7th ANNUAL REPORT 21-22

UMMEED
HOUSING FINANCE
We bring your dreams to life

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CORPORATE INFORMATION INDEX

CHAIRMAN & MANAGING DIRECTOR

Mr. Ashutosh Sharma

BOARD OF DIRECTORS

Mr. Sachin Grover	Whole Time Director
Mr. Inderjit Walia	Independent Director
Ms. Geeta Mathur	Independent Director
Mr. Nirav Vinod Mehta	Nominee Director
Mr. Vinayak Prabhakar Shenvi	Nominee Director
Mr. Kartik Srivatsa	Nominee Director
Mr. Rajiv Yashwant Inamdar	Non-Executive Director

STATUTORY AUDITOR

Agiwal & Associates
Chartered Accountants
Partner: Mr. Prakash Chand Agiwal
Firm Registration No. 000181N
D-6/9, Upper Ground Floor, Rana Pratap Bagh,
Delhi-110007 (India)
Tel: 011-41011281, 43512990
Email: caagiwal68@gmail.com

CHIEF FINANCIAL OFFICER

Mr. Bikash Kumar Mishra

COMPANY SECRETARY

Mr. Nitin Agrahari

REGISTERED OFFICE

318, DLF Magnolias
Sector 42, Golf Course Road
Gurugram – 122002
Haryana, INDIA

CORPORATE OFFICE

Unit No. 809-815, 8th Floor, Tower A
Emaar Digital Greens,
Golf Course Extn Road
Sector 61, Gurugram – 122011
Haryana, INDIA
Phone: 0124 4836480

CIN: U65922HR2016PTC057984
Email: enquiry@ummeedhfc.com
Website: www.ummeedhfc.com

REGISTRAR AND TRANSFER AGENT

Skyline Financial Service Pvt Ltd
Address: D-153A, 1st Floor, Okhla Industrial Area, Phase -I,
New Delhi - 110 020
Tel: 9999589742
Email: info@skylinerta.com
Contact Person:
Mr. Virender Kumar Rana, Director

DEBENTURE TRUSTEES

Catalyst Trusteeship Limited
Tel: 022-49220555
Fax: +91 (022) 49220505
Email: ComplianceCTL-Mumbai@ctltrustee.com
Contact Person:
Mr. Umesh Salvi, Managing Director
Address: Windsor, 06th Floor Office No. 604,
C.S.T Road, Kalina, Santacruz (East)
Mumbai -400098

BANKERS/ LENDERS

National Housing Bank
State Bank of India
Canara Bank
Kotak Mahindra Bank
IDFC First Bank
DCB Bank
RBL Bank Ltd
Bandhan Bank Ltd.
Catholic Syrian Bank Limited
LIC Housing Finance Limited
Yes Bank Limited
AU Small Finance Bank
Federal Bank Limited
Water Equity
Blue Orchard
Triple Jump
MAS Financials
MAS Rural Housing & Mortgage Finance Limited
Sundaram Home Finance Ltd
Tata Capital

WHAT UMMEED OFFERS YOU

- Exclusive focus on low & middle income segment
- Total family income to be considered for loan eligibility
- Specialized assessment as per the borrower's business/trade
- Income documents not a hindrance for calculating loan eligibility
- Doorstep service and fast processing

UMMEED VISION, MISSION & DIFFERENTIATORS

VISION

To be a preferred financial partner in providing the low and middle income households of India with affordable housing loans in an innovative and personalized manner, thereby making a positive impact on the standard of living of our customers. Focus on the Informal Income/affordable housing space and tap this large & growing market to build a scalable business model.

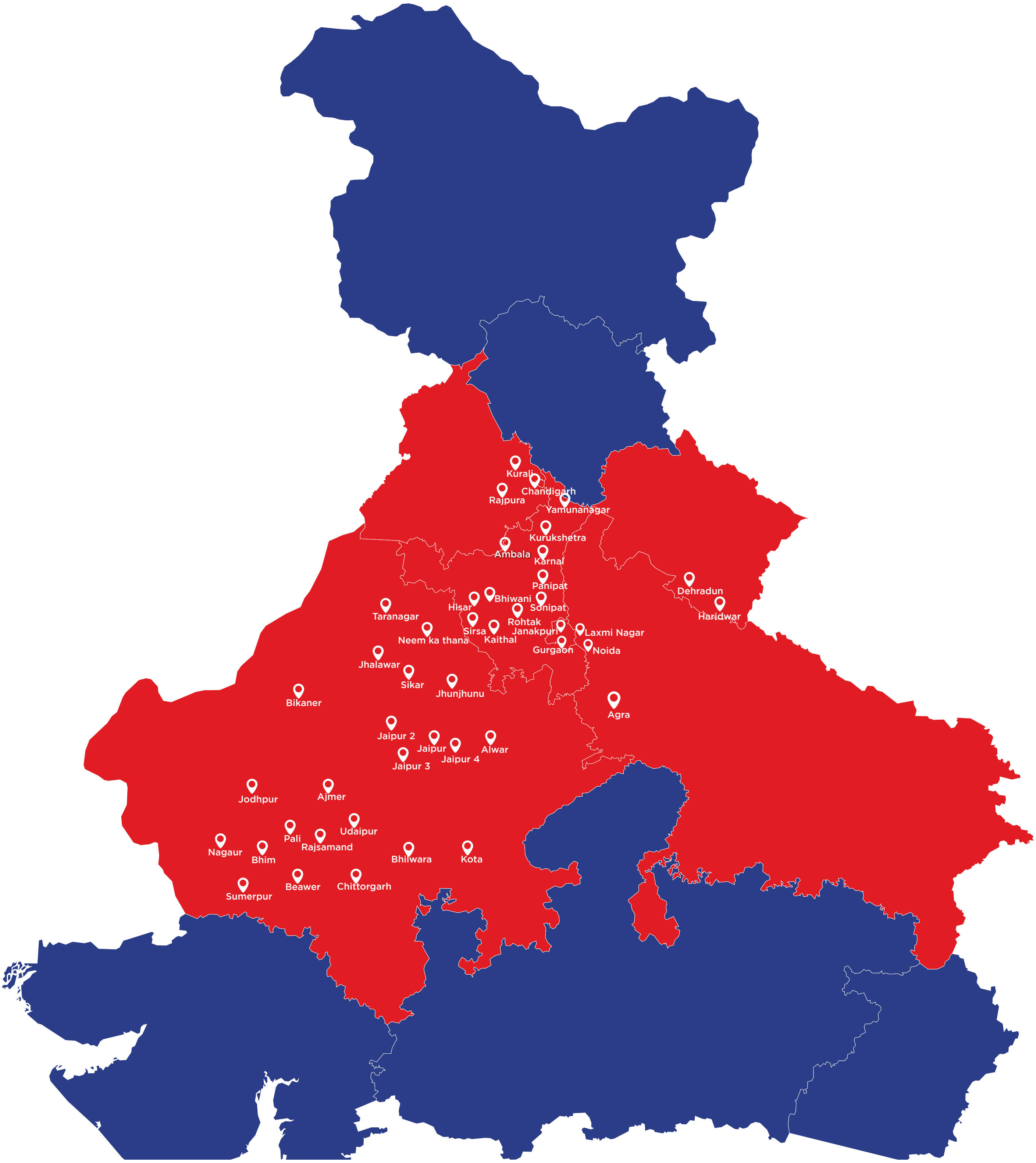
MISSION

To deliver customer friendly and hassle free housing loans and help facilitate the dreams of millions of Indians to own a home.Build adequate size & scale using technology & robust processes to achieve our goals. Build value for various stakeholders like our Customers/Employees /Investors, in the process of building the company. Focus on training around credit philosophy, Income assessment techniques and processes, which is going to be our key to SUCCESS.

DIFFERENTIATORS

Ummeed is structured as a FINTECH company and with technology we aim to offer superior experience to the borrowers.Operational efficiencies and reduce turnaround time for customers. Reach out to a wider range of customers using digital communication and through development of unconventional distribution models. Use of credit scoring to enhance the speed and accuracy of credit approvals.

Branch Network of Ummeed



- Delhi NCR
- Punjab
- Haryana
- Uttarakhand
- Rajasthan
- Uttar Pradesh
- Total Hubs- 44

UMMEED'S DIVERSIFIED BOARD

MR. ASHUTOSH SHARMA
Managing Director

Ashutosh started his career with HSBC in 1991 and worked with them in India and Hong Kong in a variety of roles. He spent ~15 years with Citibank working in multiple jurisdictions across India and Asia. Post a successful stint as Managing Director and Country Head, Corporate and Investment Banking at Citibank Malaysia, he returned to India in 2008 as Country Head for Bank of Montreal and set up multiple businesses for the group, across Investment Banking, Asset Management and Correspondent Banking. Ashutosh is a veteran in the field of Financial Services with over 30 years of banking experience across multiple verticals of Banking with strong expertise in Corporate and SME lending, Risk Management, General Management, Strategy and Business Development. Ashutosh holds an MBA from the Indian Institute of Management (IIM) – Ahmedabad and a Bachelor of Arts from St. Stephen's College.

MR. SACHIN GROVER
Executive Director

Sachin is a seasoned mortgage finance professional with close to 25 years of experience with proven track record of incubating, managing and scaling up diverse business processes for retail lending operations especially in the Housing Finance space In his most recent assignment, he was part of the founding team and headed the sales vertical of the HFC business at Magma Fincorp. In this role at Magma, he was responsible to set up a robust distribution model, build healthy sourcing mix and risk controls / processes, design products /policies / credit screens, lead sales and marketing, and hire and retain employees for both Housing and SME business. Within two years, he successfully expanded the business to over 150 locations and built an overall profitable, sustainable and healthy portfolio of over INR 2500 Crore across Home Finance, LAP and Construction Finance Prior to this, he successfully launched the home finance business for India Infoline and grew the business to over 75 locations with an asset base of INR 3000 Crore. He was Vice President, Mortgage business at Citi Financial and had the distinction of originating the highest business volumes for the company of over INR 125 Crore a month and managed the North India book of over INR 2000 Crore. He is an MBA by qualification.

MR. NIRAV MEHTA
Investor Director

Mr. Nirav Mehta is a Managing Director of Morgan Stanley. Mr. Mehta joined the Firm in 2009 and is the Co-Head of the Fund's India Investment Operations. Prior to joining Morgan Stanley, Mr. Mehta worked for three years at ICICI Venture, where he focused on growth and buyout transactions across multiple sectors. Mr. Mehta is a native of India and is based in Mumbai. Mr. Mehta received his bachelor's degree in commerce from St. Xavier's College and holds an M.B.A. from the Indian Institute of Management Bangalore. Mr. Mehta currently serves on the board of Jana Capital Ltd., Nspira Management Services Pvt. Ltd., Fullife Health Care Pvt. Ltd., Morgan Stanley Investment Management Pvt. Ltd.

MR. VINAYAK SHENVI
Investor Director

Mr. Shenvi was a founding partner at Exponentia Capital Partners LLP. Prior to founding Exponentia in June 2011. Mr. Shenvi was a Director with CVCI, where he had about 15 years of investing experience. Prior to CVCI, Mr. Shenvi had two years of experience as an equity and debt research analyst at a Citi-affiliated brokerage firm, Citicorp Securities & Investments Limited. At CVCI, Mr. Shenvi served as a board member or as an observer on the board of several CVCI portfolio companies, such as JBF Industries, Sharekhan, Unimark Remedies Limited, You Telecom, Anand Rathi Financial Services, Ind Barath Power, Virgo Engineers, Tenet Technologies, Kshema Technologies, Pramati Technologies, Purple Vision Technologies, Servion Global Solutions, Selvel Advertising, Gujarat Glass and Ashima Dyecot, among others. Mr. Shenvi is a Chartered Accountant and a B. Com. From Mumbai University.

UMMEED'S DIVERSIFIED BOARD

MR. KARTIK SRIVATSA
Investor Director

Kartik is the Managing Partner, India and Chief Strategy Officer of Lightrock. He was the founding partner of Lightrock India, formerly Aspada. He also acts as the fund advisor for the SONG Fund through Aspada Capital Advisors. Kartik currently serves on the Boards of Vivriti, Pharmeasy, Aye finance, Ummeed, Lithium, Waycool, Be well and SV Agri. Prior, he was with Lightspeed Venture Partners, a global venture capital firm with over $2 billion under management, where he was a founding member of the India office. Earlier, Kartik was a management consultant with McKinsey and Company. He is a graduate of the Indian Institute of Technology (IIT), Madras.

MR. INDERJIT WALIA
Independent Director

Mr. Inderjit Walia has been a leader in Human Resources in global roles with leading multi-national companies for more than three decades. He has served as a Group Director of Human Resources at Bharti and has also served as an Exec. Vice President and Global Head of Human Resources at ArcelorMittal. He is also on the Board of several group companies Mr. Walia is an economics and accounting graduate with post graduate degree in Human Resources. Inder served as a board member at ArcelorMittal Group, Bharti Group Entities and Indus Towers Ltd.

MS. GEETA MATHUR
Independent Director

Ms. Geeta Mathur has worked across areas of Corporate Finance, Treasury, Risk Management and Investor relations and have strong understanding of systems, including IT systems and processes for efficient budgeting and working capital management. Has worked in ICICI Limited, IBM & DCM Shriram Consolidated Limited, etc. Served as an Independent Director in various large organizations across manufacturing and services such as NIIT Ltd., InfoEdge, IIFL Group Entities, Motherson Sumi Ltd., Tata Communication Transformation Services Ltd. and Onmobile. Ms. Mathur is a Charted Accountant and holds Bachelor of Commerce from Shriram College of Commerce, Delhi University.

MR. RAJIV INAMDAR
Non-Executive Director

Mr. Rajiv has 40 years of international experience in advertising, brand management, market research, consumer banking, private banking, asset management, credit cards and knowledge management with some of the best-known companies in the world. These include Glaxo Smith Kline, JWT, Citibank, Standard Chartered Bank, Nielsen, IMRB and Egon Zehnder. He also has been advising companies on marketing and brand strategy and positioning. He has retired after 11 years stint as Managing Director of Heidrick & Struggles' Global Knowledge Management Center (KMC) based in Gurgaon, India. Mr. Rajiv Inamdar has done his Master of Business Administration (MBA) from IIM Ahmedabad and also has an honors degree in Economics from the University of Mumbai.

Message from Founder & Managing Director

MR. ASHUTOSH SHARMA
Managing Director

I am pleased to share with our stakeholders, the 7th Annual Report and Financial Statements of Ummeed Housing Finance Private Limited ("Ummeed") for the financial year ended 2021-22.

Business started at a slow pace in FY 2021-22, given the extensive lockdown resulting from a resurgent variant of covid infection i.e., Omicron which swept across India. The resultant slowdown in fresh disbursals & collection efficiencies hit the business for the first three-four months of the financial year. Post that, we have continued to see steady improvement on all business parameters. Amidst all the ups and downs, the senior team at Ummeed, kept their focus on a couple of core areas:

- HUB (Branch) expansion activities did not stop, and we successfully ramped up from 28 to 44 branches in the year.
- We continued to invest in the collections team & systems, which have allowed us to report a stellar, best in class, performance in GNPA.
- We have started to build a more focused and disciplined approach to "new customer acquisition". This effort needs to gather more focus and will see increased spend in the coming year; and
- Process improvements and technology enablement have been the core mantra's for our continued success, we have taken a huge task to re-engineer our "Mission Critical Processes" and to build a more robust state-of-the-art real time business information system.

At Ummeed, we strive to provide our clients with the best service experience, a tailor-made credit approach and quick turnaround with on time delivery. A systematic approach to process improvement was adopted that allowed us to make better use of our energy, pushing productivity upward and optimising operational efficiencies.

I am happy to inform that the Company has achieved a milestone in terms of crossing more than 10,000 customers in the financial year 2021-22, the count is increasing with each passing day. To reach Rs. 765.75 crores AUM, our cumulative gross disbursal during FY22 stood at Rs.375 crores which was a 55% growth from last year disbursals.

We strongly believe that acquiring high quality manpower and efficient processes are the keys to driving growth in any organization. Therefore, we have put a lot of efforts on employee well-being and welfare through various initiatives like regular trainings, development and career guidance, insurance facilities, free doctor 24*7 facility app, wealth creation through ESOP pool, various reward programs. The Covid19 Rapid Response Team has been constituted to look after all medical emergencies and free vaccination drives of the employees and their families.

Message from Founder & Managing Director

MR. ASHUTOSH SHARMA
Managing Director

We are pleased to announce that Ummeed has recently received ISO/IEC 27001:2013 certification on its information security management system.

On the social front, our CSR programs during FY22, were able to create an impact in the areas of community engagement through activities like providing quality education for the girl child and free medical services to the people living in our area of operations.

In September 2021, the company successfully raised a substantial block of equity which was subscribed by Marquee Global Investor- Norwest Capital LLC, current equity investor Morgan Stanley also participated in the round, which was concluded at a robust equity valuation reinforcing the company's solid all around performance on multiple business and risk parameters.

Our company's strong business and financial performance have resulted in a credit rating upgrade from BBB+ to A- in the second half of financial year. This in turn has attracted a number of public sector banks as debt providers to Ummeed and has substantially improved our borrowing profile.

Let me end by sharing my sincere gratitude to all of our stakeholders including customers, investors, employees, creditors, bankers, regulator, supervisor and rating agencies, and to my peers on the Board for their strong and continued guidance during these turbulent times.

Ashutosh Sharma
Founder and Managing Director

Date: June 06, 2022
Place: Gurugram

Board Report
For the Financial Year 2021-22

To,
The Members,
Ummeed Housing Finance Private Limited

Your directors are pleased to present the 7th (Seventh) Board Report along with the Audited Financial Statements on the business and operations of **Ummeed Housing Finance Private Limited** ("the Company" or "Ummeed") for the year ended 31st March 2022.

1. Financials

The performance of the Company for the financial year ended 31st March 2022 is summarized below:

(Amount in Rs. Lakhs unless stated otherwise)

PARTICULARS	For the year ended 31st March 2022 (In INR)	For the year ended 31st March 2021 (In INR)
Total revenue from operations	10, 723.23	9,056.92
Other Income	182.85	39.88
Total Income	**10, 906.08**	**9,096.80**
Profit/(Loss) before Interest, Depreciation & Tax	**6,256.39**	**5,592.58**
Less: a. Interest	3,567.70	3,898.40
b. Depreciation & Amortization	264.27	237. 15
Profit before Tax	**2,424.42**	**1,457.03**
Less: a. Current tax	487.54	350.07
b. Current tax expense relating to prior years	(23.22)	0.76
c. MAT credit entitlement	-	-
d. Deferred tax charge	94.17	(24.78)
Net Profit /(Loss) after Tax	**1,865.93**	**1,130.98**
EPS (Basic)	3.99	2.62
EPS (Diluted)	3.86	2.56

The Company has closed the FY22 with an AUM (including off-book) of Rs 765.75 crores and generated a revenue of Rs 109.06 crore against Rs 90.96 crore of previous financial year. There has been an increase in revenue by 19.89% on y-o-y basis and consequently an increase in PAT to Rs 18.66 crore against Rs 11.31 crore of previous year.

2. IndAS

In compliance of Para 7 of the Reserve Bank's Directions on HFCs, the Company has prepared its financial statements in accordance with the applicable Indian Accounting Standards (IndAS) as notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 and the Companies (Indian Accounting Standards) Rules, 2015. The financial statements for the year, have been prepared in accordance with Schedule III to the Companies Act, 2013. IndAS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, w.e.f. 1st April 2020.

3. Reserves

As per Section 29C of National Housing Bank Act,1987, the Company is required to transfer at least 20% of its net profit every year to a reserve before any dividend is declared. Accordingly, your Company has transferred Rs. 3.73 crore to special reserve in accordance with Section 29C of National Housing Bank Act, 1987 read with Section

36(1)(viii) of the Income Tax Act, 1961. An amount of Rs. 7.73 crore is proposed to be carried to the Balance Sheet after appropriations.

4. Dividend

The Board of Directors of the Company has not recommended any dividend for the financial year ended March 31, 2022.

5. Company Affairs

Your Company was incorporated on 27th January 2016 and is a registered housing finance company under National Housing Bank Act, 1987, presently supervised by National Housing Bank ("NHB") and regulated by Reserve Bank of India ("RBI"). The Company is managed by a team of experienced professionals, who work with common motive of providing financial services to underserved lower & middle-income families based out of urban and semi urban areas to serve their financing needs for building or buying their own houses. Ummeed aims to undertake several steps to provide financing facilities to people with informal incomes, who have limited access to organized finance and who constitute significant portion of the Indian population.

Covid19

During the Q1FY22, the businesses in the country impacted badly due to wave 2 of covid, and to combat economic fallout led by second wave, the Reserve Bank of India notified "Resolution Framework – 2.0" for resolution of Covid-19 related stress of Individuals and Small Businesses vide its notification No. RBI/2021-22/31 DOR. STR.REC.11/21.04.048/2021-22 dated 5th May 2021, broadly in line with the contours of the Resolution Framework -1.0, with suitable modifications. Under this framework, the eligible borrowers' accounts will continue to be classified as "Standard" till the date of invocation of resolution under this framework. Then, we have facilitated eligible Borrowers to avail a limited window subject to conditions specified under Resolution Framework 2.0 provided by the RBI. Thereafter from H2FY22 onwards, we have seen gradual recovery of economic activities engendered by monetary, regulatory and liquidity initiatives undertaken by Indian Government. Though the overall impact of pandemic started reversing, we still practising precautions taught by Covid19 to avoid any adverse situation result of its returning back.

AUM

As of 31st March 2022, the total assets under management increased to Rs. 765.75 Crore as against Rs. 579.59 Crore, thereby registering year-on-year growth of 32.12%.

Branches

As of 31st March 2022, Ummeed has presence in 44 locations with an increase from 28 nos. in FY21. Now, we have or branches located Delhi NCR, Haryana, Rajasthan, Punjab, Uttar Pradesh and Uttarakhand.

NPA

The amount of Net Non-Performing Assets (NNPA) as of 31st March 2022 was Rs 3.64 Crore, which is 0.53% to total advances, as against Rs 2.21 Crore i.e., 0.43% of total advances as of 31st March 2021. This would have been possible on account of our strong control environment that utilises laid down policies, processes, systems and regulatory norms, effective internal controls, appropriate risk mitigation practices and strong collection ability with observance of internal codes and conducts.

RBI issued clarifications on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances (IRACP) on 12th November 2021, which was deferred for NBFCs till 30th September 2022 by RBI vide its notification dated 15th February 2022, to put in place the necessary systems to implement this provision. The Company have started taking necessary steps to comply with the provisions of the circular for regulatory reporting, as applicable and will implement the norms before the due date.

SARFAESI

Indian Government vide its Gazette Notification No. S.O. 2405(E) dated 17th June 2021 notified all HFCs registered under Section 29A (5) of NHB Act, 1987 and having assets worth Rs 100 crore & above, as 'Financial Institution' under Section 2(1)(m)(iv) of SARFAESI Act, 2002. Thereafter, RBI also modified Para 105 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and accordingly your company got the status of financial institution under SARFAESI Act, which so far played an effective tool to recover our overdue from delinquent accounts under NPA status.

Series E Equity Round

Your Company has raised funds by issuing 1,000 (One Thousand) Equity Shares and 7,449,772 (Seven Million Four Hundred Forty-Nine Thousand Seven Hundred Seventy-Two) Series E fully and compulsorily convertible non-cumulative preference shares ("Series E CCPS") ("Securities") to a new investor i.e. Norwest Capital, LLC, and to its existing shareholder NHPEA Kabru Holding B.V. (part of Morgan Stanley Group). Norwest has also acquired 50,67,550 Equity Securities (comprising of Equity Shares; and Fully and Compulsorily Convertible Preference Shares) from some of the existing shareholders of the Company. During this round, Lok Capital and Duane Park made an exit while Norwest acquired their entire remaining stakes in the Company. The Company is now backed by three global investors, namely Norwest, Morgan Stanley and LGT along with marquee investor CX Partners.

Liability Wagon Wheel

While developing relationship with multiple lenders including private & PSU banks, global and domestic DFIs, the Company has created a wide wagon wheel of borrowings at nit-picked rates buoyed by sustained growth in company's loan book, rating upgrades, asset quality, comfortable liquidity profile and strong capitalization backed by private equity investors.

As of 31st March 2022, we have 20 lenders with an outstanding debt exposure of Rs 238 Crores which comprises of 43.65% from Banks, 22.01% from NHB, 4.49% from Financial Institutions, 29.85% from Foreign Institutions through ECB & NCDs.

6. Change in Nature of Business

There was no change in the nature of the business of the Company during the financial year ending 31st March 2022.

7. Material Changes and Commitments, If Any

There are no material changes and commitments except those discussed in foregoing clauses, affecting the financial position of the Company, occurred between the end of the financial year 31st March 2022 and the date of signing of this Board Report.

8. Change in Share Capital

During the year under review, your company has successfully raised Series E round of Rs 168.00 Crores from Norwest Capital, LLC and NHPEA Kabru Holding B.V., a fund managed by Morgan Stanley Private Equity Asia. Pursuant to those following changes have been made in the share capital of the company.

Authorized Share Capital

The Authorized Share Capital of your Company has been increased from Rs. 716,280,000 (Rupees Seven Hundred Sixteen Million Two Eighty Thousand only) comprising of (i) 16,300,000 (Sixteen Million Three Hundred Thousand Only) equity shares of face value of Rs. 10/- (Rupees Ten only) each; and (ii) 27,013,000 (Twenty-Seven Million Thirteen Thousand Only) fully and compulsorily convertible cumulative preference share of face value of Rs. 20/- (Rupees Twenty only) (iii) 1,302,000 (One Million Three Hundred Two Thousand Only) Optionally Convertible

Non-Cumulative Redeemable Preference Shares of face value of Rs. 10/- (Rupees Ten only) to Rs. 879,280,000/- (Rupees Eight Hundred Seventy-Nine Million Two Hundred Eighty Thousand Only) comprising of (i) 16,300,000 (Sixteen Million Three Hundred Thousand Only) equity shares of face value of Rs. 10/- (Rupees Ten only) each; (ii) 34,563,000 (Thirty-Four Million Five Hundred Sixty-Three Thousand Only) fully and compulsorily convertible cumulative preference share of face value of Rs. 20/- (Rupees Twenty only); and (iii) 2,502,000 (Two Million Five Hundred and Two Thousand Only) Optionally Convertible Non-Cumulative Redeemable Preference Shares of face value of Rs. 10/- (Rupees Ten only) each in the Extra-Ordinary General Meeting held on 2nd September 2021.

Paid Up Share Capital

The paid-up share capital of the Company as on year end date stood as follows:

(i) 16,041,882 (Sixteen Million Forty-One Thousand Eight Hundred Eighty-Two) Equity Shares with fully paid-up value of Rs. 10/- (Rupees Ten only) each;
(ii) 34,461,705 (Thirty-Four Million Four Hundred Sixty-One Thousand Seven Hundred Five) Fully and Compulsorily Convertible Cumulative Preference Share with fully paid-up value of Rs. 20/- (Rupees Twenty only) each; and
(iii) 2,489,068 (Two Million Four Hundred Eighty-Nine Thousand Sixty-Eight) Optionally Convertible Non-Cumulative Redeemable Preference Shares of partly paid-up value of Rs 1/- (Rupee One only) each.

During the year under review, the Company issued and allotted shares as following:

Date of Board Meeting/ Circular Resolutions	No. of shares/FV/Premium
September 02, 2021	4,906 Equity Shares under ESOP at Rs. 28.50/- per share (Rs. 10/- face value and Rs. 18.50/- premium) on exercise of vested options under ESOP Scheme, 2017
September 22, 2021	11,88,552 Optionally Convertible Non-Cumulative Redeemable Preference Shares (OCRPS) as Incentive Shares on Preferential basis via Private Placement at Rs. 129.44/- per share (Rs. 10/- face value and Rs. 119.44/- premium)
September 27, 2021	1,000 Equity Shares on Preferential basis via private placement at Rs. 225.48/- per share (Rs. 20/- face value and Rs. 205.48/- premium)
September 27, 2021	57,65,809 Series E Compulsory Convertible Cumulative Preference Shares (“Series E CCPS”) on Preferential basis via private placement basis at Rs. 225.48/- per share (Rs. 20/- face value and Rs. 205.48/- premium)
September 28, 2021	16,83,963 Series E Compulsory Convertible Cumulative Preference Shares (“Series E CCPS”) on Preferential basis via private placement basis at Rs. 225.48/- per share (Rs. 20/- face value and Rs. 205.48/- premium)
October 04, 2021	48,599 Equity Shares under ESOP at Rs. 28.50/- per share (Rs. 10/- face value and Rs. 18.50/- premium)
October 04, 2021	6,961 Equity Shares under ESOP at Rs. 10/- per share (Rs. 10/- face value and Rs. 18.50/- premium)

9. Dematerialization of Securities

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company’s securities are:

S. No.	ISIN	Securities Type/ Description
1	INE870W01012	Equity Shares
2	INE870W03018	SERIES A CCPS
3	INE870W03026	SERIES B CCPS
4	INE870W03034	SERIES C CCPS
5	INE870W03042	SERIES D CCPS
6	INE870W03059	SERIES E CCPS
7	INE870W07035	11.90 NCD FV Rs 10,00,000
8	INE870W07043	11.7230 NCD FV Rs 10,00,000

10. Non-Convertible Debentures

During the financial year under review, the Company has not raised any Debentures. Details of NCDs issued in previous years by the Company and outstanding as of March 31, 2022, are as follows:

Date of allotment	Allottees	Number of Securities	Mode of issuance	Issue price (Rs.) per NCD	Coupon rate	Maturity date	Amount (Rs.)
June 16, 2020	Bandhan Bank	67	Private placement	10,00,000	11.90% payable quarterly	34 months and 5 days from the deemed date of allotment (being June 16, 2020)	6,66,66,667
July 01, 2020	InsuResilience Investment Fund	380	Private placement	10,00,000	11.7230% payable semi-annually	36 months from the deemed date of allotment (being July 01, 2020)	38,00,00,000

Statutory Disclosure:

(i) The total number of non-convertible debentures which have not been claimed by the Investors or not paid by the housing finance company after the date on which the non-convertible debentures became due for redemption- **None**

(ii) The total amount in respect of such debentures remaining unclaimed or unpaid beyond the date as aforesaid- **Nil**

11. Revision in Financial Statements or Board Report, If Any

The Company has not revised its financial Statement or Board Report in respect of any of the previous financial years either voluntarily or pursuant to the order of judicial Authority.

12. Rating Updates

Care Ratings Limited and Acuité Ratings & Research Limited, both have rated long-term bank facilities and NCDs of the Company and assigned its the long-term rating of CARE A-; Stable (Single A Minus; Outlook: Stable) and ACUITE A- (read as ACUITE A Minus), respectively. Their full reports are available at company's website at https://ummeedhfc.com/en/regulatory-disclosures and websites of respective rating agencies.

During the year under review, the Company's long-term instruments got an upward rating revision as under:

Rating Agency	Rating	Dates	Nature of Securities/ Borrowing
CARE	CARE BBB+; Outlook: Positive	November 09, 2021	Long Term Bank Loan Facilities; and Non-Convertible Debentures
ACUITE	ACUITE A-; Outlook: Stable	February 09, 2022	
CARE	CARE A-; Outlook: Stable	May 12, 2022	

As per CARE Ratings key rating drivers are experienced promoters and senior management team, healthy capitalization backed by periodic equity infusions, adequate headroom for growth, well diversified resource profile, adequate risk management & control and sustained growth in AUM reflective of expansion strategy.

13. Investor Education and Protection Fund

There is no dividend declared since inception of the Company, therefore the provisions of Section 125 of the Companies Act, 2013 do not apply.

14. Composition of Board of Directors/ Key Managerial Personnel

During the year under review, there were no changes in occurred in Directors or Key Managerial Personnel (KMP). A list of Directors and KMPs as of March 31, 2022, is provided below:

Name	Designation	DIN/PAN	Date of Appointment	Date of Cessation
Mr. Ashutosh Sharma	Managing Director	02582205	27-01-2016	-
Mr. Sachin Grover	Whole Time Director	07387359	27-01-2016	-
Mr. Inderjit Walia	Independent Director	01812849	23-03-2018	-
Ms. Geeta Mathur	Independent & Woman Director	02139552	27-02-2019	-
Mr. Vinayak Prabhakar Shenvi	Non-Executive Director (Nominee)	00694217	29-12-2020	-
Mr. Kartik Srivatsa	Non-Executive Director (Nominee)	03559152	27-02-2019	-
Mr. Nirav Vinod Mehta	Non-Executive Director (Nominee)	07504945	26-02-2020	-
Mr. Rajiv Yashwant Inamdar	Non-Executive Director	01295880	10-07-2019	-
Mr. Bikash Kumar Mishra	Chief Financial Officer	ASAPM5138R	14/08/2020	-
Mr. Nitin Kumar Agrahari	Company Secretary	AXIPA3334J	11/06/2020	-

Pursuant to the 'Fit and Proper' Policy adopted by the Company under the RBI Master Direction for HFCs, 2021, the Company has been receiving the 'Fit and Proper' declarations every year from each of Directors along with other annual disclosures including independency declarations, wherever applicable. Based on the declarations and confirmations received in terms of the provisions of Section 164 of the Companies Act, 2013 and the RBI Directions, none of the Directors on the Board of your Company are disqualified from being appointed/ continue to hold directorship in the company.

15. Number of General Meetings/ Board Meetings conducted during the Year

General Meetings

Type of Meeting	Date of Meeting	Total Numbers of Members entitled to attend Meeting	Attendance	
			Numbers of Members attended	% Of Total Shareholding
1st Extra-ordinary General Meeting for FY 2021-22	01/09/2021	11	7	71.37%
2nd Extra-ordinary General Meeting for FY 2021-22	20/09/2021	13	7	71.37%
3rd Extra-ordinary General Meeting for FY 2021-22	22/09/2021	13	7	71.37%
6th Annual General Meeting	30/09/2021	13	7	61.32%
4th Extra-ordinary General Meeting for FY 2021-22	07/10/2021	12	7	78.97%
5th Extra-ordinary General Meeting for FY 2021-22	07/01/2022	13	7	79.11%

Board Meetings

The Company had 9 (nine) Board meetings during the financial year. The Company held a minimum of one board meeting in every quarter with a gap of not exceeding 120 days between two consecutive board meetings.

Date of meeting	Total No. of Directors on the Date of Meeting	Attendance	
		No. of Directors attended	% Of Attendance
16/06/2021	8	8	100.00%
02/09/2021	8	8	100.00%
17/09/2021	8	5	62.50%
22/09/2021	8	5	62.50%
12/11/2021	8	7	87.50%
08/12/2021	8	8	100.00%
30/12/2021	8	7	87.50%
11/02/2022	8	7	87.50%
17/03/2022	8	8	100.00%

Attendance of Directors

The details of attendance of the Directors at Board Meetings and at the last AGM held during FY 2021-22 are given below:

Name of the Directors	Designation	Board Meetings			AGM
		No. of Meetings which director was entitled to attend	No. of Meetings Attended	% Of Attendance	Attendance
Mr. Ashutosh Sharma	Managing Director	9	9	100.00%	Yes
Mr. Sachin Grover	Whole Time Director	9	6	66.66%	Yes
Mr. Inderjit Walia	Independent Director	9	9	100.00%	Yes
Ms. Geeta Mathur	Independent & Woman Director	9	9	100.00%	-
Mr. Vinayak Prabhakar Shenvi	Non-Executive Director (Nominee)	9	9	100.00%	-
Mr. Kartik Srivatsa	Non-Executive Director (Nominee)	9	7	77.77%	-
Mr. Nirav Vinod Mehta	Non-Executive Director (Nominee)	9	8	88.88%	-
Mr. Rajiv Yashwant Inamdar	Non-Executive Director	9	6	66.66%	-

Name of Director	Board Meeting No.								
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th
Mr. Ashutosh Sharma	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Sachin Grover	Y	Y	-	-	-	Y	Y	Y	Y
Mr. Inderjit Walia	Y	Y	Y	Y	Y	Y	Y	Y	Y
Ms. Geeta Mathur	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Vinayak Prabhakar Shenvi	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Kartik Srivatsa	Y	Y	-	Y	Y	Y	Y	-	Y
Mr. Nirav Vinod Mehta	Y	Y	Y	-	Y	Y	Y	Y	Y
Mr. Rajiv Yashwant Inamdar	Y	Y	-	-	Y	Y	-	Y	Y

16. Committees of the Board

Our Board of Directors formed different committees to enable better and more focused attention on the affairs of the Company. Board also do review at regular intervals for each of such committees their conformity with corporate governance standards including composition, terms of references, periodicity of meetings and compliance with coverage and review function. Minutes of committee meetings including updates thereof are being placed before the Board at its meeting held following to these committee meetings. Details of various committees constituted by the Board, are mentioned below:

a) Audit Committee:

The Audit Committee of the Board, deals as per relevant provisions of applicable regulatory provisions or directions and in accordance with terms of references as specified by the Board, *inter-alia* all audits related aspects including statutory, secretarial, internal and information security audit and as provided under any other regulatory directions/ guidelines, etc. This Committee reviews and examines at regular intervals various reports and processes which includes Audit and Inspection Reports, Legal Compliance Reports, Borrowing Covenant Compliance Reports, Investment concentration and assesses the adequacy and effectiveness of the Ummeed's systems for internal control, including financial reporting and financial controls.

Audit Committee meets regularly, and not less than one meeting is being held every quarter. The Audit Committee met 6 (Six) times during the financial year 2021-22 i.e., on 15th June 2021, 1st September 2021, 12th November 2021, 8th December 2021, 11th February 2022 and 16th March 2022. All recommendations made by the Committee during the year were accepted by the Board.

The attendance status of the Members at these meetings is provided in table given below. Presently, the Audit Committee of the Company comprises of following members:

Name of the Member	Designation	Number of Meetings attended
Ms. Geeta Mathur	Chairperson*	5
Mr. Inderjit Walia	Member	6
Mr. Kartik Srivatsa	Member	5

*Chairman/Chairperson of the Audit Committee is being elected every time during the meeting.

The Audit Committee monitors and oversee compliance reporting, internal audit reports and also discusses the statutory audit observations on a quarterly basis with Statutory Auditors. In compliance with SEBI's guidelines and with reference to the SEBI Circular (*SEBI/HO/MIRSD/CRADT/CIR/P/2019/121 dated November 4, 2019*), wherein credit rating agencies are required to meet the audit committee of the rated entity with listed NCDs, officials of CARE Ratings meet Audit Committee members at regular intervals. The Audit committee also reviews the investment positions of the company on quarterly rests and ensure that the investment has been made as per the policy of the Company.

b) Nomination and Remuneration Committee:

The primary function of the Nomination and Remuneration Committee ("NRC") is to assist and suggest to the Board of Directors in fulfilling its governance and supervisory responsibilities relating to human resource management and compensation. The Committee reviews and wherever required, recommend to the Board, the human resource policies, incentive plans to employees, evaluation of performances, feedbacks, employee's satisfaction and development. It also provides support in handling the nomination and remuneration proposals for the Board members including Independent Directors. Whilst deciding about appointment /re-appointment of a Director, the Committee shall also ensure that:

- there is no conflict of interest in appointment of directors and their independence is not subject to potential threats;
- the proposed appointee meets the 'fit & proper' standards; and
- the proposed appointee is not disqualified under the Act or regulatory directions to be appointed as Director of the Company.

During the year under review, NRC met 2 (two) times on 15th June 2021 and 16th March 2022. All recommendation made by the Committee to the Board during the year were accepted by the Board of Directors. The Nomination & Remuneration Policy of the Company is hosted on Company's website at https://www.ummeedhfc.com/company-policies. This Committee presently comprises of following members:

Name of the Member	Designation	No. of Meeting Attended
Mr. Inderjit Walia	Chairman	2
Ms. Geeta Mathur	Member	2
Mr. Nirav Mehta	Member	2
Mr. Ashutosh Sharma	Member	2

Your Company have formulated Nomination and Remuneration (NRC) Policy, which includes criteria for determining qualifications, positive attributes and independence of directors, duly approved by its Board in accordance with provisions of Section 178 of the Companies Act, 2013. The salient features of the NRC Policy are as follows:

- Composition, meeting, quorum and role of Nomination and Remuneration Committee;
- Appointment criteria and qualifications for Director, KMP and Senior Management Personnel;
- Remuneration and its framework for Managing/ Whole-Time/ Executive Director, Non-Executive Director, KMP and Senior Management Personnel; and
- Evaluation of performance of every Director, KMP and Senior Management Personnel.

NRC also ensures while recommending appointment /re-appointment of a Director, that there is no conflict of interest in appointment of directors and their independence is not subject to potential threats, proposed appointee meets the 'fit & proper' standards; and the proposed appointee is not disqualified under the Act or regulatory directions to be appointed as Director of the Company.

During FY 2022, the NRC Policy was amended once. The NRC policy of the Company is available on the Company's website at https://ummeedhfc.com/sites/default/files/Nomination-Remuneration-Policy.pdf

c) Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility ("CSR") Committee indulges itself into formulation of CSR policy, recommend the CSR budget, formulate annual action plan and monitoring CSR activities. The CSR Committee held its meeting on 15th June 2021 and 16th March 2022. All the recommendation made by the Committee to the Board during the year were accepted by the board of directors. This Committee also monitors activities undertaken by the company under its CSR program. Progress is being reported to committee at periodical intervals.

This Committee presently comprises of following members.

Name of the Member	Designation	No. of Meeting Attended
Mr. Rajiv Yashwant Inamdar	Chairman	2
Mr. Inderjit Walia	Member	2
Mr. Ashutosh Sharma	Member	2

A report on CSR activities as required under Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014, is enclosed as **Annexure – I**.

The Company intends to make a positive difference to society and contribute our share towards the social cause of betterment of society. The Company always believes in benefitting the underprivileged and those who have been deprived of even the basics in life. Helping, caring and sharing in whatever way possible is the approach. Your Company have formulated Corporate Social Responsibility (CSR) Policy in accordance with Companies Act, 2013 and Companies (CSR Policy) Rules, 2014, which encompasses the Company's philosophy for describing its responsibility as a good corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large.

During FY 2022, the CSR Policy was amended to, inter alia, include the implementing mechanism and the guidelines on formulation of CSR Action Plan in order to align the CSR Policy with the amended Companies (CSR Policy) Rules, 2014 as issued by the Ministry of Corporate Affairs vide its Notification dated January 22, 2021. Ummeed's Board further undertakes to spend the amount towards various identified CSR activities either directly or through the implementing agencies as per the CSR policy of the Company. CSR policy of the Company may be accessed on the Company's website at the link: https://www.ummeedhfc.com/company-policies.

d) Other Committees

The Company has constituted various Committees as per the requirement under Housing Finance Companies (NHB) Circulars/Directions and/or corresponding provisions of Reserve Bank' Master Directions of 2021 on HFCs, as amended from time to time. These Committees meet time to time as per requirement and predefined periodicity, minimum number of meeting or prescribed frequency as per applicable laws or RBI or NHB Directions / Guidelines. The list of the Committees and their members as on 31st March 2022 as follows:

Name of the Committee	Name of the Member
Risk Management Committee	Mr. Alok Prasad, Senior Consultant Mr. Ashutosh Sharma, Managing Director Mr. Sachin Grover, Whole Time Director Mr. Rajendra Gupta, National Credit Head Mr. Bikash Mishra, CFO
Asset Liability Management Committee (ALCO)	Mr. Ashutosh Sharma, Managing Director Mr. Sachin Grover, Whole Time Director Mr. Alok Prasad, Senior Consultant Mr. Bikash Kumar Mishra, CFO
Internal Compliant Committee	Ms. Beenata Lawrence, Presiding Officer Ms. Geeta Mathur, Independent Director Ms. Sonia Gaba, Executive Assistant Mr. Shariq Khan, Head - Product Mr. Bikash Kumar Mishra, CFO Mr. Vikas Khandelwal, State Business Head Mr. Ajit Pal Singh, State Business Head

	Mr. Salamrit Virk, External Member
Customer Service and Grievance Redressal	Mr. Sachin Grover, Whole Time Director Mr. Sandeep Verma, Head – Operations & Grievance Redressal Officer Mr. Shariq Khan, Head - Product Ms. Veena Mishra, Lead – Customer Service
Willful Defaulter Identification Committee	Mr. Sachin Grover, Whole Time Director Mr. Sandeep Verma, Head – Operations & Grievance Redressal Officer Mr. Shariq Khan, Head - Product
Willful Defaulter Review Committee	Mr. Ashutosh Sharma, Managing Director Mr. Rajiv Y. Inamdar, Non-executive Director Mr. Inderjit Walia, Independent Director
IT Strategy Committee	Mr. Inderjit Walia, Independent Director Mr. Ashutosh Sharma, Managing Director Mr. Madan Singh, CTO & CIO Mr. Harvinder Gandhi, IT Consultant - External Member Mr. Indrajit Lahiri, Senior Consultant Chief Information Security Officer (CISO)
Human Resource Matters Committee	Mr. Inderjit Walia, Independent Director Mr. Rajiv Y. Inamdar, Non-executive Director Mr. Ashutosh Sharma, Managing Director Mr. Sachin Grover, Whole Time Director Ms. Beenata Lawrence, Head – Human Resources
Borrowing & Banking Committee	Mr. Ashutosh Sharma, Managing Director Mr. Sachin Grover, Whole Time Director Mr. Bikash Mishra, CFO
Executive Committee on Fraud Reporting	Mr. Sachin Grover, Whole Time Director Mr. Bikash Mishra, CFO Mr. Afzal Ahmed, RCU Head Mr. Nitin Agrahari, Company Secretary
Marketing Committee	Mr. Rajiv Y. Inamdar, Non-executive Director Mr. Ashutosh Sharma, Managing Director Mr. Sachin Grover, Whole Time Director Mr. Ankur Mathur, Head – Marketing & Distribution

17. Directors Responsibility Statement

Pursuant to the provisions of Section 134(5) of the Companies Act 2013, Directors of your Company state and confirm that:

a) In preparation of the annual financial statements for the financial year ending 31st March 2022, the applicable accounting standards had been followed along with the proper explanation relating to the material departures and in compliance with the provisions of the Companies Act 2013;

b) The directors had adopted appropriate accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as of 31st March 2022 and of the profit or loss of the company for that period;

c) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) The directors have prepared the annual accounts on a 'going concern' basis;

e) The directors have laid down internal financial controls in the Company that are adequate and are operating effectively*; and

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

**This statement is relevant for listed companies, whereas Ummeed, being a private company and having only listed its non-convertible debt securities on BSE in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008, issued on private placement basis, not to be considered as listed company w.e.f. 1st April 2021 for the purpose of the proviso to clause (52) of section 2 of the Act, vide insertion of Rule 2A by the Companies (Specification of definitions details) Second Amendment Rules, 2021.*

18. Internal Financial Controls / Systems

Your Company has instituted adequate internal control systems commensurate with the nature of its business and the size of its operations. Internal audit is carried out by Internal Auditor appointed by Board on recommendation of Audit Committee and cover all internal processes, policies and key areas of business. All significant audit observations and follow-up actions thereon are reported to the Audit Committee.

19. Public Deposits

Your Company is granted Certificate of Registration to commence/ carry on business of a housing finance institution without accepting public deposits by National Housing Bank under Section 29A of The National Housing Bank Act, 1987. Hence, the Company does not accept any public deposits, nor it has accepted, or it will accept any public deposits during the year under review.

20. Corporate Governance

During the year under your review, the Company has adhered to all internal guidelines on corporate governance in line with Housing Finance Company (Reserve Bank) Directions, 2021. The Company has accordingly framed the internal guidelines on Corporate Governance. The said policy is available on the website of the Company at https://www.ummeedhfc.com/company-policies.

21. Particulars of Loans, Guarantees or Investments

Pursuant to Section 186(11) of the Companies Act, 2013, details regarding loans made, guarantee given, or security provided by a housing finance company in the ordinary course of its business are exempted from disclosure in the Annual Report. The details of Investment made by the Company for the same are provided in notes to the financial statements of the Company for the year ending 31st March 2022.

22. Employees Stock Options Plan (ESOP)

Presently, stock options granted to the employees operate under the Ummeed's Employee Stock Option Plan 2017 ("ESOP 2017" or "Plan"). ESOP 2017 was approved by the shareholders of the Company by passing a special resolution in its meeting held on 25th May 2017, authorizing the Board to grant 20,60,658 (Twenty Lac Sixty Thousand Six Hundred and Fifty Eight) Employee Stock Options to the Employees under the plan, exercisable into not more than 20,60,658 (Twenty Lac Sixty Thousand Six Hundred and Fifty Eight) fully paid-up Equity Shares in the Company, with each such Option conferring a right upon the Employee to apply for one Share of the Company, in accordance with the terms and conditions of such issue and subject to the provisions of ESOP 2017.

This Plan was implemented with a view to attract and retain key talents by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. The ESOP 2017 was introduced in due compliance with the provisions of the Companies Act, 2013 and Companies (Share Capital and Debentures) Rules, 2014 ("SCD Rules").

During the year, under ESOP 2017, a total 2,21,574 fresh options were granted, and 2,76,327 options vested. During the year, an aggregate of 60,466 options were exercised. Pursuant to the exercise, the Company received Rs. 15.95 lakhs as exercise consideration (excluding tax), of which Rs. 6.05 lakhs were towards share capital and Rs. 9.90 lakhs towards securities premium. During the year, pursuant to exercise of options, 60,466 equity shares of Rs. 10 each were allotted to the concerned option grantees on 2nd September 2021 and 4th October 2021 under ESOP 2017. During the year, 22,000 options lapsed, while options in force (including unvested) as on 31st March 2022 stood at 13,73,010.

Further, details as per Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are provided in this report as **Annexure-II**.

23. Human Resource, Particulars of Employees and Related Disclosures

As on March 31, 2022, total number of employees on role of the Company reached up to 619. During the Q1F22, when Covid infections rose at an alarming rate, our focus then was more on employee welfare. Some of the key initiatives for employee's wellbeing include a "Doctor on call (24*7)" facility, a Vaccination camp for employee and a COVID related life insurance policy for employees.

Ummeed is running various employee engagement programs viz., employee satisfaction survey followed up by focused group discussions and using the feedback to clearly articulate Employee Value Proposition and Communicating the same to employees through various forums. Your company provided adequate training facilities to all employees and conducted a total of 484 training sessions covering a whooping number of 14,805 training man hours during this financial year. Employees are provided with all statutory benefits including creche facilities as per company' policies.

24. Directors' Remuneration

Disclosures related to particulars required under section 197 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable of the Company, being a private limited company.

Details of remuneration paid to Executive Directors and KMP along with sitting fee and commission paid to Non-Executive Directors have been provided in annual return in Form MGT-7, which is available on the Company's website and can be accessed at https://ummeedhfc.com/en/regulatory-disclosures and financial statements enclosed with this report.

25. Related Party Transactions

Related Party Transactions Policy in line with applicable laws or regulatory directions appended as **Annexure-III** and on website of the Company at https://ummeedhfc.com/en/regulatory-disclosures, pursuant to relevant provisions under Reserve Bank's Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. Further, the transactions with related parties during the year were in ordinary course of business and on arm' length prices, as per provisions of Section 2(76) read with Section 188 of the Companies Act, 2013, relevant details are provided in notes forming part of the financial statements enclosed with this report.

Disclosure as per Regulation 53(f) of SEBI LODR, 2015: Your Company does not have any holding or subsidiary company. Further, relevant additional disclosures pursuant to regulation 53(f) of SEBI (LODR), 2015 are provided in notes forming part of the financial statements enclosed with this report.

26. Subsidiaries, Joint Ventures and Associate Companies

Your Company does not have any joint venture, associate company and subsidiary company as on March 31, 2022.

27. Corporate Social Responsibility

Your Company has put in place, a Corporate Social Responsibility (CSR) Policy as per the provisions of section 135(1) of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 as approved by the Board, which lays down the emphasis on quality education, health infrastructure and services, promoting sports and environmental protection. A brief detail of CSR Committee is provided under clause 16(c) titled, "Committees of the Board" in this report. The CSR Policy is available on the website of the Company at https://www.ummeedhfc.com/company-policies. The annual report on CSR activities undertaken during the year provided under **Annexure - I**.

28. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Conservation of Energy: Information on Conservation of energy as prescribed under Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 is not applicable, since your Company is engaged in the business of providing home loans and do not engage in any kind of manufacturing or producing activities hence no annexure forms part of this report.

Technology Absorption: The management keeps itself abreast of the technological advancements in the housing finance space and has adopted best in class transaction, billing and accounting systems along with robust risk management solutions.

Foreign Exchange Earnings and Outgo: Foreign exchange Earnings and Outgo for the period under review was as follows:

a) Earnings: ***Nil***
b) Outgo: ***INR 15.15 million*** *(interest cost).*

29. Risk Management

Risk Management plays a key role in Ummeed's integral culture, business strategy and planning discussions. The same has been extensively discussed in the Management Discussion and Analysis of this report. Our Board of Directors have been provided with regular updates on progresses made in putting in place a progressive risk management system and risk management policy and strategy followed by Ummeed.

30. Vigil Mechanism/ Whistle Blower Policy

Pursuant to Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Section 177(10) of the Companies Act, 2013 ("Act") and under the provisions of Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, your Company has adopted a Whistleblower Policy ("the Policy") with a view to provide a vigil mechanism for employees of the Company to raise concerns on any violations of Code of Conduct or legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

The Audit Committee monitors the functioning of vigil mechanism and employees have access to the Audit Committee. The said policy is placed on the company website and can be visited at https://www.ummeedhfc.com/company-policies.

31. Significant and Material Orders Passed

During the year, there were no significant and/or material orders passed by the regulators, courts or tribunals, impacting the going concern status and future operations of your Company.

Penalty levied by the RBI/ NHB: *Nil*

32. Audit & Auditors

a) Statutory Audit

During the year, M/s. S. R. Batliboi & Associates LLP expressed their inability to continue as auditors for financial year ended March 31, 2022, pursuant to RBI Circular dated 27 April 2021 on Guidelines for Appointment of Statutory Auditors in NBFCs (including HFCs) and resigned from the position of statutory auditors.

The Audit Committee and Board at their respective meetings approved and recommended to the members of the Company, appointment of M/s. Agiwal & Associates, Chartered Accountants as statutory auditor of the Company for a term of three consecutive financial years ending March 31, 2022, March 31, 2023, and March 31, 2024, in compliance of RBI Guidelines and subject to the firm satisfying the eligibility norms each year. Thereafter, our members in their Extra Ordinary General Meeting held on January 7, 2022, approved appointment of said firm for the financial year ending March 31, 2022. M/s. Agiwal & Associates, Chartered Accountants have conducted statutory audit for FY 2022 and their report is annexed with this report along with financial statements.

Further, their appointment for financial years ending March 31, 2023, and March 31, 2024, are subject to approval of members at ensuing Annual General Meeting. The Statutory Auditors have confirmed that they satisfy the criteria of independence, as required under the provisions of the Companies Act, 2013 and eligibility certificate in Form B along with required information for carrying out statutory audit for FY 2022-23.

Statutory Auditors' Report

The Auditors' Report read together with notes to the accounts are self-explanatory and hence, do not require any further comments or elaborations under Section 134 of the Companies Act, 2013. The Statutory Auditors have not made any adverse comments or given any qualification, reservation, or adverse remarks or disclaimer in their report on financial statements for FY 2022.

Details in respect of frauds reported by Auditors under Section 143(12) of Companies Act, 2013

The Statutory Auditors have not reported any fraud to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014.

b) Cost Records and Cost Audit

Maintenance of cost records and requirement of Cost Audit as per prescribed under provision of Section 148(1) of the Companies Act, 2013, are not applicable for the business activity carried out by the Company.

c) Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013, The Company has appointed M/s Navneet K Arora & Co. LLP, Practicing Company Secretary as Secretarial Auditor to conduct Secretarial Audit of the Company for the financial year ending March 31, 2022. The secretarial auditor's report does not contain any qualifications, reservations, or adverse remarks. Secretarial audit report is attached to this report as **Annexure-IV** for perusal of members.

d) Internal Audit

The Company has an internal audit system commensurate with the size and nature of its business. The Board of Directors appointed Mr. Rohit Kumar, Head – Internal Audit, as Internal Auditor for the FY22 to conduct the internal audit of the various areas of operations and records of the Company. The periodic reports of the said internal auditors are regularly placed before the Audit Committee along with the comments of the management on the action taken to correct any observed deficiencies on the working of the various departments. The Company also has a strong internal audit framework as approved by the Board on recommendation of Audit Committee which ensures detailed coverage of the processes and systems needed to safeguard its assets, prevention and detection of errors and frauds, ensure accuracy and completeness of transactions thus enabling timely preparation of reliable financial information.

33. Secretarial Standards

The Company has complied with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

34. Declaration of Independent Directors

The Company has received necessary declaration from all of Independent Directors, stating that they meet the criteria of Independence provided under Section 149(6) of the Companies Act, 2013. Independent Directors have also confirmed compliance with the provisions of Rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors maintained by Indian Institute of Corporate Affairs, at the time they submit the declaration required under sub-section (7) of section 149 of the Act.

35. Separate Meetings of Independent Directors

During the year, all of Independent Directors convened a separate meeting without the presence of Non-Independent Directors and members of the management as per provisions of Clause VII of Schedule IV to the Companies Act, 2013. In that meeting of Independent Directors, performance of non-independent directors, Chairman and the Board as a whole were reviewed and evaluated.

36. Board Evaluation

Nomination & Remuneration Committee of the Company carried out an annual evaluation of performance of the Board and each Director on Board of the Company and Committees during the year ended on March 31, 2022, as per the terms of references of the Nomination and Remuneration Committee of the Company constituted in accordance with the provisions of section 178 of the Companies Act, 2013 and as per Board Evaluation Policy of the Company. Findings of evaluation process and ratings of the Board and its Committees shared to the Board of Directors at its meeting by the Chairman of Nomination Committee.

37. Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016

During the year under review, there was no application filed by or against the Company for corporate insolvency process under IBC before the NCLT.

38. Annual Return

Pursuant to the provisions to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return (Form MGT-7) for the financial year ended March 31, 2022, is available on the Company's website and can be accessed at https://ummeedhfc.com/en/regulatory-disclosures.

39. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules thereunder

At Ummeed, we follow approach of zero tolerance to sexual harassment at workplace and has formulated a policy in compliance of provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH") and the rules thereunder.

Pursuant to the requirements of Section 22 of POSH and rules thereunder, the Company has constituted an Internal Complaints Committee (ICC) comprising of such persons as required under the law. The Committee is responsible for ensuring compliance in terms of provisions of POSH, from time to time. Details of the total reported and closed cases pertaining to incidents under POSH are as follows:

- Number of cases reported during the year: Nil
- Number of cases closed during the year: Nil
- Numbers of cases open as on March 31, 2022: Nil

40. Disclosure pursuant to National Housing Bank Act, 1987 read with Housing Finance Company (Reserve Bank) Directions, 2021

a) Your Company is in compliance with all applicable provisions of NHB Act, 1987 and Directions, Guidelines and Circulars issued by NHB and RBI from time to time.
b) Your Company being a Non-Public Deposit accepting Housing Finance Company, not required to make disclosures in pursuance of provisions of Para 44.1 and 44.2 of Housing Finance Company (Reserve Bank) Directions, 2021.
c) Disclosures required under Para 16 of Housing Finance Company (Reserve Bank) Directions, 2021, have been provided accordingly wherever relevant in the financial statements annexed with this report.
d) The Board of Directors periodically review compliance of the Fair Practices Code and the functioning of the grievance's redressal mechanism at various levels of management.
e) Management Discussion and Analysis Report forming part of the Annual Report to the Shareholders, has been attached as part of this report as **Annexure-V**.

41. Listing with Stock Exchange

The Company is up to date in the payment of annual listing fees and in compliance with other disclosure related requirements to be made to Stock Exchange on which its debentures are listed.

42. Acknowledgement

Your directors would like to acknowledge the role of all its stakeholders - shareholders, customers, lenders, bankers and employees for their continued and wholehearted support to the Company in its prolific journey.

Your Board of Directors also wish to place on record their sincere gratitude the co-operation and assistance extended by its various supervisory and regulatory bodies like NHB, RBI, SEBI, MCA, Debenture Trustees & Subscribers, Rating Agencies and look forward for their continued support and co-operation.

For and on behalf of the Board of Directors of
Ummeed Housing Finance Private Limited

Mr. Ashutosh Sharma	**Sachin Grover**
Managing Director	**Executive Director**
(DIN: 02582205)	**(DIN: 07387359)**

Date: June 06, 2022
Place: Gurugram, Haryana

Annexure-I

The Annual Report on CSR Activities

Financial Year 2021-22

1. **Brief outline on CSR Policy of the Company:**

The Company has adopted its CSR Policy as approved by Board of the Company on recommendation of CSR Committee, in accordance with the provisions under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013 ("the Act").

At Ummeed, we intend to make a positive difference to society and contribute our share towards the social cause for betterment of society. Under CSR Activities, the Company undertakes activities mentioned in Schedule VII of the Act, such as Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care; Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects; Training to promote Rural sports, Nationally recognized sports, Paralympic sports and Olympic sports; Contributions to public funded Universities and Institutions; and Rural development projects and Slum area development.

As per the requirement, the CSR activities shall be undertaken by the Company, as per its CSR policy, on various projects or program or activities, as approved by CSR committee, through the registered trust or registered society or any Company established under Section 8 of the Act. There is no maximum ceiling for CSR expenditure by the Company. However, as per clause 135 of the Act, Company is required to spend, in every financial year, at least 2% of the average net profits of the company made during the 3 immediately preceding financial years on CSR activities. The annual budget for Ummeed' CSR initiative shall be approved by the Board of Directors on recommendation of the CSR Committee of the Company. The allocation of funds to specific projects/ programs will be as decided by the Board. Various CSR activities, projects and programs are to be monitored by the Company and progress is to be reported to be CSR committee of the Board at periodical intervals as may be required by the Committee.

2. **Composition of CSR Committee:**

SI. No.	Name of Director	Designation / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of meetings CSR Committee attended during the year
1	Mr. Rajiv Yashwant Inamdar	Non-executive Director and Chairman	2	2
2	Mr. Inderjit Walia	Independent Director	2	2
3	Mr. Ashutosh Sharma	Managing Director	2	2

3. **Web-link for composition of CSR Committee, CSR Policy and CSR Projects listed on the website:** https://www.ummeedhfc.com/company-policies

4. **Details of impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:** Not Applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
1	-	Nil	Nil

6. **Average Net Profit of the Company as per Section 135(5):** Rs. 7,86,53,472/-

7. **(a) Two percent of average net profit of the Company as per section 135(5):** Rs. 15,73,069/-

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not Applicable

   (c) Amount required to be set off for the financial year, if any: Not Applicable

   (d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 15,73,069/-

8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount.	Date of transfer.
16,11,000.00	Nil	N.A.	N.A.	N.A.	N.A.

(b) Details of CSR amount spent against ongoing projects for the financial year: *No such project

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	**Name of the Project.**	**Item from the list of activities in Schedule VII to the Act.**	**Local area (Yes/No)**	**Location of the project.**		**Project duration.**	**Amount allocated for the project (in Rs.)**	**Amount spent in the current financial Year (in Rs.).**	**Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).**	**Mode of Implementation - Direct (Yes/No).**	**Mode of Implementation - Through Implementing Agency**	
				State.	**District.**						**Name**	**CSR Registration number**
	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project.**	**Item from the list of activities in Schedule VII to the Act.**	**Local area (Yes/No)**	**Location of the project.**		**Amount spent for the project (in Rs.).**	**Mode of implementation - Direct (Yes/No).**	**Mode of implementation - Through implementing agency.**	
				State.	**District.**			**Name.**	**CSR registration number.**
1	Relief provided during COVID 19 Pandemic	Healthcare	Yes	Haryana	Gurugram	2,00,000	No	Hemkunt Foundations	CSR00004662
2	Medical Services to the Underprivileged through Mobile Health Van (HF Mobile 100)	Healthcare	Yes	Haryana	Gurugram	7,86,000	No	Hemkunt Foundations	CSR00004662
3	Primary Education to the Girl Child through Community-Based Learning Centers	Promoting Education	Yes	Rajasthan and Uttarakhand	Alwar, Rajsamand (RJ), Haridwar (UK)	6.25,000	No	IIMPACT	CSR00002935

(d) Amount spent in administrative overheads: Nil

(e) Amount spent on impact assessment, if applicable: Nil, impact assessment not applicable

(f) Total amount spent for the financial year (8b+8c+8d+8e): Rs. 16,11,000/-

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

S. No.	Particular	Amount (in Rs.)
1	Two percent of average net profit of the company as per section 135(5)	15,73,069.00
2	Total amount spent for the Financial Year	16,11,000.00
3	Excess amount spent for the financial year [(ii)-(i)]	37,931.00
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	37,931.00

9. **(a) Details of unspent CSR amount for the preceding three financial years:**

Sl. No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	NA	NA	NA	NA	NA	NA	NA

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

Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	NA	NA	NA	NA	NA	NA	NA	NA

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year**

(ASSET-WISE DETAILS)

(a) Date of creation or acquisition of the capital asset(s): Not Applicable
(b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

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

11. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5):** Not applicable, Company has spent all monies required to spend as per Section 135 of the Act.

For and on behalf of the Board of Directors of
Ummeed Housing Finance Private Limited

Mr. Ashutosh Sharma	**Mr. Rajiv Yashwant Inamdar**
Managing Director	**Chairman- CSR Committee**
(DIN: 02582205)	**(DIN: 01295880)**

Place: Gurugram, Haryana
Date: June 06, 2022

Annexure-II

Employees Stock Options Plan (ESOP)

The details of the employee stock option pursuant to the provisions of Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 as on March 31st, 2022, under Ummeed' Employees Stock Option Plan 2017 ("ESOP 2017" or "Plan") to are given below:

<table>
<tr><th>Details</th><th>ESOP 2017*</th></tr>
<tr><td>Options granted</td><td>13,73,010 (outstanding as on March 31, 2022)</td></tr>
<tr><td>Options vested</td><td>2,76,327 (during the financial year ended on March 31, 2022)</td></tr>
<tr><td>Options exercised</td><td>60,466</td></tr>
<tr><td>The total number of shares (Equity Shares) arising as a result of exercise of option</td><td>60,466</td></tr>
<tr><td>Options lapsed</td><td>22,000</td></tr>
<tr><td>The exercise price</td><td>10 - 28.50</td></tr>
<tr><td>Variation of terms of options</td><td>The ESOP 2017 was formulated by the Board and approved by the shareholders of the Company in the year 2017. The amendment with respect to the exercise of options was made in the year 2018 with due approval from the Board of Directors and shareholders of the Company.</td></tr>
<tr><td>Money realized by exercise of options</td><td>Rs. 15.95 lakhs as exercise consideration (excluding tax), of which Rs. 6.05 lakhs were towards share capital and Rs. 9.90 lakhs towards securities premium.</td></tr>
<tr><td>Total number of options in force</td><td>13,73,010 (outstanding as on March 31, 2022)</td></tr>
<tr><td colspan="2">Employee wise details of options granted to</td></tr>
<tr><td>Key Managerial Personnel</td><td>
<table>
<tr><th>KMPs</th><th>Designation</th><th>Total Options Granted</th></tr>
<tr><td>Sachin Grover</td><td>Whole Time Director & COO</td><td>759,052</td></tr>
<tr><td>Bikash Mishra</td><td>Chief Financial Officer</td><td>1,09,774</td></tr>
<tr><td>Nitin Agrahari</td><td>Company Secretary</td><td>5,000</td></tr>
</table>
</td></tr>
<tr><td>Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year</td><td>Name of employees have been granted options amounting to 5% or more options granted during the year.
<table>
<tr><th>Employees</th><th>Designation</th><th>Total Options Granted</th></tr>
<tr><td>Beenata Lawrence</td><td>Head- Human Resources</td><td>30,000</td></tr>
<tr><td>Bikash Kumar Mishra</td><td>Chief Financial Officer</td><td>32,574</td></tr>
<tr><td>Chandan Kumar Jha</td><td>Head- Collection</td><td>12,500</td></tr>
<tr><td>Ravi Tiwari</td><td>State Credit Head</td><td>15,000</td></tr>
<tr><td>Vinkal Sachdeva</td><td>State Credit Head</td><td>15,000</td></tr>
<tr><td>Shashank Shekar</td><td>State Credit Head</td><td>15,000</td></tr>
</table>
</td></tr>
<tr><td>Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;</td><td>Nil</td></tr>
</table>

**Ummeed Stock Option Plan 2017- became effective from May 25, 2018, as per the terms of the scheme.*

Annexure-III

Related Party Transaction Policy

1. BACKGROUND

Ummeed Housing Finance Private Limited (hereinafter referred to as "the Company" or "HFC" or "Ummeed") is a Private Limited Company incorporated under the provisions of the Companies Act, 2013 ("Act") and registered as a Housing Finance Company ("HFC") with the National Housing Bank ("NHB").

With the shifting of regulation of HFCs from NHB to RBI, now Reserve Bank of India's ("RBI") Master Direction - Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, shall apply to all HFCs. Therefore, this Policy is prepared in line with the said RBI Master Direction due to the onset of change in regulations for HFCs.

The Board of Directors of the Company approved this Policy to define and lay down the procedures based on applicable laws or regulatory directions to be adopted by the Company while dealing with a related party and entering into a transaction with a related party.

2. SCOPE & OBJECTIVES

2.1 Policy Objective

The Policy intends to define a governance framework for proper approval and reporting of transactions between the Company and its Related Parties. This Policy has been framed with the objective of ensuring compliance with the provisions pertaining to Related Party Transactions in the Companies Act, 2013 ("Act"), the Rules made thereunder, INDAS 24 or applicable Accounting Standards issued by the ICAI and the applicable provisions of the Master Direction - Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ("Master Directions"). The present policy is designed with an objective to regulate transactions with related parties and ensure adequate systems and procedures to address potential conflict of interest and compliance with the provisions of the Act. This policy seeks to serve the following objectives:

- To regulate and control related party transactions as intended under Companies Act/ RBI Master Directions;
- To ensure that there is a proper system of approval for related party transactions;
- To ensure disclosure of the related party transactions entered between the company and its related parties;
- To ensure transparency regarding such transactions; and
- To improve corporate governance by providing required disclosures of related party transactions.

2.2 Review of Policy

The Policy shall be reviewed periodically on such gaps as considered necessary by the Audit Committee of the Board and whenever required under the applicable directions, rules and regulations.

2.3 Policy Approval

The Board of Directors or the Audit Committee of the Board may review and may amend this policy, as and when required by the applicable laws, rules and regulations.

3. POLICY STANDARDS

All Related Party Transactions should be reported to the Audit Committee and referred for approval to the relevant authorities in accordance with this Policy.

4. DEFINITIONS

4.1.1 **“Act”** means the Companies Act, 2013 and rules made thereunder and includes any amendment or modification thereof.

4.1.2 **“Arms’ Length Transaction”** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

4.1.3 **“Audit Committee or Committee”** means a committee of the Board of Directors of the Company constituted under provisions of the RBI Directions and the Companies Act, 2013.

4.1.4 **“Board”** means the Board of Directors of the Company constituted under provisions of the Companies Act, 2013.

4.1.5 **“Company”** means Ummeed Housing Finance Private Limited.

4.1.6 **“Key Managerial Personnel”** means key managerial personnel as defined under the Companies Act, 2013 and includes

i)Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;

ii) Chief Financial Officer; and

iii) Company Secretary.

4.1.7 **“Material Related Party Transaction**” means a transaction with a Related Party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the Company or such limits as may be prescribed either in the Companies Act, 2013 or other applicable regulatory directions, from time to time. Provided that in case of any amendment to the Act or applicable directions, rules and regulations, definition of Material transactions will be deemed to be changed without any further approval of Audit Committee or Board.

4.1.8 “**Related Party**”: An entity shall be considered as related to the Company if:

i) Such entity/ person is a related party as per Section 2(76) of the Companies Act, 2013, or

a) Director or a KMP or their relatives, or

b) a Firm, in which a director, manager or his relative is a partner,

c) a Private Company in which a director or manager or his relative is a member or director,

d) a Public Company in which a director or manager is a director and holds along with his relatives, more than 2% of its paid-up share capital,

e) 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 and

f) any Person on whose advice, directions or instructions a director or manager is accustomed to act as related party transactions.

g) any Body Corporate which is:

- holding, subsidiary or an associate company of such company
- a subsidiary of a holding company to which it is also a subsidiary
- an investing company or the venture of the company

h) a Director (other than an independent director) or KMP of the holding company or his relative

ii) Such entity is a related party under the IND AS 24 or applicable Accounting Standards issued by the ICAI

4.1.9 “**Related Party Transaction**” shall mean all transactions between the Company on one hand and one or more related party on the other hand including contracts, arrangements and transactions as envisaged in Section 188(1) of the Companies Act, 2013 and/ or IND AS 24 or applicable Accounting Standards issued by the ICAI

4.1.10 "Relative" as per section 2 (77) of the Companies Act, 2013, with reference to any person, shall be deemed to be relative of another, if he or she is related to another in the following manner, namely: -

i) Father, including step-father;
ii) Mother, including step-mother;
iii) Son, including step-son;
iv) Son's wife;
v) Daughter;
vi) Daughter's husband;
vii) Brother, including step-brother;
viii) Sister, including step-sister;
ix) are members of a Hindu Undivided Family;
x) they are Husband and wife.

5. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS

5.1 Every Director and Key Managerial Personnel (KMP) shall, at the time of appointment, annually and whenever there is any change in the information already submitted, provide requisite information (Form MBP-1) about all persons, firms, entities in which he is interested whether directly or indirectly, to the Company Secretary.

5.2 For identification of the Related Parties, a Related Parties ("RP") list will be prepared basis intimations received from the Directors/ KMPs or changes in management or shareholding structure from time to time. The updated RP List will be shared with all relevant functions and shall be referred for monitoring of the transactions and ensuring compliance at their end.

5.3 Each director and Key Managerial Personnel shall be responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. The Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

5.4 Identify the Ordinary Course of Business in relation to company.

5.5 The Company's directors and KMP shall endeavor to intimate such notice of any potential Related Party Transaction well in advance so that the Audit Committee/ the Board has adequate time to obtain and review information about the proposed transaction. All Related Party Transactions for the period will be placed for approval / noting / ratification by the Board of Directors/ Audit Committee, in accordance with this Policy. To review a Related Party Transaction, the Board / Audit Committee will be provided with all the relevant information as mentioned in the Act pertaining to the Related Party Transaction, including the name of the related party, the nature of the relationship, nature of the transaction, whether the transaction is in the 'Ordinary Course of Business', whether the transaction is at 'Arm's Length' and any other matter, as may be required.

6. APPROVING AUTHORITIES

6.1 **Audit Committee:** Any transaction or any subsequent modification of transactions of the company with related parties shall require the approval of the Audit Committee at a Meeting of the Audit Committee or by Circulation.

6.2 **Board of Directors:** All "Related Party Transactions which are not in OCB or not at an Arm's Length" shall require the prior approval of the Board of Directors at a Meeting of the Board and cannot be passed by Circulation.

6.3 **Shareholders:** All "Related Party Transactions which are not in OCB or not at an Arms' Length" and exceeding the prescribed criteria under Section 188 of the Act, shall require prior approval of the Shareholders' by means of an Ordinary Resolution passed at a General Meeting.

7. PRIOR APPROVAL REQUIRED FOR RELATED PARTY TRANSACTIONS AND OMNIBUS APPROVAL

All Related Party Transactions defined/ stipulated under the Companies Act, 2013 shall require prior approval from the Audit Committee. For any ratification or exception, parameters mentioned in this Policy shall be followed.

The Audit Committee may grant omnibus approval, on an annual basis, for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:

a) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature;

b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;

c) Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit;

d) The omnibus approval shall be valid for one year as per rule 6A of the Companies (Meeting of Board and its Power) Rules, 2014.

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

Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company and/or any other transaction the Audit Committee may deem not fit for omnibus approval.

Additionally, other related party transactions prescribed under the IND AS 24 or applicable Accounting Standards issued by the ICAI shall be presented to the Audit Committee for its review and noting.

8. ORDINARY COURSE OF BUSINESS

The phrase "Ordinary Course of Business" has not been defined under the Act or Rules made thereunder. However, the Company will adopt a reasonable approach/ methodology to demonstrate 'Ordinary Course of Business' which shall, *inter alia,* include the Nature of the transaction, the frequency / regularity / length of time the company is engaged such transaction, or transactions permitted by the Object Clause in the Memorandum of Association of the Company or such transaction/ action is consistent with the past practices and was taken in the ordinary course of the normal day-to-day operations of such company, common commercial practice i.e. customarily taken, in the ordinary course of the normal day-to-day operations of other companies that is in the same / similar line of business.

9. ARM'S LENGTH PRICING

For transactions between two related parties to be considered to be at Arm's Length Pricing, the transaction should be conducted between the two parties as if the parties were unrelated, so that there is no conflict of interest i.e. Arm's Length Pricing is the condition or the fact that the two related parties transact as independent (un-related) parties and on an equal footing from one or more of the following aspects viz. nature of goods/ services, risk assumed, assets/ resources employed, key terms/ covenants.

10. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

Related Party Transactions will be referred to the next regularly scheduled meeting of the Audit Committee for review /noting and/ or approval as above. Any member of the Committee who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from discussion and/ or voting on the approval of the Related Party Transaction. In the event the management determines that it is impractical or undesirable to wait until a meeting of the Committee for the approval of a Related Party Transaction, due to business exigency or otherwise, such transaction may be approved by the Committee by way of circular resolution in accordance with this Policy subject to applicable statutory provisions of the Act for the time being in force and as amended from time to time. Every such transaction as approved through resolution passed by circulation shall be placed within three months from the date of transaction at the Audit Committee meeting for ratification.

To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction as required under the Act, including the terms of the transaction, business purpose of the transaction, benefits to the Company and to the Related Party, and any other relevant matters. In determining whether to approve a Related Party Transaction, the Committee may consider the following factors, among others, to the extent relevant to the Related Party Transaction:

a) Whether the terms of the Related Party Transaction are fair and on arm’s length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;

b) Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;

c) Whether the Related Party Transaction would affect the independence of an independent director;

d) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;

e) Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and

f) Whether the Related Party Transaction would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the director, Executive Officer or other Related Party, the direct or indirect nature of the director’s, Key Managerial Personnel’s or other Related Party’s interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/ Committee deems relevant.

If the Audit Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case decides to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board’s review and approval of the matter, with such modification as may be necessary. Further, the Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered by the Company pursuant to each of the omnibus approval given.

11. NOTWITHSTANDING THE FOREGOING, THE FOLLOWING RELATED PARTY TRANSACTIONS SHALL NOT REQUIRE APPROVAL OF THE AUDIT COMMITTEE:

i) Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.

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

12. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider the relevant facts and circumstances regarding the Related Party Transaction and failure to report RP Transaction. The Committee, while deciding on the matter, shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction and shall take any such action it deems appropriate including immediate discontinuation or rescission of the transaction. The Audit Committee, while considering a Related Party Transaction, will have authority to modify or waive any procedural requirements of this Policy subject to compliance of applicable statutory provisions for the time being in force.

13. INTERNAL PROCESS FRAMEWORK

The Company shall institute an appropriate internal process framework to ensure requisite approvals/ noting of all Related Party Transactions to comply with this Policy.

14. COMMUNICATION TO ALL THE DIRECTORS AND CONCERNED EMPLOYEES

The relevant aspects of this Policy will be communicated to all the directors and concerned employees/ officials of the Company.

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<u>**Annexure-IV**</u>

Form No. MR-3

Secretarial Audit Report

[For the Financial Year ended on 31st March 2022]

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

To,
The Members,
Ummeed Housing Finance Private Limited
Regd. Office: 318, DLF Magnolias, Sector -42.
Golf Course Road,
Gurgaon –HR-122002

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by the **Ummeed Housing Finance Private Limited (CIN NO-U65922HR2016PTC057984**) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records or registers maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2022,** complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records or registers maintained by the Company for the period ended on **31st March 2022,** according to the provisions of:

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

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

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

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

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), viz.;

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; ***Only Debt Securities were listed on the Stock Exchanges; hence, no such transaction was held during the financial year and accordingly the Regulations were not applicable to the Company during the audit period.***

   b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

c) The Securities and Exchange Board of India (Registrars to an Issue and Shares Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; ***The Company was not engaged in the activities relating to Registrar to an Issue and was also not acting as Share Transfer Agent, Hence the aforesaid Regulations were not applicable to the Company during the Audit period.***

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

e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

Since, the Equity Shares of the Company was not listed, therefore, regulations stated above at sub-clauses (d) to (h) of clause (v) of this Report, were not applicable on the Company during the audit period.

(vi) Other labour, environment and specific applicable Acts / Laws to the Company for which Secretarial Audit was conducted as an overview audit and was generally based / relied upon the documents provided to us and Management Confirmation Certificate provided by the Management of the Company & other audit report and certificates given by other professionals, the company has complied with the following Acts / Laws applicable to the Company during the audit period:

a) Reserve Bank of India Act read with Non-Banking Financial Company –Housing Finance Company (Reserve Bank) Directions, 2021 issued by Reserve Bank of India as amended till date;

b) National Housing Bank Act 1987 as amended till date and the NHB Directions and Guidelines as applicable to HFCs;

c) The Employees Provident Fund & Miscellaneous Provisions Act, 1952 & The Employees Deposit-Linked Insurance Scheme, 1976 and Employees Provident Fund Scheme, 1952;

d) The Contract Labour (Regulations and Abolition) Act, 1970;

e) Maternity Benefit Act, 1961;

f) Minimum Wages Act, 1948;

g) The Payment of Wages Act, 1936;

h) The Equal Remuneration Act, 1976;

i) The Shops and Commercial Establishments Act, 1958;

j) The Payment of Bonus Act, 1965;

k) The Child Labour (Prohibition & Regulation) Act, 1986;

l) The Payment of Gratuity Act, 1972;

m) Employment Exchanges (Compulsory Notification Of Vacancies) Act, 1959 and Rules made thereunder;

n) Labour Welfare Fund Act;

o) Indian Stamp Act, 1899;

p) Information Technology Act, 2000;

q) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 read with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules 2013;

r) IRDAI (Registration of Corporate Agents) Regulations, 2015.

s) (Environment (Protection) Act 1986 read with The Environment (Protection) Rules 1986 and other Environment Laws.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India;

(ii) Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, in respect of listing of non-convertible debentures with BSE Ltd.

We have not examined the applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that:

1) The Company has complied with Companies Act 2013 in respect of constitution of the board with proper balance of Executive, Non-Executive Directors & Independent Directors. The Changes in the Composition of the Board of Directors that took place during the period under review out in compliance with the provisions of the Act;

2) Adequate notice is given to all Directors to schedule the Board Meetings atleast seven days in advance and agenda and detailed notes on agenda were also sent in advance to all the Directors subsequently, 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. In case of shorter notice, the Company has complied with the applicable provisions of Section 173 of the Companies Act, 2013 read with clause 1.3.7 of the Secretarial Standard -1 of ICSI;

3) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes;

4) The Company has obtained requisite approval, permission, confirmation from Registrar of Companies, NCT of Delhi & Haryana, Securities & Exchange Board of India, BSE Limited, Debenture Trustee and other regulated bodies in respect of :

   A. Increase in the Authorized Share Capital of the Company and Amendment of the Capital Clause of the Memorandum of Association ("MOA") of the Company **from** INR 716,280,000 (Indian Rupees Seven Hundred Sixteen Million Two Eighty Thousand only) comprising of (i) 16,300,000 (Sixteen Million Three Hundred Thousand Only) equity shares of face value of INR 10/- (Indian Rupees Ten only) each; and (ii) 27,013,000 (Twenty Seven Million Thirteen Thousand Only) fully and compulsorily convertible cumulative preference share of face value of INR 20/- (Indian Rupees Twenty only) (iii) 1,302,000 (One Million Three Hundred Two Thousand Only) Optionally Convertible Non-Cumulative Redeemable Preference Shares of face value of INR 10/- (Indian Rupees Ten only) **To** - INR 879,280,000/- (Rupees Eight Hundred Seventy Nine Million Two Hundred Eighty Thousand Only) comprising of (i) 16,300,000 (Sixteen Million Three Hundred Thousand Only) equity shares of face value of INR 10/- (Indian Rupees Ten only) each; (ii) 34,563,000 (Thirty Four Million Five Hundred Sixty Three Thousand Only) fully and compulsorily convertible cumulative preference share of face value of INR 20/- (Indian Rupees Twenty only); and (iii) 2,502,000 (Two Million Five Hundred and Two Thousand Only) Optionally Convertible Non-Cumulative Redeemable Preference Shares of face value of INR 10/- (Indian Rupees Ten only) each which was approved by Shareholders in the Extraordinary General Meeting held on 01st Day of September, 2021.

B. Allotment of 4906 (Four Thousand Nine Hundred and Six) Equity Shares of INR 10/- (Indian Rupees Ten Only) each at a premium of INR18.50/- (Indian Rupees Eighteen point fifty only) per shares ranking pari-passu with the existing shares to eligible employees of the Company in accordance with the terms of Company's Employees Stock Option Plan 2017 which was approved by the Board of Directors in its meeting held on 02nd September 2021.

C. Issuance of 1,188,552 (One Million One Eighty-eight thousand five hundred and fifty two) Optionally Convertible Non-Cumulative Redeemable Preference Shares (OCNCRPS) through Preferential issue via Private Placement basis at INR 129.44/- (Indian Rupees one hundred and twenty nine point Forty-four) per share, including INR 10.00/- (Indian Rupees Ten only) as face value and INR 119.44/- (Indian Rupees One Hundred and Nineteen and point Forty-four only) as premium & Alternation of Article of Association of the Company which was approved by Shareholders in the Extraordinary General Meeting held on 20th Day of September, 2021 as well as allotment was approved by the Board in its meeting held on 22nd Day of September 2021.

D. And, in respect of:

i. Approval of Issuance and Allotment of Equity Shares and Series E Compulsorily Convertible Non-Cumulative Preference Shares through Preferential Issue via Private Placement as under:

   (a) 1,000 (One Thousand) Equity Shares each at a price of INR225.48 (Indian Rupees two hundred and twenty five point four eight only) per Equity Share including INR-10 (Indian Rupees Ten only) as face value and INR 215.48 (Indian Rupees Two Hundred and Fifteen Point Four Eight only) as premium; and

   (b) 7,449,772 (Seven Million Four Hundred Forty-Nine Thousand Seven Hundred Seventy-Two) Series E fully and compulsorily convertible non-cumulative preference shares ("Series E CCPS") each at a price of INR 225.48 (Indian Rupees two hundred and twenty five point four eight only) per Series E CCPS including INR 20 (Indian Rupees Twenty only) as face value and INR 205.48 (Indian Rupees Two Hundred and Five Point Four Eight only) as premium.

ii. Adopt and vary the terms of 2,636,204 (two million six hundred thirty-six thousand two hundred four) Series A Compulsorily Convertible Cumulative Preference Share (Series A CCPS).

iii. Adopt and vary the terms of 7,419,322 (seven million four hundred nineteen thousand three hundred twenty-two) Series B Compulsorily Convertible Cumulative preference Share (Series B CCPS).

iv. Adopt and vary the terms of 7,685,840 (seven million six hundred eighty-five thousand eight hundred forty) Series C Compulsorily Convertible Cumulative preference Share (Series C CCPS).

v. Adopt and vary the terms of 9,270,567 (nine million two hundred seventy thousand five hundred sixty-seven) Series D Compulsorily Convertible Cumulative preference Share (Series D CCPS).

The above matter was approved by Shareholders in the Extraordinary General Meeting held on 22nd Day of September 2021 as well as allotment was approved by the Board through circulation on 27th and 28th Day of September 2021.

E. Adoption of New Set of Restated Articles of Association (Articles) and to entrench the Restated Articles of the Company which was approved by Shareholders in the Extraordinary General Meeting held on 7th Day of October 2021.

F. Allotment of 55,560 (fifty-five thousand five hundred and sixty) equity shares of face value of INR 10/- (Indian Rupees ten only) per shares at a premium of INR18.50 (Indian Rupees Eighteen point Fifty) on an exercise price per share of INR28.50 (Indian Rupees Twenty Eight point Fifty only) [Except 6961 (six thousand nine hundred and sixty one) Equity Shares, which was allotted only on face value / exercise price per share of INR 10 (Indian Rupees ten only) in terms of options at the time of grant] ranking pari-passu with the existing shares to eligible employees of the Company in accordance with the terms of Company's Employees Stock Option Plan 2017 which was approved by the Board of Directors in its Circular Resolution approved on 04th October 2021.

G. Appointment of Statutory Auditor of the Company to fill the Casual Vacancy which was recommended by Board in its meeting held on 30th December 2021 and Shareholders has approved in the Extraordinary General Meeting held on 7th Day of January, 2022.

5) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act 2013, Depositories Act and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers;

6) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of:

a) Public Issue of Shares / Sweat Equity except as stated above in point No. 4;
b) Buy-back of Securities;
c) Merger / Amalgamation / Reconstruction etc. and
d) Foreign Technical Collaborations.

For Navneet K Arora & Co LLP
Company Secretaries

CS Navneet Arora
Managing Partner
CS: 3214, COP: 3005
[ICSI Firm Unique Identification Code: P2009DE061500]
UDIN: F003214D000327661
Place: New Delhi
Date: 16th May 2022

[Note: This report is to be read with our letter of even date which is annexed as ***"Annexure-A"*** *and forms an integral part of this report].*

To,
The Members,
Ummeed Housing Finance Private Limited
Regd. Office: 318, DLF Magnolias, Sector -42.
Golf Course Road
Gurgaon –HR-122002

Annexure –"A"

Our report of even date is to be read along with this letter as under:

1) Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records on our audit.

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

3) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4) Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

5) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.

6) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the company.

For Navneet K Arora & Co LLP
Company Secretaries

CS Navneet Arora
Managing Partner
CS: 3214, COP: 3005
[ICSI Firm Unique Identification Code: P2009DE061500]
UDIN: F003214D000327661
Place: New Delhi
Date: 16th May 2022

Annexure-V

Management Discussion & Analysis

Overview of Indian Economy

Indian economy witnessed a lot of changes in recent past due to covid19 infection waves resulting State led lockdowns and restriction in movement. However, with an unprecedented scale of vaccination programme run by across the country along with supportive policies of Indian Government helped the nation's economy withstand challenges posed by the second and third wave of the pandemic.

India's GDP is estimated to grow at 8.7% during FY 2022 as compared to a contraction of 6.6% in FY 2021, and estimated to grow in the 8-8.5% range in FY 2023, supported by increased public investment in infrastructure and a pickup in private investment, while factoring sustained progress in vaccinations, increasing global oil prices due to impacts of Russia's invasion of Ukraine and commodity prices that will contribute to rising inflation and a widening of the current account deficit. Macroeconomic stability indicators suggest that the Indian Economy is well placed to take on the challenges of FY 2023. However, recent monetary policy committee's decision to hike benchmark repo rate by 40 basis points may elevate the borrowing cost of housing finance companies.

Industry Structure and Developments

In the housing finance space, housing finance companies (HFCs) have been playing a significant character in serving housing needs of customers from last few years. Despite of many challenging macro and micro economic developments, liquidity concerns and ongoing regulatory changes, most of HFCs led to a considerable elevation in their financial performance in FY 2022. While in last fiscal year, disbursement trends saw nil sequential growth in the on-book portfolio in Q1, followed by a sharp recovery in Q2, which continued in Q3, and finally Q4 gave more confidence about the demand in the industry. This rise in disbursal trends is expected to remain due to increasing level of economic activity and increasing vaccination in the country. As per ICRA report, HFC portfolio expected to grow by 8-10% in FY 2022 and 9-11% in FY 2023.

On the regulatory front, from last couple of years, HFCs are experiencing larger number of developments than any other time. Previously RBI came with review of regulatory framework for HFCs followed by master directions of 2021. In the month of April 2021, RBI notified guidelines on appointment of Statutory Auditors which led us appointing a new auditor for a period of three financial years. Now during the year, RBI issued revised regulatory framework on scale-based regulation (SBR) for NBFCs on October 22, 2021, which divided NBFCs into four layers (i.e., base, middle, upper & top layer) on the basis of their size, activity, and perceived risk. Under this framework, HFCs were placed in middle layer. These norms will be effective from October 1, 2022. Other notifications issued by RBI on November 12, 2021, and February 15, 2022, wherein they have provided clarification on the income recognition and asset classification (IRAC) norms for NBFCs and HFCs, which may lead higher GNPAs numbers by September 2022.

Opportunities and Threats

Opportunities

Our expansion at more locations thorough opening of new branches will fetch us a lot of new opportunities in terms of reaching out to new set of home buyers.

Housing demand has significantly increased with a substantial push from millennials due to reasons such as steady wage growth and stable property prices. Further, tech initiatives are playing pivotal role in enhancing end to end digital journey and delivering superior borrowing experience to these young home buyers. Presently this generation used to mostly opt for rented houses, but the preference has changed due to the worldwide disruption caused by the Covid19 pandemic, which also forced many companies to shift their work from office culture to adopt work from anywhere approach. This helped our millennial population to work from their hometowns thereby giving rise to housing demands in rest parts of country other than metropolitan cities. Low mortgage costs are also boosting affordability. The narrowing of gap between rental yield and interest rate, which is a primary criterion for first-time home buyers, is influencing buying decisions.

Threats

New waves of Covid19 infections and their impacts may lower down the housing demand, portfolio quality and affordability of self-employed category of buyers. Increasing competition with some segments being dominated by Banks with lower cost of funds.

Segment/ Product wise Performance and Financial Performance with respect to Operations

The Company operates in a single reportable operating segment of providing loans. The Company's total AUM stood at Rs. 765.75 crore (on book: Rs. 679.82) as on March 31, 2022, compared to Rs. 579.59 crore (on book: Rs. 507.16) as on March 31, 2021, representing a growth of 32.12% in loan book. During FY 2022, the Company disbursed Loans amounting to Rs. 375.95 crore, with an increase of 55.09%, as against total disbursement made in FY 2021 of Rs. 242.41 crore.

The Company's total revenue increased by 19.88% to Rs. 109.06 Crore in FY 2022 from Rs. 90.96 crore in FY 2021, whereas interest expenses decreased by 8.47% to Rs. 35.68 crore in FY 2022 from Rs. 38.98 crore in FY 2021. Our net interest income rose by 62.20% from Rs. 34.31 in FY 2021 to Rs. 55.67 crore in FY 2022. Net Interest Margin as a percentage of average assets, stood 9.84 % for FY 2022.

Employee benefit expenses for FY 2022 stood at Rs. 35.18 crore as against Rs. 25.36 crore in FY 2021, with an increase by 38.72%. Impairment provision on the asset book during the year ended March 31, 2022, was Rs. 5.98 crore. Other expenses increased by 41.97% from Rs. 7.44 crore in FY 2021 to Rs. 10.56 crore in FY 2022. The provision for taxation during the year was Rs. 4.64 crore. An amount of Rs. 3.73 crore is transferred to the Special Reserve Fund for FY 2022, pursuant to Section 29C of the National Housing Bank Act, 1987. An amount of Rs. 7.73crore is proposed to be carried to the Balance Sheet after appropriations.

Net Profit after Tax for the year increased by 64.98%, from Rs. 11.31 crore in FY 2021 to Rs. 18.65 crore in FY 2022, mainly on account of higher business income and saving in finance cost. Our efficient collection strategies helped us in containing NPA levels at an acceptable degree, GNPA and NNPA were at 0.83% and 0.53% respectively on March 31, 2022, compared to 0.67% and 0.43% of corresponding numbers in previous years.

Outlook

As per various rating agencies reports, affordable housing finance companies (AHFCs) is likely to witness strong loan growth in FY23 and going forward, supported by Government's higher focus on housing, favourable tax regime, lower housing penetration i.e., lower mortgage to GDP ratio, increased affordability, continued wage growth and possible increase in ticket size (partly due to asset inflation). As per ICRA' report, asset portfolio of housing finance companies is expected to grow by 9-11% in FY 2023 though access to adequate funding would be critical. During the H1FY23, GNPAs may increase due to implementation timeline of tighter norms under RBI Circulars dated November 12, 2021, and February 15, 2022.

As regard to outlook about liquidity and funding requirement in HFC sector, it is expected that liquidity would remain comfortable and additional funding of Rs. 1.2 lakh crore will be required to support growth apart from refinancing existing or maturing lines during the FY 2023. Overall, as the economic momentum progresses, we remain optimistic on the favourable business environment driving the year-on-year growth in HFC sector.

Risks, Concerns and Management thereof

Risk Management remains an integral and core part of Company's business strategy and culture from inception, as the significance of risk and its management are comparatively more in financial sector because of very nature of the industry. Your company being a company in housing finance sector, is exposed to various risks such as credit risk, market risk, liquidity risk, operational risk, money laundering risk, compliance risk, legal risk, outsourcing risk, etc. At Ummeed, Risk Management oversight structure includes the Board and Senior Management. Your directors have implemented a comprehensive Risk Management Policy, which addresses issues relating to measuring, monitoring and management of aforementioned risks. Board regularly reviews and monitors risk management practices prevailing in the Company and progress made in putting in place a progressive risk management system of the Company.

The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk faced by the Company. Institutional set up for liquidity risk management in Company includes Board, Risk Management Committee, Asset Liability Management Committee (ALCO) and ALM Support Group. The Board shall decide the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/ limits decided by it from time to time.

ALCO is responsible for ensuring adherence to limits if any set by the Board as well as for deciding the business strategy of the Company (on both the assets and liabilities sides) in line with Company budget and decided risk management objectives. The role of the ALCO with respect to liquidity risk include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities, and controls for managing liquidity risk, and overseeing the liquidity positions of the Company.

Internal Control Systems and their adequacy

The internal control system is supplemented by concurrent and internal audits, as well as special audits and regular reviews by the management. The Board and Audit Committee review the overall risk management framework and the adequacy of internal controls instituted by the Company. Therefore, the Board of Directors of your Company has been cautiously monitoring and reviewing that the Company is following in letter and spirit all substances of Internal Financial Controls. The Company has in place adequate internal controls with reference to financial statements and operations and the same are operating effectively.

Internal audit at Ummeed, is designed to add value and improve an overall operation, and to help other function/units in accomplish its objectives by identifying and suggesting a systematic, disciplined approach to improve the effectiveness of risk management, control, and governance processes. The Company's internal audit is conducted as per the Annual Audit Plan approved by the Audit Committee. The scope of internal audit covers all aspects of business, including regular front-end and back-end operations and internal compliances.

M/s. Agiwal & Associates, Statutory Auditors of the Company have audited the financial statements and also attested the company's internal control over financial reporting. They have verified the systems and processes and confirmed that the internal financial controls system over financial reporting are adequate and such controls are operating effectively.

Human Resource

Human resources are Ummeed's most important and valuable assets. The Company strives to impart regular training, knowledge, building skills and supporting in areas of functional and technical development with the help of set skilled trainers. During the last financial year, we focused a lot on continuous training and extensive induction programmes for new recruits. Finding in opportunity during the lockdowns and work from home mode of working, we focused on digital learning methods and deployed our trainings online. Various means of learning like e-learning modules, video-based modules were used to support the learning and development of employees.

In the wake of pandemic, employees were provided complete support including free Doctor 24*7 App access, and their health and well-being were on the highest priority. Workplaces were sanitized round the clock; strict social distancing norms and work from home policies were enforced. Thermal scanners at points of entry were used, while visitor's entry was restricted.

Human resources department engaged a lot of their time during the year on talent acquisition for key roles and hiring of relationship managers. As of March 31, 2022, we are aided by a strong team of 619 on roll employees in different locations and multiple branches.

*****

Agiwal & Associates
CHARTERED ACCOUNTANTS
Head Office : D-6/9, Upper Ground Floor, Rana Pratap Bagh, Delhi-110007 (INDIA)
Phone : 011-41011281, 43512990 E-mail : caagiwal68@gmail.com, office@agiwalassociates.in

INDEPENDENT AUDITOR'S REPORT

To the Members of Ummeed Housing Finance Company Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Ummeed Housing Finance Private Limited ("the Company"), which comprise the Balance Sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 47 of the financial statements which describes the impact of economic and social consequences of the CoVID-19 pandemic on the Company's business and financial metrics, which continues to be dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the

AGIWAL & ASSOCIATES FRN 000181N Chartered Accountants financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment of Financial assets (as described in Note 8 of the financial statements)	
Ind AS 109 requires the Company to provide for impairment of its loan receivables (financial instruments) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management for: a. Defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'. b. Grouping of loan portfolio under homogenous pools to determine probability of default on a collective basis. c. Estimating recoveries to determine loss given default on a collective basis for loans that have defaulted. d. Determining effect of less frequent past events on future probability of default. **Additional considerations on account of CoVID-19** Pursuant to the Reserve Bank of India circular dated May 5, 2022("RBI circular") allowing lending institutions to restructure the loans, the Company has restructured the loans given to its borrowers in accordance with its Board approved policy. The Company has considered internal and external sources of information available including indicators of deterioration in the macro-economic factors and impact of CoVID-19 on the borrower's ability to service their obligations on a timely basis. Accordingly, the management's estimate of impairment losses based on various variables and assumptions could result in actual credit	Our audit procedures included, among others, • Considering the Company's accounting policies for impairment of loan receivables, assessing compliance with the policies in terms of Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020. • Tested the assumptions used by the Company for staging of loan portfolio into various categories and default buckets for determining the Probability of Default ("PD") and Loss Given Default ("LGD") rates. • Tested the operating effectiveness of the controls for staging of loans based on their past-due status. Tested samples of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3. • Tested the input data used for determining the PD and LGD rates and compared the data with the underlying books of accounts and records. • Reviewed the Company's policy with respect to moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis. • Assessed the additional considerations applied by the management for staging of loans as SICR/ default in view of Company's policy on moratorium. • Tested assumptions used by the management in determining the overlay for macro-economic factors (including CoVID-19 pandemic) in accordance with the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. • Compared the disclosures included in the financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109. Reviewed specific disclosures made in the financial statements with regards to the impact of CoVID-19 and its impact on ECL estimation and other disclosures as prescribed by RBI relating to moratorium granted.

FRN 000181N
Chartered Accountants

Key audit matters	How our audit addressed the key audit matter
loss being different than that being estimated. Given the high degree of management's judgement involved in estimation of ECL, accentuated by the considerations for CoVID-19 related developments, it is a key audit matter.	

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis and Board's Report, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

FRN 000181N
Chartered Accountants

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

FRN 000181N
Chartered Accountants

Other Matter

The financial statements of the Company for the year ended March 31, 2021, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on June 16, 2021.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

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

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

   (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 7 to the financial statements;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 58 to the financial statements, no funds have been advanced or loaned or

Agiwal & Associates
Chartered Accountants
FRN 000181N

invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 58 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

For **Agiwal & Associates**
Chartered Accountants
ICAI Firm Registration Number: 000181N

CA P.C. Agiwal
Partner
Membership Number: 080475
UDIN: 22080475AJRZSH8272
Place of Signature: Delhi
Date: May 27, 2022

Annexure referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Ummeed Housing Finance Private Limited ('the Company')

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i)(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.

(c) In respect of loans and advances in the nature of loans, granted by the Company as part of its business of providing housing finance loans, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount, due date for repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause) in this Annexure 1, in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

Further, except for those instances where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, in respect of which the Company has disclosed asset classification in note 8 to the financial statements in accordance with Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable

(d) In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days as at March 31, 2022 and the details of the number of such cases, are disclosed in note 8 to the financial statements. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

(e) The company's principal business is to give loans and is a registered HFC, accordingly, reporting under clause (iii)(e) is not applicable.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii)(a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix)(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(ix)(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(ix)(c) Monies raised during the year by the Company by way of term loans, Rs. 5,485.88 lacs was initially invested in liquid investments payable on demand and were ultimately applied for the purpose for which they were raised.

(ix)(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(ix)(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(ix)(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x)(a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(x)(b) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment / private placement of shares fully or partially or optionally convertible preference shares respectively during the year. The amount raised, have been used for the purposes for which the funds were raised except for idle funds amounting to Rs 16,827.83 lacs which were not required for immediate utilization and which have been gainfully invested in liquid investments payable on demand. The maximum amount of idle/surplus funds invested during the year was Rs 16,827.83, of which Rs Nil was outstanding at the end of the year.

(xi)(a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(xi)(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.

(xiv)(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi)(a) The Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).

(xvi)(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(xvi)(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvi)(d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

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

(xviii) The previous statutory auditors of the Company have resigned during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.

(xix) On the basis of the financial ratios disclosed in note 53 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 41 to the financial statements.

(xx)(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 41 to the financial statements.

For **Agiwal & Associates**
Chartered Accountants
ICAI Firm Registration Number: 000181N

CA P.C. Agiwal
Partner
Membership Number: 080475
UDIN: 22080475AJRZSH8272
Place of Signature: Delhi
Date: May 27, 2022

Annexure 2 referred to in paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date

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

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

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to these Financial Statements

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

Agiwal & Associates * Chartered Accountants * 000181N unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

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

For **Agiwal & Associates**
Chartered Accountants
ICAI Firm Registration Number: 000181N

CA P.C. Agiwal
Partner
Membership Number: 080475
UDIN: 22080475AJRZSH8272
Place of Signature: Delhi
Date: May 27, 2022

Ummeed Housing Finance Private Limited

Balance Sheet as at March 31, 2022

(Amount in Rs. lakhs unless stated otherwise)

	Note	March 31, 2022	March 31, 2021
ASSETS			
Financials assets			
Cash and cash equivalents	6A	1,452.74	2,923.42
Bank Balance other than cash and cash equivalents	6B	4,628.70	5,218.36
Derivative financial instruments	7	75.65	32.63
Loans	8	67,383.07	50,137.71
Investments	9	420.00	5,860.49
Other financials assets	10	1,833.45	2,036.76
		75,793.61	**66,209.37**
Non-financials assets			
Current tax assets (net)		-	15.21
Deffered tax assets (net)	31	155.95	250.09
Property, plant and equipment	11A	212.08	160.30
Intangible assets	11B	99.51	75.93
Right to use assets	11C	418.37	334.66
Other non-financial assets	12	175.15	66.61
		1,061.06	**902.80**
Total assets		**76,854.67**	**67,112.17**
LIABILITIES AND EQUITY			
Liabilities			
Financials liabilities			
Payables	13		
(I) Trade payables			
(i) total outstanding dues of micro enterprise and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprise and small enterprises		177.99	118.01
Debt securities	14	4,452.34	7,779.07
Borrowings (other than debt securities)	15	22,697.33	27,013.93
Lease liabilities		469.99	384.58
Other financials liabilities	16	3,526.27	4,949.16
		31,323.92	**40,244.75**
Non-financial liabilities			
Current tax liabilities (net)		7.96	-
Provisions	17	153.94	109.02
Other non-financial liabilities	18	151.49	97.11
		313.39	**206.13**
Equity			
Equity share capital	19	1,604.19	1,598.04
Instruments entirely equity in nature	20	6,917.23	5,415.39
Other equity	21	36,695.94	19,647.86
Total equity		**45,217.36**	**26,661.29**
Total liabilities and equity		**76,854.67**	**67,112.17**
Significant accounting policies	1-5		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For AGIWAL & ASSOCIATES
ICAI Firm registration number : 000181N
Chartered Accountants

per P. C. Agiwal
Partner
Membership number: 080475

Date: May 27, 2022
Place: New Delhi

For and on behalf of the Board of Directors of
Ummeed Housing Finance Private Limited

Ashutosh Sharma
Managing Director
DIN: 02582205

Sachin Grover
Director
DIN: 07387359

Bikash Kumar Mishra
Chief Financial Officer

Nitin Kumar Agrahari
Company Secretary
M No.: A36376

Date: May 27, 2022
Place: Gurugram

Ummeed Housing Finance Private Limited
Statement of Profit and Loss for the year ended March 31, 2022
(Amount in Rs. lakhs unless stated otherwise)

	Note	March 31, 2022	March 31, 2021
Revenue from operations			
Interest income	22	9,462.99	7,906.18
Fees and commission Income	23	458.24	329.35
Net gain on fair value changes	25	262.52	420.33
Net gain on derecognition of financial instruments under amortised cost category	24	539.48	401.06
Total revenue from operations		**10,723.23**	**9,056.92**
Other income	26	182.85	39.88
Total income		**10,906.08**	**9,096.80**
Expenses			
Finance costs	27	3,567.70	3,898.40
Impairment on financial instruments	28	75.39	224.06
Employee benefits expenses	29	3,518.19	2,536.25
Depreciation, amortization and impairment	11A/11B/11C	264.27	237.15
Other expenses	30	1,056.11	743.91
Total expenses		**8,481.66**	**7,639.77**
Profit before tax		2,424.42	1,457.03
Tax expense:	31		
Current tax			
Pertaining to profit for the current period		487.54	350.06
Adjustment of tax relating to earlier periods		(23.22)	0.76
Deferred tax		94.17	(24.78)
Total tax expense		**558.49**	**326.04**
Profit for the year		**1,865.93**	**1,130.99**
Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement gain of defined benefit plan		(1.68)	0.32
(ii) Income tax impact on above		0.42	(0.08)
(B) (i) Items that will be reclassified			
(a) Derivative instruments in Cash flow hedge relationship		1.58	(19.67)
(ii) Income tax impact on above		(0.40)	4.95
Other comprehensive income (net of tax) (A+B)		**(0.08)**	**(14.48)**
Total comprehensive income for the year		**1,865.85**	**1,116.51**
Earnings per equity share	32		
Basic (Rs.)		3.99	2.62
Diluted (Rs.)		3.86	2.56
Nominal value per share		10.00	10.00
Summary of significant accounting policies	1-5		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For AGIWAL & ASSOCIATES
ICAI Firm registration number : 000181N
Chartered Accountants

per P. C. Agiwal
Partner
Membership number: 080475

Date: May 27, 2022
Place: New Delhi

For and on behalf of the Board of Directors of
Ummeed Housing Finance Private Limited

Ashutosh Sharma	**Sachin Grover**
Managing Director	Director
DIN: 02582205	DIN: 07387359
Bikash Kumar Mishra	**Nitin Kumar Agrahari**
Chief Financial Officer	Company Secretary
	M No.: A36376

Date: May 27, 2022
Place: Gurugram

Ummeed Housing Finance Private Limited
Statement of Cash Flows for the year ended March 31, 2022
(Amount in Rs. lakhs unless stated otherwise)

	March 31, 2022	March 31, 2021
Cash flow from operating activities		
Profit before tax	**2,424.42**	**1457.03**
Adjustments to reconcile profit before tax to net cash flows:		
Expenses on employee stock option	121.20	81.04
Depreciation and amortization	264.27	237.15
Loss/(profit) on sale/discard of fixed assets	0.46	(4.00)
Interest income on fixed deposits	(384.05)	(640.03)
Gain on sale of mutual funds	(262.52)	(420.33)
Provision for expected credit loss	26.14	217.13
EIR & Hedging adjustment on borrowings	73.66	(2.38)
Loss assets written off	49.25	6.93
Other comprehensive income not part of profit & loss	(0.10)	(19.35)
Interest on borrowings	3,520.02	3,844.45
Interest on lease liabilities	47.68	53.95
Operating profit before working capital changes	**5,880.43**	**4,811.59**
Movements in working capital :		
Change in loans	(17,320.75)	(11,198.66)
Change in other financial assets	155.76	965.43
Change in other non financial assets	(108.53)	(32.89)
Change in trade payables	59.98	38.19
Change in other financial liabilities	(1,254.53)	3,405.57
Change in provisions	44.92	12.48
Change in other non-financial liabilities	54.38	16.05
Cash used in operations	(12,488.34)	(1,982.24)
Less: taxes paid (net of refunds)	443.87	360.42
Net cash flow used in operating activities (A)	**(12,932.21)**	**(2,342.66)**
Cash flows from investing activities		
Interest income from fixed deposits	418.01	476.77
Purchase of property, plant and equipment	(173.47)	(136.11)
Sale of property, plant and equipment	25.42	23.09
Purchase of current investments	(12,250.00)	(9,170.00)
Proceeds from sale/maturity of current investments	17,952.99	10,081.47
Bank balances not considered as cash and cash equivalents	555.70	(3,740.60)
Net cash used in investing activities (B)	**6,528.65**	**(2,465.38)**
Cash flows from financing activities		
Proceeds from issuance of instrument entirely equity in nature (including securities premium) net of share issue expenses	16,569.00	(15.01)
Proceeds from borrowings	7,135.00	14,362.59
Repayment of borrowings	(14,852.00)	(7,719.16)
Interest paid on borrowings	(3,688.38)	(3,773.93)
Payment of lease liabilities	(183.06)	(139.88)
Payment of interest on lease liabilities	(47.68)	(53.95)
Net cash from financing activities (C)	**4,932.88**	**2,660.66**
Net increase in cash and cash equivalents (A+B+C)	(1,470.68)	(2,147.38)
Cash and cash equivalents at the beginning of the year	2,923.42	5,070.80
Cash and cash equivalents at the end of the year	**1,452.74**	**2,923.42**
Cash and bank balance include		
Cheques in hand	-	33.01
Balance with banks		
In current accounts	27.86	705.06
Deposits with maturity of less than three months	1,424.88	2,185.35
Cash and cash equivalents at the end of the year	**1,452.74**	**2,923.42**
Supplementary Information:		
Interest income received on loans	8,877.15	7,149.62

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For AGIWAL & ASSOCIATES
ICAI Firm registration number : 000181N
Chartered Accountants

per P. C. Agiwal
Partner
Membership number: 080475

Date: May 27, 2022
Place: New Delhi

For and on behalf of the Board of Directors of
Ummeed Housing Finance Private Limited

Ashutosh Sharma
Managing Director
DIN: 02582205

Sachin Grover
Director
DIN: 07387359

Bikash Kumar Mishra
Chief Financial Officer

Nitin Kumar Agrahari
Company Secretary
M No.: A36376

Date: May 27, 2022
Place: Gurugram

Ummeed Housing Finance Private Limited
Statement of changes in equity for the year ended March 31, 2022
(Amount in Rs. Lakhs unless stated otherwise)

A. Equity share capital

Particulars	No.	Amount
Balance as at 1 April 2020	1,59,80,416	1,598.04
Changes in equity share capital due to prior period errors	-	-
Restated Balance as at 1 April 2020	**1,59,80,416**	**1,598.04**
Changes in equity share capital during the year	-	-
Balance as at 1 April 2021	**1,59,80,416**	**1,598.04**
Changes in equity share capital due to prior period errors	-	-
Restated Balance as at 1 April 2021	**1,59,80,416**	**1,598.04**
Changes in equity share capital during the year	61,466	6.15
Balance as at 31 March 2022	**1,60,41,882**	**1,604.19**

B. Instruments entirely equity in nature

Compulsorily convertible preference shares ('CCPS')

Particulars	No.	Amount
Balance as at 1 April 2020	**2,70,11,933**	5,402.39
Changes in equity share capital due to prior period errors	-	-
Restated Balance as at 1 April 2020	**2,70,11,933**	**5,402.39**
Changes in equity share capital during the year	-	-
Balance as at 1 April 2021	**2,70,11,933**	**5,402.39**
Changes in equity share capital due to prior period errors	-	-
Restated Balance as at 1 April 2021	**2,70,11,933**	**5,402.39**
Changes in equity share capital during the year	74,49,772	1,489.95
Balance as at 31 March 2022	**3,44,61,705**	**6,892.34**

Optionally Convertible Non Cumulative Redeemable Preference shares ('OCNCRPS')

Particulars	No.	Amount
Balance as at 1 April 2020	13,00,516	13.00
Changes in equity share capital due to prior period errors	-	-
Restated Balance as at 1 April 2020	**13,00,516**	**13.00**
Changes in equity share capital during the year	-	-
Balance as at 1 April 2021	**13,00,516**	**13.00**
Changes in equity share capital due to prior period errors	-	-
Restated Balance as at 1 April 2021	**13,00,516**	**13.00**
Changes in equity share capital during the year	11,88,552	11.89
Balance as at 31 March 2022	**24,89,068**	**24.89**

C. Other equity	**Reserve and Surplus**				**Other Comprehensive Income**	
	Securities premium	**Statutory Reserve**	**Share based payment reserve**	**Retained earnings**	**Cash flow hedge reserve**	**Total**
Balance as at April 01, 2020	17,946.77	174.10	274.19	77.60	(7.33)	18,465.33
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated Balance as at 1 April 2020	**17,946.77**	**174.10**	**274.19**	**77.60**	**(7.33)**	**18,465.33**
Profit for the year	-	-	-	1,130.99	-	1,130.99
Other comprehensive income for the year	-	-	-	0.24	(14.72)	(14.48)
Premium on issue of preference shares (CCPS)	-	-	-	-	-	-
Share issue expenses	(15.01)	-	-	-	-	(15.01)
Share based payments	-	-	81.04	-	-	81.04
Transfer to statutory reserve*	-	226.20	-	(226.20)	-	-
Balance as at March 31, 2021	**17,931.76**	**400.30**	**355.23**	**982.63**	**(22.05)**	**19,647.87**
Balance as at 1 April 2021	**17,931.76**	**400.30**	**355.23**	**982.63**	**(22.05)**	**19,647.87**
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated Balance as at 1 April 2021	**17,931.76**	**400.30**	**355.23**	**982.63**	**(22.05)**	**19,647.87**
Profit for the year	-	-	-	1,865.93	-	1,865.93
Other comprehensive income for the year	-	-	-	(1.26)	1.18	(0.08)
Premium on issue of preference shares (CCPS)	15,338.12					15,338.12
Share issue expenses	(258.84)	-	-	-	-	(258.84)
Share based payments	-	-	102.93	-	-	102.93
Transfer to statutory reserve*	-	373.19	-	(373.19)	-	-
Balance as at March 31, 2022	**33,011.04**	**773.49**	**458.16**	**2,474.12**	**(20.87)**	**36,695.94**

**under Section 29C of the NHB Act, 1987 read with 36(1)(viii) of Income tax act, 1961*

For AGIWAL & ASSOCIATES
ICAI Firm registration number : 000181N
Chartered Accountants

per P. C. Agiwal
Partner
Membership number: 080475

Date: May 27, 2022
Place: New Delhi

For and on behalf of the Board of Directors of
Ummeed Housing Finance Private Limited

Ashutosh Sharma
Managing Director
DIN: 02582205

Sachin Grover
Director
DIN: 07387359

Bikash Kumar Mishra
Chief Financial Officer

Nitin Kumar Agrahari
Company Secretary
M No.: A36376

Date: May 27, 2022
Place: Gurugram

1. Corporate information

Ummeed Housing Finance Private Limited ('the Company') is a Company domiciled in India as a private limited company having CIN U65922HR2016PTC057984. The Company was incorporated on January 27, 2016 under the provisions of the Companies Act, 1956. The Company is registered as a housing finance company with National Housing Bank (NHB) vide Registration No. 07.137.16 and is engaged in the long-term financing activity in the domestic markets to provide housing finance.

The Company is engaged in the business of providing housing and Non-Housing loans. The Company is having registered office at 318, DLF Magnolias, Sector-42, Golf Course Road, Gurugram Haryana – 122002 and maintain books of accounts at Corporate office at Unit 809-815,8th floor, Tower A, Emaar Digital Greens Golf Course Extension Road, Sector-61 Gurugram - 122102. The Company's redeemable non-convertible debentures are listed on Bombay Stock Exchange in India.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared on a historical cost basis, except derivative financial Instruments, other financial assets held for trading and financial assets and liabilities designated at fair value through profit or loss (FVTPL) or through other comprehensive Income (FVOCI) Instruments all of which are measured at fair value.

3. Presentation of financial statement

The Company presents its balance sheet in order of liquidity. Financial assets and financial liabilities are generally reported gross in the balance sheet. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Notes to financials. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the company and/or its counterparties.

The financial statements are presented in Indian Rupees (Rs.) and all values are rounded to the nearest lakhs, except when otherwise indicated.

Note 4: Significant accounting policies

4.1. Recognition of income and expense

4.1.1 Interest income

The Company earns revenue primarily from giving loans. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest revenue is recognized using the effective interest method (EIR). The effective interest method calculates the amortized cost of a financial instrument and allocates the interest income. The effective Interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial Instrument or, when appropriate, a shorter period, to the gross carrying amount of the financial asset or liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-Impaired and is, therefore, regarded as 'Stage 3', the Company calculates the interest only if it is considered recoverable. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income using EIR Method.

4.1.2 Interest expense

Interest expense includes borrowing costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective Interest method. These include fees and commissions payable to arrangers and other expenses such as external legal costs, provided these are incremental costs that are directly related to the issue of a financial liability.

4.1.3 Other fees

Other charges including application fees (penal interest, cheque bouncing charges, etc.) are recognised on realization basis.

4.1.4 Dividend income

Dividend income is recognized when the Company’s right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when shareholders approve the dividend.

4.2. Financial Instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.2.1 Financial Assets
4.2.1.1 Initial recognition and measurement

Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the Instrument. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the Financial asset.

4.2.1 Financial Assets (continued)
4.2.1.2 Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

4.2.1.3. Debt instruments at amortised costs

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the nature of portfolio, and the period for which the interest rate is set.

The business model of the Company for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the portfolios on the books of the Company, it may enter into immaterial and infrequent transactions to sell these portfolios to banks and/ or asset reconstruction companies without affecting the business model of the Company.

After initial measurement, such financial assets are subsequently measured at amortised cost Using the effective interest rate (EIR) method less impairment.

4.2.1.4. Debt Instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured Initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive Income (OCl). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned while holding FVTOCI debt Instrument is reported as interest income using the EIR method.

4.2.1.5. Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

4.2.1 Financial Assets (continued)
4.2.1.6. Equity Investments at FVTPL and FVOCI

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument. excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

4.2.2. Financial liabilities
4.2.2.1. Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A Financial liability is classified as at FVTPL if It is classified as held-for trading or it is designated as such on initial recognition. All financial liabilities are recognised Initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

4.2.2.2. Classification and Subsequent measurement - Financial Liabilities at fair value through profit or loss

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading If they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

4.2.2.3. Financial Liabilities held at amortised cost

The Company's loans and borrowings are generally classified in this category. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or toss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is Included as finance costs in the statement of profit and loss.

4.2.2.4. Financial guarantees and undrawn loan commitments

Financial guarantees are Initially recognised in the financial statements (within Provisions) at fair value, being the premium/deemed premium received. Subsequent to initial recognition, the Company's liability under each guarantee Is measured at the higher of the amount initially recognised and the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss.

The premium/deemed premium is recognised in the statement of profit and loss on a straight-line basis over the life of the guarantee.

4.2.2. Financial liabilities (continued)
4.2.2.4. Financial guarantees and undrawn loan commitments (continued)

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Undrawn loan commitments are in the scope of the ECL requirements.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet.

4.2.3. Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional Circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

4.2.4. Derivative financial instruments
The Company holds derivative to mitigate the risk of changes in exchange rates on foreign currency exposures as well as interest fluctuations. The counterparty for these contracts is generally a bank. This category has derivative financial assets or liabilities which are not designated as hedges. Any derivative that is not designated a hedge is categorized as a financial asset or financial liability, at fair value through profit or loss.

Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in Statement of Profit and Loss.

4.2.5. De-recognition of financial assets and liabilities
4.2.5.1. Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognises the financial asset if it has transferred the financial asset and the transfer qualifies for de recognition.

The Company has transferred the financial asset If, and only If, either:

- It has transferred its contractual rights to receive cash flows from the financial asset or
- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset') but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'). Pass-through arrangements result in derecognition of financial assets only when all the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual receipts unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company must remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including Interest earned, during the year between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition If either:

- The Company has transferred substantially all the risks and rewards of the asset or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

4.2.5. De-recognition of financial assets and liabilities (continued)
4.2.5.1. Financial Assets (continued)

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement Is measured at the value the Company would be required to pay upon repurchase. In the case of written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Derecognition due of modification of terms and conditions

The Company de-recognizes a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes unless the new loan is deemed to be Purchase Oriented Credit Impaired (“POCI”). If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

4.2.5.2. Financial liabilities

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

4.3. Impairment of financial assets
4.3.1. Overview of the ECL principles

The Company is recording the allowance for expected credit losses for all loans and other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, (in this section all referred to as 'financial instruments'). Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECLis the portion of LTECLs that represent the ECLs that result from default events on a financial Instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on collective basis, depending on the nature of the underlying portfolio of financial instruments.

4.3. Impairment of financial assets (continued)
4.3.1. Overview of the ECL principles (continued)

The Company has established a policy to perform an assessment, at the end of each reporting year, of whether a Financial instrument's credit risk has increased significantly since initial recognition.

Based on the above process, the Company group its loans into Stage 1, Stage 2, Stage3 as described below:

Stage 1: When loans are first recognised, the company recognises an allowance based on 12mECLs.
Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2 or Stage3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-Impaired. The company records an allowance for the LTECLs.

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

4.3.2 The calculation of ECLs

The Company calculates ECLs based on a probability-weighted scenarios and historical data to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.
The mechanics of the ECL calculations are outlined below and the key elements are as follows;
• PD - The Probability of Default is an estimate of the Likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed year, if the facility has not been previously derecognised and is still in the portfolio.
• EAD- The Exposure at Default is an exposure at a reporting date.
• LGD - The loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.
The maximum year for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 months ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a Financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Loan commitments: When estimating LTECLs for undisbursed loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

For loan commitments, the ECL is recognised within Provisions.

4.3.3. Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, Property Price Index, Unemployment rates, Benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

4.4. Collateral repossessed

In Its normal course of business, the Company does not physically repossess properties or other assets in its portfolio, but generally engages external or internal agents to recover funds generally at auctions to settle outstanding debt. Any surplus funds are returned to the customers/obligors. The residential properties under legal repossession processes are treated as assets held for sale at (i) Fair value less cost to sell or (ii) principle outstanding, whichever is less, at the repossession date.

4.5. Write-offs

Financial assets are written off either partially or in their entirety only when the recovery possibility from these properties seems remote, despite legal remedies and other actions taken by the Company. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to Statement of profit and loss account.

4.6. Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level Input that is Significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for Identical assets or liabilities.
level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

4.7 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use ('ROU') the underlying assets.

I) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.
The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depredated on a straight-line basis over the lease term.
The right-of-use assets are also subject to impairment. (Refer to the accounting policies on Impairment of non-financial assets.)

II) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the transition date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company's lease liabilities are included in Other financial liabilities.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

4.8. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises of cash balance with bank and highly liquid investments with maturity period of three months or less from the date of investment.

4.9. Property, plant and equipment

Property, plant and equipment (PPE) are stated at cost of acquisition less accumulated depreciation. The cost of an item of Property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

4.9. Property, plant and equipment (continued)

Assets costing INR 5,000 or less are fully depreciated in the year of purchase. Depreciation is charged on a proportionate basis for all assets purchased and sold during the year.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

The Company depreciates its Property, plant and equipment (‘Assets’) on Straight Line Method (SLM) over the useful lives of assets estimated by management. Depreciation on assets purchased during the year is charged from date of acquisition and for assets sold/disposed off, it is charged upto the date of sale/disposal. Modification or extension to an existing asset, which is of capital nature and which becomes an internal part thereof is depreciated prospectively from date of capitalisation upto remaining useful life of that asset. Management estimates for useful lives of assets are set out below:

Property, plant & equipment	Useful lives (in years)
Computers	3
Computer servers and networks	6
Office equipment	5
Furniture and Fixture	10
Motor Vehicle	5

4.10. Intangible assets

Intangible assets are acquired by the company are measured initially at cost. Cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebate are deducted in arriving the cost of asset.

All such expenditure that increases the future benefits from the existing asset beyond its previously assessed standard of performance is included in the gross book value.

After Initial Recognition, Intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The Company uses a presumption that the useful life of an intangible asset will not exceed six years from the date when the asset is available for use. If persuasive evidence exists to the affect that useful life of an intangible asset exceeds six years, the Company amortizes the intangible asset over the best estimate of its useful life.

4.11. Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. An Impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

4.12. Retirement and other employee benefits

Short term employee benefits

All employee benefits payable/ available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the statement of profit and loss in the period in which the employee renders the related service.

Post-employment benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company provides gratuity benefits which is a defined benefit scheme. The cost of providing gratuity benefits is determined on the basis of actuarial valuation at each year end. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes.

4.13. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

4.14. Taxes
Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities in accordance with Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted. or substantively enacted, at the reporting date. Current Income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

4.15. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss attributable to equity holder of the company by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

4.16. Foreign currency

The Company's financial statements are presented in Indian Rupees (Rs.) which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Income and expenses in foreign currencies are Initially recorded by the Company at the exchange rates prevailing on the date of the transaction.

Foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange at the reporting date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary Items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

4.17. Share-based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting year, based on the Company's estimate of equity Instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

4.18. Contingent liabilities and assets

The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent liability is disclosed in the case of:

- A present obligation arising from past event" when it is not probable that an outflow of resources will not be required to settle the obligation.

- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are reviewed at each balance sheet date.

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

5. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

5. Significant accounting judgements, estimates and assumptions (Continued)

In the process of applying the Company's accounting policies, management has made the following Significant judgements and estimates, which have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5.1. Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company considers the frequency, volume and timing of sales in prior years, the reason for such sales, and its expectations about future sales activity. However, Information about sales activity is not considered in isolation, but as part of a holistic assessment of how company's stated objective for managing the financial assets is achieved and how cash flows are realised. Therefore, the Company considers information about past sales in the context of the reasons for those sales, and the conditions that existed at that time as compared to current conditions.

Based on this assessment and future business plans of the Company, the management has measured its financial assets at amortised cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest ('the 'SPPI criterion').

5.2. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The Inputs to these models are taken from observable markets where possible, but where this Is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

5.3. Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income/expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given /taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

5.4. Impairment of financial asset

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

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

- The Company's model, which assigns Probability of default (PD)s.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a Lifetime expected credit loss (LTECL) basis and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.

- Determination of associations between macroeconomic scenarios and, economic inputs, and the effect on PDs, Exposure at default (EADs) and Loss given default (LGDs).
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

5.5 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future.

These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

5.6 Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

5.7 Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Company's business. When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

5.8 Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

Ummeed Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2022
(Amount in Rs. lakhs unless stated otherwise)

Note 6: Cash and cash equivalents

Particulars	March 31, 2022	March 31, 2021
6A. Cash and cash equivalents		
Cheques in hand	-	33.01
Balance with banks		
In current accounts	27.86	705.06
Deposits with maturity of less than three months*	1,424.88	2,185.35
Total	**1,452.74**	**2,923.42**
*The above bank deposit include deposits under lien as per following details:		
Pledge with bank for obtaining bank overdraft facilities	1,424.88	1,142.87

6B. Bank balance other than above

Particulars	March 31, 2022	March 31, 2021
Bank deposits upto 12 months	2,134.54	4,591.68
Bank deposits with maturity of more than 12 months	2,494.16	626.68
Total	**4,628.70**	**5,218.36**
The above bank deposits include deposits under lien as per following details:		
Pledge with bank for term loan facilities	843.81	178.59
Pledge with bank as cash collateral for securitization transactions	141.12	141.15
For bank guarantee to National Housing Bank for refinance	400.00	400.00
Pledge with bank for obtaining bank overdraft facilities	1,469.80	-

Note 7: Derivative financial instrument

Particulars	As at March 31, 2022				As at March 31, 2021			
	Notional amount	Fair value assets	Notional amount	Fair value liabilities	Notional amount	Fair value assets	Notional amount	Fair value liabilities
Part I **Currency Derivatives:**								
-Currency swaps	1,260.99	75.65	-	-	1,260.99	32.63	-	-
Part II Included in above are derivatives held for hedging and risk management purposes as follows:								
Cash flow hedging: - Currency swaps	1,260.99	75.65	-	-	1,260.99	32.63	-	-
Undesignated derivatives								
Total derivative financial instruments	**1,260.99**	**75.65**	**-**	**-**	**1,260.99**	**32.63**	**-**	**-**

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate risk and foreign currency risk.

Derivatives designated as hedging instruments
The foreign currency and interest rate risk on borrowings have been actively hedged through a combination of forward contracts, principal only and interest rate swaps.

The company is exposed to interest rate risk arising from its foreign currency borrowings amounting to $18,00,000 (Previous Year $18,00,000). Interest on the borrowing is payable at a floating rate linked to USD LIBOR. The company economically hedged the interest rate risk arising from the debt with a 'receive floating pay fixed' interest rate swap ('swap').

The Company uses currency Swaps Contracts (Fixed to Floating) to hedge its risks associated with currency rate fluctuations arising from foreign currency loans/external commercial borrowings. The Company designates such swaps contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS 109. These swap contracts are stated at fair value at each reporting date. Changes in the fair value of these swap contracts that are designated and effective as hedge of future cash flows are recognised directly in "Cash Flow Hedge Reserve" under other equity and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

The Company also hedges foreign currency risk arising from its fixed rate foreign currency borrowing by entering into the currency swaps. There is an economic relationship between the hedged item and the hedging instrument as the terms of the contract match that of the foreign currency borrowing (notional amount, interest payment dates, principal repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the Cross currency swap are identical to the hedged risk components.

As of March 31, 2022

	Notional Amount	Carrying Amount	Line Item in Balance Sheet	Change in fair value
The impact of hedging instruments (net)	1,260.99	75.65	Derivative Financial Assets	43.02

As of March 31, 2022

	Notional Amount	Accumulated fair value adjustment	Line Item in Balance Sheet	Change in fair value
The impact of hedged instruments (net)	1,260.99	103.54	Borrowings (other than debt securities)	41.44

As of March 31, 2022

	Total hedging gain / (loss) recognised in OCI	Ineffective-ness recognised in profit or (loss)	Line item in the statement of profit or loss
Effect of Cash flow hedge	1.58	-	Finance Cost

As of March 31, 2021

	Notional Amount	Carrying Amount	Line Item in Balance Sheet	Change in Fair value
The impact of hedging instruments (net)	1,260.99	32.63	Derivative Financial Assets	(53.53)

As of March 31, 2021

	Notional Amount	Accumulated fair value adjustment	Line Item in Balance Sheet	Change in fair value
The impact of hedged instruments (net)	1,260.99	62.09	Borrowings (other than debt securities)	(33.86)

As of March 31, 2021

	Total hedging gain / (loss) recognised in OCI	Ineffective-ness recognised in profit or (loss)	Line item in the statement of profit or loss
Effect of Cash flow hedge	(19.67)	-	Finance Cost

Note 8: Loans

Particulars	March 31, 2022	March 31, 2021
At amortised cost:		
Loans assets	67,982.02	50,716.28
Staff loans	-	-
Total Gross	**67,982.02**	**50,716.28**
Less: Impairment loss allowance	(598.95)	(578.57)
Total Net	**67,383.07**	**50,137.71**
Secured by tangible assets	67,982.02	50,716.28
(hypothecation of equitable mortgage of immovable property etc.)		
Unsecured	-	-
Total Gross	67,982.02	50,716.28
Less: Impairment loss allowance	(598.95)	(578.57)
Total Net	**67,383.07**	**50,137.71**
Loans in India		
Public sector	-	-
Others	67,982.02	50,716.28
Total Gross	**67,982.02**	**50,716.28**
Less: Impairment loss allowance	(598.95)	(578.57)
Total Net	**67,383.07**	**50,137.71**

i) Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and/or undertaking to create a security and/or personal guarantees and/or hypothecation of assets and/or assignments of life insurance policies.

ii) The Company has assigned a pool of certain loans amounting to Rs. 3,162.35 lakh during the year ended March 31, 2022 (March 31, 2021 Rs. 2,633.90 lakh) by way of a direct assignment transaction. These loan assets have been de-recognised from the loan portfolio of the Company as the sale of loan assets is an absolute assignment and transfer on a 'no-recourse' basis. The Company continues to act as a servicer to the assignment transaction on behalf of assignee. In terms of the assignment agreement, the Company pays to assignee, on a monthly basis, the pro-rata collection amounts.

iii) Loan commitment amount is Rs.3,643.20 as on March 31, 2022 (Rs.1,795.74 as on March 31, 2021) (Refer note 17.1)
iv)The Company is not granting any loans against gold jewellery as collateral.
v)The Company is not granting any loans against security of shares as collateral.

Note 8.1 Credit Quality of assets
Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties. The Company groups its exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics. Following asset class represents homogeneous pools determined by the Company for risk categorisation:
- Housing Loan
- Loan against property
- Business loan
- Small ticket business loan

Details of companies risk assessment model are explained in Note 40.

Note: 8.1.1 Housing Loan
An analysis of risk categorisation, changes in gross carrying amount and the corresponding ECL allowances

8.1.1.1 Analysis of risk categorisation

As at March 31, 2022

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	33,228.52	758.07	263.03	34,249.62
Medium risk	8,253.40	241.72	65.19	8,560.31
High risk	1,219.30	58.22	-	1,277.52
Total	**42,701.22**	**1,058.01**	**328.22**	**44,087.45**

As at March 31, 2021

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	19,251.96	456.94	118.44	19,827.34
Medium risk	10,690.21	229.36	89.92	11,009.49
High risk	1,693.30	20.82	17.66	1,731.78
Total	**31,635.47**	**707.12**	**226.02**	**32,568.61**

8.1.1.2 Reconciliation of gross carrying amount

As at March 31, 2022

Particulars	Stage 1 *	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2021	31,635.47	707.12	226.02	32,568.61
New assets originated or purchased	18,019.20	6.19	6.42	18,031.81
Assets derecognised or repaid (excluding write offs)	(6,218.83)	(162.40)	(101.61)	(6,482.84)
Transfers from stage 1	(833.22)	715.73	117.49	-
Transfers from stage 2	89.60	(208.63)	119.03	-
Transfers from stage 3	9.00	-	(9.00)	-
Amounts written off	-	-	(30.13)	(30.13)
Gross carrying amount as at March 31, 2022	**42,701.22**	**1,058.01**	**328.22**	**44,087.45**

As at March 31, 2021

Particulars	Stage 1 *	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2020	25,271.45	37.48	39.24	25,348.17
New assets originated or purchased	13,557.17	3.10	-	13,560.27
Assets derecognised or repaid (excluding write offs)	(6,337.71)	14.07	(10.89)	(6,334.53)
Transfers from stage 1	(860.43)	667.90	192.53	-
Transfers from stage 2	8.44	(15.43)	6.99	-
Transfers from stage 3	-	-	-	-
Amounts written off	(3.45)	-	(1.85)	(5.30)
Gross carrying amount as at March 31, 2021	**31,635.47**	**707.12**	**226.02**	**32,568.61**

* Includes over due from 1 to 30 days amounting to Rs. 528.90 lakhs and Rs. 366.56 lakhs as at 31st March 2022 and 31st March 2021.

8.1.1.3 Impairment allowance for loans to customers

As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2021	140.23	101.34	80.31	321.88
ECL remeasurements due to changes in EAD/Credit Risk/Assumptions (Net)	(40.06)	20.17	28.71	8.82
Transfers from Stage 1	(5.65)	4.90	0.75	-
Transfers from Stage 2	8.83	(27.72)	18.89	-
Transfers from Stage 3	3.19	-	(3.19)	-
Amounts written off	-	-	(9.00)	(9.00)
Impairment allowance for loans to customers as at March 31, 2022	**106.54**	**98.69**	**116.47**	**321.70**

Decrease in ECL is attributable to decrease in loans which is partially off-settled by classification of loans from Stage I to Stage II and Stage III due to deterioration in general economic conditions.

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2020	168.92	8.26	16.77	193.95
ECL remeasurements due to changes in EAD/Credit Risk/Assumptions (Net)	(19.38)	88.72	58.59	127.93
Transfers from Stage 1	(11.52)	7.55	3.97	-
Transfers from Stage 2	2.21	(3.19)	0.98	-
Transfers from Stage 3	-	-	-	
Impairment allowance for loans to customers as at March 31, 2021	**140.23**	**101.34**	**80.31**	**321.88**

Increase in ECL is attributable to increase in loans and classification of loans from Stage I to Stage II and Stage III due to deterioration in general economic conditions.

Note: 8.1.2 Loan against property
An analysis of risk categorisation, changes in gross carrying amount and the corresponding ECL allowances

8.1.2.1 Analysis of risk categorisation

As at March 31, 2022

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	7,021.25	339.97	77.26	7,438.48
Medium risk	1,797.76	107.73	30.08	1,935.57
High risk	317.75	29.05	-	346.80
Total	**9,136.76**	**476.75**	**107.34**	**9,720.85**

As at March 31, 2021

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	5,103.83	184.69	46.05	5,334.57
Medium risk	3,335.48	119.90	28.93	3,484.31
High risk	487.78	34.21	-	521.99
Total	**8,927.09**	**338.80**	**74.98**	**9,340.87**

8.1.2.2 Reconciliation of gross carrying amount

As at March 31, 2022

Particulars	Stage 1 *	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2021	8,927.09	338.80	74.98	9,340.87
New assets originated or purchased	4,232.77	4.22	0.05	4,237.04
Assets derecognised or repaid (excluding write offs)	(3,739.27)	(80.01)	(22.95)	(3,842.23)
Transfers from stage 1	(297.92)	252.76	45.16	-
Transfers from stage 2	11.22	(39.02)	27.80	-
Transfers from stage 3	2.87	-	(2.87)	-
Amounts written off	-	-	(14.83)	(14.83)
Gross carrying amount as at March 31, 2022	**9,136.76**	**476.75**	**107.34**	**9,720.85**

As at March 31, 2021

Particulars	Stage 1 *	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2020	8,073.18	11.65	13.63	8,098.46
New assets originated or purchased	5,615.71	0.94	-	5,616.65
Assets derecognised or repaid (excluding write offs)	(4,379.00)	9.21	(2.82)	(4,372.61)
Transfers from stage 1	(381.93)	329.29	52.64	-
Transfers from stage 2	-	(12.29)	12.29	-
Transfers from stage 3	-	-	-	-
Amounts written off	(0.87)	-	(0.76)	(1.63)
Gross carrying amount as at March 31, 2021	**8,927.09**	**338.80**	**74.98**	**9,340.87**

* Includes over due from 1 to 30 days amounting to Rs. 225.36 lakhs and Rs. 100.72 lakhs as at 31st March 2022 and 31st March 2021.

8.1.2.3 Impairment allowance for loans to customers

As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2021	61.65	56.30	26.64	144.59
ECL remeasurements due to changes in EAD/Credit Risk/Assumptions (Net)	(20.16)	(12.39)	13.68	(18.87)
Transfers from Stage 1	(2.70)	2.32	0.38	-
Transfers from Stage 2	0.28	(3.80)	3.52	-
Transfers from Stage 3	1.68	-	(1.68)	-
Amounts written off	-	-	(4.45)	(4.45)
Impairment allowance for loans to customers as at March 31, 2022	**40.75**	**42.43**	**38.09**	**121.27**

Decrease in ECL is attributable to decrease in loans which is partially off-settled by classification of loans from Stage I to Stage II and Stage III due to deterioration in general economic conditions.

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2020	86.10	2.10	5.83	94.03
ECL remeasurements due to changes in EAD/Credit Risk/Assumptions (Net)	(18.40)	51.36	17.60	50.56
Transfers from Stage 1	(6.05)	4.94	1.11	-
Transfers from Stage 2	-	(2.10)	2.10	-
Transfers from Stage 3	-	-	-	-
Impairment allowance for loans to customers as at March 31, 2021	**61.65**	**56.30**	**26.64**	**144.59**

Increase in ECL is attributable to increase in loans and classification of loans from Stage I to Stage II and Stage III due to deterioration in general economic conditions.

Note: 8.1.3 Business Loan
An analysis of risk categorisation, changes in gross carrying amount and the corresponding ECL allowances

8.1.3.1 Analysis of risk categorisation

As at March 31, 2022

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	7,504.65	205.89	61.25	7,771.79
Medium risk	1,044.52	84.37	32.72	1,161.61
High risk	362.49	27.74	5.56	395.79
Total	**8,911.66**	**318.00**	**99.53**	**9,329.19**

As at March 31, 2021

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	4,253.53	84.03	33.71	4,371.27
Medium risk	1,948.58	53.48	2.96	2,005.02
High risk	289.51	41.09	4.69	335.29
Total	**6,491.62**	**178.60**	**41.36**	**6,711.58**

8.1.3.2 Reconciliation of gross carrying amount

As at March 31, 2022

Particulars	Stage 1 *	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2021	6,491.62	178.60	41.36	6,711.58
New assets originated or purchased	5,020.90	2.83	0.03	5,023.76
Assets derecognised or repaid (excluding write offs)	(2,354.66)	(33.65)	(13.66)	(2,401.97)
Transfers from stage 1	(265.93)	230.03	35.90	-
Transfers from stage 2	19.73	(59.81)	40.08	-
Transfers from stage 3	-	-	-	-
Amounts written off	-	-	(4.18)	(4.18)
Gross carrying amount as at March 31, 2022	**8,911.66**	**318.00**	**99.53**	**9,329.19**

As at March 31, 2021

Particulars	Stage 1 *	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2020	5,119.73	4.95	2.95	5,127.63
New assets originated or purchased	4,512.77	0.54	-	4,513.31
Assets derecognised or repaid (excluding write offs)	(2,939.16)	8.62	1.18	(2,929.36)
Transfers from stage 1	(201.72)	169.82	31.90	-
Transfers from stage 2	-	(5.33)	5.33	-
Transfers from stage 3	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount as at March 31, 2021	**6,491.62**	**178.60**	**41.36**	**6,711.58**

* Includes over due from 1 to 30 days amounting to Rs. 176.74 lakhs and Rs. 106.40 lakhs as at 31st March 2022 and 31st March 2021.

8.1.3.3 Impairment allowance for loans to customers

As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2021	50.35	23.46	14.70	88.51
ECL remeasurements due to changes in EAD/Credit Risk/Assumptions (Net)	(0.48)	9.57	15.51	24.60
Transfers from Stage 1	(3.24)	2.72	0.51	(0.01)
Transfers from Stage 2	1.87	(7.72)	5.85	-
Transfers from Stage 3	-	-	-	-
Amounts written off	-	-	(1.25)	(1.25)
Impairment allowance for loans to customers as at March 31, 2022	**48.50**	**28.03**	**35.32**	**111.85**

Increase in ECL is attributable to increase in loans and classification of loans from Stage I to Stage II and Stage III due to deterioration in general economic conditions.

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2020	65.25	1.26	1.26	67.77
ECL remeasurements due to changes in EAD/Credit Risk/Assumptions (Net)	(11.29)	20.51	11.52	20.74
Transfers from Stage 1	(3.61)	2.94	0.67	-
Transfers from Stage 2	-	(1.25)	1.25	-
Transfers from Stage 3	-	-	-	-
Impairment allowance for loans to customers as at March 31, 2021	**50.35**	**23.46**	**14.70**	**88.51**

Increase in ECL is attributable to increase in loans and classification of loans from Stage I to Stage II and Stage III due to deterioration in general economic conditions.

Note: 8.1.4 Small ticket business loan
An analysis of risk categorisation, changes in gross carrying amount and the corresponding ECL allowances

8.1.4.1 Analysis of risk categorisation
As at March 31, 2022

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	4,230.24	67.85	21.95	4,320.04
Medium risk	445.59	13.69	-	459.28
High risk	58.72	-	6.49	65.21
Total	**4,734.55**	**81.54**	**28.44**	**4,844.53**

As at March 31, 2021

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low risk	1442.92	37.74	-	1480.66
Medium risk	531.80	19.85	-	551.65
High risk	62.91	-	-	62.91
Total	**2037.63**	**57.59**	**-**	**2095.22**

8.1.4.2 Reconciliation of gross carrying amount
As at March 31, 2022

Particulars	Stage 1 *	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2021	2,037.63	57.59	-	2,095.22
New assets originated or purchased	3,508.83	-	-	3,508.83
Assets derecognised or repaid (excluding write offs)	(745.00)	(14.41)	-	(759.41)
Transfers from stage 1	(71.52)	52.33	19.19	-
Transfers from stage 2	4.61	(13.97)	9.36	-
Transfers from stage 3	-	-	-	-
Amounts written off	-	-	(0.11)	(0.11)
Gross carrying amount as at March 31, 2022	**4,734.55**	**81.54**	**28.44**	**4,844.53**

As at March 31, 2021

Particulars	Stage 1 *	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2020	956.66	-	-	956.66
New assets originated or purchased	1,805.13	-	-	1,805.13
Assets derecognised or repaid (excluding write offs)	(669.87)	3.30	-	(666.57)
Transfers from stage 1	(54.29)	54.29	-	-
Transfers from stage 2	-	-	-	-
Transfers from stage 3	-	-	-	-
Amounts written off	-	-	-	-
Gross carrying amount as at March 31, 2021	**2,037.63**	**57.59**	**-**	**2,095.22**

* Includes over due from 1 to 30 days amounting to Rs. 25.35 lakhs and Rs. 18.17 lakhs as at 31st March 2022 and 31st March 2021.

8.1.4.3 Impairment allowance for loans to customers
As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2021	15.66	7.93	-	23.59
ECL remeasurements due to changes in EAD/Credit Risk/Assumptions (Net)	12.33	(0.61)	8.86	20.58
Transfers from Stage 1	(0.65)	0.45	0.20	-
Transfers from Stage 2	0.39	(1.46)	1.06	(0.01)
Transfers from Stage 3	-	-	-	-
Amounts written off	-	-	(0.03)	(0.03)
Impairment allowance for loans to customers as at March 31, 2022	**27.73**	**6.31**	**10.09**	**44.13**

Increase in ECL is attributable to increase in loans and classification of loans from Stage I to Stage II and Stage III due to deterioration in general economic conditions.

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Impairment allowance for loans to customers as at April 1, 2020	12.07	-	-	12.07
ECL remeasurements due to changes in EAD/Credit Risk/Assumptions (Net)	4.46	7.06	-	11.52
Transfers from Stage 1	(0.87)	0.87	-	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Impairment allowance for loans to customers as at March 31, 2021	**15.66**	**7.93**	**-**	**23.59**

Increase in ECL is attributable to increase in loans and classification of loans from Stage I to Stage II and Stage III due to deterioration in general economic conditions.

Modified financial assets
The Company renegotiates loans given to customers in financial difficulties (referred to as forbearance activities, restructuring or rescheduling) to improve the potential of repayment by the borrower. Under the Companies forbearance policy, loan forbearance is granted on a selective basis if the customer is currently in default on its debt or if there is a high risk of default, there is evidence that the customer made all reasonable efforts to pay under the original contractual terms and the customer is expected to be able to meet the revised terms. The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. The Senior team regularly reviews reports on forbearance activities. Upon renegotiation, such accounts are downgraded basis management assessment and are subsequently upgraded to Stage 1 only upon observation of satisfactory repayments of one year from the date of such down-gradation and accordingly loss allowance is measured using 12 month PD.

Note:8.2 Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in these notes. It should be read in conjunction with the Summary of significant accounting policies

- Definition of default and cure

The Company considers a financial instrument as defaulted and classifies it as Stage 3 (credit-impaired) for ECL calculations typically when the borrower becomes 90 days past due on contractual payments. The Company may also classify a loan in Stage 3 if there is significant deterioration in the loan collateral, deterioration in the financial condition of the borrower or an assessment that adverse market conditions may have a disproportionately detrimental effect on the loan repayment.

- Probability of default ("PD")

The Company uses blend of both CIBIL score and account level delinquency while assigning Probability of Default (PD) at a portfolio level. The PDs are computed for homogenous portfolio segments.

- Exposure at default ("EAD")

The Gross carrying amount as at the reporting date is considered as EAD by the Company. Considering that PD determined above factors in amount at default, there is no separate requirement to estimate EAD.

- Loss given default ("LGD")

The Company uses historical loss data/external agency LGD for identified homogenous pools for the purpose of calculating LGD. The estimated recovery cash flows are discounted such that the LGD calculation factors in the NPV of the recoveries.

- Significant increase in credit risk

The Company evaluates the loans on an ongoing basis. The Company also assesses if there has been a significant increase in credit risk since the previously assessed risk taking into consideration both qualitative and quantitative information. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due and when the accounts have been restructured under the RBI Resolution Framework.

- Risk assessment model

The Company has designed and operates its risk assessment model that factors in both quantitative as well as qualitative information on the loans and the borrowers. The model uses historical empirical data to arrive at factors that are indicative of future credit risk and segments the portfolio on the basis of combinations of these parameters into smaller homogenous portfolios from the perspective of credit behaviour.

Note 8.3 Collateral

The Company is in business of secured lending and all loans are adequately covered by either residential collateral or commercial collateral. The collaterals are assessed at the time of origination and are being reassessed as and when required. The illustrative factors considered while evaluation of collateral are liquidity, enforceability, marketability, ease and efficiency in custody & settlement and free from all encumbrances in the relevant jurisdictions and complied with local by laws. The assessment of collateral is undertaken by empanelled team of technical/legal agencies. The company has specified the maximum loan-to value ratio for various types of asset to be accepted as collateral. Such ratios commensurate with the relative risk of the assets as prescribed by NHB and provides an adequate buffer against potential losses.

The Company did not hold any financial instrument for which no loss allowance is recognised because of collateral as at March 31, 2022 and March 31, 2021. There was no change in the Company's collateral policy during the year.

Note 9: Investments

Particulars	March 31, 2022	March 31, 2021
Investments carried at fair value through profit or loss		
Mutual funds		
Banking & PSU debts funds	-	929.48
Short term debt funds	-	4,931.01
Ultra Short term debt funds	420.00	-
Total	**420.00**	**5,860.49**
Investments outside India	-	-
Investments in India	420.00	5,860.49
Total	**420.00**	**5,860.49**

Note 10: Other financial assets

Particulars	March 31, 2022	March 31, 2021
Balances with other financial institutions (refer note 10.1)	560.37	1,132.35
Excess Interest Spread (EIS) receivable (refer note 10.2)	1,062.59	751.51
Security deposits	92.42	65.65
Other receivables	114.88	46.48
Balance with Govt. authorities	-	23.93
Amount receivable from insurance companies	8.01	21.71
Gross	**1,838.27**	**2,041.63**
Less: impairment loss allowance on EIS Receivable	(4.82)	(4.87)
Net	**1,833.45**	**2,036.76**

Note 10.1: Balance with financials institutions include balance with Mutual fund of Rs. Nil (March 31, 2021: 1,000 Lakhs) and Fixed deposit with NBFC's of Rs. 560.37 Lakhs (March 31, 2021: 132.35 Lakhs)

Note 10.2: Under Ind AS with respect to Assignment deals, Company has created an EIS receivable, with corresponding credit to statement of profit and loss, which has been computed by discounting EIS to present value.

Ummeed Housing finance Private Limited
Notes to financial statements for the year ended March 31, 2022
(Amount in Rs. lakhs unless stated otherwise)

Note 11A: Property, plant and equipment

Particulars	Office Equipment	Computers	IT Networks Equipment's	Furniture Fixtures & Fittings	Vehicles	Total
Cost:						
At April 1, 2020	30.89	116.83	6.02	8.86	67.54	230.14
Additions	1.45	31.74	-	0.54	79.80	113.53
Disposals	(1.30)	(2.76)	-	-	(49.59)	(53.65)
At March 31, 2021	**31.04**	**145.81**	**6.02**	**9.40**	**97.75**	**290.02**
Additions	8.05	79.89	-	-	40.62	128.56
Disposals	(0.87)	(1.90)	(0.35)	(0.15)	(17.95)	(21.22)
At March 31, 2022	**38.22**	**223.80**	**5.67**	**9.25**	**120.42**	**397.36**
Depreciation						
At April 1, 2020	9.50	58.46	1.48	1.33	35.06	105.83
Charge for the year	5.99	33.98	0.95	0.85	16.67	58.44
Disposals	(0.77)	(2.61)	-	-	(31.17)	(34.55)
At March 31, 2021	**14.72**	**89.83**	**2.43**	**2.18**	**20.56**	**129.72**
Charge for the year	6.79	40.49	0.90	0.88	23.25	72.31
Disposals	(0.64)	(1.68)	(0.24)	(0.00)	(14.19)	(16.75)
At March 31, 2022	**20.87**	**128.64**	**3.09**	**3.06**	**29.62**	**185.28**
Net book value:						
At April 1, 2020	**21.39**	**58.37**	**4.54**	**7.53**	**32.48**	**124.31**
At March 31, 2021	**16.32**	**55.98**	**3.59**	**7.22**	**77.19**	**160.30**
At March 31, 2022	**17.35**	**95.16**	**2.58**	**6.19**	**90.80**	**212.08**

Note 11B: Intangibles

Particulars	Software	Total
Cost:		
At April 1, 2020	95.98	95.98
Additions	22.58	22.58
At March 31, 2021	**118.56**	**118.56**
Additions	44.91	44.91
At March 31, 2022	**163.47**	**163.47**
Accumulative amortisation:		
At April 1, 2020	25.70	25.70
Charge for the year	16.93	16.93
At March 31, 2021	**42.63**	**42.63**
Charge for the year	21.33	21.33
At March 31, 2022	**63.96**	**63.96**
Net book value		
At April 1, 2020	**70.28**	**70.28**
At March 31, 2021	**75.93**	**75.93**
At March 31, 2022	**99.51**	**99.51**

Note 11C: Right to use asset

Particulars	Building and office premises	Total
Gross block		
At April 1, 2020	630.18	630.18
Addition	31.70	31.70
Write offs	-	-
At March 31, 2021	**661.88**	**661.88**
Addition	275.75	275.75
Disposals	(66.73)	(66.73)
At March 31, 2022	**870.90**	**870.90**
Depreciation		
At April 1, 2020	165.44	165.44
Charge for the year	161.78	161.78
Reversal for the year	-	-
At March 31, 2021	**327.22**	**327.22**
Charge for the year	170.63	170.63
Reversal for the year	(45.32)	(45.32)
At March 31, 2022	**452.53**	**452.53**
Net book value		
At April 1, 2020	**464.74**	**464.74**
At March 31, 2021	**334.66**	**334.66**
At March 31, 2022	**418.37**	**418.37**

Note: There have been no acquisitions through business combinations and no change of amount due to revaluation of Property,plant and equipment and other intangible assets during the year ended 31 March 2022 and 31 March 2021.

(Amount in Rs. lakhs unless stated otherwise)

Note 12: Other non-financial assets

Particulars	March 31, 2022	March 31, 2021
GST Input	28.93	26.29
Prepaid expenses	108.91	29.01
Other advances	37.31	11.31
Total	**175.15**	**66.61**

Note 13: Payables

Particulars	March 31, 2022	March 31, 2021
Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises	1.34	-
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	176.65	118.01
Total	**177.99**	**118.01**

The management has identified enterprises which qualify under the definition of micro enterprises and small enterprises, as defined under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

Particulars	March 31, 2022	March 31, 2021
Principal amount remaining unpaid	1.34	-
Interest due thereon Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding the interest specified under MSMED Act, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the year. Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-
Total	**1.34**	**-**

Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
As at 31 March 2022					
(i) MSME	1.34	-	-	-	1.34
(ii) Others	59.96	3.06	0.63	1.14	64.79
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Unbilled dues	-	-	-	-	111.86
Total	**61.30**	**3.06**	**0.63**	**1.14**	**177.99**
As at 31 March 2021					
(i) MSME	-	-	-	-	-
(ii) Others	63.90	2.29	1.20	-	67.39
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Unbilled dues	-	-	-	-	50.62
Total	**63.90**	**2.29**	**1.20**	**-**	**118.01**

Note 14: Debt securities

Particulars	March 31, 2022	March 31, 2021
At amortised cost:		
Secured		
Redeemable non-convertible debentures	4,452.34	7,779.07
Total	**4,452.34**	**7,779.07**
Debt securities in India	665.51	3,197.18
Debt securities outside India	3,786.83	4,581.89
Total	**4,452.34**	**7,779.07**

Detail of Secured Redeemable Non-Convertible Debentures

Particulars/ISIN No.	INE870W07019	INE870W07019	INE870W07027	INE870W07035	INE870W07043
No. of Debentures	8,094	8,094	14,000	100	380
Call/Put Option	Yes	Yes	Yes	N.A.	N.A.
Date of Redemption	18-11-2021	22-11-2021	28-12-2021	21-04-2023	01-07-2023
Rate of Interest	12.22%	12.22%	13.00%	11.90%	11.72%
Interest Type	Fixed	Fixed	Fixed	Fixed	Fixed
Listed/unlisted	Unlisted	Unlisted	Unlisted	Listed	Listed
Face value	10,000	10,000	10,000	10,00,000	10,00,000
Carrying Amount as at March 31, 2022	-	-	-	665.51	3,786.83
Carrying Amount as at March 31, 2021	804.42	804.43	1,395.70	997.05	3,777.47

Redeemable Non-Convertible Debentures are secured by hypothecation of specified receivables under financing Activities.
All the debentures are privately placed and are redeemable at par.

Terms of repayment of Debt securities as at March 31, 2022

Original Maturities of Debt Securities (No of Days)	1-365		366-1095		Total	
	No of instalments	Amount	No of instalments	Amount	No of instalments	Amount
Due within one year	-	-	2	1,283.33	2	1,283.33
Due 1 to 3 years	-	-	2	3,183.33	2	3,183.33
Due 3 to 5 years	-	-	-	-	-	-
Due above 5 years	-	-	-	-	-	-
Total	**-**	**-**	**4**	**4,466.66**	**4**	**4,466.66**

Terms of repayment of Debt securities as at March 31, 2021

Original Maturities of Debt Securities (No of Days)	1-365		366-1095		Total	
	No of instalments	Amount	No of instalments	Amount	No of instalments	Amount
Due within one year	-	-	4	3,352.13	4	3,352.13
Due 1 to 3 years	-	-	4	4,466.67	4	4,466.67
Due 3 to 5 years	-	-	-	-	-	-
Due above 5 years	-	-	-	-	-	-
Total	**-**	**-**	**8**	**7,818.80**	**8**	**7,818.80**

Note 15: Borrowings (other than debt securities)

Particulars	March 31, 2022	March 31, 2021
At amortised cost:		
Secured		
Term Loans		
-from National Housing Bank (refer note 15.1)	5,241.35	7,594.72
-from Banks (refer note 15.2)	9,744.17	8,870.84
-from Non-Banking Financial Institutions (refer note 15.3)	1,065.67	4,510.04
-from Financial institutions (refer note 15.4)	2,024.57	2,416.23
Term Loans in foreign currency (USD)		
-from Financial institutions (ECB) (refer note 15.4)	1,361.05	1,313.93
Others		
-Cash credit facilities with scheduled banks (refer note 15.5)	1,981.37	772.93
-Working Capital Demand Loan with scheduled banks (refer note 15.6)	200.00	-
-Securitized Borrowings from Banks and NBFC	1,079.15	1,535.24
Total	**22,697.33**	**27,013.93**
Borrowings in India	19,311.71	23,283.77
Borrowings outside India	3,385.62	3,730.16
Total	**22,697.33**	**27,013.93**

Note 15.1: Secured term loans from National Housing Bank carry rate of interest in the range of 6.35% to 6.50% p.a. The loans are having tenure of 5 to 7 years from the date of disbursement and are repayable in quarterly instalments. These loans are secured by hypothecation (exclusive charge) of the loans and advances given by the Company. Loans from National Housing Bank to the extent of Rs. 3,037 lakhs (Previous year Rs Rs. 3,851 lakhs) have been guaranteed by Bank guarantee of Utkarsh Small Finance Bank limited (Rs.400.00 lakhs).

Note 15.2: Secured term loans from Banks carry rate of interest in the range of 7.30% to 11.14%p.a. The loans are having tenure of 3 to 8 years from the date of disbursement and are repayable in monthly or quarterly instalments or bullet payment. These loans are secured by hypothecation (exclusive charge) of the loans and advances given by the Company and vehicles of the Company.

Note 15.3: Secured term loans from Non-Banking Financial Institutions carry rate of interest in the range of 10.50% to 12.5%p.a. The loans are having tenure of 3 to 5 years from the date of disbursement and are repayable in monthly or quarterly instalments. These loans are secured by hypothecation (exclusive charge) of the loans and advances given by the Company.

Note 15.4: Secured term loans from Financials Institutions carry rate of interest in the range of 11.23% to 12.02%p.a. The loans are having tenure of 3 to 5 years from the date of disbursement and are repayable in half yearly Instalments or Bullet Payment. These loans are secured by hypothecation (exclusive charge) of the loans and advances given by the Company.

Note 15.5: Cash credit borrowings from bank are secured by hypothecation (exclusive charge) of the loans and advances given by the Company or against fixed deposits, are repayable on demand and carry interest rates ranging from 3.75% to 10.90%.

Note 15.6: Working Capital Demand Loan carry rate of interest of 10.19% p.a. The loans are having tenure of 17 Days from the date of disbursement and are repayable as bullet payment. These loans are secured by hypothecation (exclusive charge) of the loans given by the Company.

Defaults
There are no defaults as on balance sheet date in repayment of borrowing and interest thereon.

End Use
The Company has taken borrowings from banks, NBFC's, National Housing Bank and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Unutilised funds as at 31 March 2022 and 31 March 2021 are held by the Company in the form of fixed deposits with banks and financial Institutions till the time the utilisation is made subsequently.

Note 15: Borrowings (other than debt securities) (continued)

Terms of repayment of terms loans as at March 31, 2022

Repayments	Monthly repayment schedule		Quarterly/Half yearly/Bullet repayment schedule		Total	
	No of instalments	Amount	No of instalments	Amount	No of instalments	Amount
Due within one year	283	3,036.57	34	4,299.62	317	7,336.19
Due 1 to 3 years	257	2,536.53	50	7,777.00	307	10,313.53
Due 3 to 5 years	45	264.96	14	1,624.50	59	1,889.46
Due above 5 years	-	-	1	100.58	1	100.58
Total	**585**	**5,838.06**	**99**	**13,801.70**	**684**	**19,639.76**

Terms of repayment of terms loans as at March 31, 2021

Repayments	Monthly repayment schedule		Quarterly/Half yearly/Bullet repayment schedule		Total	
	No of instalments	Amount	No of instalments	Amount	No of instalments	Amount
Due within one year	351	4,262.54	44	3,173.35	395	7,435.89
Due 1 to 3 years	381	4,282.38	59	9,129.03	440	13,411.41
Due 3 to 5 years	19	25.63	28	2,864.50	47	2,890.13
Due above 5 years	-	-	7	1,020.00	7	1,020.00
Total	**751**	**8,570.55**	**138**	**16,186.88**	**889**	**24,757.43**

(Amount in Rs. lakhs unless stated otherwise)

Note 16: Other financial liabilities

Particulars	March 31, 2022	March 31, 2021
Interest accrued but not due		
-Redeemable non-convertible debentures	109.52	253.55
-Term Loans		
-from banks	36.98	57.59
-from Non-Banking Financial Institutions	4.17	10.68
-from Financial institutions (ECB)	74.06	71.27
Loan pending disbursement	1,887.16	3,572.43
Payable towards collections in derecognised assets	341.61	167.13
Payable/refundable to borrowers	23.15	228.27
Employee benefits payable	604.02	276.01
Advance from borrowers	75.14	94.25
Payable to Insurance companies	313.21	162.35
Others liabilities	57.25	55.63
Total	**3,526.27**	**4,949.16**

Note 17: Provisions

Particulars	March 31, 2022	March 31, 2021
Provision for employee benefits		
-Leave encashment	32.18	24.79
-Gratuity	102.07	70.34
ECL on undisbursed loan commitment	19.69	13.89
Total	**153.94**	**109.02**

Note 17.1: Loan commitment
The table below shows the credit quality and the maximum exposure for credit risk based on the Company's internal credit rating system and year-end stage classification for loan commitments.

As at March 31, 2022

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low Risk	3,235.07	11.79	5.06	3,251.92
Medium Risk	331.23	4.78	18.59	354.60
High Risk	32.97	3.71	-	36.68
Total	**3,599.27**	**20.28**	**23.65**	**3,643.20**

As at March 31, 2021

Risk Categorisation	Stage 1	Stage 2	Stage 3	Total
Low Risk	1,103.61	18.90	6.45	1,128.96
Medium Risk	602.72	15.05	4.07	621.84
High Risk	44.94	-	-	44.94
Total	**1,751.27**	**33.95**	**10.52**	**1,795.74**

Note 17.1.2: An analysis of changes in gross carrying amount and the corresponding ECLs in relation to other undrawn commitments is, as follows:

Reconciliation of gross carrying amount
As at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at March 31, 2021	1,751.27	33.95	10.52	1,795.74
New assets originated or purchased	3,153.00	-	-	3,153.00
Assets derecognised or repaid (excluding write offs)	(1,278.60)	(22.81)	(4.13)	(1,305.54)
Transfers from Stage 1	(26.39)	20.28	6.11	-
Transfers from Stage 2	-	(11.14)	11.14	-
Transfers from Stage 3	-	-	-	-
Gross carrying amount as at March 31, 2022	**3,599.28**	**20.28**	**23.64**	**3,643.20**

As at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at April 1, 2020	1,714.52	-	0.50	1,715.02
New assets originated or purchased	1,414.22	-	-	1,414.22
Assets derecognised or repaid (excluding write offs)	(1,338.07)	(0.65)	5.22	(1,333.50)
Transfers from Stage 1	(39.40)	34.60	4.80	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
Gross carrying amount as at March 31, 2021	**1,751.27**	**33.95**	**10.52**	**1,795.74**

Reconciliation of ECL balance amount as at March 31, 2022

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2021	7.86	2.35	3.68	13.89
ECL remeasurements due to changes in EAD/Credit Risk/Assumptions (Net)	(1.33)	1.38	5.76	5.81
Transfers from Stage 1	(0.12)	0.11	0.01	-
Transfers from Stage 2	2.07	(2.35)	0.28	-
Transfers from Stage 3	1.45	-	(1.45)	-
ECL allowance as at March 31, 2022	**9.93**	**1.49**	**8.28**	**19.70**

(Amount in Rs. lakhs unless stated otherwise)

Reconciliation of ECL balance amount as at March 31, 2021

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at April 1, 2020	7.65	-	0.21	7.86
ECL remeasurements due to changes in EAD/Credit Risk/Assumptions (Net)	0.41	2.20	3.42	6.03
Transfers from Stage 1	(0.20)	0.15	0.05	-
Transfers from Stage 2	-	-	-	-
Transfers from Stage 3	-	-	-	-
ECL allowance as at March 31, 2021	**7.86**	**2.35**	**3.68**	**13.89**

Note 18: Other non-financial liabilities

Particulars	March 31, 2022	March 31, 2021
Statutory dues payable	151.49	97.11
Total	**151.49**	**97.11**

Note 19: Equity Share Capital

Particulars	March 31, 2022	March 31, 2021
Authorized shares		
1,63,00,000 (March 31, 2021: 1,63,00,000) equity shares of ₹ 10/- each	1,630.00	1,630.00
Total authorized shares capital	**1,630.00**	**1,630.00**
Issued, subscribed and fully paid-up shares		
16,041,882 (March 31, 2021: 1,59,80,416) equity shares of ₹ 10/- each	1,604.19	1,598.04
Total issued, subscribed and fully paid-up share capital	**1,604.19**	**1,598.04**

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

Equity shares

Particulars	March 31, 2022		March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	1,59,80,416	1,598.04	1,59,80,416	1598.04
Issued during the year	61,466.00	6.15	-	-
Outstanding at the end of the year	**1,60,41,882**	**1,604.19**	**1,59,80,416**	**1,598.04**

(b) Terms/ rights attached to equity shares

The Company has a single class of equity shares having a par value of ₹ 10 per share (previous year ₹ 10 per share). Each holder of equity share is entitled to one vote per share in proportion of the share of the paid-up capital of the Company held by the shareholder. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after discharging all liabilities of the Company, in proportion to their shareholdings.

(c) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	March 31, 2022		March 31, 2021	
	Number of shares	% of share holding	Number of shares	% of share holding
Equity shares of ₹10 each fully paid				
Ashutosh Sharma	89,92,172	56.05%	98,79,172	61.82%
Thyme Private Limited, Mauritius	31,40,927	19.58%	31,40,927	19.65%
Norwest Capital, LLC	10,51,947	6.56%	-	-
NHPEA Kabru Holding B.V., Netherlands	21,08,005	13.14%	21,08,005	13.19%

(d) Shareholding of Promoter in the Company (Equity)

Promoter Name	March 31, 2022		March 31, 2021	
	Number of shares	% of share holding	Number of shares	% of share holding
Ashutosh Sharma	89,92,172	56.05%	98,79,172	61.82%

Note 20: Instruments entirely equity in nature

Particulars	March 31, 2022	March 31, 2021
Authorized shares		
3,45,63,000 (March 31, 2021: 2,70,13,000) 0.001% Compulsorily Convertible Preference shares (CCPS) of ₹ 20/- each	6,912.60	5,402.60
25,02,000 (March 31, 2021: 13,02,000) Optionally Convertible Non Cumulative Redeemable Preference shares (OCNCRPS) of ₹ 10/- each	250.20	130.20
Total authorized shares capital	**7,162.80**	**5,532.80**
Issued, subscribed and paid-up shares		
CCPS:		
Cumulative:		
26,36,204 0.001%, Non-Participative CCPS of ₹ 20/- each-Series A	527.24	527.24
74,19,322 0.001%, Non-Participative CCPS of ₹ 20/- each-Series B	1,483.86	1,483.86
Non-Cumulative:		
76,85,840 0.001%, Non-Participative CCPS of ₹ 20/- each-Series C	1,537.17	1,537.17
92,70,567 0.001%, Non-Participative CCPS of ₹ 20/- each-Series D	1,854.11	1,854.11
74,49,772 0.001%, Non-Participative CCPS of ₹ 20/- each-Series E	1,489.95	-
OCNCRPS:		
24,89,068 (March 31, 2021: 13,00,516) OCNCRPS of ₹ 10/- each (partly paid up ₹ 1)	24.90	13.01
Total issued, subscribed and paid-up share capital	**6,917.23**	**5,415.39**

Ummeed Housing Finance Private Limited

Notes to the Financial Statements for the year ended March 31, 2022

(Amount in Rs. lakhs unless stated otherwise)

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

Compulsorily Convertible Preference shares (CCPS)

Particulars	March 31, 2022		March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Series A				
At the beginning of the year	26,36,204	527.24	26,36,204	527.24
Issued during the year	-	-	-	-
Outstanding at the end of the year	**26,36,204**	**527.24**	**26,36,204**	**527.24**
Series B				
At the beginning of the year	74,19,322	1,483.86	74,19,322	1,483.86
Issued during the year	-	-	-	-
Outstanding at the end of the year	**74,19,322**	**1,483.86**	**74,19,322**	**1,483.86**
Series C				
At the beginning of the year	76,85,840	1,537.17	76,85,840	1,537.17
Issued during the year	-	-	-	-
Outstanding at the end of the year	**76,85,840**	**1,537.17**	**76,85,840**	**1,537.17**
Series D				
At the beginning of the year	92,70,567	1,854.11	-	-
Issued during the year	-	-	92,70,567	1,854.11
Outstanding at the end of the year	**92,70,567**	**1,854.11**	**92,70,567**	**1,854.11**
Series E				
At the beginning of the year	-	-	-	-
Issued during the year	74,49,772	1,489.95	-	-
Outstanding at the end of the year	**74,49,772**	**1,489.95**	**-**	**-**

Optionally Convertible Non-cumulative Redeemable Preference shares (OCNCRPS)

	March 31, 2022		March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	13,00,516	13.01	13,00,516	130.05
Issued during the year	11,88,552	118.86	-	-
Less: ₹ 9 per share not called up		(106.97)		(117.04)
Outstanding at the end of the year	**24,89,068**	**24.90**	**13,00,516**	**13.01**

(b) Terms / Rights attached to Compulsorily Convertible Preference shares (CCPS)

The Company has issued its Compulsorily Convertible Preference shares (CCPS) in series A, B, C, D and E having the par value of ₹ 20. The holders of the CCPS shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the Shareholders (including the holders of Equity Shares). The shares are convertible in the ratio of 1 equity share for 1 CCPS. The shares carry a dividend right of 0.001% per annum of subscription amount.

For Series A, the preferential dividend is cumulative and shall accrue from year to year whether or not paid, and accrued dividends shall be paid in full (together with dividends accrued from prior years, provided that such dividends are due only when declared) prior and in preference to any dividend or distribution payable upon shares of any other class or series in the same Financial Year, except the Series B CCPS, Series C CCPS, Series D CCPS and Series E CCPS which shall rank pari passu to Series A CCPS in relation to dividend. Notwithstanding the above, the Preferential Dividend shall be due only when declared by the Board. Series A CCPS may be converted into Equity Shares at any time at the option of the holder of that Series A CCPS. However, the same shall be automatically be converted into Equity Shares, at the Series A conversion price (as defined) then in effect, upon the earlier of (i) 1 (one) day prior to the expiry of 20 (twenty) years from the issuance of Series A CCPS; or (ii) in connection with an initial public offering approved by the Qualified Investor Majority in accordance with the terms of the Agreement, prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under Law.

For Series B, the preferential dividend is cumulative and shall accrue from year to year whether or not paid, and accrued dividends shall be paid in full (together with dividends accrued from prior years, provided that such dividends are due only when declared) prior and in preference to any dividend or distribution payable upon shares of any other class or series in the same Financial Year, except the Series A CCPS, Series C CCPS, Series D CCPS and Series E CCPS which shall rank pari passu to Series B CCPS in relation to dividend. Notwithstanding the above, the Preferential Dividend shall be due only when declared by the Board. Series B CCPS may be converted into Equity Shares at any time at the option of the holder of that Series B CCPS. However, the same shall be automatically be converted into Equity Shares, at the Series B Conversion Price (as defined) then in effect, upon the earlier of: (i) 1 (one) day prior to the expiry of 20 (twenty) years from the Series B Closing Date, i.e., 19 May 2017; or (ii) in connection with an initial public offering approved by the Qualified Investor Majority in accordance with the terms of the Agreement, prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under Law.

For Series C, the preferential dividend is non-cumulative and shall be payable, as and when declared, from year to year prior to and in preference to any dividend or distribution payable upon shares of any other class or series in the same Financial Year, except the Series A CCPS, Series B CCPS, Series D CCPS, and the Series E CCPS which shall rank pari-passu to Series C CCPS in relation to dividend. Each Series C CCPS may be converted into Equity Shares at any time at the option of the holder of that Series C CCPS. However, the same shall be automatically be converted into Equity Shares, at the Series C conversion price (as defined) then in effect, upon the earlier of: (i) 1 (one) day prior to the expiry of 20 (twenty) years from the Series C Closing Date, i.e., 18 September 2018; or (ii) in connection with an initial public offering approved by the Qualified Investor Majority in accordance with the terms of the Agreement, prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under Law.

For Series D, the preferential dividend is non- cumulative and shall be payable, as and when declared, from year to year prior to and in preference to any dividend or distribution payable upon shares of any other class or series in the same Financial Year, except the Series A CCPS, Series B CCPS, Series C CCPS which shall rank pari passu to Series D CCPS in relation to dividend. Each Series D CCPS may be converted into Equity Shares at any time at the option of the holder of that Series D CCPS. Each Series D CCPS may be converted into Equity Shares at any time at the option of the holder of that Series D CCPS. However, the same shall be automatically be converted into Equity Shares, at the Series D conversion price (as defined) then in effect, upon the earlier of: (i) 1 (one) day prior to the expiry of 20 (twenty) years from the Closing Date; or (ii) in connection with a IPO, prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under Law; or (iii) upon occurrence of a Liquidation Event, if required.

For Series E, the preferential dividend is non- cumulative and shall be payable, as and when declared, from year to year prior to and in preference to any dividend or distribution payable upon shares of any other class or series in the same Financial Year, except the Series A CCPS, Series B CCPS Series C CCPS and the Series D CCPS which shall rank pari-passu to Series E CCPS in relation to dividend. Each Series E CCPS may be converted into Equity Shares at any time at the option of the holder of that Series E CCPS. However, the same shall be automatically be converted into Equity Shares, at the Series E conversion price (as defined) then in effect, upon the earlier of: (i) 1 (one) day prior to the expiry of 20 (twenty) years from the Closing Date; or (ii) in connection with an initial public offering approved by the Qualified Investor Majority in accordance with the terms of the Agreement, prior to the filing of a prospectus (or equivalent document, by whatever name called) by the Company with the competent authority or such later date as may be permitted under Law.

In the event of a Liquidation Event, out of the proceeds of the Liquidation Event, each holders of Series A CCPS, Series B CCPS, Series C CCPS, Series D CCPS and Series E CCPS and holders of equity shares shall be entitled to receive, on a pari passu basis, an amount which is the pro-rata entitlement of the Liquidation Proceeds based on their respective shareholding in the Company on a Fully Diluted Basis.

(c) Terms / Rights attached to Optionally Convertible Non Cumulative Redeemable Preference Shares

The Company has a class of Optionally Convertible Non Cumulative Redeemable preference shares (OCNCRPS) having par value of ₹ 10 per share.

OCNCRPS shall be converted into Equity Shares subject to adjustment on account of any share splits, share consolidations, recapitalizations, or like events. The OCNCRPS which are fully paid and subject to conditions specified under the said Agreement, shall carry 1 (one) vote per share on and as if paid-up and converted basis. Further, each OCNCRPS shall be entitled to dividend at the rate of 0.001% per annum until they are converted into Equity Shares.

In any Liquidation Event, the Incentive Shares shall not be treated in preference or priority to the Equity Securities of the Investors, whether pending conversion or after conversion.

(Amount in Rs. lakhs unless stated otherwise)

(d) Details of preference shares(CCPS) held by shareholders holding more than 5% of the aggregate shares in the Company

Name of shareholder	March 31, 2022		March 31, 2021	
	No of CCPS	% of holding	No of CCPS	% of holding
Preference shares(CCPS) of ₹ 20 each fully paid				
Series A-Compulsorily convertible preference shares				
Thyme Private Limited	13,18,830	50.03%	13,18,830	50.03%
Lightstone Global Fund	13,17,374	49.97%	13,17,374	49.97%
Series B-Compulsorily convertible preference shares				
Thyme Private Limited	25,99,187	35.03%	25,99,187	35.03%
Lok Capital Growth Fund	-	-	17,14,153	23.10%
Duane Park Private Limited	-	-	17,06,185	23.00%
CX Alternative Investment Fund	6,27,239	8.45%	-	-
Ashutosh Sharma	3,86,279	5.21%	-	-
Atma Ram Properties Private Limited	3,86,279	5.21%	-	-
Norwest Capital, LLC	34,20,338	46.10%	-	-
Series C-Compulsorily convertible preference shares				
Lightstone Global Fund	70,94,614	92.31%	70,94,614	92.31%
Thyme Private Limited	86	0.00%	86	0.00%
Lok Capital Growth Fund	5,91,126	7.69%	5,91,126	7.69%
Series D-Compulsorily convertible preference shares				
NHPEA Kabru Holding B.V.	86,37,070	93.17%	86,37,070	93.17%
Lightstone Global Fund	6,33,497	6.83%	6,33,497	6.83%
Series E-Compulsorily convertible preference shares				
NHPEA Kabru Holding B.V.	16,83,963	22.60%	86,37,070	93.17%
Lightstone Global Fund	-	-	6,33,497	6.83%
Norwest Capital, LLC	57,65,809	77.40%	-	-

(e) Shareholding of Promoter in the Company (CCPS)

Promoter Name	March 31, 2022		March 31, 2021	
	Number of shares	% of share holding	Number of shares	% of share holding
Ashutosh Sharma	3,86,279	5.21%	-	-

(f) Details of preference shares(OCNCRPS) held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	March 31, 2022		March 31, 2021	
	Number of shares	% of share holding	Number of shares	% of share holding
Preference shares(OCNCRPS) of ₹ 10 each fully paid				
Ashutosh Sharma	21,44,285	86.15%	10,65,148	81.90%
Sachin Grover	2,90,175	11.66%	1,99,012	15.30%

(g) Shareholding of Promoter in the Company (OCNCRPS)

Promoter Name	March 31, 2022		March 31, 2021	
	Number of shares	% of share holding	Number of shares	% of share holding
Ashutosh Sharma	21,44,285	86.15%	10,65,148.00	81.90%

Note 21: Other equity

Particulars	March 31, 2022	March 31, 2021
Share premium account	33,011.04	17,931.76
Statutory reserve under Section 29C of NHB Act, 1987	773.49	400.30
Share based payment reserve	458.16	355.23
Retained earnings (accumulated losses)	2,474.12	982.62
Other comprehensive income	(20.87)	(22.05)
Total	**36,695.94**	**19,647.86**

Share premium account - Share premium account is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, share issue related expenses like underwriting costs etc. in accordance with Section 52 of the Companies Act 2013.

Statutory reserve under Section 29C of NHB Act, 1987- As per Section 29C of National Housing Bank Act (NHB), 1987, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose, any Special Reserve created by the Company under Section 36(1)(viii) of the Income Tax Act, 1961 is considered to be an eligible transfer. Thus, during the year ended 31 March 2022 and 31 March 2021, the Company has transferred to Statutory Reserve, an amount arrived in accordance with Section 29C of the NHB Act, 1987.

Share based payment reserve - The share based payment reserve is used to recognise grant date fair value of options issued to employees under the Company's stock option schemes.

Retained earnings (accumulated losses) - Retained earnings represents the amount of accumulated earnings of the Company.

Other comprehensive income - Remeasurement of the net defined benefit liabilities comprise actuarial gain/ loss.

Note 22: Interest Income

Particulars	March 31, 2022	March 31, 2021
On financial assets measured at amortised cost		
Interest on term loans	9,078.94	7,266.15
Interest Income on deposits with banks	384.05	640.03
Total	**9,462.99**	**7,906.18**

Ummeed Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2022
(Amount in Rs. lakhs unless stated otherwise)

Note 23: Fee and commission Income

Particulars	March 31, 2022	March 31, 2021
Commitment fee	210.47	137.86
Other fee Income	200.03	161.62
Commission Income	47.74	29.87
Total	**458.24**	**329.35**
Geographical markets		
India	458.24	329.35
Outside India	-	-
Total revenue from contracts with customers	**458.24**	**329.35**
Timing of revenue recognition		
Services transferred at a point in time	458.24	329.35
Services transferred over time	-	-
Total revenue from contracts with customers	**458.24**	**329.35**

Note 24: Net gain on derecognition of financial instruments at amortised cost

Particulars	March 31, 2022	March 31, 2021
Net gain on derecognition of financial instruments	539.48	401.06
Total	**539.48**	**401.06**

Note 25: Net gain on fair value changes

Particulars	March 31, 2022	March 31, 2021
Total net gain on fair value changes on financial instruments measured at fair value through profit and loss		
- On trading portfolio - investment in units of mutual funds	262.52	420.33
	262.52	**420.33**
Total net gain on fair value changes on financial instruments measured at fair value through profit and loss		
Fair value changes:		
-Realised	406.92	315.21
-Unrealised	(144.40)	105.12
Total	**262.52**	**420.33**

Note 26: Other Income

Particulars	March 31, 2022	March 31, 2021
Advertisement income	155.04	29.80
Other income	27.81	6.08
Gain on sale of fixed assets	-	4.00
Total	**182.85**	**39.88**

Note 27: Finance Cost

Particulars	March 31, 2022	March 31, 2021
On financial liabilities measured at Amortised Cost:		
Interest on borrowings		
-Redeemable non-convertible debentures	841.08	841.66
-Term Loans		
-from National Housing Bank	396.86	312.39
-from banks	1,099.55	1,192.03
-from Non-Banking Financial Institutions	400.97	791.44
-from Financial institutions	454.64	448.30
-Cash credit facilities with scheduled banks	70.26	26.24
-Working Capital Demand Loan with scheduled banks	1.01	-
Interest expenses on lease liability	47.68	53.95
Unwinding of Interest expense on servicing liability	8.54	9.48
Interest on Securitised pool	163.54	222.91
Other borrowing Cost	83.57	-
Total	**3,567.70**	**3,898.40**

Note 28: Impairment on financial instruments

Particulars	March 31, 2022	March 31, 2021
On financial assets measured at amortised cost:		
Loan assets and EIS receivable	20.34	211.10
Loans written off	49.25	6.93
Loan commitment (refer note 17.1.2)	5.80	6.03
Total	**75.39**	**224.06**

(Amount in Rs. lakhs unless stated otherwise)

Note 29: Employee benefits expenses

Particulars	March 31, 2022	March 31, 2021
Salaries and wages	3,255.61	2,355.39
Contribution to provident and other funds	110.86	73.96
Share based payments to employees	121.20	81.04
Gratuity expense (refer Note 33)	30.52	25.86
Total	**3,518.19**	**2,536.25**

Note 30: Other expenses

Particulars	March 31, 2022	March 31, 2021
Rent	42.75	4.79
Rates and taxes	4.06	3.88
Repairs and maintenance		
Computers	145.93	101.54
Others	100.59	81.59
Electricity & Water charges	29.38	20.81
Travelling and conveyance	129.92	74.94
Communication expenses	70.66	51.78
Printing and stationery	39.38	37.72
Advertising and sales promotion	47.04	13.30
Legal and professional fee	145.82	125.06
Customer Acquisition Cost	220.95	149.01
Directors' sitting fee	22.75	8.72
Auditor's remuneration (refer note A below)	11.74	41.54
Bank charges	17.92	20.56
Donations	16.11	3.00
Miscellaneous expenses	11.11	5.67
Total	**1056.11**	**743.91**

A: Payment to auditors

Particulars	March 31, 2022	March 31, 2021
As auditor:		
Audit fee	5.00	20.96
Limited Review	4.25	4.36
Tax audit fee	1.00	1.64
In other capacity:		
Certification fee	1.40	13.58
Reimbursement of expenses	0.09	1.00
Total	**11.74**	**41.54**

Note 31: Income tax

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

Profit or loss section	March 31, 2022	March 31, 2021
Current income tax:		
Current income tax charge	487.54	350.06
Adjustment in respect of current income tax of previous year	(23.22)	0.76
Deferred tax:		
Relating to origination and reversal of temporary differences	94.17	(24.78)
Income tax expense reported in the statement of profit or loss	**558.49**	**326.04**

Other Comprehensive Income section	March 31, 2022	March 31, 2021
Deferred tax:		
Relating to origination and reversal of temporary differences	0.02	4.87
Income tax expense reported in other comprehensive section	**0.02**	**4.87**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021

Particulars	March 31, 2022	March 31, 2021
Accounting profit before tax from continuing operations	2424.42	1457.03
Tax at Statutory Income Tax rate of @25.17% (Previous year 25.17%)	610.18	366.71
Permanent differences	4.05	(25.70)
Impact of tax deduction u/s 36(1)(viii) of Income-tax Act 1961	(37.46)	(15.06)
Others (including rate change)	4.94	(0.66)
Tax at Effective Income Tax rate of@23.04% (Previous year 22.71%)	**581.71**	**325.29**
Tax on other comprehensive Income	0.02	4.87
Tax for earlier years	(23.22)	0.76
Total tax expense reported in statement of profit and loss	**558.51**	**330.92**

(Amount in Rs. lakhs unless stated otherwise)

Deferred Tax

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

Particulars	Deferred tax assets	Deferred tax liabilities	Net Deferred tax asset	Income Statement	OCI
	March 31, 2022	March 31, 2022	March 31, 2022	2021-22	2021-22
EIS receivables	-	(267.43)	(267.43)	(78.29)	-
EIR- borrowings	-	(30.41)	(30.41)	8.22	-
Property, plant and equipment	-	(6.33)	(6.33)	(2.44)	-
Provision for employee benefits	33.79	-	33.79	9.85	0.42
Expected credit loss (ECL)	130.74	-	130.74	(19.59)	-
Unamortised processing fees on loans	235.51	-	235.51	42.24	-
Foreign exchange loss on derivative instrument	7.02	-	7.02	(0.40)	(0.40)
Unrealised gain on mutual fund	36.34	-	36.34	36.34	-
Employee stock compensation expenses	-	-	-	(89.40)	-
Other Adjustments	122.00	(105.28)	16.72	(0.67)	-
Gross deferred tax asset	**565.40**	**(409.45)**	**155.95**	**(94.14)**	**0.02**

Particulars	Deferred tax assets	Deferred tax liabilities	Net Deferred tax asset	Income Statement	OCI
	March 31, 2021	March 31, 2021	March 31, 2021	2020-21	2020-21
EIS receivables	-	(189.14)	(189.14)	71.32	-
EIR- borrowings	-	(38.63)	(38.63)	(7.92)	-
Property, plant and equipment	-	(3.58)	(3.58)	(2.51)	-
Provision for employee benefits	23.94	-	23.94	(1.70)	0.08
Expected credit loss (ECL)	150.34	-	150.34	(54.65)	-
On carry forward of losses	-	-	-	16.07	-
Unamortised processing fees on loans	193.26	-	193.26	(21.62)	-
Foreign exchange loss on derivative instrument	7.42	-	7.42	-	(4.95)
Employee stock compensation expenses	89.40	-	89.40	(20.40)	-
Other Adjustments	20.97	(3.89)	17.08	(3.37)	-
Total	**485.33**	**(235.24)**	**250.09**	**(24.78)**	**(4.87)**

Note 32 : Earning per share

Basic earning per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earning per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of share outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Particulars	March 31, 2022	March 31, 2021
Following reflects the net profit and weighted average equity shares data used in EPS computation:		
Basic		
Weighted average number of equity shares of computation of Basic EPS (in Nos.)	4,67,99,239	4,31,22,401
Net profit for calculation of basic EPS	1,865.93	1,130.99
Basic earning per share (in Rs.)	**3.99**	**2.62**
Diluted		
Weighted average number of equity shares of computation of Diluted EPS (in Nos.)	4,82,96,949	4,41,29,999
Net profit for calculation of diluted EPS	1,865.93	1,130.99
Diluted earning per share (in Rs.)	**3.86**	**2.56**
Reconciliation of Weighted average number of shares outstanding		
Weighted average number of equity shares of computation of Basic EPS	4,67,99,239	4,31,22,401
Add: Dilutive potential equity shares	14,97,710	10,07,598
Weighted average number of equity shares of computation of Diluted EPS	**4,82,96,949**	**4,41,29,999**
Nominal/Face value of equity share (in Rs.)	10	10

Note 33: Retirement benefit plan

Defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to such limit as prescribed by The Payment of Gratuity Act, 1972 as amended from time to time.

The Company has accounted for provision for compensated absences from 1 April 2020. An employee is eligible to carry forward 9 days of leaves to the next period from the balance leaves pending utilisation and Maxmimum Accumulation of leaves is 30 Days at a time; however these leaves are non-encashable.

The Indian Parliament has approved the Code an Social Security, 2020 which assumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, asses the impact, if any, and account for the same once the rules are notified and become effective.

The following tables summarize the components of net benefits expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans:

Table showing change in present value of projected benefit obligation

Particulars	March 31, 2022	March 31, 2021
Change in benefit obligations		
Present value of benefit obligations at the beginning of the year	70.34	44.80
Interest cost	3.81	2.59
Current service cost	26.71	23.27
Actuarial gain on Obligations due to change in demographic assumptions	-	(3.09)
Actuarial loss on Obligations due to change in financial assumptions	0.50	1.39
Actuarial Losses on Obligations-Due to Experience	1.18	1.38
Regular benefit payments directly by the sponsor	(0.47)	-
Liability at the end of the year	**102.07**	**70.34**

(Amount in Rs. lakhs unless stated otherwise)

Amount recognized in the Balance Sheet

Particulars	March 31, 2022	March 31, 2021
Present value of benefit obligation at the end of the year	102.07	70.34
Net liability recognized in the Balance Sheet	**102.07**	**70.34**

Expenses recognized in the Statement of Profit and Loss

Particulars	March 31, 2022	March 31, 2021
Current service cost	26.71	23.27
Net Interest cost	3.81	2.59
Net liability recognized in the Balance Sheet	**30.52**	**25.86**

Expenses recognized in the Other comprehensive income (OCI)

Particulars	March 31, 2022	March 31, 2021
Remeasurement loss/(gain) of defined benefit plan	1.68	(0.32)
Net loss/(Income) for the year recognized in OCI	**1.68**	**(0.32)**

The actuarial assumptions used to determine benefit obligations as at March 31, 2022, March 31, 2021 are as follows:

Particulars	March 31, 2022	March 31, 2021
Discount Rate	5.83%	5.44%
Salary escalation rate	5% for the first year 8.5% thereafter	5% for the first two years 8.5% thereafter
Employee Turnover rate	20.00%	20.00%

Balance Sheet reconciliation for defined benefit obligations

Particulars	March 31, 2022	March 31, 2021
Opening net liability	70.34	44.80
Expenses recognized in Statement of Profit and Loss	30.52	25.86
Expenses recognized in OCI	1.68	(0.32)
Benefits paid during the year	(0.47)	-
Net liability recognized in the Balance Sheet	**102.07**	**70.34**

Cash Flow Projection

Maturity analysis of the benefit payments

Particulars	March 31, 2022	March 31, 2021
Projected benefits payable in future years from the date of reporting		
1st following year	11.34	5.49
2 to 5 years	52.72	35.45
6 to 10 years	46.75	34.32
More than 10 years	34.60	24.70

Sensitivity analysis

Particulars	March 31, 2022	March 31, 2021
Projected benefit obligation on current assumptions		
Delta effect of +1% change in rate of discounting	(5.12)	(3.81)
Delta effect of -1% change in rate of discounting	5.64	4.21
Delta effect of +1% change in rate of salary increase	4.85	3.76
Delta effect of -1% change in rate of salary increase	(4.52)	(3.70)
Delta effect of +25% change in rate of employee turnover	(7.87)	(7.18)
Delta effect of -25% change in rate of employee turnover	10.22	9.32

Note 34: Segment information

The Company's main business is financing by way of loans for purchase or construction of residential houses, commercial real estate and certain other purposes in India. All other activities of the Company revolve around the main business. Accordingly, there are no separate reportable segments as per IND-AS 108 dealing with Operating Segment.

Note 35: Change in liabilities arising from financing activities

Particulars	April 1, 2021	Cash flows (net)	Others*	March 31, 2022
Debt securities	7,779.07	(3,352.13)	25.40	4,452.34
Borrowings other than debt securities	27,013.93	(4,365.32)	48.72	22,697.33
Total	**34,793.00**	**(7,717.45)**	**74.12**	**27,149.67**

Particulars	April 1, 2020	Cash flows (net)	Others*	March 31, 2021
Debt securities	2,992.25	4,800.00	(13.18)	7,779.07
Borrowings other than debt securities	25,159.71	1,843.43	10.79	27,013.93
Total	**28,151.96**	**6,643.43**	**(2.39)**	**34,793.00**

**Others column includes amortisation of transaction cost and hedge impact of borrowings*

(Amount in Rs. lakhs unless stated otherwise)

Note 36: Contingent liabilities and commitments

Particulars	March 31, 2022	March 31, 2021
Undisbursed amount of loans sanctioned (refer note 17.1)	3,643.21	1,795.74
Bank Guarantees for refinance facilities from NHB	400.00	400.00

Note 37: Related party disclosures

(A) Names of related parties identified in accordance with IND AS -24 "Related Party Disclosures" are given below:

1. Entities where control exists:
None

2. Shareholders having Significant influence
Ashutosh Sharma
NHPEA Kabru Holding B.V., Netherlands
Thyme Private Limited, Mauritius
Lightstone Global Fund
Norwest Capital LLC

3. Key management personnel

Mr. Ashutosh Sharma	Managing Director
Mr. Sachin Grover	Whole Time Director and Chief Operating Officer
Mr. Inderjit Walia	Independent Director
Mrs. Geeta Mathur	Independent Director
Mr. Kartik Srivatsa	Non-Executive Nominee Director
Mr. Rajeev Yashwant Inamdar	Non-Executive Nominee Director
Mr. Nirav Vinod Mehta	Non-Executive Nominee Director
Mr. Vinayak Prabhakar Shenvi	Non-Executive Nominee Director
Mr. Bikash Kumar Mishra	Chief Financial Officer
Mr. Nitin Agrahari	Company Secretary

4. Enterprises under significant influence of the key management personnel.
None

5. Relatives of key managerial personnel (with whom there were transactions during the year/previous year)
None

(B) The nature and volume of transactions carried out with the above related parties in the ordinary course of business are as follows :

1. Transactions during the year

Particulars	March 31, 2022	March 31, 2021
Remuneration	355.31	267.44
Other KMP benefits	42.75	30.90
Share based Payment	41.59	54.88
Issue of Shares (OCNCRPS)	11.70	-
Sitting fee	20.87	10.50
Commission	-	3.00

2. Balances receivable/(payable) at year end

Particulars	March 31, 2022	March 31, 2021
Remuneration	14.08	-
Other KMP benefits	-	0.96

Note :The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

The company has not granted any loans or advances to promoters, directors, KMPs and the related parties during the year ended 31st March 2022 and 31st March 2021

Note 38: Capital Management

For the purpose of the Company's capital management, capital includes issued share capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.
The Company manages its capital structure in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is total debt divided by net worth. The Company's policy is to keep the gearing ratio at reasonable level of 2-4 times in imminent year while the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 currently permits HFCs to borrow up to 12 times of their net owned funds ("NOF"). The Company includes with in debt, its all interest bearing loans and borrowings.

Particulars	March 31, 2022	March 31, 2021
Debts	27,149.67	34,793.00
Net worth	44,961.90	26,335.27
Debt to Net worth (in times)	**0.60**	**1.32**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financials covenants attached to the interest-bearing loans and borrowings. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financials covenants of any interest-bearing loans and borrowing in the current year.

Note 39: Maturity analysis of assets and liabilities
The table below shows contractual maturity profile of carrying value of assets and liabilities:

	March 31, 2022			March 31, 2021		
Assets	**Within 12 Months**	**After 12 Months**	**Total**	**Within 12 Months**	**After 12 Months**	**Total**
Financials assets						
Cash and cash equivalents	27.86	-	27.86	2,923.42	-	2,923.42
Bank Balance other than cash and cash equivalents	5,413.32	640.25	6,053.57	4,591.68	626.68	5,218.36
Derivative financial instruments	75.65	-	75.65	-	32.63	32.63
Loans	5,010.89	62,372.18	67,383.07	3,589.96	46,547.75	50,137.71
Investments	420.00	-	420.00	5,860.49	-	5,860.49
Other financials assets	1,051.15	782.30	1,833.45	1,315.66	721.10	2,036.76
Non-financials assets						
Current tax assets (net)	-	-	-	15.21	-	15.21
Deffered tax assets (net)	-	155.95	155.95	-	250.09	250.09
Property, plant and equipment	-	212.08	212.08	-	160.30	160.30
Intangible assets	-	99.51	99.51	-	75.93	75.93
Right to use assets	-	418.37	418.37	-	334.66	334.66
Other non-financial assets	175.15	-	175.15	66.61	-	66.61
Total assets	**12,174.02**	**64,680.64**	**76,854.66**	**18,363.03**	**48,749.14**	**67,112.17**
Financials liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprise and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprise and small enterprises	177.99	-	177.99	118.01	-	118.01
Debt securities	1,273.23	3,179.11	4,452.34	3,326.73	4,452.34	7,779.07
Borrowings (other than debt securities)	9,534.27	13,163.06	22,697.33	8,379.75	18,634.18	27,013.93
Lease liabilities	185.39	284.60	469.99	145.53	239.05	384.58
Other financials liabilities	3,526.27	-	3,526.27	4,949.16	-	4,949.16
Non-financial liabilities						
Current tax liabilities (net)	7.96	-	7.96	-	-	-
Provisions	39.24	114.70	153.94	25.77	83.25	109.02
Other non-financial liabilities	151.49	-	151.49	97.11	-	97.11
Total liabilities	**14,895.84**	**16,741.47**	**31,637.31**	**17,042.06**	**23,408.82**	**40,450.88**
Net	**(2,721.82)**	**47,939.17**	**45,217.35**	**1,320.97**	**25,340.32**	**26,661.29**

Note 40: Financial risk management

40.1 Introduction and risk profile

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk, interest rate risk in type of market risk. It is also subject to various operating and business risks. The Company also has a system of Internal controls to reduce the residual risk in each of these categories and effectiveness of these controls is assessed periodically.

40.1.1 Risk management structure and policies

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels and reports to the Board.
The Risk Management Committee is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The unit works closely with and reports to the Risk Management Committee, to ensure that procedures are compliant with the overall framework.
The Unit is also responsible for monitoring compliance with risk principles, policies and limits across the Company, including monitoring the actual risk of exposures against authorised limits and the assessment of risks of new products and structured transactions. The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

40.2 Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. Credit risk in the Company is managed through a framework that sets out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the business function and approvers in the credit risk function. Board approved credit policies and procedures mitigate the Company's prime risk which is the default risk. There is a robust Credit Risk Management set-up in the Company at various levels.

1. There are Credit teams to ensure implementation of various policies and processes through random customer visits and assessment, training of branch staff on application errors, liaison with other institutions to obtain necessary information/loan closure documents, as the case may be, and highlight early warning signals and industry developments enabling pro-active field risk management.

2. The credit sanction is done through a delegation matrix where credit sanctioning powers are defined for respective levels.

3. Portfolio analysis and reporting is used to identify and manage credit quality and concentration risks.

4. Credit risk monitoring for the Company is broadly done at two levels: account level and portfolio level. Account monitoring aims to identify weak accounts at an incipient stage to facilitate corrective action. Portfolio monitoring aim towards managing risk concentration in the portfolio as well as identifying stress in certain occupations, markets and states.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is Rs. 69,044.61 lakhs and Rs. 51,467.79 lakhs as of 31st March 2022 and 31st March 2021 respectively, being the total of the carrying amount of Loan assets and EIS receivable

(Amount in Rs. lakhs unless stated otherwise)

40.2.1 Analysis of risk concentration

The Company's concentrations of risk is managed based on Loan to value (LTV) segregation, employment type and geographical spread. The following tables stratify credit exposures from housing and other loans to customers by these metrics. LTV is calculated as the ratio of carrying value of loans to the value of the collateral. The value of the collateral for housing and other loans is based on collateral value at origination.

Loans to Customers:

As at March 31, 2022

LTV bucket	Stage 1	Stage 2	Stage 3	Total
<=40	24,182.25	583.22	123.00	24,888.47
40-60	176.46	93.59	114.98	385.03
60-70	25,982.94	731.59	226.20	26,940.73
70-80	8,628.61	323.37	66.13	9,018.11
>80	6,513.93	202.53	33.22	6,749.68
Total	**65,484.19**	**1,934.30**	**563.53**	**67,982.02**

Sector/Employment	Stage 1	Stage 2	Stage 3	Total
Housing:				
Salaried	14,678.72	311.80	77.26	15,067.78
Self Employed	28,022.50	746.21	250.96	29,019.67
Non-Housing:				
Salaried	4,035.02	105.94	14.54	4,155.50
Self Employed	18,747.95	770.35	220.77	19,739.07
Total	**65,484.19**	**1,934.30**	**563.53**	**67,982.02**

Geographical Concentration	Stage 1	Stage 2	Stage 3	Total
Rajasthan	30,784.05	802.78	142.66	31,729.49
Haryana	16,045.76	300.10	141.93	16,487.79
Delhi	7,465.58	421.98	141.91	8,029.47
Chandigarh	6,980.84	162.46	67.96	7,211.26
Uttar Pradesh	2,328.26	246.98	69.07	2,644.31
Uttarakhand	972.75	-	-	972.75
Punjab	906.95	-	-	906.95
Total	**65,484.19**	**1,934.30**	**563.53**	**67,982.02**

As at March 31, 2021

LTV bucket	Stage 1	Stage 2	Stage 3	Total
<=40	16,836.57	370.61	45.82	17,253.00
40-60	18,730.32	428.50	135.93	19,294.75
60-70	6,975.94	215.93	11.39	7,203.26
70-80	6,324.73	180.57	23.10	6,528.40
>80	224.25	86.50	126.12	436.87
Total	**49,091.81**	**1,282.11**	**342.36**	**50,716.28**

Sector/Employment	Stage 1	Stage 2	Stage 3	Total
Housing:				
Salaried	12,470.97	211.47	41.23	12,723.67
Self Employed	19,164.50	495.65	184.79	19,844.94
Non-Housing:				
Salaried	3,530.69	56.33	10.40	3,597.42
Self Employed	13,925.65	518.66	105.94	14,550.25
Total	**49,091.81**	**1,282.11**	**342.36**	**50,716.28**

Geographical Concentration	Stage 1	Stage 2	Stage 3	Total
Rajasthan	20,395.91	532.44	49.87	20,978.22
Haryana	12,628.36	230.00	87.02	12,945.38
Delhi	6,659.69	309.96	85.90	7,055.55
Chandigarh	6,614.85	61.62	63.09	6,739.56
Uttar Pradesh	2,793.00	148.09	56.48	2,997.57
Total	**49,091.81**	**1,282.11**	**342.36**	**50,716.28**

40.3 Liquidity risk

Liquidity Risk refers to the risk that the company can not meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure that funds are available for use as per the requirement. The unavailability of adequate amount of funds at optimum cost and co-terminus tenure to repay the financial liabilities and further growth of business may result in Asset liability Management (ALM) mismatch caused by a difference in the maturity profile of Company assets and liabilities This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. The Company manages liquidity risk by maintaining adequate cash reserves and undrawn credit facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summaries the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities:

As at March 31, 2022

Particulars	Up to 1 year	1-3 years	3-5 years	5 years and above	Total
Lease liabilities	227.58	205.15	127.63	7.00	567.36
Borrowings (including debt securities)	12,509.50	14,708.12	2,021.40	102.17	29,341.19
Trade payables	177.99	-	-	-	177.99
Other financials liabilities	3,526.27	-	-	-	3,526.27
Total	**16,441.34**	**14,913.27**	**2,149.03**	**109.17**	**33,612.81**

As at March 31, 2021

Particulars	Up to 1 year	1-3 years	3-5 years	5 years and above	Total
Lease liabilities	184.41	218.59	36.54	22.08	461.62
Borrowings (including debt securities)	14,574.07	20,487.30	3,189.02	1,076.76	39,327.15
Trade payables	118.01	-	-	-	118.01
Other financials liabilities	4,949.16	-	-	-	4,949.16
Total	**19,825.65**	**20,705.89**	**3,225.56**	**1,098.84**	**44,855.94**

40.4 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factors. Such changes in the values of financial Instruments may result from changes in the interest rates, currency and other market factors. The Company's exposure to market risk on the account of interest rate risk and price risk.

Interest rate risk

The company is subject to interest rate risk, primarily since it lends to customers at rates and for maturity periods that may differ from funding sources. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the company seek to optimize borrowing profile between short-term and long-term loans. The company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

The company mitigates its interest rate risk by keeping a balanced portfolio of fixed and floating rate loans and borrowings.

Interest rate sensitivity

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

(a) Loans (at floating rate)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Basis point	Effect on profit before tax	Basis point	Effect on profit before tax
Increase in basis points	50	145.53	50	125.69
Decrease in basis points	-50	(145.53)	-50	(125.69)

(b) Borrowings (Other than debt securities) (at floating rate)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Basis point	Effect on profit before tax	Basis point	Effect on profit before tax
Increase in basis points	50	(77.71)	50	(53.53)
Decrease in basis points	-50	77.71	-50	53.53

Price Risk

The Company is exposed to price risk from its investment in mutual funds measured at fair value through statement of profit and loss

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Basis point	Effect on profit before tax	Basis point	Effect on profit before tax
Increase in basis points	50	2.10	50	29.30
Decrease in basis points	-50	(2.10)	-50	(29.30)

Note 41: Corporate social responsibility

Other expenses for the year ended March 31, 2022 include Rs. 16.11 lakhs (Previous year Rs. 6.26 lakhs) towards Corporate Social Responsibilities (CSR),in accordance with Companies Act, 2013. Gross Amount required to be spent by the Company during the year was Rs. 16.11 lakhs (Previous year Rs. 6.26 lakhs].

Particulars	March 31, 2022	March 31, 2021
(a) Gross amount required to be spent by the Company for respective financial year	15.73	6.25
(b) Amount approved by the board to be spent during the year	15.73	6.25
(c) Total amount of expenditure incurred during the year:	16.11	6.26
i) construction/acquisition of any asset	-	-
ii) on purposes other than (i) above	16.11	6.26
(d) Shortfall at the end of the year	-	-
(e) Total amount of previous years shortfall	-	-
(f) Reason for shortfall	NA	NA
The Company undertakes the following activities in the nature of Corporate social responsibility (CSR):		
1. Promoting health care including preventive health care - through implementing agency	9.86	2.00
2. Promoting education, for the Girl Child through Community-Based Learning Centres and to design & create educational content for financial literacy campaigns	6.25	0.41
3. Food distribution to migrants in Renukoot and Sonbhadra district during covid 19	-	1.00
4. Promoting sports, nationally recognized sports	-	2.00
5. Developing financial literacy related tools and upgradation/changes	-	0.85

Note: There have been no related party transactions during the year ended 31 March 2022 and 31 March 2021 in respect of CSR activities.

Ummeed Housing Finance Private Limited
Notes to the Financial Statements for the year ended March 31, 2022
(Amount in Rs. lakhs unless stated otherwise)

Note 42: Expenditure in foreign currency

Particulars	March 31, 2022	March 31, 2021
Interest payments*	-	-
Legal and professional charges	-	2.49
Total	**-**	**2.49**

** Company has full currency swap w.r.t. ECB transaction which provide both Interest and exchange rate hedging of principal and coupon payments, hence there is no foreign currency outflow for the company.*

Note 43: Employee stock Option Plan

(i) Details of the plan are given below:
The Company established the "Ummeed Employee Stock Option Scheme 2017" ("ESOP 2017") which was approved by the Shareholders on May 25, 2017 and the amendment made in Scheme in 2018 was approved by Shareholders in extra-ordinary general meeting held on May 22, 2018. Under the plan, the Company can issue up to 20,60,658 (Twenty Lakhs Sixty Thousand Six Hundred and Fifty Eight) Employee Stock Options to the Employees under ESOP 2017, exercisable into not more than 20,60,658 (Twenty Lakhs Sixty Thousand Six Hundred and Fifty Eight) fully paid-up equity Shares in the Company, with each such Option conferring a right upon the Employee to apply for one Share of the Company, in accordance with the terms and conditions of such issue and subject to the provisions of ESOP 2017.

During the year ended March 31, 2022, the following stock option grants were in operation:

Particulars	ESOP 2017 I	ESOP 2017 II	ESOP 2017 III	ESOP 2017 IV	ESOP 2017 VI	ESOP 2017 VII	ESOP 2017 VIII
1. Date of grant	25-05-2017	25-05-2017	25-05-2018	25-05-2019	02-01-2020	25-05-2020	25-05-2021
2. Number of Options granted	1,94,169	61,898	8,72,429	33,000	25,000	64,500	1,50,574
3. Method of settlement	Shares	Shares	Shares	Shares	Shares	Shares	Shares
4. Total vesting period	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
5. Exercise price per option	10	28.50	10 - 28.5	28.50	28.50	28.50	28.50
6. Fair value of options	33.94	22.77	31.30 - 43.42	47.67 - 49.20	45.63 - 48.69	44.63 - 47.65	93.01-97.55
7. Stock price on the date of grant	40.64	40.64	50.26	69.53	69.53	69.53	116.34

Particulars	ESOP 2017 IX	ESOP 2017 X	ESOP 2017 XI	ESOP 2017 XII	ESOP 2017 XIII	ESOP 2017 XIV	ESOP 2017 XV
1. Date of grant	05-08-2021	16-09-2021	12-10-2021	01-12-2021	01-01-2022	17-01-2022	25-01-2022
2. Number of Options granted	10,000	3,000	20,000	3,000	17,500	2,500	15,000
3. Method of settlement	Shares	Shares	Shares	Shares	Shares	Shares	Shares
4. Total vesting period	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
5. Exercise price per option	28.50	28.50	28.50	28.50	28.50	28.50	28.50
6. Fair value of options	93.10-97.75	151.7-153.4	151.8-153.5	151.8-153.5	151.9-153.6	152-153.8	152-153.8
7. Stock price on the date of grant	116.34	176.6	176.6	176.6	176.6	176.6	176.6

1. Exercise period : Upon happening of any liquidity event or any other period as decided by board or NRC.
2. Vesting conditions :60% of the options granted shall be time based (i.e. continued employment with the company) and 40% of the options shall be performance based.

(ii) The expense recognised for employee services received during the year is shown in the following table:

Particulars	March 31, 2022	March 31, 2021
Expense arising from equity-settled share-based payment transactions	121.20	81.04
Total	**121.20**	**81.04**

(iii) Reconciliation of options
As at March 31, 2022

Particulars	ESOP 2017 I	ESOP 2017 II	ESOP 2017 III	ESOP 2017 IV	ESOP 2017 VI	ESOP 2017 VII	ESOP 2017 VIII
1. Options outstanding at April 1, 2021	1,94,169	58,898	8,54,585	33,000	25,000	64,500	-
2. Granted during the year	-	-	-	-	-	-	1,50,574
3. Forfeited during the year	-	-	4,500	2,500	-	13,000	2,000
4. Exercised during the year	6,961	39,647	7,062	1,523	1,523	-	-
5. Expired during the year	-	-	-	-	-	-	-
6. Outstanding at March 31, 2022	1,87,208	19,251	8,43,023	28,977	23,477	51,500	1,48,574
7. Exercisable at March 31, 2022	1,87,208	19,251	8,33,773	12,202	9,727	15,450	-

Particulars	ESOP 2017 IX	ESOP 2017 X	ESOP 2017 XI	ESOP 2017 XII	ESOP 2017 XIII	ESOP 2017 XIV	ESOP 2017 XV
1. Options outstanding at April 1, 2021	-	-	-	-	-	-	-
2. Granted during the year	10,000	3,000	20,000	3,000	17,500	2,500	15,000
3. Forfeited during the year	-	-	-	-	-	-	-
4. Exercised during the year	-	-	-	-	-	-	-
5. Expired during the year	-	-	-	-	-	-	-
6. Outstanding at March 31, 2022	10,000	3,000	20,000	3,000	17,500	2,500	15,000
7. Exercisable at March 31, 2022	-	-	-	-	-	-	-

As at March 31, 2021

Particulars	ESOP 2017 I	ESOP 2017 II	ESOP 2017 III	ESOP 2017 IV	ESOP 2017 V	ESOP 2017 VI	ESOP 2017 VII
1. Options outstanding at April 1, 2020	1,94,169	58,898	8,54,585	33,000	25,000	25,000	-
2. Granted during the year	-	-	-	-	-	-	64,500
3. Forfeited during the year	-	-	-	-	-	-	
4. Exercised during the year	-	-	-	-	-	-	
5. Expired during the year	-	-	-	-	25,000	-	
6. Outstanding at March 31, 2021	1,94,169	58,898	8,54,585	33,000	-	25,000	64,500
7. Exercisable at March 31, 2021	1,94,169	58,898	2,40,713	4,950	-	3,750	-

1. Weighted average remaining contractual life for the share options outstanding as at March 31, 2022 was 6.02 (Previous year 5.99).
2. Weighted average fair value of options granted during the year was Rs. 95.67 (Previous year Rs. 45.96)
3. Exercise prices for options outstanding at the end of the year was Rs. 10 to Rs. 28.50 per option (Previous year Rs. 10 to Rs. 28.50 per option)

(Amount in Rs. lakhs unless stated otherwise)

The following tables list the inputs to the Black-Scholes Model used for the options granted:

Particulars	**ESOP 2017 I**	**ESOP 2017 II**	**ESOP 2017 III**	**ESOP 2017 IV**	**ESOP 2017 VI**	**ESOP 2017 VII**	**ESOP 2017 VIII**
Date of grant	25-05-2017	25-05-2017	25-05-2018	25-05-2019	02-01-2020	25-05-2020	25-05-2021
Fair Market value of options on Grant Date (Rs.)	33.94	22.77	31.30 - 43.42	47.67 - 49.20	45.63 - 48.69	44.63 - 47.65	93.01-97.55
Expected volatility (%)	28%	28%	28%	22%	22%	22%	22%
Risk free interest rate (%)	6.86%	7.89%	7.89%	6.82% to 6.95%	6.03% to 6.42%	4.57% to 5.37%	5% to 5.95%
Dividend yield (%)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Expected maturity from the date of vesting	Upto 5 Years	Upto 5 Years	Upto 5 Years	Upto 5 Years	Upto 5 Years	Upto 5 Years	Upto 5 Years

Particulars	**ESOP 2017 IX**	**ESOP 2017 X**	**ESOP 2017 XI**	**ESOP 2017 XII**	**ESOP 2017 XIII**	**ESOP 2017 XIV**	**ESOP 2017 XV**
Date of grant	05-08-2021	16-09-2021	12-10-2021	01-12-2021	01-01-2022	17-01-2022	25-01-2022
Fair Market value of options on Grant Date (Rs.)	93.10-97.75	151.7-153.4	151.8-153.5	151.8-153.5	151.9-153.6	152-153.8	152-153.8
Expected volatility (%)	22%	35%	35%	35%	35%	35%	35%
Risk free interest rate (%)	5.11% to 6.10%	4.54% to 5.15%	4.62% to 5.23%	4.64% to 5.23%	4.77% to 5.37%	4.88% to 5.52%	4.90% to 5.53%
Dividend yield (%)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Expected maturity from the date of vesting	Upto 5 Years	Upto 5 Years	Upto 5 Years	Upto 5 Years	Upto 5 Years	Upto 5 Years	Upto 5 Years

Note 44: Fair value measurement

(a) Valuation Principles
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly/ indirectly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

(b) Fair Value of financial instruments which are not measured at Fair Value
The carrying amounts and fair value of the Group's financial instruments are reasonable approximations of fair values at financial statement level.

Valuation methodologies of financial instruments not measured at fair value

Loans
Most of the loans are repriced frequently, with interest rate of loans reflecting current market pricing. Hence carrying value of loans is deemed to be equivalent of fair value.

Borrowings
The company most of the borrowings are at floating rate which approximates the fair value.

Debt securities and subordinate liabilities are fixed rate borrowings and fair value of these fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans and carrying value approximates the fair value for fixed rate borrowing at financial statement level.

Short Term and Other Financial Assets and Liabilities
The management assessed that cash and cash equivalents, investments, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Note 45: Transfer of financial assets

Transfers of financial assets that are not derecognised in their entirety

Securitisation:

The Company uses securitisations as a source of finance. Such transactions generally result in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. Securitisation has resulted in the continued recognition of the securitised assets.
The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

Particulars	**March 31, 2022**	**March 31, 2021**
Carrying amount of transferred assets measured at amortised cost	1,494.99	1,934.85
Carrying amount of associated liabilities	1,132.69	1,589.22

The carrying amount of above assets and liabilities is a reasonable approximation of fair value.

Assignment Deal:

During the year ended March 31, 2022, the Company has sold some loans and advances measured at amortised cost as per assignment deals, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been derecognised from the Company's balance sheet.
The management has evaluated the impact of assignment transactions done during the year for its business model. Based on the future business plan , the Company business model remains to hold the assets for collecting contractual cash flows.
The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition.

Particulars	**March 31, 2022**	**March 31, 2021**
Carrying amount of derecognised financial assets	3,162.35	2,633.90
Gain from derecognition	539.48	401.06

Note 46: Leases where the Company is a Lessee

The Company's lease asset class primarily consist of leases for buildings and office premises. The Company is restricted from assigning and subleasing the leased assets. The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).
Set out below are the carrying amounts of right to use assets recognised and the movements during the year:

Building and office premises	**March 31, 2022**	**March 31, 2021**
Opening net carrying balance	334.66	464.74
Additions*	275.75	31.70
Deletions	21.41	-
Depreciation	170.63	161.78
Closing net carrying balance	**418.37**	**334.66**

**This includes deferred portion of fair valuation of security deposits*

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	**March 31, 2022**	**March 31, 2021**
Opening Balance	384.58	493.55
Additions	268.48	30.91
Deletions	26.58	-
Accretion of interest	52.84	53.95
Payments	209.33	193.83
Closing Balance	**469.99**	**384.58**

(Amount in Rs. lakhs unless stated otherwise)

Particulars	March 31, 2022	March 31, 2021
Depreciation expense		
Depreciation on right of use assets	170.63	161.78
Other expenses		
Short-term lease rent expense	42.75	4.79
Depreciation of right of use lease asset	(170.63)	(161.78)

Note 47: Impact of Covid-19

The uncertain economic environment as result impact of COVID-19 continues to prevail as infection rates continue change on a regular basis. On account of resurgence of Covid-19 pandemic in India during year ended March 31, 2022, the Reserve Bank of India introduced Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses vide circular DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 with the objective of alleviating the potential stress to individual borrowers and small businesses. In accordance with the circular, the Company has identified the eligible borrowers and those who agreed with the resolution plan were extended the support under the framework for relief from stress of Covid-19.

For the year ended March 31, 2022, the Company has incorporated estimates, assumptions, and judgements specific to the impact of CoVID-19 pandemic in its assessment of business model, going concern, measurement of impairment loss allowance including relating to the restructuring discussed above. These estimates, including the impairment loss allowance on loan portfolio which stood at Rs. 598.95 lacs as at March 31, 2022 is subject to uncertainty on account of factors explained above and the actual results may differ.

Note 48: Disclosures required by RBI

Additional information required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 vide reference no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21, dated Feb 17, 2021 have been prepared in compliance with Indian Accounting Standards (Ind AS) is given in Note 52.

Note 49: Details of Benami Property held

The Company do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2022 and 31 March 2021.

Note 50: Borrowings from banks or financial institutions on the basis of security of current assets

The Company do not borrow from banks and financial institutions on the basis of security of current assets during the year ended 31 March 2022 and 31 March 2021.

Note 51: Wilful Defaulter

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

Note 52: Relationship with Struck off Companies

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

Note 53: Analytical Ratios

Particulars	March 31, 2022	March 31, 2021	% Variance	Reasons for Variance (if above 25%)
i) CRAR (%)	99.86%	66.69%	33.17%	Equity Infusion during the year
ii) CRAR - Tier I Capital	99.79%	66.58%	33.21%	Equity Infusion during the year
iii) CRAR - Tier II Capital	0.07%	0.11%	-0.04%	NA
iv) Liquidity Coverage Ratio*	NA*	NA*	NA	NA

* The Company is not required to comply with the guidelines on Liquidity Coverage Ratio (LCR) in line with Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 as at 31 March 2022 and 31 March 2021.

Note 54: Registration of charges or satisfaction with Registrar of Companies (ROC)

The Company do not have any pending registration of charges or satisfaction with Registrar of Companies (ROC) for the year ended 31 March 2022 and 31 March 2021.

Note 55: Compliance with number of layers of companies- Clause -87 of section 2 of the Companies Act,2013 read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the company.

Note 56: Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2022 and 31 March 2021.

Note 57: Undisclosed income

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

Note 58: Utilisation of Borrowed funds and share premium

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

Other than the transactions described above:

a. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

b. The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 59: Compliance with approved Scheme(s) of Arrangements

The Company has not approved any Scheme(s) of Arrangements in terms of Section 230 to 237 of Companies Act, 2013 during the year ended 31 March 2022 and 31 March 2021

Note 60: Title deeds of Immovable Properties not held in name of the Company

The Company do not own any immovable property as on 31 March 2022 and 31 March 2021. All the lease agreements are duly executed in favour of the Company for building and office premises where the Company is the lessee.

Note 61: Asset Cover

The Secured Listed Non Convertible Debentures are secured by way of exclusive hypothecation of specified receivables to the extent of at least 100% of outstanding amount or such percent of asset cover as per the terms of offer document / Information Memorandum and/or Debenture Trust Deed as may be applicable, sufficient to discharge the principal amount at all times for the Non-Convertible Debentures issued by the Company.

Note 62: Previous year figures regrouping

Previous year figures have been regrouped/reclassified wherever applicable.

Note 52 : Disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, Dated 17 February, 2021 as amended have been prepared in compliance with Indian Accounting Standards (Ind AS)

1: Summary of Significant Accounting Policies

The accounting policies regarding key areas of operations are disclosed as Note 4 to the Financial Statements.

2: Capital to Risk Assets Ratio (CRAR): (Rs. in Crores)

Particulars	March 31, 2022	March 31, 2021
i) CRAR (%)	99.86%	66.69%
ii) CRAR - Tier I Capital	99.79%	66.58%
iii) CRAR - Tier II Capital	0.07%	0.11%
iv) Amount of subordinated debt raised as Tier- II Capital	-	-
v) Amount raised by issue of perpetual Debt instruments	-	-

Total risk-weighted assets represent the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI.

Tier I capital means owned funds as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances, including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund.

Tier II capital includes preference share capital, revaluation reserves, general provisions and loss reserves, hybrid debt capital instruments and subordinate debts to the extent the aggregate does not exceed Tier I capital.

3: Reserve Fund u/s 29C, of NHB Act 1987

(Rs. in Crores)

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	3.27	1.61
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	0.74	0.14
c) Total	**4.01**	**1.75**
Addition /Appropriation / Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	2.24	1.66
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	1.49	0.60
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	5.51	3.27
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	2.23	0.74
c) Total	**7.74**	**4.01**

4: Investments: (Rs. in Crores)

Particular	March 31, 2022	March 31, 2021
Value of Investments		
i) Gross Value of Investments		
(a) In India	4.20	58.60
(a) Outside India	-	-
ii) Provisions for Depreciation		
(a) In India	-	-
(a) Outside India	-	-
iii) Net Value of Investments		
(a) In India	4.20	58.60
(a) Outside India	-	-
Movement of provisions held towards depreciation on investments		
i) Opening Balance	-	-
ii) Add: Provisions made during the year	-	-
iii) Less: Write-off / Written-bank of excess provisions during the year	-	-
iv) Closing balance	-	-

5: Derivatives:

(i). Forward Rate Agreement (FRA) / Interest Rate swap (IRS) (Rs. in Crores)

Particulars	March 31, 2022	March 31, 2021
(i) The notional principal of swap agreements	12.61	12.61
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	0.76	0.33
(iii) Collateral required by the HFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book	13.37	12.94

Company entered into USD to INR full currency swap which provide both Interest and exchange rate hedging of principal and coupon payments on underlying exposure.

Terms and Conditions of agreements are as follows:

Trade Date	26th April 2019
Termination Date	26th April 2022
Notional Amount (USD)	USD 18,00,000
Notional Amount (INR)	INR 12,60,99,000
Bullet/Amortisation	Bullet
Interest Calculation Periods	6 Months
Fixed Rate	11.62% on Outstanding INR Notional (Exclusive of withholding tax)

Ummeed Housing Finance Private Limited

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

(ii). Exchange Traded Interest Rate(IR) Derivative

(Rs. in Crores)

Particulars	**March 31, 2022**	**March 31, 2021**
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-	-
(ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2021(instrument-wise)	-	-
(iii) Notional principal amount of exchange traded IRderivatives outstanding and not "highly effective"(instrument-wise)	-	-
(iv) Mark-to-market value of exchange traded IRderivatives outstanding and not "highly effective"(instrument-wise)	-	-

(iii) Disclosures on Risk Exposure in Derivatives

Qualitative Disclosure

The Company's operations expose it to the financial risks of changes in foreign exchange rates and interest rates. The Company uses derivative contracts such as cross currency contracts to hedge its exposure to movements in foreign exchange and interest rates. The use of these derivative contracts reduce the risk or cost to the Company and the Company does not use these for trading or speculation purposes

Quantitative Disclosure

(Rs. in Crores)

Particulars	**Currency Derivatives**	**Interest Rates Derivatives**
(i) Derivatives (Notional Principal Amount)	12.61	-
(ii) Marked to Market Positions		
(a) Assets (+)	0.76	-
(b) Liability (-)	-	-
(iii) Credit Exposure	-	-
(iv) Unhedged Exposures	-	-

6: (a) Securitisation:

(Rs. in Crores)

Particulars	**March 31, 2022**	**March 31, 2021**
Number of Special Purpose (SPV) sponsored for Securitisations transactions	1	1
Total amount of Outstanding securitised assets as per books	14.95	19.35
Total amount of exposures retained by Company to comply towards Minimum Retention Ration (MRR) as on date of balance sheet	3.08	3.08
i) Off-balance sheet exposures towards Credit Enhancement		
- First Loss	-	-
- Others	-	-
ii) On-balance sheet exposures towards Credit Enhancement		
- First Loss- Cash collateral	1.41	1.41
- Others- Over collateral	3.08	3.08
Amount of exposures to securitizations transactions other than MRR		
i) Off-balance sheet exposures towards Credit Enhancement		
- Exposure to own securitisations	-	-
- Exposure to third party securitisations	-	-
ii) On-balance sheet exposures towards Credit Enhancement		
- Exposure to own securitisations	-	-
- Exposure to third party securitisations	-	-

6.(b) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

(Rs. in Crores)

Particulars	**March 31, 2022**	**March 31, 2021**
(i) No. of Accounts	-	-
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	-	-
(iii) Aggregate Consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain/Loss over net book value	-	-

6.(c) Details of assignment transactions undertaken by the Company

(Rs. in Crores)

Particulars	**March 31, 2022**	**March 31, 2021**
(i) No. of Accounts	567	402
(ii) Aggregate value (net of provisions) of accounts assigned	31.62	26.34
(iii) Aggregate Consideration	31.62	26.34
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate gain/Loss over net book value	-	-

6. (d) Details of non-performing financial assets purchased / sold

(1) Details of non-performing financial assets purchased

(Rs. in Crores)

Particulars	**March 31, 2022**	**March 31, 2021**
(i) No. of accounts purchased during the year	-	-
(ii) Aggregate outstanding	-	-
(i) Of these, number of accounts restructured during the year	-	-
(ii) Aggregate outstanding	-	-

(2) Details of non-performing financial assets sold

(Rs. in Crores)

Particulars	**March 31, 2022**	**March 31, 2021**
(i) No. of accounts sold	-	-
(ii) Aggregate outstanding	-	-
(iii) Aggregate consideration received	-	-

Ummeed Housing Finance Private Limited

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

7: Asset Liability Management (Maturity pattern of certain assets and liabilities as at March 31, 2022

(Rs. in Crores)

	1 day to 7 days	8 day to 14 days	15 day to 30/31 days	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	**-**
Borrowings from banks/NHB	22.42	-	1.63	2.89	4.34	12.13	22.13	89.35	21.02	3.32	**179.23**
Market borrowings*	0.04	-	0.65	0.55	3.87	15.22	7.55	49.31	0.93	0.54	**78.66**
Foreign currency liabilities (ECB)	-	-	13.61	-	-	-	-	-	-	-	**13.61**
Assets											-
Advances**	12.41	1.55	1.55	15.15	14.80	42.39	76.40	218.20	126.19	169.18	**677.82**
Investments	4.20	-	-	-	-	-	-	-	-	-	**4.20**
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	**-**

*Market borrowings includes Non-convertible debentures and long-term borrowings from parties other than banks.

**Advances includes housing and non-housing loans net off provisions for non-performing assets

Asset Liability Management (Maturity pattern of certain assets and liabilities as at March 31, 2021

(Rs. in Crores)

	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	**-**
Borrowings from banks	9.54	-	0.87	10.87	2.70	11.47	23.00	85.22	29.81	10.98	**184.45**
Market borrowings*	0.04	-	1.64	2.04	5.11	5.51	44.30	86.05	5.45	0.21	**150.35**
Foreign currency liabilities (ECB)	-	-	-	-	-	-	-	13.14	-	-	**13.14**
Assets										-	
Advances**	7.99	-	-	2.39	2.42	7.48	15.95	78.14	97.75	293.82	**505.94**
Investments	58.60	-	-	-	-	-	-	-	-	-	**58.60**
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	**-**

*Market borrowings includes Non-convertible debentures and long-term borrowings from parties other than banks.

**Advances includes housing and non-housing loans net off provisions for non-performing assets

8: Exposure

(a) Exposure to Real Estate Sector:

(Rs. in Crores)

Category	**March 31, 2022**	**March 31, 2021**
a) Direct Exposure		
(i) Resident Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	639.77	480.90
(ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or ware house space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limited	40.05	26.26
(iii) Investments in mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-

8(b). Exposure to Capital Market:

(Rs. in Crores)

Particulars	**March 31, 2022**	**March 31, 2021**
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) All exposures to Venture Capital Funds(both registered and unregistered)	-	-
Total Exposure to Capital Market	**-**	**-**

8(c). Details of financing of Parent Company products: These details are not applicable as the Company is not a subsidiary of any company.

8(d). Details of Single Borrower Limit (SBL)/ Group Borrower Limit (GBL) exceeded by HFC: The Company has not exceeded Single Borrower Limit (SBL) / Group Borrower Limit (GBL) during the year ended 31st March 2022 and 31st March 2021.

8(e). Unsecured Advances: As on 31st March 2022 and 31st March 2021, the Company has not given any unsecured advances for which Intangibles securities has been taken.

8(f). Exposure to group companies engaged in real estate business:

(Rs. in Crores)

Description	Amount	% of Owned Fund
Exposure to any single entity in a group engaged in real estate business	-	-
Exposure to all entities in a group engaged in real estate business	-	-

9: Other financial sector Regulator registration details:

Regulator	Registration No.
Insurance Regulatory Authority of India (IRDAI)	CA0479

10: Disclosure of Penalties imposed by NHB and other regulators

During the year ended 31st March 2022 and 31st March 2021:

(i) there are no penalties imposed on the Company by NHB or other Regulators.

(ii) the Company has not received any adverse comments in writing by NHB or other Regulators on regulatory compliances, with a specific communication to disclose the same to the public.

11: Related party Transactions

Details of all material transactions with related parties are disclosed in Note 38 to the Financial Statements.

12: Group Structure: Diagrammatic representation of group structure

The Company does not have any subsidiary/joint venture/associates as on 31st March 2022 and 31st March 2021, hence this disclosure requirement is not applicable to us.

13: Ratings assigned by Credit Rating Agencies

Particulars	March 31, 2022	March 31, 2021
Non-convertible debentures (Secured)	CARE BBB+; [Triple B Plus]	CARE BBB+; [Triple B Plus]
Term loans from banks/NBFC (Secured)	CARE BBB+; [Triple B Plus]	CARE BBB+; [Triple B Plus]
Term loans from banks/NBFC (Secured)	ACUITE A-; (A Minus)	-
Non-convertible debentures (Secured)	ACUITE A-; (A Minus)	-

14: Net Profit or Loss for the year, prior period items and changes in accounting policies

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

15: Revenue Recognition

During the year, there have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties. Refer significant accounting policy no 4.1.3

16: Consolidated Financial Statement (CFS)

The Company does not have any subsidiary/Joint venture/Associates as on 31st March 2022 and 31st March 2021, hence requirement of Consolidated Financial Statement is not applicable.

17: Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account

(Rs. in Crores)

Particulars	March 31, 2022	March 31, 2021
(i) Provisions for depreciation on investment	-	-
(ii) Provisions for Income Tax	4.64	3.51
(iii) Provisions for NPA	0.78	0.93
(iv) Provisions for standard assets	(0.58)	1.18
(v) Other Provisions and Contingencies	-	-
- Employee benefits related provisions	3.82	2.69
- ECL on undrawn commitment	0.06	0.06

Break up of Loan & Advances and Provisions thereon

(Rs. in Crores)

Particulars	Housing		Non-Housing	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Standard Assets				
a) Total Outstanding Amount	396.47	288.09	277.72	215.65
b) Provisions made	1.86	2.18	2.13	2.39
Sub-Standard Assets				
a) Total Outstanding Amount	1.75	1.69	2.18	1.33
b) Provisions made	0.62	0.60	0.78	0.47
Doubtful Assets – Category-I				
a) Total Outstanding Amount	0.59	0.22	0.84	0.18
b) Provisions made	0.21	0.08	0.30	0.07
Doubtful Assets – Category-II				
a) Total Outstanding Amount	0.23	-	0.04	-
b) Provisions made	0.08	-	0.01	-
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made	-	-	-	-
Total				
a) Total Outstanding Amount	399.04	290.00	280.78	217.16
b) Provisions made	2.77	2.86	3.22	2.93

Ummeed Housing Finance Private Limited

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

18: Draw Down from Reserves: During the financial year 2021-22 and 2020-21, there were no draw down from Reserves.

19(a): Concentration of Public Deposits, Advances, Exposures and NPAs (Rs. in Crores)

Particulars	March 31, 2022	March 31, 2021
Concentration of Public Deposits (for Public Deposit taking/holding HFCs) - The Company is Non deposit taking HFC.		
Total Deposits of twenty largest Depositors	-	-
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	-	-
Concentration of Loans & Advances		
Total Loans & Advances to twenty largest borrowers*	14.11	12.52
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	2.07%	2.47%
Concentration of Exposures (including off- balance sheet exposure)		
Total Exposure to twenty largest borrowers/customers*	14.36	12.93
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	2.00%	2.46%
Concentration of NPAs		
Total Exposure to ten NPA Accounts*	2.09	1.68

**Gross of Impairment loss allowance*

19(b):Sector-wise NPA

Sector	% of NPAs to total Advances in that sector	
	March 31, 2022	March 31, 2021
A. Housing Loans :		
1. Individuals	0.65%	0.66%
2. Builders/Project Loans	-	-
3. Corporates	-	-
4. Others (specify)	-	-
B. Non-Housing Loans :		
1. Individuals	1.09%	0.70%
2. Builders/Project Loans	-	-
3. Corporates	-	-
4. Others (specify)	-	-

20:Movement of NPAs (Rs. in Crores)

Particulars	March 31, 2022	March 31, 2021
(i) Net NPAs to Net Advances (%)	0.54%	0.43%
(ii) Movement of NPAs (Gross)		
a) Opening balance	3.42	0.56
b) Additions during the year	4.21	3.02
c) Reductions during the year	1.99	0.16
d) Closing balance	**5.64**	**3.42**
(iii) Movement of Net NPAs		
a) Opening balance	2.20	0.32
b) Additions during the year	2.68	2.04
c) Reductions during the year	1.24	0.16
d) Closing balance	**3.64**	**2.20**
(iii) Movement of provisions for NPAs (excluding provisions on standards assets)		
a) Opening balance	1.22	0.24
b) Provisions made during the year	1.53	0.98
c) Write-off/write back of excess provisions	0.75	-
d) Closing balance	**2.00**	**1.22**

21: Overseas Assets (Rs. in Crores)

Particulars	March 31, 2022	March 31, 2021
Overseas Assets	-	-
Total	-	-

22: Off-balance Sheet SPVs sponsored - The Company does not have any off-balance sheet Special Purpose Vehicle (SPV) sponsored which required to be consolidated as per accounting norms as on 31st March 2022 and 31st March 2021

23.: Customer Complaints

Particulars	March 31, 2022	March 31, 2021
a) No. of complaints pending at the beginning of the year	-	4
b) No. of complaints received during the year	270	172
c) No. of complaints redressed during the year	(265)	(176)
d) No. of complaints pending at the end of the year	5	-

24: The Company has not given any Gold loan/loan against deposition of gold during the year ended 31 March 2022 and 31 March 2021

25. There were no instances of fraud reported during the year ended 31 March 2022 and 31 March 2021

Ummeed Housing Finance Private Limited

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

26: Disclosure as required by Annex III of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021

(Rs. in Crores)

Particulars	As at March 31, 2022	
Liabilities	**Amount outstanding**	**Amount overdue**
(1) Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:		
(a) Debentures: Secured	45.62	-
Unsecured	-	-
(other than falling within the meaning of public deposits)		
(b) Deferred Credits	-	-
(c) Term Loans	195.52	-
(d) Inter-corporate loans and borrowings	-	-
(e) Commercial Paper	-	-
(f) Public Deposits	-	-
(g) Other loans		
-Cash credit facilities with scheduled banks	19.81	-
-Working Capital Demand Loan with scheduled banks	2.00	-
-Securitized Borrowings from Banks and Financial Institutions	10.79	-
(2) Breakup of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid:		
(a) In the form of Unsecured debentures	-	-
(b) In the form of Unsecured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits	-	-

Asset	Amount outstanding
(3) Breakup of Loans and Advances including bills receivables [other than those included in (4) below]:	
(a) Secured	679.82
(b) Unsecured	-
(4) Breakup of Leased Assets and stock on hire and other assets counting towards asset financing activities	
(i) Leased assets including lease rentals under sundry debtors	
(a) Financial lease	-
(b) Operating lease	-
(ii) Stock on hire including hire charges under sundry debtors	
(a) Assets on hire	-
(b) Repossessed Assets	-
(iii) Other loans counting towards asset financing activities	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-
(5) Break-up of Investments	
Current Investments	
(1) Quoted	
(i) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual Bonds	-
(iv) Government Securities	-
(v) Others	-
(2) Unquoted	
(i) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual Bonds	4.20
(iv) Government Securities	-
(v) Others	
Long Term Investments	
(1) Quoted	
(i) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual Bonds	-
(iv) Government Securities	-
(v) Others	-
(2) Unquoted	
(i) Shares	
(a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual Bonds	-
(iv) Government Securities	-
(v) Others	-

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

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	673.83	-	673.83
Total	**673.83**	**-**	**673.83**

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

Category	Market Value/Break up or fair value or NAV	Book Value (Net of Provisions
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in same group	-	-
(c) Other related parties	-	-
2. Other than related parties	4.20	4.20
Total	**4.20**	**4.20**

(8) Other information

Particulars	Amount
(i) Gross Non-performing Assets	
(a) Related parties	-
(b) Other than related parties	5.64
(ii) Net Non-performing Assets	
(a) Related parties	-
(b) Other than related parties	3.64
(ii) Assets acquired in satisfaction of debt	-

27: A Comparison between provisions required under prudential norms on Income Recognition, Asset Classification and Provisioning (IRCAP) and impairment allowance under Ind AS 109

As at March 31, 2022 (Rs. in Crores)

Assets classifications as per RBI norms	Assets classifications as per Ind AS 109	Gross carrying amount as per Ind AS	Loss Allowance (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	654.84	2.24	652.60	2.03	0.21
	Stage 2	19.34	1.75	17.59	0.79	0.96
Subtotal		674.18	3.99	670.19	2.82	1.17
Non-Performing Assets (NPA)						
Substandard	Stage 3	3.93	1.39	2.54	0.57	0.82
Doubtful - up to 1 year	Stage 3	1.44	0.51	0.93	0.35	0.16
1 to 3 year	Stage 3	0.27	0.10	0.17	0.11	(0.01)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		1.71	0.61	1.10	0.46	0.15
Other items such as EIS, loan commitments which are in the scope of Ind AS 109 but not covered under current income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	47.09	0.15	46.94	-	0.15
	Stage 2	0.20	0.01	0.19	-	0.01
	Stage 3	0.24	0.08	0.16	-	0.08
Subtotal		47.53	0.24	47.29	0.00	0.24
Total	**Stage 1**	701.93	2.39	699.54	2.03	0.36
	Stage 2	19.54	1.76	17.78	0.79	0.97
	Stage 3	5.88	2.08	3.80	1.03	1.05
	Total	727.35	6.23	721.12	3.85	2.38

Ummeed Housing Finance Private Limited
Notes to financial statements for the year ended March 31, 2022
28: Disclosure on Principal Business Criteria

Particulars	March 31, 2022	March 31, 2021
(1) Housing loans as per regulatory criteria	399.05	290.00
(2) Total Assets (Net off by intangibles assets)	767.85	670.36
(3) Minimum percentage of total assets towards housing finance	51.97%	43.26%
(4) Minimum percentage of total assets towards housing finance for individuals	51.97%	43.26%

Note: Company has submitted to Reserve Bank of India(RBI) on January 20, 2021, Board approved transition plan to meet the Principal Business criteria i.e. 60% of total assets (netted off by intangible assets) towards housing finance (50% in case of housing finance to individuals) by year 2024 as mandated by RBI vide notification No RBI/2020-21/60 DOR.NBFC (HFC).CC.No.118/03.10.136/2020-21 dated on October 22, 2020.

29: Disclosures pursuant to RBI Notification- RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020

(Rs. in Crores)

	(A)	(B)	(C)	(D)	(E)
Type of borrower	**Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)**	**Of (A), aggregate debt that slipped into NPA during the half-year**	**Of (A) amount written off during the half-year**	**Of (A) amount paid by the borrowers during the half-year**	**Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year**
Personal loans	7.20	0.52	-	2.03	4.64
Corporate persons*					
of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**7.20**	**0.52**	**-**	**2.03**	**4.64**

** As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016.*

30: Disclosures pursuant to RBI Notification-RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021

(Rs.in Crores except no of accounts)

Description	Individual Borrowers		Small Business
	Personal Loans	Business Loans	
(A) Number of requests received for invoking resolution process	30	6	-
(B) Number of accounts where resolution plan has been implemented under this window	30	6	-
(C) Exposure to accounts mentioned in (B) before implementation of the plan	2.12	0.51	-
(D) Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E) Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
(F) Increase in provisions on account of the implementation of the resolution plan	0.21	0.05	-

31: Disclosure pursuant to RBI circular RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 for loans transferred/acquired under the Master Direction - RBI (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 are given below:

(Rs.in Crores except no of accounts)

Entity/Assignee	Bank/Financial Institution
Count of loan accounts assigned	567
Amount of loan account assigned	31.62
Retention of beneficial economic interest (MRR)	10%
Weighted Average residual tenure of the loans transferred	67.35 Months
Weighted Average holding period	22.52 Months
Coverage of Tangible security coverage	100%
Number of Transactions	2
Rating wise distribution of rated loans	Unrated

b) The company has not acquired any loan in default during the year ended 31st March 2022
c) The company has not transferred/acquired any stressed loan during the year ended 31st March 2022

32: Disclosure pursuant to RBI circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 for Liquidity Risk Management Framework for Non-Banking Financial Companies dated November 04, 2019 are given below:

(i) Funding Concentration based on significant counterparty (both deposits and borrowings) (Rs. in Crores)

Particulars	March 31, 2022
i) Number of Significant Counterparties	18
ii) Amount(in Rs. crore)	269.56
iii) Percentage of funding concentration to total deposits	NA
iv) Percentage of funding concentration to total liabilities	85.20%

(ii) Top 20 Large Deposits
The Company is registered with National Housing Bank to carry on the business of housing finance institution without accepting public deposits. Hence, This is not applicable on us.

(iii) Top 10 borrowings (Rs. in Crores)

Particulars	March 31, 2022
i) Total amount of top 10 borrowings	221.96
ii) Percentage of amount of top 10 borrowings to total borrowings	81.75%

Ummeed Housing Finance Private Limited
Notes to financial statements for the year ended March 31, 2022
(iv) Funding Concentration based on significant instrument/product

(Rs. in Crores)

Particulars	March 31, 2022	Percentage of total liabilities*
i) Non-convertible debentures	44.52	14.07%
ii) Term Loans from NHB	52.41	16.57%
iii) Term Loans from banks	97.44	30.80%
iv) Term Loans from Non-Banking Financial Institutions	10.66	3.37%
v) Term Loans from Financial Institutions	33.86	10.70%
vi) Cash credit facilities with scheduled banks	19.81	6.26%
vii) Working Capital Demand Loan with scheduled banks	2.00	0.63%
viii) Securitized Borrowings from Banks and NBFC	10.79	3.41%

*Total liabilities are excluding Equity share capital and Other equity.

(v) Stock ratio

Particulars	March 31, 2022
(i) Commercial papers as a % of total public funds	Nil
(ii) Commercial papers as a % of total liabilities*	Nil
(iii) Commercial papers as a % of total assets	Nil
(iv) Non-convertible debentures (original maturity of less than one year) as a % of total public funds	Nil
(v) Non-convertible debentures (original maturity of less than one year) as a % of total liabilities*	Nil
(vi) Non-convertible debentures (original maturity of less than one year) as a % of total assets	Nil
(vii) Other short term liabilities as a percentage of total public funds	NA
(viii) Other short term liabilities as a percentage of total liabilities*	43.06%
(ix) Other short term liabilities as a percentage of total assets	17.73%

*Total liabilities are excluding equity share capital and other equity.

(vi) Institutional set-up for liquidity risk management

Liquidity Risk Management framework consists of Asset Liability Management Committee (ALCO) which is a sub-committee of the Board of Directors.
The meetings of ALCO are held at periodic intervals. While the ALCO is responsible for oversight of specific risks relating to liquidity and interest rate sensitivity, the Risk Management Committee is responsible for company-wide risk management.

For AGIWAL & ASSOCIATES
ICAI Firm registration number : 000181N
Chartered Accountants

per P. C. Agiwal
Partner
Membership number: 080475

Date: May 27, 2022
Place: New Delhi

For and on behalf of the Board of Directors of
Ummeed Housing Finance Private Limited

Ashutosh Sharma
Managing Director
DIN: 02582205

Sachin Grover
Director
DIN: 07387359

Bikash Kumar Mishra
Chief Financial Officer

Nitin Kumar Agrahari
Company Secretary
M No.: A36376

Date: May 27, 2022
Place: Gurugram

Ummeed Housing Finance Private Limited

CIN: U65922HR2016PTC057984

Corporate Office: Unit 809-815, 8th Floor, Tower A,
Emaar Digital Greens, Golf Course Extension Road
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