

Report on Corporate Governance

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

Company’s Philosophy on Code of Governance:

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

Your Company’s Board comprises of Executive, Non-Executive and Independent Directors. The Management team, led by the Managing Director and Chief Executive Officer, who reports to the Board, is responsible for implementing the strategies and achieving the goals and targets set by the Board.

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

Board of Directors

The composition of your Company’s Board represents an optimal mix of professionalism, knowledge and experience that enables the Board in discharging its responsibilities and providing effective leadership and support to the business. The Board of Directors comprises of 8 (Eight) Directors, which includes 3 (Three) Independent Directors of which 2 (Two) are Women Directors, 3 (Three) Non-Executive (Nominee) Directors, the Executive Vice Chairman and the Managing Director and Chief Executive Officer of the Company. The Board is chaired by Mr. O. P. Bhatt, Independent Director & Non-Executive Chairman of the Company. The composition of the Board is in conformity with the requirements of the Companies Act, 2013 (“the Act”) and Regulation 17 of the SEBI LODR Regulations.

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

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

Name of the Director	Category of Directorship held in your Company	Skills identified and area of core expertise	No. of other Directorship(s) held	Other Committee positions held		Names of other listed entities where Director holds Directorship (excluding the Company) and the category of directorship held in such other listed entity
				Member	Chairperson	
Mr. O. P. Bhatt	Chairman, Non-Executive Independent Director	<ul style="list-style-type: none"> Industry Knowledge Corporate Governance Financial Expertise Strategic Expertise General Management 	3	4	1	Category of directorship- Independent Director <ul style="list-style-type: none"> Hindustan Unilever Limited Tata Consultancy Services Limited Tata Motors Limited
Dr. Nivedita Haran	Non-Executive Independent Director	<ul style="list-style-type: none"> Industry Knowledge Corporate Governance Financial Expertise Human Resource Development 	1	-	-	Nil
Ms. Sharmila A Karve	Non-Executive Independent Director	<ul style="list-style-type: none"> Industry Knowledge Corporate Governance Financial Expertise Human Resource Development 	5	7	3	Category of directorship- Independent Director <ul style="list-style-type: none"> EPL Limited Syngene International Limited CSB Bank Limited Thomas Cook (India) Limited

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

Notes:

- None of the Directors are related to each other.
- The number of directorships is excluding directorship in your Company, foreign companies, high value debt listed companies, private limited companies and companies incorporated under Section 8 of the Act.
- In terms of Regulation 26(1) of the SEBI LODR Regulations:
 - Foreign companies, private limited companies, high value debt listed companies and companies under section 8 of the Act are excluded for the purpose of considering the limit of committees.
 - The committees considered for the purpose are audit committee and stakeholders' relationship committee.
 - None of the Directors held directorship in more than seven listed entities and were members of more than ten committees or chairperson of more than five committees across all listed companies in which they were Directors.
 - Mr. Deo Shankar Tripathi and Mr. Rishi Anand did not serve as an independent director in any other equity listed entities.

Board Induction and Familiarisation

As per Regulation 62(1A) of the SEBI LODR Regulations, the terms and conditions of appointment of Independent Directors is available on the Company's website at <https://aadharhousing.com/disclosures-under-regulation-62-of-the-sebi-lodr-regulation-2015-pdf/terms-and-conditions-of-appointment-of-independent-directors>.

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

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

Declaration of independence:

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

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

During the financial year under review, the Board met 8 (eight) times to deliberate various matters relating to Company's financial and business performance. The Board has accepted all recommendations of the various committees of the Board.

The composition of the Board along with attendance details of Board Meeting is given hereunder:

Name of the Director	Date of Board Meetings held and attended								No. of Meetings attended	Attendance at the last annual general meeting
	16-05-2023	13-07-2023	09-08-2023	07-11-2023	08-12-2023	21-01-2024	30-01-2024	08-02-2024		
Mr. O. P. Bhatt, Chairperson	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8	Yes
Dr. Nivedita Haran, Independent Director	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8	Yes
Ms. Sharmila A Karve, Independent Director ¹	Yes	Yes	Yes	Yes	-	Yes	Yes	Yes	7	Yes
Mr. Amit Dixit, Non-Executive Director (Nominee)	Yes	Yes	Yes	Yes	Yes	-	-	Yes	6	-
Mr. Mukesh Mehta, Non-Executive Director (Nominee)	-	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7	-
Mr. Prateek Roongta, Non-Executive Director (Nominee)	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes	7	Yes
Mr. Deo Shankar Tripathi, Executive Vice Chairman	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8	Yes
Mr. Rishi Anand, Managing Director & CEO	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8	Yes

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

Audit Committee:

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

The Audit Committee of your Company is in compliance with the requirements mentioned at Regulation 18 read with Part C of Schedule II of the SEBI LODR Regulations. All the Members of the Audit Committee are financially literate. Moreover, the Chairperson and Members of the Audit Committee have accounting or related financial management expertise.

The terms of reference of the Audit Committee include:

1. The Audit Committee shall consist of a minimum of three directors. Two-thirds of the members of the Audit Committee shall be independent directors.

2. All members of Audit Committee including its chairperson shall be persons with ability to read and understand, the financial statement and at least one member shall have accounting or related financial management expertise.
3. Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include:
 - I. the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
 - II. review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - III. examination of the financial statement and the auditors' report thereon;
 - IV. approval or any subsequent modification of transactions of the company with related parties. The Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed under the rules made under the Companies Act, 2013;

- V. scrutiny of inter-corporate loans and investments;
 - VI. valuation of undertakings or assets of the Company, wherever it is necessary;
 - VII. evaluation of internal financial controls and risk management systems; and
 - VIII. monitoring the end use of funds raised through public offers and related matters.
4. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
 5. The Audit Committee shall have authority to investigate into any matter in relation to the items specified above or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company.
 6. The auditors of a Company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote.
 7. All appointments, including the filling of a casual vacancy of an auditor shall be made after taking into account the recommendations of such committee.
 8. The additional terms of reference for the Audit Committee read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as per the said Schedule are given below:
 1. Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
 2. Recommending to our Board the appointment, remuneration and terms of appointment of the statutory auditor of our Company;
 3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
 4. Approving payments to statutory auditors for any other services rendered by the statutory auditors;
 5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to our Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in our Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions; and
 - (g) Modified opinion(s) in the draft audit report.
 6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to our Board for approval;
 7. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to our Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by our Company;
 8. Approval or any subsequent modifications of transactions of our Company with related parties;
 9. Scrutinising of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of our Company, wherever it is necessary;
 11. Evaluating of internal financial controls and risk management systems;
 12. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
 13. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
 14. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 15. Discussing with internal auditors on any significant findings and follow up thereon;
 16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to our Board;
 17. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 18. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 19. Reviewing the functioning of the whistle blower mechanism;
 20. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the

qualifications, experience and background, etc. of the candidate;

21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority; and
22. Reviewing the utilization of loans and/or advances from/investment by the holding company in any subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as per applicable law.
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

Powers of the Audit Committee

The powers of the Audit Committee shall include the following:

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

Reviewing Powers:

The Audit Committee shall mandatorily review the following information:

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

Details of composition and meetings of the Audit Committee held during the financial year under review are given below;

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

Nomination & Remuneration Committee ("NRC"):

The Nomination and Remuneration Committee has been constituted in compliance with the requirements of provisions of Section 178 of the Act and Regulation 19 read with Part D of Schedule II of SEBI LODR Regulations. The Nomination and Remuneration Committee was reconstituted on 21st January 2024 which has been illustrated in table below.

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

- i) Considering and recommending for appointment and remuneration of directors, managing/ executive director, CEO of the Company.
- ii) Considering, reviewing and approving annual salary increment, bonus and promotion to KMPs/ top managerial persons.

- iii) Approving & implementing staff welfare schemes or ESOPs/ ESAR as per the NRC Policy.
- iv) Considering & recommending the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees, fit and proper criteria for directors, in compliance with law.
- v) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.

- For the purpose of identifying suitable candidates, the Committee may:
- a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity;
 - c. consider the time commitments of the candidates
- vi) Formulating of criteria for evaluation of the performance of the independent directors and the Board;
 - vii) Devising a policy on Board diversity;
 - viii) Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;
 - ix) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
 - x) Analysing, monitoring and reviewing various human resource and compensation matters;
 - xi) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
 - xii) Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- xiii) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
 - xiv) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, as amended;
 - xv) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or
 - the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.
 - xvi) Recommend to our Board, all remuneration, in whatever form, payable to senior management; and
 - xvii) Any other functions/powers referred/powers delegated to the committee by the Board under the NRC Policy, any regulation/ directions of regulators or the statutory or government authorities/bodies and as per the provisions of the Companies Act, 2013 and the rules made thereunder.
- During the financial year under review, the NRC met 5 (five) times and the details of attendance are given below:-

Name of the Members	Category	Date of NRC Meetings held & attended					No. of Meetings attended
		16-05-2023	09-08-2023	07-11-2023	18-01-2024	21-01-2024	
Ms. Sharmila A Karve, Chairperson	Independent Director	Yes	-	Yes	Yes	Yes	4
Mr. O. P. Bhatt, Member	Independent Director	Yes	Yes	Yes	Yes	Yes	5
Dr. Nivedita Haran, Member*	Independent Director	Yes	Yes	Yes	Yes	Yes	5
Mr. Amit Dixit, Member*	Non-Executive (Nominee) Director	Yes	Yes	Yes	Yes	-	4
Mr. Mukesh Mehta, Member	Non-Executive (Nominee) Director	-	Yes	Yes	Yes	Yes	4

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

Performance evaluation criteria for Independent Directors

The performance evaluation of Independent Directors shall be done by the NRC and the entire Board of Directors, excluding the Director being evaluated. The evaluation is carried out as per Schedule IV (Code for Independent Directors) of the Companies Act, 2013.

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

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

Independent Director's meeting:

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 (3) of the SEBI LODR Regulations, a meeting of the Independent Directors of your Company was held on 8th February, 2024 without the presence of the Non-Independent Directors and the members of the Management. The meeting was attended by all 3 (Three) Independent Directors. They discussed matters including the performance/functioning of the Company, reviewed the performance of the other Non-Independent Directors and the

management of your Company, assessed the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties, etc.

Stakeholders Relationship Committee:-

The Stakeholders Relationship Committee has been constituted pursuant to the provisions of Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI LODR Regulations. Dr. Nivedita Haran, Non-Executive Independent Director is the Chairperson of the Committee and Ms. Harshada Pathak, Company Secretary acts as Secretary to the Committee and is the Compliance Officer of the Company.

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

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

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

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

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

Risk Management Committee :

The Risk Management Committee has been constituted pursuant to the provisions of Regulation 21 of the SEBI LODR Regulations and RBI Master Directions issued by RBI to frame, implement and monitor the risk management plan of the Company.

The terms of reference of the Risk Management Committee include:

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

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

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

Asset Liability Management Committee:

The Company has constituted the Asset Liability Management Committee("ALCO") under RBI Master Directions issued by the Reserve Bank of India to ensure that liquidity and interest rate risks are contained within the limits laid down by the NHB.

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

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

IT Strategy Committee

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

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

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

Management Committee:

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

Corporate Social Responsibility ("CSR") Committee:

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

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

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

Investment Committee

The Company has constituted an Investment Committee for managing liquidity and maximizing return by investing surplus funds in available financial instruments with least risk.

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

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

IPO Committee:

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

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

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

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

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

Remuneration of Directors

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

Sitting fees of ₹ 35,000 /- were paid to the Independent Directors of the Company for each Meeting of the Shareholders, Board and the Committees of the Board attended by them. Further, in addition to sitting fees, the Company has paid commission to the Independent Directors as approved by Shareholders at the Annual General Meeting held on 09th August, 2023.

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

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

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

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

General Body Meetings

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

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

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

Notes:

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

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

Means of Communication

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

Further, the quarterly/ half yearly/ annual financial results are made available on Company's website at <https://aadharhousing.com/disclosures-under-regulation-62-of-the-sebi-lodr-regulation-2015-pdf/financial-results>.

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

Website Disclosure

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

Other Disclosures:

Related party transactions:

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

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

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

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

Vigil Mechanism / Whistle Blower Policy

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

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

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

Policy for determining material subsidiaries

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

Policy on dealing with related party transactions.

Copy of Related Party Transaction Policy of the Company, duly approved by the Board, is enclosed as **Annexure 3** to the Boards report. It is also available on the website of the Company at <https://aadharhousing.com/disclosures-under-regulation-62-of-the-sebi-lodr-regulation-2015-pdf/policy-on-dealing-with-related-party-transactions>

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

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

Total fees for all services paid/accrued by the Company, and its Subsidiary, on a consolidated basis to the Statutory Auditors of the Company and all entities in the network firm/network entity of which the Statutory

Auditor was a part during the financial year under review is as follows:

1. M/s. Walker Chandiook & Co LLP – ₹ 36 Lakhs
2. M/s Kirtane and Pandit LLP- ₹ 112 Lakhs

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

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

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

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

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

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

General Shareholder Information

Annual General Meeting

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

Financial Calendar (Tentative Dates)

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

Dividend Payment Date : Not applicable

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

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

BSE Limited

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

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

BSE Limited

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

National Stock Exchange of India Limited

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

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

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

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

Distribution of Shareholding as on 31st March, 2024

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

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

Dematerialisation of Shares and Liquidity

99.9993% of equity shares are held in dematerialised form as on 31st March, 2024. The Equity Shares of the Company are held in the dematerialised form under both the Depositories viz. National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL").

Shares held in Demat mode in NSDL : 99.9990%

Shares held in Demat mode in CDSL : 0.0003%

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

Registrar & Transfer Agents:

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

KFin Technologies Ltd. (Formerly known as KFin Technologies Pvt Ltd.)

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

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

3i Infotech Ltd.

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

Share Transfer System

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

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

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

In terms of the provisions of the Act , there were no equity shares due for transfer to Investor Education and Protection Fund ("IEPF") Account during the financial year under review. The total amount lying in the Unpaid Dividend Account of the Company in respect of the last seven years and the date when such unpaid dividend is due for transfer to the IEPF is available on the website of the Company at <https://aadharhousing.com/investor-relations/public-notice-and-intimation>.

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

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

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

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

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

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

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

Plant Location:

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

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

Credit Rating:

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

Address for Correspondences:

Registered office:

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

Corporate Office:

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

Debenture Trustees –

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

Other Discretionary requirements:

A. The Board

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

B. Modified opinion(s) in audit report

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

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

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

D. Reporting of internal auditor

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

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31STMARCH, 2024

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

To,
The Members,

AADHAR HOUSING FINANCE LIMITED

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31stMarch, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; (Applicable only to the extent of the provisions entailed with respect to dematerialisation of securities of unlisted public company)
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) 1. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and which are applicable to the company:-
 - (a) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

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

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018(applicable only to the extent of filing of draft red herring prospectus);
- (d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015
- (e) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, requirement of Structured Digital Database (SDD) pursuant to provisions of Regulation 3(5) and 3(6).
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and which are not applicable to the company during the Audit period:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2018:
 - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018:
 - (vi) (a) National Housing Bank Act, 1987, The Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India.
 - (b) Other Regulatory provisions/laws applicable to the company are:-
 - i) Para 15 A, 15 B, 22, 27, 39, 105, 106 and 120 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
 - ii) Master Direction - Know Your Customer (KYC) Direction, 2016,

- iii) Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016,
- iv) Master Direction - Information Technology Framework for the NBFC Sector dated June 08, 2017
- v) Insurance Act, 1938 - IRDAI (Registration Corporate Agents) Regulations, 2015.

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

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

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

I further report that:

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

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

All the decisions of the Board and Committees were carried through with requisite majority and no dissenting views were expressed by any Board Member on any of the subject matters discussed that were required to be captured and recorded as part of the minutes.

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

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

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

I further report that the Company has filed a Draft Red Herring Prospectus ("DRHP") with Securities and Exchange Board of India ("SEBI") on February 2, 2024 for the proposed Initial Public Offering and the company was expecting the SEBI observation letter as on closure of the financial year.

I further state that:

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my Audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and rely fully on the audited financial statements of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of Laws, Rules and Regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of documents/procedures on the test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Roy Jacob & Co**
Company Secretaries

Place: Mumbai
Date: 29.05.2024

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

Annexure - 1

CERTIFICATE ON CORPORATE GOVERNANCE

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

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

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

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

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

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

For **Aashish K. Bhatt & Associates**

Place: Mumbai
Date: 29.05.2024

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

Annexure - 2

DECLARATION CONFIRMING COMPLIANCE TO THE CODE OF CONDUCT

To,
The Board of Directors
Aadhar Housing Finance Ltd.

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

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

For **Aadhar Housing Finance Limited**

Sd/-
Rishi Anand
Managing Director and Chief Executive Officer

Place: Mumbai
Date: 23rd May, 2024

Annexure- 3

RELATED PARTY TRANSACTION POLICY

A. PREAMBLE

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

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

The Board of Directors ("**Board**") of the Company, has adopted the following policy and procedures with regard to Related Party Transactions ("**RPT**") as defined below, at its meeting held on 5th December 2017 and revised from time to time, in compliance with the requirements of Section 188 of the Companies Act, 2013 and rules made there under and any subsequent amendments thereto ("**Companies Act**"), read along with Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") as may be applicable in order to ensure the transparency and procedural fairness of such transactions.

B. OBJECTIVE

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

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

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

C. TRANSACTIONS COVERED UNDER THIS POLICY

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

D. DEFINITIONS

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

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

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

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

5. "**Company**" means as defined in the Preamble

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

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

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

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

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

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

9. **“Material Modification”** shall mean a 10% or more increase in the original value/ consideration of any Related Party Transaction which was approved by the Audit Committee/Shareholders of the Company, as the case may be.
10. **“Ordinary course of business”** in order to determine whether a transaction is within the ordinary course of business or not, some of the principles that may be adopted to assess are as follows:
- i. whether the transaction is in line with the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities;
 - ii. whether it is permitted by the Memorandum and Articles of Association of the Company; and
 - iii. historical practice with a pattern of frequency
 - iv. whether the transaction is such that it is required to be undertaken in order to conduct the routine or usual transactions of a company.
 - v. meets any other parameters / criteria as decided by the Board/Audit Committee from time to time.
11. **“Related Party”** means a person or an entity shall be considered as related to the Company if:
- i. such person or entity is a related party as defined under Section 2(76) of the Companies Act;
 - ii. such person or entity is a related party under the applicable accounting standard(s); or
 - iii. related party as defined under regulation 2(zb) of Listing Regulations of SEBI.

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

- (i) A director or his relative;
- (ii) A key managerial personnel or his relative;
- (iii) A firm, in which a director, manager or his relative is a partner;
- (iv) A private Company in which a director or manager or his relative is a member or director;
- (v) A public Company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid up share capital ;
- (vi) Any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- (vii) Any person on whose advice, directions or instructions a director or manager is accustomed to act;

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

- (viii) Any body corporate which is:
 - a. a holding, subsidiary or an associate company of the Company;
 - b. a subsidiary of a holding Company to which it is also a subsidiary; or
 - c. an investing company or the venturer of the Company.

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

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

Indian Accounting Standard Ind AS 24 defines related party as :

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

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

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

Related Parties under regulation 2(zb) of Listing Regulations

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

“Provided that:

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

- 12. “Related Party Transactions” or “RPT”** means transactions/ contracts/ arrangement between the Company and its related parties which fall under one or more of the following headings:

Related Party Transaction under Section 188 of the Companies Act:

- a) Sale, purchase or supply of any goods or materials;
- b) Selling or otherwise disposing of, or buying, property of any kind;
- c) Leasing of property of any kind;
- d) Availing or rendering of any services,
- e) Appointment of any agent for purchase or sale of goods, materials, services or property;
- f) Such related party’s appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and
- g) Underwriting the subscription of any securities or derivatives thereof, of the Company.

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

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

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

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

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

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

- 13. “Relatives”,** as stated in Section 2(77) of the Companies Act and rules prescribed there under and as per Regulation 2(1) (zd) of the Listing Regulations as amended from time to time, with reference to any person, means anyone who is related to another, if –

- i. They are members of a Hindu Undivided Family;
- ii. They are husband and wife; or
- iii. One person is related to the other in the following manner, namely:
 - a) Father including step father;
 - b) Mother including step mother;
 - c) Son including step son;
 - d) Son’s Wife;
 - e) Daughter;
 - f) Daughter’s Husband;
 - g) Brother including step brother; and
 - h) Sister including step sister

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

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

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

15. **“Total Share Capital”** means the aggregate of the paid-up equity share capital and convertible preference share capital of the Company.

E. DETAILS REQUIRED FOR ASCERTAINING RELATED PARTY

The following details shall be required:

1. Declaration/ Disclosure of interest by all the Directors and KMP in Form MBP 1;
2. Declaration of relatives by all Directors and KMPs;
3. Declaration about a firm in which a Director/ Manager or his relative is a partner;
4. Declaration about a private Company in which a Director or Manager or his relative is a member or director;
5. Declaration regarding a public company in which a Director or manager is a Director and holds along with the relatives more than 2% of the paid up share capital;
6. Notices from Directors of any change in particulars of Directorship or in other positions during the year;
7. Details of any body corporate, whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager of the Company;
8. Details of any person on whose advice, directions or instructions a director or manager is accustomed to act; apart from advice given in professional capacity; and
9. Details of any company which is:
 - i. a holding, subsidiary or an associate company of the Company; or
 - ii. a subsidiary of a holding company to which the Company is also a subsidiary.
 - iii. an investing company or the venturer of the Company.

F. PROCEDURE

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

1. Audit Committee:

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

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

into by the Company during a financial year, subject to the following conditions:

- (i) The Audit Committee shall, after obtaining approval of the Board of Directors, lay down the criteria while granting omnibus approval and such approval shall be applicable in respect of transactions which are repetitive in nature.
- (ii) The Audit Committee shall satisfy itself the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company;
- (iii) The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, viz.:-
 - (a) Repetitiveness of the transactions (in past or in future)
 - (b) Justification for the need of omnibus approval.

Such omnibus approval shall specify:-

- (a) the name(s) of the Related Parties, nature of transaction, period of transaction, maximum amount of transactions that can be entered into in a year and maximum value per transaction which is allowed;
- (b) the indicative base price/current contracted price and the formula for variation in the price if any; and
- (c) such other conditions as the Audit Committee may deem fit.

However, where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹1.00 crore per transaction.

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

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

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

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

2. Board of Directors:

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

- (a) other than in Ordinary Course of Business; and/or
- (b) other than transactions on Arm's Length Basis, shall require prior approval of the Board of Directors of the Company, by means of passing of resolution at a meeting of the Board; and
- (c) Where any Director is interested in any Related Party Transaction, such Director will abstain from discussion and voting on the resolution relating to such transaction.

Details to be provided to the Audit Committee –

With respect to Related Party Transactions requiring approval of the Audit Committee, the following information, to the extent relevant, shall be presented to the Audit Committee:

- a) A general description of the transaction(s), including the material terms and conditions, nature, duration and particulars of the contract.
- b) The name of the Related Party and the basis on which such person or entity is a Related Party.
- c) Name of director or KMP who is related/interested.
- d) Any advance paid or received for the contract or arrangements.
- e) Maximum amount of transaction that can be entered into and the manner of determining the pricing and other commercial terms.
- f) The Related Party's interest in the transaction(s), including the Related Party's position or relationship with, or ownership of, any entity that is a party to or has an interest in the transaction(s).
- g) The indicative base price / current contracted price and the formula for variation in the price, if any.
- h) Any other material information regarding the transaction(s) or the Related Party's interest in the transaction(s).

Arm's Length transactions - Each Director/KMP who is a Related Party with respect to a particular Related Party Transaction shall disclose all material information to the Audit Committee/Board of Directors concerning such Related Party Transaction and his or her interest in such transaction.

The Audit Committee shall mandatorily review this Policy once in three years and may recommend amendments to this Policy to the Board from time to time as it deems appropriate.

This Policy is intended to augment and work in conjunction with other Company policies having any code of conduct, code of ethics and/or conflict of interest provisions.

G. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTION

The Company Secretary shall at all times maintain a database of Company's Related Parties containing the names of individuals and companies, identified on the basis of the definition set forth above, along with their personal/ company details including any revisions therein.

The Finance & Accounts Team shall be provided with a complete list of related parties in respect of the Company and its subsidiaries. Any proposed transaction with Related Party shall be communicated to the Company Secretary for consideration and approval by the Audit Committee and/or the Board of the Company. If the transactions are regular in nature, the Finance & Accounts Team shall seek an enabling approval from the Board with financial limit for such transaction each year.

The Related Party list shall be updated whenever necessary, as per intimation received by the Company Secretary and shall be reviewed on a quarterly basis.

In determining whether to approve or not a Related Party Transaction, the Board will take into account, among other factors, recommendations of the Audit Committee, whether the said Related Party Transaction is in the interest of the Company and its stakeholders and whether there is any actual or potential conflict of interest between the related parties or between the related parties and the Company.

H. APPROVAL OF RELATED PARTY TRANSACTIONS

In accordance with Section 188 of the Companies Act and the Listing Regulations, the Board of Directors and Shareholders of the Company shall accord prior approval for Related Party Transactions, subject to the following:

Board of Directors and Shareholders' approval in terms of Companies Act:

All material Related Party Transactions which are either not on Arm's Length Basis or not in the Ordinary Course of Business shall be recommended by the Audit Committee for the approval of the Board of Directors. The Board of Directors shall further recommend the same for the approval of the Shareholders by way of resolution of the Company, in case the said transactions exceed the value of transactions as provided under Section 188 of the Companies Act, 2013 read with rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and any amendment thereof or the transaction is defined as material related party transaction by the Audit Committee.

Board of Directors and Shareholders' approval in terms of Listing Regulations:

In terms of Regulation 23 of the Listing Regulations, all material Related Party Transaction and subsequent material modifications as defined by Audit Committee shall be recommended by the Board of Directors to the Shareholders for their prior approval by way of a resolution.

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

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

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

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

Where an omnibus approval is obtained, the Company Secretary shall obtain details of the Related Party Transactions undertaken by the Company on a quarterly basis, review the value of such transactions and present the same before the Audit Committee for any additional approvals, where the limits laid down under the omnibus approval are likely to be breached.

Individual transactions with Related Parties, which are not in Ordinary Course of Business and not on an Arm's Length Basis, shall be accompanied with management's justification for the same. Before approving such transactions, the Audit Committee will look into the interest of the Company and its Shareholders in carrying out the Related Party Transactions and alternative options, if any, available. The Audit Committee may accordingly approve or modify such transactions, in accordance with this policy and/ or recommend the same to the Board for approval.

The Chairperson of the Audit Committee/Board shall pay sufficient attention and ensure that adequate deliberations are held before approving Related Party Transactions which are not in Ordinary Course of Business and not on Arm's Length Basis and assure themselves that the same are in the interest of the Company and its Shareholders.

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

1. Sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to ten percent or more of the turnover of the Company;
2. Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to 10% or more of net worth of the Company;
3. Leasing of property any kind amounting to 10% or more of the turnover of Company;
4. Availing or rendering of any services, directly or through appointment of agent, amounting 10% or more of the turnover of the Company;

Explanation: It is hereby clarified that the limits specified in points 1 to 4 above shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

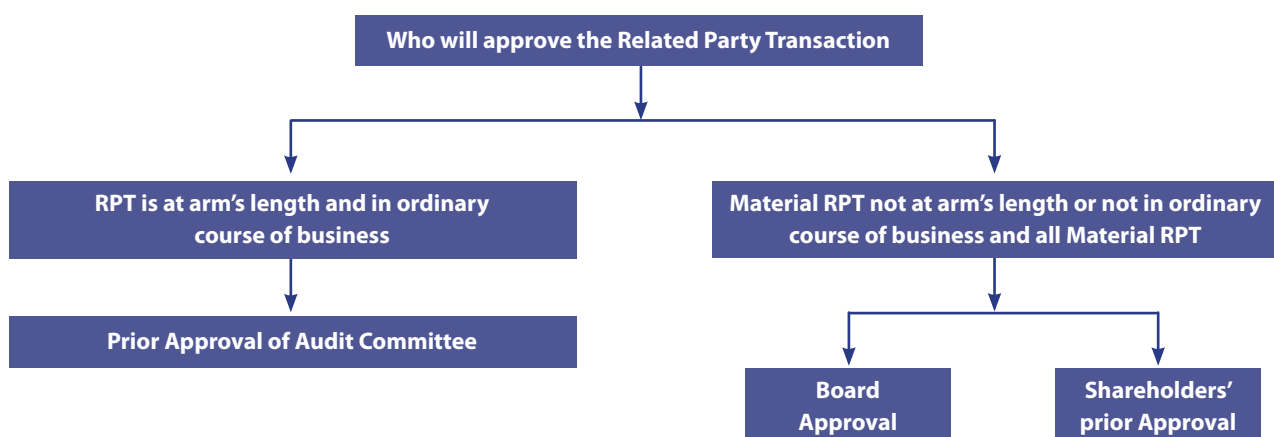
5. Transaction is for appointment of relative or himself to any office or place of profit in the Company, its subsidiary company or associate company at a remuneration exceeding ₹2,50,000 (Rupees Two Lakh Fifty Thousand) per month and
6. Remuneration for underwriting the subscription of any securities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

Explanation: The turnover or net worth referred in the above points shall be computed on the basis of the audited financial statement of the preceding financial year.

OTHER KEY ASPECTS

1. In accordance with Section 188 of the Companies Act read with related rules issued thereon, in case of wholly owned subsidiary, the resolution passed by the holding company shall be sufficient for the purpose of entering into the transactions between wholly owned subsidiary and holding company.

AUDIT COMMITTEE/BOARD/SHAREHOLDER APPROVAL MECHANISM FOR ENTERING INTO RELATED PARTY TRANSACTIONS



RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

Where any contract or arrangement is entered into by a Director or any other employee of the Company with a Related Party, without obtaining the consent of the Board or approval by a resolution in the general meeting, where required and if it is not ratified by the Board or, as the case may be, by the Shareholders, at a meeting within three months from the date on which such contract or arrangement was entered into, the matter shall be reviewed by the Audit Committee, which may consider all of the relevant facts and circumstances regarding the Related Party Transactions and evaluate all the options available with the Company. Such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a Related Party to any Director, or is authorized by any other Director, the Directors concerned shall indemnify the company against any loss incurred by it.

The Company may proceed against a Director or any other employee who had entered into such contract or arrangement in contravention of this Policy for recovery of any loss sustained by it as a result of such contract or arrangement and shall take any such action, it deems appropriate.

Audit Committee may also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Audit Committee under this Policy and take any such action it deems appropriate.

I. RECORDS

The Company shall maintain adequate records, either physically or electronically, as required under applicable laws, giving separately the particulars of all contracts or arrangements to which this policy applies.

J. DISCLOSURES

Every Contract or arrangement entered with Related Parties to which sub section (1) of Section 188 of the Companies Act is applicable shall be referred to in the Board's Report to the Shareholders along with the justification for entering into such contract or arrangements. The disclosures should also be made in Form AOC-2 as prescribed under the Companies Act.

Details of all material transactions with Related Parties are to be disclosed quarterly along with the compliance report on corporate governance.

The Company shall disclose the contract or arrangements entered into with the Related Party in the Board's Report to the Shareholders along with the justification for entering into such contract or arrangement.

The Company shall disclose this policy relating to Related Party Transactions on its website and a weblink thereto shall be provided in the Board's report and a copy of the Related Party Transactions Policy may be annexed to the Board's report forming part of the Annual Report in terms of the SEBI Listing Regulations, as applicable to high value debt listed entities and Companies Act, 2013.

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

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

K. EXEMPTION FROM APPLICABILITY OF THE POLICY

Notwithstanding the foregoing, but subject to the provisions of the applicable laws from time to time, this policy shall not apply to the following Related Party Transactions, which shall not require approval of Audit Committee, Board of Directors or Shareholders, as per the provisions of Regulation 23(5) of Listing regulations and 5th proviso to section 188(1) and 4th proviso to section 177 (4) of Companies Act, 2013:-

- i. Transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the Shareholders at the general meeting for approval.
- ii. Any transaction that involves the providing of compensation to a Director or Key Managerial Personnel in connection with his or her duties to/employment with the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business, other than transactions which are not on an Arm's Length basis.
- iii. Any transaction in which the Related Party's interest arises solely from the ownership of securities issued by the Company and the Related Party receives the same benefits pro rata as all other holders of the same class of securities, other than transactions which are not on an Arm's Length basis.

L. POLICY REVIEW

The Board of Directors of the Company, subject to applicable laws is entitled to review, amend, suspend, or rescind this Policy at any time. However, the Board of Directors shall review the policy mandatorily every three years and update accordingly. Any difficulties or ambiguities in the Policy will be resolved by the Board of Directors in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

In the event of any conflict between the provisions of this policy and of the provisions of the Companies Act and/or the Listing Regulations and any other applicable law dealing with related party transactions, such applicable regulation/provisions of law in force from time to time shall prevail over this policy.

Annexure - 4

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Sl. No.	Particulars	(₹ in Lakh)
1	Name of the subsidiary M/s Aadhar Sales and Services Private Limited	
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4	Share capital	1
5	Reserves & surplus	377
6	Total assets	736
7	Total Liabilities	358
8	Investments	414
9	Turnover	6,459
10	Profit before taxation	36
11	Provision for taxation	(77)
12	Profit after taxation	113
13	Proposed Dividend	Not Applicable/ NIL
14	% of shareholding	100%

The following information shall be furnished:-

1	Names of subsidiaries which are yet to commence operations	NIL
2	Names of subsidiaries which have been liquidated or sold during the year	NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Note:- Your Company does not hold significant influence in any other Associate Company, as per section 2(87) and 129(3) are disclosed in the Notes to Accounts and Related Party details in the Audited Financials.

For and on behalf of the Board of Directors

Deo Shankar Tripathi
Executive Vice-Chairman
DIN 07153794

Rishi Anand
Managing Director & CEO
DIN 02303503

Sharmila Abhay Karve
Independent Director
DIN 05018751

Prateek Roongta
Director
DIN 00622797

Place : Mumbai
Date : May 29, 2024

Rajesh Viswanathan
Chief Financial Officer

Harshada Pathak
Company Secretary

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

1. Brief outline on CSR Policy of the Company:

The Corporate Social Responsibility (CSR) Policy of Aadhar Housing Finance Limited has been developed in accordance with Section 135 of The Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 and its amendments notified by the Ministry of Corporate Affairs, Government of India.

The CSR vision of the company is to create responsive and empowered communities and to contribute to the socio-economic development of the communities through initiatives designed around sustainability and governance.

The CSR Policy, formulated in alignment with the vision of the Company, lays down the guidelines and mechanisms to be adopted by the Company to carry out CSR Projects/Initiatives.

All CSR initiatives undertaken in FY 2023-24 were conceived and implemented through a focused approach towards target beneficiaries for generating maximum impact and carried out in partnership with credible implementing partners.

CSR Initiatives

The Company has undertaken various CSR initiatives focusing on pre-education & health of children of below 6 years, community preventive health care, vocational skills & livelihood, support for environment conservation and sports etc. Community participation and sustainability of the projects are the key elements of the CSR initiatives.

A monitoring & evaluation system has been developed to monitor progress of all ongoing projects. Reports of implementing partners are reviewed by CSR team and a consolidated report is submitted to CSR committee for their review and inputs.

Our CSR policy is available on our website –

<https://aadharhousing.com/customer-relations/ahfl-policies-codes>

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. Nivedita Haran	Chairperson/ Independent Director	3	3
2	Mr. Prateek Roongta	Non-Executive (Nominee) Director	3	3
3	Mr. Rishi Anand	Managing Director and Chief Executive Officer	3	3

3. Web-link where Composition of the CSR committee, CSR Policy and CSR projects approved by the board are available on the website of the company:

Web- link for CSR Policy: <https://aadharhousing.com/customer-relations/ahfl-policies-codes>

Web- link for Composition of CSR Committee: <https://aadharhousing.com/investor-relations/sebi-regulations-disclosures>

Web- link for CSR Projects: <https://aadharhousing.com/CSR>

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

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

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

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount (in ₹)	Date of transfer	Name of the Fund	Amount	Date of transfer
545.06 Lakhs	584.94 Lakhs	April 30, 2024	NIL	NIL	NIL

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

Sl. No.	Particular	Amount (₹ In Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	1130.00
(ii)	Total amount spent for the Financial Year	545.06
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.00

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

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

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

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

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

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

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

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

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

sd/-
Managing Director & CEO
Date : 29.05.2024

sd/-
(Chairperson CSR Committee)
Date : 29.05.2024

Annexure - 6

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authority.

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

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on my verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Aashish K. Bhatt & Associates**

Place: Mumbai
Date: 29.05.2024

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