion of eligible option vesting to extent of sale by BCP Topco VII Pte. Ltd.	1. All eligible options will vest subject to BCP Topco VII Pte. Ltd. Realising minimum net consideration cumulatively from the sale of the Shares held 2. Proportion of eligible option vesting to extent of sale by BCP Topco VII Pte. Ltd.	1. All eligible options will vest subject to BCP Topco VII Pte. Ltd. Realising minimum net consideration cumulatively from the sale of the Shares held 2. Proportion of eligible option vesting to extent of sale by BCP Topco VII Pte. Ltd.
Exercise period	2 years from Vesting	2 years from Vesting	2 years from Vesting
Weighted Average Share Price	908.05	90.805	90.805

Particulars	**ESOP Plan 2020 – August 2023**	**ESOP Plan 2020 – November 2023**	**ESOP Plan 2020 – January 2024**
Scheme Name	Employee Stock Option Plan 2020	Employee Stock Option Plan 2020	Employee Stock Option Plan 2020
No. of options approved	16,35,035	2,00,000	65,32,024
Date of Grant	August 09, 2023	November 07, 2023	January 21, 2024
No of options granted	15,57,692	2,00,000	65,32,024
Exercise Price (₹)	147.5	147.5	147.5
Method of Settlement	Equity	Equity	Equity
Time Based Eligibility	20% each year in next Five years.	20% each year in next Five years.	20% each year in next Five years.
Vesting Schedule	Eligible options will vest in 60%, 40% in on Eligibility date, 1st year from eligibility date	Eligible options will vest in 60%, 40% in on Eligibility date, 1st year from eligibility date	Eligible options will vest in 60%, 40% in on Eligibility date, 1st year from eligibility date

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

Particulars	ESOP Plan 2020 – August 2023	ESOP Plan 2020 – November 2023	ESOP Plan 2020 – January 2024
Condition	1. All eligible options will vest subject to BCP Topco VII Pte. Ltd. Realising minimum net consideration cumulatively from the sale of the Shares held 3. 2. Proportion of eligible option vesting to extent of sale by BCP Topco VII Pte. Ltd.	1. All eligible options will vest subject to BCP Topco VII Pte. Ltd. Realising minimum net consideration cumulatively from the sale of the Shares held 2. Proportion of eligible option vesting to extent of sale by BCP Topco VII Pte. Ltd.	1. All eligible options will vest subject to BCP Topco VII Pte. Ltd. Realising minimum net consideration cumulatively from the sale of the Shares held 2. Proportion of eligible option vesting to extent of sale by BCP Topco VII Pte. Ltd.
Exercise period	2 years from Vesting	2 years from Vesting	2 years from Vesting
Weighted Average Share Price	147.5	147.5	147.5

*ESOP Plan 2020 – March 2020 disclosure doesn't include the impact of bonus issue of equity shares of the Company in the ratio of nine shares of face value of ₹ 10 each for each existing equity share of the face value of ₹ 10 each on 16th January 2021 in extraordinary general meeting (EGM).

Computation of fair value of options

The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	ESOP Plan 2020 (December 31, 2020)	ESOP Plan 2020 (January 16, 2021)	ESOP Plan 2020 (September 22, 2021)
Fair value of the option (₹)	₹ 96 to ₹ 333	₹ 28.15 to ₹ 51.92	₹ 28.8 to ₹ 51.6
Fair value of share on the date of grant (₹)	908.05	110.00	111.10
Exercise Price(₹)	908.05	90.805	90.805
Expected Life	3 years to 9 years	3 years to 9 years	3 years to 9 years
Expected Volatility (%)	9.7% to 12.7%	15.6% to 22.1%	15.2% to 22.0%
Life of the Option (years)	3 years to 9 years	3 years to 9 years	3 years to 9 years
Risk Free rate of return (%)	5.2% to 6.7%	4.0% to 6.6%	3.9% to 6.3%
Expected dividend rate (%)	0.8%	0.6%	0.6%

Particulars	ESOP Plan 2020 (August 09, 2023)	ESOP Plan 2020 (November 07, 2023)	ESOP Plan 2020 (January 21, 2024)
Fair value of the option (₹)	₹ 22 to ₹ 66.7	₹ 22 to ₹ 66.7	₹ 21.6 to ₹ 59.8
Fair value of share on the date of grant (₹)	147.50	147.50	147.50
Exercise Price(₹)	147.50	147.50	147.50
Expected Life	3 years to 9 years	3 years to 9 years	3 years to 9 years
Expected Volatility (%)	11.8% to 14.9%	11.8% to 14.9%	11.8% to 14.8%
Life of the Option (years)	3 years to 9 years	3 years to 9 years	3 years to 9 years
Risk Free rate of return (%)	7.1% to 7.3%	7.1% to 7.3%	7.0% to 7.1%
Expected dividend rate (%)	0.0%	0.0%	0.0%

The expected life of the share options is based on current expectations and is not necessarily indicative of exercise patterns that may actually occur. Further, the condition of specified sale of the shares held by the investor is estimated to be fulfilled on the relevant eligibility dates.

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

Movement in ESOPs

Particulars	For the year ended March 31, 2024 (No's)	For the year ended March 31, 2023 (No's)
Opening	1,01,98,847	1,11,50,433
Granted during the year	82,89,716	-
Lapsed during the year	9,03,905	9,51,586
Closing	**1,75,84,658**	**1,01,98,847**
Vested as at year end	-	-
Unvested as at year end	**1,75,84,658**	**1,01,98,847**

The expense arises from equity settled ESOPs transaction amounting to ₹ 203 Lakh (March 31, 2023: ₹ 563 Lakh)

42. Foreign currency transactions

The Foreign currency transactions are as follows:-

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Foreign Exchange outgo	37	263
Total	**37**	**263**

43. Related party transactions

List of related parties with whom transactions have taken place during the year are at arm's length and relationship:

S. No	Relationship	Name of Related Party
1.	Holding Company	BCP Topco VII Pte. Ltd.
2.	Key Management Personnel	Mr. Om Prakash Bhatt - Independent Director & Non-Executive Chairman of the Board
		Mr. Deo Shankar Tripathi - Managing Director and CEO (upto December 04, 2022) - Executive Vice Chairman (w.e.f. January 03, 2023)
		Mr. Rishi Anand - Managing Director and CEO (w.e.f. January 03, 2023)
		Mr. Amit Dixit – Non-Executive Director
		Mr. Mukesh G Mehta – Non-Executive Director
		Mr. Prateek Roongta – Non-Executive Director (w.e.f. January 20, 2023)
		Mrs. Sharmila Abhay Karve – Independent Director
		Mrs. Dr. Nivedita Haran – Independent Director
		Mr. Rajesh Viswanathan – Chief Financial Officer
		Mr. Sreekanth VN – Company Secretary (upto September 30, 2023)
		Mrs. Harshada Pathak – Company Secretary (w.e.f. October 01, 2023)

Transactions with Related Parties:

(₹ in Lakh)

Name	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Income :			
Rishi Anand – Managing Director and CEO (From January 03, 2023)	Interest Income on Housing Loan	6	1
Rajesh Viswanathan - CFO	Interest Income on Housing Loan	6	Not applicable

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

(₹ in Lakh)

Name	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Expenditure:			
Deo Shankar Tripathi - Executive Director from January 03, 2023 (Manging Director and CEO upto December 04, 2022)	Remuneration	331	250
Interest paid on Fixed Deposit held by relative of the Managing Director (Suman Deo Tripathi)	Interest Expense	-	0*
Rishi Anand – Managing Director and CEO (From January 03, 2023)	Remuneration	304	40
Rajesh Viswanathan – Chief Financial Officer	Remuneration	291	195
Sreekanth VN – Company Secretary (upto September 30, 2023)	Remuneration	57	77
Harshada Pathak – Company Secretary (w.e.f. October 01, 2023)	Remuneration	20	-
Others:			
Rajesh Viswanathan – Chief Financial Officer	Housing Loan given	300	-

Compensation of key management personnel of the Company

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Short–term employee benefits	973	541
Post–employment pension (defined contribution)	30	21
Sitting fee and commission	149	154
Total	**1,152**	**716**

Balances with Related Parties:

(₹ in Lakh)

Name	Particulars	As at March 31, 2024	As at March 31, 2023
Rishi Anand – Managing Director and CEO (From January 3, 2023)	Housing Loan	115	120
Rajesh Viswanathan- CFO	Housing Loan	284	-
Directors Commission & sitting fee	Payable	147	116

*Less than ₹ 50,000

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

44. A comparison between provisions required under Income Recognition, Asset classification and provision norms and impairment allowances made under Ind AS 109 As at March 31, 2024

(₹ in Lakh)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	16,30,537	5,189	16,25,348	6,964	(1,775)
	Stage 2 (Refer Note 3)	61,888	7,724	54,164	2,652	5,072
Subtotal		**16,92,425**	**12,913**	**16,79,512**	**9,616**	**3,297**
Non-Performing Assets (NPA)						
Substandard	Stage 3	9,385	3,362	6,023	1,414	1,948
Doubtful - up to 1 year	Stage 3	5,603	2,561	3,042	1,391	1,170
1 to 3 years	Stage 3	3,590	1,689	1,901	1,436	253
More than 3 years	Stage 3	112	101	11	112	(11)
Subtotal for doubtful		**9,305**	**4,351**	**4,954**	**2,939**	**1,412**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	94,882	195	94,687	-	195
Subtotal		**94,882**	**195**	**94,687**	**-**	**195**
	Stage 1	**17,25,419**	**5,384**	**17,20,035**	**6,964**	**(1,580)**
	Stage 2	**61,888**	**7,724**	**54,164**	**2,652**	**5,072**
Total	**Stage 3**	**18,690**	**7,713**	**10,977**	**4,353**	**3,360**
	Total	**18,05,997**	**20,821**	**17,85,176**	**13,969**	**6,852**

Notes:

1. The provision under Expected Credit Loss Model is higher than Income Recognition and Prudential Norms.

2. Customers who has availed the benefit of One-time restructuring as per RBI Circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 2020 and RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 2020 (for restructuring of accounts of Micro, small and Medium Enterprises (MSME) sector – Restructuring of Advances having exposure less than or equal to ₹ 25 crores) and RBI Notification – RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 (Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses) have been disclosed as Stage 2 assets under Ind AS with gross outstanding value of ₹ 24,692 Lakh. Impairment provision and provision required under IRACP is maintained at 10% as required by RBI circular.

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

45. Disclosures pursuant to RBI Notification RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 date August 6, 2020 and – RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 (Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses)

(₹ in Lakh)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at September 30, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2024	Of (A) amount written off during the half-year ended March 31, 2024	Of (A) amount paid by the borrowers during the half-year ended March 31, 2024	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2024
Personal Loans (refer note below)	26,293	993	42	1,793	24,692**
Corporate persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**26,293**	**993**	**42**	**1,793**	**24,692****
As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016					

*Includes ₹ 1,228 Lakhs of NPA accounts which has become standard during the half year ended March 31, 2024.

46. Disclosures pursuant to RBI Notification-RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021.

a) Details of transfer through assignment in respect of loans not in default during the year ended March 31, 2024

Particulars	For the year ended March 31, 2024
Entity	NBFC (Housing Finance Company)
Count of Loan Accounts Assigned	14,953
Amount of Loan Accounts Assigned (₹ in Lakh)	1,18,204
Weighted average maturity (in Months)	180
Weighted average holding period (in Months)	14
Retention of beneficial economic interest (MRR)	10%
Coverage of tangible security coverage	100%

The Loans transferred are not rated as same are non-corporate borrowers.

b) The Company has not transferred or acquired, any stressed / default loans during the year ended March 31, 2024.

c) Details of transfer through Co-lending in respect of loans not in default during the year ended March 31, 2024

Particulars	For the year ended March 31, 2024
Entity	NBFC (Housing Finance Company)
Count of Loan Accounts Assigned	4,173
Amount of Loan Accounts Assigned (₹ in Lakh)	44,859
Weighted average maturity (in Months)	209
Weighted average holding period (in Months)	3
Retention of beneficial economic interest (MRR)	20%
Coverage of tangible security coverage	100%

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

47. Changes in liabilities arising from financing activities:-

Particulars	As at March 31, 2023	Cash flows (+)	Non Cash Adjustments (-)	As at March 31, 2024
Debt securities	2,54,213	19,823	153	2,73,883
Borrowings (other than debt securities)	9,54,273	1,61,540	(189)	11,16,002
Deposits	394	(203)	-	191
Subordinated liabilities	6,547	(600)	(12)	5,959
Lease liabilities	3,795	(1,332)	(2,646)	5,109
Total	**12,19,222**	**1,79,228**	**(2,694)**	**14,01,144**

Particulars	As at March 31, 2022	Cash flows (+)	Non Cash Adjustments (-)	As at March 31, 2023
Debt securities	1,76,429	78,200	416	2,54,213
Borrowings (other than debt securities)	8,81,897	72,129	(247)	9,54,273
Deposits	799	(565)	(160)	394
Subordinated liabilities	8,334	(1,800)	(13)	6,547
Lease liabilities	3,053	(1,058)	(1,800)	3,795
Total	**10,70,512**	**1,46,906**	**(1,804)**	**12,19,222**

48. The Company periodically files returns/statements with banks and financial institution as per the agreed terms and they are in agreement with books of accounts of the Company. This information has been relied upon by the auditors.

49. Registration of charges or satisfaction with Registrar of Companies are filed and paid within the statutory period for debt and borrowings issued during the year.

50. Money raised by way of debt instruments and the term loans have been applied by the Company for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

51. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

52. None of the entities in the Company have been declared wilful defaulter by any bank or financial institution or government or any government authority.

53. The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

54. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

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

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

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

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

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

56. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

57. In Compliance with Section 128 of the Companies Act, 2013 read with proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, the Company uses an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) which has operated throughout the year for all relevant transactions recorded in the accounting software except that, audit trail feature was not enabled with respect to detail of changes made at the database level. This audit trail feature has been enabled at a database level post year end.

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

58. The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

59. Exceptional item

During the previous year, the Company has accrued for one-time special bonus to its employees amounting to ₹ 2,500 Lakh that is debited to the Statement of Profit & Loss. Considering the nature, frequency, and materiality of the item it is treated as an exceptional item in the Statement of Profit & Loss.

60. There have been no instances of breach of covenants of loan availed or debt securities issued during the year ended March 31, 2024.

61. Divergence in the asset classification and provisioning

There is no divergence in asset classification and provisioning as assessed by NHB where:

i) The additional provisioning requirements assessed by National Housing Bank (NHB) exceeds 5% of the reported profits before tax and impairment loss on financial instruments as on March 31, 2024, or

ii) The additional Gross NPAs identified by NHB exceeds 5% of the reported Gross NPAs as on March 31, 2024.

62. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act.

Name of the entity in the Group	Net assets i.e. Total Assets minus Total Liabilities			
	As % of consolidated net assets	Amount (₹ in Lakh) As at March 31, 2024	As % of consolidated net assets	Amount (₹ in Lakh) As at March 31, 2023
Parent				
Aadhar Housing Finance Limited	99.92%	4,44,601	99.94%	3,69,557
Direct Subsidiary				
Aadhar Sales and Services Private Limited	0.08%	377	0.06%	213

Name of the entity in the Group	Profit after tax			
	As % of consolidated net profit after tax	Amount (₹ in Lakh) As at March 31, 2024	As % of consolidated net profit after tax	Amount (₹ in Lakh) As at March 31, 2023
Parent				
Aadhar Housing Finance Limited	99.85%	74,851	99.97%	54,458
Direct Subsidiary				
Aadhar Sales and Services Private Limited	0.15%	113	0.03%	18

Name of the entity in the Group	Other Comprehensive Income			
	As % of consolidated Other Comprehensive Income	Amount (₹ in Lakh) As at March 31, 2024	As % of consolidated net assets	Amount (₹ in Lakh) As at March 31, 2023
Parent				
Aadhar Housing Finance Limited	(23.81%)	(10)	(5.17%)	(3)
Direct Subsidiary				
Aadhar Sales and Services Private Limited	123.81%	52	105.17%	61

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

Name of the entity in the Group	Total Comprehensive Income			
	As % of consolidated Total Comprehensive Income	Amount (₹ in Lakh) As at March 31, 2024	As % of consolidated Total Comprehensive Income	Amount (₹ in Lakh) As at March 31, 2023
Parent				
Aadhar Housing Finance Limited	99.78%	74,841	99.86%	54,455
Direct Subsidiary				
Aadhar Sales and Services Private Limited	0.22%	165	0.14%	79

63. Previous year figures have been regrouped/re-classified wherever necessary to confirm to current year classification. The impact of such regrouping/ re-classification are not material to the Financial Statements.

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

Manish Gujral
Partner
Membership No.: 105117

Place: Mumbai
Date: May 29, 2024

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

Sandeep D Welling
Partner
Membership No.: 044576

Place: Mumbai
Date: May 29, 2024

For and on behalf of the Board of Directors

Deo Shankar Tripathi
Executive Vice-Chairman
DIN 07153794

Rishi Anand
Managing Director & CEO
DIN 02303503

Sharmila Abhay Karve
Independent Director
DIN 05018751

Prateek Roongta
Director
DIN 00622797

Rajesh Viswanathan
Chief Financial Officer

Harshada Pathak
Company Secretary

Aadhar Housing Finance Ltd

GHAR BANEGA, TOH DESH BANEGA.

www.aadharhousing.com

Registered Office

Aadhar Housing Finance Ltd.

CIN No. L66010KA1990PLC011409
2nd Floor, No. 03, JVT Towers, 8th 'A' Main Road,
S.R. Nagar, Bengaluru - 560 027, Karnataka
Toll Free: 1800 3004 2020

Corporate Office

Unit No. 802, Natraj by Rustomjee,
Western Express Highway, M.V. Road, Andheri East, Mumbai -
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